

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION
UNDER NUMBER 12228 BY VICTOR NIEMCZYK
FOR A DECLARATION OF INVALIDITY IN RESPECT OF
TRADE MARK NUMBER 2191404
IN THE NAME OF GRAHAM WILLIAM EVANS**



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**IN THE MATTER OF an application
under number 12228 by Victor Niemczyk
for a Declaration of Invalidity in respect of
trade mark number 2191404
in the name of Graham William Evans**

Background

1. Trade mark registration No. 2191404 is registered in Class 37 in respect of:

Interior and exterior painting and decorating services.

2. The mark is as follows:



3. The registration currently stands in the name of Graham William Evans.

4. By an application dated 22 January 2001, Victor Niemczyk applied for the registration to be declared invalid. The applicants say that for the period August 1997 to June 1998 he traded in partnership with the registered proprietor and Jeffrey Meredith under the trade mark that is the subject of this application, but that the partnership was subsequently dissolved. The application is based on the following ground:

Under Section 3(6) because the application was made in bad faith.

5. The registered proprietors filed a counterstatement in which they say that the mark was coined independently and prior to the formation of the partnership, denying the ground on which the application has been made. Both sides request that an award of costs be made in their favour.

6. Both sides have filed evidence in these proceedings. The matter came to be heard on 16 April 2002, when the applicants were represented by Ms Jacqueline Reid of Counsel, instructed by Grindlays, their trade mark attorneys. The registered proprietors were not represented.

Applicants' evidence

7. This consists of 7 Statutory Declarations. The first is dated 14 June 2001 and comes from Victor Niemczyk, the applicant in these proceedings.

8. Mr Niemczyk gives details of his career as a painter and decorator saying that he met Graham Evans and Jeffrey Meredith when employed at the same company. He says that in 1996 he formed an "informal" partnership with Mr Meredith. He continues saying that on 22 August 1997 he had discussions with Mr Evans during which the possibility of a formal partnership was raised. Mr Niemczyk says that further discussions took place by telephone and a meeting was arranged on 29 August 1997 during which use of ABACUS was jointly agreed, the name being chosen because of a standing joke with Mr Evans that his estimated prices were too low and he needed "to get more beads on his abacus". Mr Niemczyk says that the complete name was to be ABACUS HIGH QUALITY PAINTERS AND DECORATORS and the phrase "WHY?...BECAUSE YOU CAN COUNT ON US!". Mr Niemczyk says that at that meeting he had told Mr Evans that he wished Mr Meredith to be a partner, to which Mr Evans reluctantly had agreed.

9. Mr Niemczyk says that because Mr Evans had time on his hands he arranged the company stationery with Prontaprint. Exhibit VN1 consists of an invoice dated 29 August 1997 from Prontaprint for the printing of 100 letterheads and invoices. The invoice is endorsed "artwork" and is made out to ABACUS, 7 Watlands View, Porthill, Newcastle, Staffs, Mr Evans being shown as the contact. Mr Niemczyk says that at a meeting the following Monday (1 September 1997) Mr Evans showed both he and Mr Meredith a copy of the artwork which was a proof in the form in which the mark is registered. He says that details of the partnership were agreed, his address being used because of his long standing experience and reputation as a self-employed trader. He says that later that same day Mr Evans purchased a fax machine for the business; exhibit VN2 being a copy of the receipt.

10. Mr Niemczyk comments on the claim in the counterstatement that Mr Evans and his girlfriend had conceived the mark. He notes that Mr Evans had been dismissed from his employment on 22 August 1997 and had that same day discussed the possibility of them forming a partnership, there being no question of him establishing his own business. Mr Niemczyk says that the address shown on the artwork invoice is Mr Evans' home address because he had paid using his personal credit card.

11. Mr Niemczyk says that the partnership began formal trading on 1 September 1997 using the trade mark, referring to exhibit VN3 which consists of details of payments, including those made to the three partners and various sub-contractors. He makes particular reference to the invoices for the artwork by Prontaprint and the purchase of the fax machine. Exhibit VN4 consists of copies of invoices from the partnership, the earliest dating from 16 September 1997, and all showing the trade mark, exactly as registered, as the letterhead. The business address is the home address given earlier by Mr Niemczyk.

12. Mr Niemczyk says that there had always been tension between Mr Evans and Mr Meredith to the extent that Mr Evans wanted to force Mr Meredith out of the partnership. He says that he was shocked when in June 1998, the two informed him that they wanted him to leave the partnership, referring to a meeting on 9 June 1998 with the partnership's bank manager and accountants, resulting in the agreement that final accounts be drawn up and the partnership would cease to trade. He says that he expressed his intention to continue on his own, but cannot recall whether anything was specifically agreed about the trade mark, but he did agree to Mr Evans and Mr Meredith keeping the VAT registration and subcontract certificate. Mr Niemczyk denies that he had expressed his intentions to leave the partnership, or that it was agreed that Mr Evans and Mr Meredith would continue with the business, noting that had this been the case there would have been no final accounts, nor the need to change the name to ABACUS Décor.

13. Mr Niemczyk says that he has continued to trade under the name ABACUS HIGH QUALITY PAINTERS & DECORATORS and also ABACUS PAINTERS & DECORATORS, retaining the original letter heading, invoices used by the partnership, which had, in any event, used his home address, and also the van with the company logo. He refers to exhibit VN5 which consists of copies of letters and invoices dating from June 1998 all bearing the same heading as used by the partnership. He refers to a contract which resulted in his being nominated for an award of "painter of the year", a letter informing him of the nomination being shown as exhibit VN6 noting that it is addressed to him at ABACUS PAINTERS AND DECORATORS. Mr Niemczyk says that the partnership had held a bank account with Lloyds TSB, the same bank with which he had maintained a business account in the pre-partnership days, and that he activated this account after the split from the partnership but under the new account name of Niemczyk trading as ABACUS. He exhibits copies of bank statements dating from July to December 1998, at VN7, the statement for September showing the change of the account name as stated.

14. Mr Niemczyk refers to a change by the Inland Revenue scheme for subcontractors which had required him to register, exhibit VN8 being a copy of the application, dated 14 December 1998 and made in the name of ABACUS PAINTERS AND DECORATORS. Exhibits VN9 and VN10 consist of a copy of his subcontractors tax registration certificate and other documentation, the earliest dating from June 1998 all showing the business to have traded under this name.

15. Mr Niemczyk goes to the trading activities of the registered proprietors, referring to exhibit VN11 which includes company documentation showing this to have been under the name ABACUS Décor and an extract from Yellow Pages showing the same. He refers to other information relating to the home address of Mr Evans and two vehicles, one being a van bearing the sign ABACUS Décor.

16. Mr Niemczyk ends his declaration by summarising the facts in his and his wife's Declarations, namely, the use he has made of the mark in suit and the registered proprietor's use of the trading style ABACUS Décor.

17. The second Statutory Declaration is dated 14 June 2001 and comes from Sandra Niemczyk, the wife of Victor Niemczyk, the applicant in these proceedings.

18. Much of Mrs Niemczyk's Declaration confirms the events referred to in her husband's Declaration, adding the following detail.

19. In June 1998, her husband Victor Niemczyk was called to a meeting with Mr Meredith and that he told her that Mr Meredith and Mr Evans were attempting to "rid him from the partnership" and had made enquiries to have him removed from the Inland Revenue 715 certificate and VAT registration, and that he told Meredith/Evans that had no intention of leaving the firm. On 7th June 1997, Mr Evans and Mr Meredith informed Mr Niemczyk that they were leaving the company to "make their own way".

20. Mrs Niemczyk says that on 8th June 1997 she wrote, on Mr Niemczyk's behalf, to Mr Evans and Mr Meredith, the company's bank manager and accountants, a copy of the letters being shown as exhibit SN1. The letters are on paper headed with the ABACUS logo. The letters to the partners confirms Mr Niemczyk's position that he is still a partner, recounts the events of 7-8th June, and states that the 3-way partnership is dissolved with Mr Niemczyk being "the only existing partner who has not relinquished my third.". Mrs Niemczyk says that she delivered the letters by hand to the bank and accountant.

21. Mrs Niemczyk says that Mr Niemczyk handed the letters to Mr Meredith and Mr Evans at a meeting on the 9th June 1997 with the accountants, saying that Mr Niemczyk had told her that it had been agreed that the partnership would cease and final accounts would be prepared.

22. Mrs Niemczyk says that Mr Niemczyk had continued to trade under the name ABACUS. She says that following receipt of a letter from the registered proprietor's solicitors in December 1999 threatening action for infringement she investigated to ascertain the name being used by Mr Meredith and Mr Evans. Mrs Niemczyk refers to exhibit SN2 which consists of a number of photographs of vans (one shown by exhibit SN3 to have been the property of the old partnership) bearing the mark essentially as applied for, but with the word DECOR beneath the word ABACUS. Mrs Niemczyk recounts when and where the photographs were taken. Mrs Niemczyk refers to exhibit SN4 which consists of the results of an enquiry made with the Driver Vehicle Licensing Agency relating to a Mercedes car parked at Mr Evans's address, the enquiry showing the registered keeper as ABACUS DECOR.

23. Mrs Niemczyk refers to exhibit SN5 which consists of an enquiry from Bursalem Jobcentre, which, she says had been received at her home address. The enquiry is addressed to ABACUS DECOR at Mr/Mrs Niemczyk's home address.

24. The next Statutory Declaration is dated 13 June 2001 and comes from Michael Fox, who from 1 September 1997 acted as the partnership accountant of Abacus High Quality Printers and

Decorators.

25. Mr Fox begins by saying that he had never been told that the name Abacus High Quality Printers and Decorators or any other part of the trade mark belonged to Mr Evans. He goes on to give his recollections of a meeting of the three members of the partnership at his offices on 9 June 1998, saying that:

- S it is his understanding that Mr Evans and Mr Meredith had decided to leave the partnership and set up their own,
- S Mr Niemczyk indicated that he would carry on trading by himself
- S it was agreed that final accounts be drawn up and the credit balances in the partnership account be distributed to each partner. Exhibit EMF1 consists of a copy of the final accounts,
- S it was agreed that Mr Meredith and Mr Evans would keep the current VAT registration as Mr Niemczyk considered he would not need to be VAT registered at that time.

26. Mr Fox says that he cannot recall any specific discussions regarding names at the meeting, but that shortly afterwards Mr Evans and Mr Meredith decided to call their business Abacus Décor, exhibit EMF2 being a copy of the new client form that he completed for their new business. The exhibit consists of a pro-forma sheet headed with the names of Mr Meredith and Mr Evans, is noted as relating to Abacus Décor, but does not appear to have been fully completed. Mr Fox refers to exhibit EMF3 which consists of the Inland Revenue form that he completed for Mr Evans and Mr Meredith t/a Abacus Décor. The form is signed by both individuals. Exhibit EMF4 consists of a letter dated 26 August 1998 notifying Mr Fox that another firm of accountants had been instructed to act for Mr Evans and Mr Meredith t/a Abacus Décor.

27. Next is a Statutory Declaration dated 7 June 2001 from Russell Long, an employee of the partnership from December 1997 until its split in June 1998. Mr Long says that on or around 4 June 1998, Graham Evans and Geoffrey Meredith asked whether he would work for them if they split with Mr Niemczyk. He says that he contacted Mr Niemczyk who told him he would continue as ABACUS HIGH QUALITY PAINTERS AND DECORATORS, and that if Mr Long wished he could stay with the firm, which he did until the summer of 2000. Mr Long says that he is aware that Mr Evans and Mr Meredith formed a company under the name Abacus Décor.

28. The following Statutory Declaration is dated 13 June 2001 and comes from Lloyd Hopkinson. Mr Hopkinson says that he became acquainted with Mr Niemczyk and his partners when they carried out some work for him some four or five years previously. He continues saying that he recalls that there was a disagreement in the partnership, and that after the split in June 1998 Mr

Niemczyk continued under the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS, with all business transacted via the Longbrook Avenue address. Mr Hopkinson refers to Mr Niemczyk, trading as ABACUS PAINTERS AND DECORATORS, undertaking further work for him at Uttoxeter Racecourse and to Mr Niemczyk's nomination for National Painter of the Year Award as a result of this work. Mr Hopkinson says that he has seen the registration certificate for trade mark no. 2191404 saying that this is the same as the mark used by Mr Niemczyk. He says that following the partnership split Mr Evans and Mr Meredith had set up on their own using a van with Abacus Décor painted on the side.

29. Next is a Statutory Declaration dated 13 June 2001 from Kenneth Stonier of Stoke Signs. Mr Stonier recalls Mr Niemczyk some four years previously, asking him to prepare a sign "ABACUS HIGH QUALITY PAINTERS AND DECORATORS" for the side of his van. He further recalls being asked to add the word Décor to the side of "Graham's" (which I take to mean Mr Meredith) van, exhibit KS1 being a copy of the invoice for the work. The invoice is dated 12 November 1998 and addressed to Abacus Décor. Mr Stonier says that the van already bore the words ABACUS HIGH QUALITY PAINTERS AND DECORATORS. Mr Stonier concludes saying that he has seen the registration certificate for trade mark no. 2191404 saying that this is the same as the sign affixed to Mr Niemczyk's van both before and after the partnership.

30. The final Statutory Declaration is dated 14 June 2001 and comes from John Birch, the Director of Mayuni Ltd, a building company that has contracted work to Mr Niemczyk. Mr Birch says that he had used Mr Niemczyk for some six years and has dealt with him as ABACUS HIGH QUALITY PAINTERS AND DECORATORS, both during and after the partnership. He states that he has seen the registration certificate for trade mark no. 2191404 saying that this is the same as the mark used by Mr Niemczyk on his stationery and vehicles. Exhibit JB2 consists of a letter and invoice dated 12 July 1998, both headed with the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS. The letter refers to the dissolution of the partnership; the invoice refers to an amount payable to the partnership "in its form prior to 12.06.98".

Registered proprietors' evidence

31. This consists of five Witness Statements. The first is dated 13 September 2001 and comes from Graham William Evans, who states that he is a partner in the firm of ABACUS HIGH QUALITY PAINTERS AND DECORATORS with Mr Jeffrey Meredith.

32. Mr Evans asserts that he and his fiancée conceived the ABACUS logo and strapline, even down to the associated colours over the 2-3 weeks prior to the meeting at which the partnership was formed. He refers to exhibit GWE1 which consists of a copy of a dictionary entry for, inter alia, ABACUS. Mr Evans also recounts that prior to this meeting he visited Prontaprint to arrange for the printing of letterheads and invoices. He says that at his instruction, Prontaprint came up with the draft shown as exhibit GWE2. The exhibit consists of a black and white version of the mark subsequently used by the partnership, but with ABACUS DECORATORS placed on a black background. Mr Evans says that he subsequently asked for this to be removed, for the

description to be changed to HIGH QUALITY PAINTERS AND DECORATORS and various changes to the font and colours. Mr Evans says that Prontaprint produced the final proof that he took along to the meeting with Mr Niemczyk and Mr Meredith. The exhibit contains manuscript entries that Mr Evans says are his, one of which is an endorsement "Paid 29/9/97" which post dates the meeting at which the partnership was arranged.

33. The quotation and invoices from Prontaprint shown at exhibit GWE3 are dated 28 August 1997 and 29 August 1997 respectively, Mr Evans noting that the quotation pre-dates the 29 August 1997 meeting at which the partnership was formed. Mr Evans says that exhibit GWE4 consists of a blank invoice, being part of a batch of 100 produced by Prontaprint from the order placed by him on 29 August 1997. The invoice shows Mr Evans' address but he says this was changed to Mr Niemczyk's when the accounts were computerised. Exhibits GWE5 and GWE6 consist of a proforma letter notifying a change of address of the partnership to Mr Niemczyk's home, and a Certificate of Registration for Value Added Tax effective from 1 September 1997 relating to a partnership in the name of ABACUS at Mr Evans' address.

34. The following seven paragraphs consist of personal recollections or are comments on the personal lives and relationships of, and between the partners, both personal and professional, and how these affected the business, and adds little of any evidential value.

35. Mr Evans asserts that Mr Niemczyk said that he would be finishing with the partnership in September 1998, but that when matters came to a head and Mr Niemczyk decided to go his own way, a meeting was arranged with Mr Fox, of the then partnership accountants Davies, Sigley Fox. He comments on Mr Niemczyk's suggestion that if there had been a continuation of the business there would have been no need for final accounts to have been drawn up, or for there to have been a need for the change of name to Abacus Décor, saying that there is nothing to say that the accounts shown as exhibit EMF1 are "final" other than in terms of the 3-way partnership. Mr Evans says that a bank account was opened in the name of Abacus Décor at Mr Fox's suggestion to distinguish between the account used previously by the partnership, but that he and Mr Meredith continued to trade in the same way, but without Mr Niemczyk, who, he says he recalls, saying that he would be reverting to his former trading name.

36. Mr Evans refers to the Declaration made by Mr Fox on behalf of the applicants, referring to exhibits GWE7 and GWE8 which consist of two letters from Mr Fox. The first is dated 29 September 1998 and is addressed to Mr Evans and Mr Meredith trading as ABACUS. The letter refers to the meeting "to sort out the final queries on the old partnership" and the payment of "final balances". The second letter is dated 10 June 1998, is addressed to Mr Evans, and refers to the points and actions agreed at the previous days meeting. The letter lists several points, including; that the partnership would cease as from 12 June 1998, a final VAT return to be prepared, the provision of final details of SC60 payments to a subcontractor, that the Tax and PAYE offices were to be informed that the partnership was ceasing, and accounts to cessation to be prepared. The letter informs Mr Evans that if he and Mr Meredith wish to retain the same VAT registration number used by the partnership they would have to sign the necessary forms,

and that Mr Niemczyk would also need to sign a form indicating that he is no longer a partner. Mr Evans contrasts the contents of this letter with the Declaration made by Mr Fox.

37. Mr Evans explains how and why he considers his involvement with Abacus Décor Ltd and a number of other companies is of no consequence. He states that the entry in Yellow Pages shown as exhibit VN11 was wrongly placed by yellow pages, referring to exhibit GWE9 which consists of a letter expressing regret that the company name had appeared as Abacus Décor instead of ABACUS HIGH QUALITY PAINTERS AND DECORATORS. Mr Evans denies that this proves that he has ever traded under the name Abacus Décor, saying that it was registered as a company name only because Mr Niemczyk had already registered ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED.

38. Mr Evans repeats that he and Mr Meredith had continued trading under the original partnership name, and that Mr Niemczyk had retired as a partner to continue under his pre-partnership trading name, in support, referring to exhibit GWE10. The exhibit consists of copies of invoices, the earliest dating from 25 June 1998; all are headed with the mark as registered and show the different addresses at which Mr Evans says he has resided. Exhibit GWE11 consists of a letter from Town Construction confirming their knowledge of Mr Evans and Mr Meredith trading as ABACUS PAINTERS & DECORATORS on 1 July 1998. Exhibit GWE12 consists of photographs of premises described as ABACUS HOUSE although there is nothing on or in the photographs to indicate that it is known by this name. An annex to the building appears to have the ABACUS logo on the frontage.

39. Mr Evans says that the addition of Décor to the livery of the company vans was done by Mr Meredith applying plastic decals, which is in direct contradiction to the Statement by Kenneth Stonier. He also says that the decals were only applied to two vans (although does not say that the company owns more than two) and that they were only on the vans a matter of weeks, which again is in direct conflict with the evidence provided by Mrs Niemczyk. Exhibit GWE13 contains details of vehicles that Mr Evans says relate to the partnership with Mr Meredith, including 3 vans registered to ABACUS PAINTERS AND DECORATORS or simply ABACUS (the earliest) and three cars, one of which was registered to Abacus Décor on 14 November 1998.

40. Mr Evans reiterates that although there was no written agreement it had always been his and Mr Meredith's intention to continue trading under the partnership name, and that Mr Niemczyk had stated his intention to revert to the name he had used prior to the partnership. He confirms that he had prevented Mr Niemczyk from advertising in Yellow Pages because this was "misusing the trading name which belonged to myself and Mr Meredith and the trade mark that belonged to and was registered to me." and that he had been aware of their being some confusion.

41. The next Statutory Declaration is dated 13 September 2001 and comes from Jeffrey Meredith, a partner with Mr Graham Evans in the firm of Abacus High Quality Painters and Decorators.

42. Mr Meredith recounts how, in December 1995, he formed a partnership with Mr Niemczyk under which work would be shared but invoiced for separately, referring to exhibit JM1 which consists of invoices dating from the period 3 April 1996 to 17 March 1997 for work undertaken by Mr Meredith under the name JPM Painting and Decorating. He continues saying that in June 1997, Mr Niemczyk told him that he had been asked by Mr Evans, about the possibility of starting a partnership and asking whether he would be interested in joining. Mr Meredith says that a meeting between Mr Evans, Mr Niemczyk and himself was arranged at Mr Niemczyk's house, and that Mrs Niemczyk also participated. He says that at that meeting Mr Evans produced paper headed with the ABACUS logo that Mr Evans had designed and had published at Prontaprint. Mr Meredith says that Mr Evans was asked who had designed the logo and that Mr Evans had said that he had.

43. Mr Meredith says that around May 1998, Mr Niemczyk had said that he had had enough and intended to leave the partnership, but at a later date retracted this. He says that following a meeting at his (Mr Meredith's) house, that he and Mr Evans decided to terminate Mr Niemczyk's involvement with the partnership. At a further meeting at the premises of Davis Sigley Fox, the partnership's accountants, it was agreed that he and Mr Evans would continue with the partnership with the same 714 card and VAT number. Mr Meredith says that the following week he and Mr Evans undertook a contract with Town Construction under the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED, in support, exhibiting two invoices (JM2) dated 1 July 1998 and 10 July 1998 made out to Town Construction. Both are headed with the ABACUS logo and show Mr Evans's home address.

44. Mr Meredith admits that, without Mr Evans' knowledge, he had decals manufactured and applied to two vans, but says that these were removed almost immediately. He says that at that time we (which I take to mean Mr Meredith and Mr Evans) had been considering running Abacus Décor along side ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED, but following a decision not to proceed the decals were removed. Mr Meredith says that Mr Niemczyk failed to photograph other vans being used at the same time that carried the ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED logo.

45. Next is a Witness Statement dated 13 September 2001 from Sheryl Meredith, the wife of Graham Meredith. Mrs Meredith exhibits a copy of an undated letter that she says confirms the evidence that she wishes to give. Much of the letter is Mrs Meredith's personal views and recollection of her husbands' involvement, firstly in the partnership with Mr Niemczyk, and subsequently, also with Mr Evans.

46. Mrs Meredith puts forward as facts, certain pieces of information, such as the origins of the ABACUS logo. Mrs Meredith gives no indication as to how she knows of this information, for example, she was not at the meeting at which the logo was first presented. Consequently, her statement adds nothing to this case.

47. The letter includes Mrs Meredith's recollection of how Mr Meredith became involved, Mrs Meredith also says that whilst her husband worked with Mr Niemczyk, it "soon became apparent that although they earned the same amount of money the workload was not equally divided", a rather strange statement given that her husband described the partnership with Mr Niemczyk as "more of a work sharing agreement than a partnership as such. We were not working together with a view to sharing profit so much as sharing out the work that was available between us. We invoiced the jobs that we each did separately."

Applicants' evidence in reply

48. This consists of a Witness Statement from Victor Niemczyk. Much of the statement is a restatement of the facts that he believes have been established by the evidence filed in support of the application. He makes the following comments on the registered proprietors' evidence:

- Exhibit VN12, a letter from the registered proprietors' solicitors informing Mr Niemczyk that his use of the ABACUS logo amounted to infringement, and shows that in December 1999 Mr Evans was aware that Mr Niemczyk was using the logo;
- Exhibit VN13, an advertisement order dated 61 November 1998 for the placement of an advertisement for Mr Niemczyk's business, the advertisement using the ABACUS logo. The advertisement was scheduled to be published on 15 March 1999. This is some 4 days after the date that Mr Evans applied to register the mark and does not, as Mr Niemczyk suggests, establish that Mr Evans was aware of the advertisement at the time of making the application;
- Mr Niemczyk notes the review process after placing an order for an advertisement, which Mr Niemczyk says would mean that Mr Evans was aware of the advertisement showing the business name as Abacus Décor;
- Mr Niemczyk states that he believes "that the conception of the trade mark and the history of the partnership are irrelevant, The trade mark was used by the partnership and clearly partnership property." which could be taken as an admission or indication that the mark was not devised at the meeting, but equally could be interpreted as saying that as a matter of legal principle it does not matter who devised the logo;
- He says that he retained the right to use the logo and has honest concurrent use, exhibit VN14 being a copy of invoices dating from 5 November 1997, all headed with the ABACUS logo;
- He notes the statement by Mr Evans relating to the division of duties in the

partnership; Mr Meredith controlling the manual side of the business, Mr Evans controlling the administration, managerial and financial business matters, commenting that given this it seems strange that Mr Meredith would change the name on the vans without discussion. Mr Niemczyk also notes that Mr Evans does not comment on exhibit SN5 which consists of details held at the Job Centre in the name of Abacus Décor at Mr Evans's Waterbeck Grove address;

- Mr Niemczyk refers to exhibit VN15, which consists of company details for ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED, noting that a change to that name was effected on 1 March 2000, nearly 1 year after the incorporation of Abacus Décor Limited by Mr Evans;
- Exhibit VN16 consists of the record of a sale of paint on 31 July 2001 to Abacus Decor, which Mr Niemczyk says shows continued use of the name Abacus Décor;

That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

49. The application is made under Section 3(6) of the Act. That section reads as follows:

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

50. In her skeleton Ms Reid put the applicants' case as follows:

“The application is based on the allegation that the application for registration was made in bad faith by reason of the registered proprietor's knowledge that the mark was already in use by the applicant, and that the registered proprietor (Mr Evans) was not the sole proprietor of the mark and was not exclusively entitled to apply for or to use the registered mark. Mr Evans' and his partner, Mr Meredith's conduct in seeking to enforce the trade mark against the applicant is also relied upon as evidence of such bad faith.”

51. There is no dispute that Mr Niemczyk, Mr Evans and Mr Meredith were trading in a partnership, nor that they did so under the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED in the style and colours as registered under number 2191404. There does not appear to be any formal documentation or agreement relating to the setting up of the partnership which seems to have been established as an ongoing trading arrangement, and consequently, it must be regarded as being a partnership at will.

52. The dispute arises over Mr Evans' entitlement to claim to be the proprietor and obtain a registration of the logo used by the partnership. Mr Evans says that he and his then fiancée had

originated the mark prior to, and independently of the partnership. He refers to a dictionary as being the source of the name ABACUS, but does not say how or why, from all of the many other words, he came to select that one word, nor where the strap line “*Why?... Because you can count on us!*” came from. Mr and Mrs Niemczyk say that the ABACUS name was devised at a meeting held on 29 August 1997, and came from a standing joke between Mr Niemczyk and Mr Evans; Mr Niemczyk saying that he regularly told Mr Evans that his estimates were too low and that he needed “more beads on his ABACUS”.

53. The evidence shows that on 28 August 1997, Mr Evans went to the printers and prepared stationery headed with the logo substantially that used by the partnership. This is the day prior to the meeting at which both Mr and Mrs Niemczyk say the logo was devised and seems to be at odds with their recollections. However, on my understanding of the law as applied to the fact of this case, by whom and when the logo was devised is of no consequence.

54. Sections 20.(1) and 21 of the Partnership Act 1890 states the following:

“**20.-(1)** All property and rights and interests in property originally brought into the partnership stock or acquired whether by purchase or otherwise, on account of the firm, or for the purposes and in the course of the partnership business, are called in this Act partnership property, and must be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement.”

“**21.-** Unless the contrary intention appears, property bought with money belonging to the firm is deemed to have been bought on account of the firm.”

55. Whether or not Mr Evans devised the logo, it was brought into the partnership for use by the partnership, and there being no agreement to the contrary, must be considered partnership property. Mr Evans may well have used his personal credit card as the means to pay for the artwork and printing of the logo on company documentation, but exhibit VN3 clearly shows that he was reimbursed by the partnership. I see no reason to make a distinction between property obtained with personal funds and subsequently repaid from the partnership account, from that obtained directly from partnership funds; the end result is the same.

56. In her submissions Ms Reid referred me to the *Al Bassam* trade mark case [1995] RPC 17. In that case Morritt L.J. looked at the question of proprietorship of an unregistered trade mark in the following terms:

“Accordingly it is necessary to start with the common law principle applicable to the question of the ownership of unregistered trade marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in Nicholson & Sons Ltd’s application (1931) 48 R.P.C 227 at page 253 Lawrence L.J. said:

“The cases to which I have referred (and there are others of the like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and such right of property would be protected by an injunction restraining any other person from using the mark.”

57. There is no suggestion that Mr Evans first used the logo independent of the partnership, the earliest established use being by the partnership. It therefore follows that on the basis of the above case the proprietor is clearly the partnership.

58. There is some question over whether the partnership was dissolved, was continued by Mr Niemczyk, or by Mr Evans and Mr Meredith. None of the partners say that they left the partnership, and under the terms of paragraph 25 of the partnership Act, no majority (or by inference, minority) of partners can expel any partner unless a power to do so has been conferred by express agreement between the partners. Given the rival claims it is clear that there was no consensus that the partnership would be continued by any of the partners, whether on their own or with another, and consequently, the only possible outcome is that the partnership was dissolved. Section 26 of the Partnership Act states that:

“26.- Any partner can terminate a partnership at will at any time by giving notice.”

59. The letters shown as exhibit SN1 clearly state Mr Niemczyk’s intention that the partnership be dissolved. Neither Mr Evans nor Mr Meredith dispute having received the letters. In his Declaration Mr Fox, the partnership accountant mentions the drawing up of final accounts and the assets divided between the partners, which in my view is conclusive that the partnership was dissolved.

60. Ms Reid referred me to the case of *Burchell v Wilde* (1900 CH 551) saying that this case showed that on dissolution of a partnership, that in the absence of any agreement to the contrary, each partner retained the right to the use of the name or trade mark. On appeal the case was heard by Lindley M.R. who considered the issue in the following terms:

“What does this arrangement mean? It involves this-that the goodwill of the business was not to be sold for the benefit of the partners. The goodwill was to be divided between them in so far as it was incident to the possession of the clients’ papers. That is a most important fact. It was left entirely undecided what was to be done about the use of the name of the firm. But if you come to the conclusion (about which there can be no doubt) that the goodwill apart from the benefit of the firm name, as to which nothing is said, was not to be sold, but was to be divided between the partners, what is the result? It appears to me to follow that each partner could use the name of the old firm. They had become

tenants in common of that asset, and each partner was entitled to enjoy that asset, subject only to a limitation, which I will mention presently....

The limitation to which I have referred is this, and I think Byrne J. has fully recognised it. Apart from some express stipulation, a man has no right to hold out his late partner, or indeed anyone else, as his partner in business, and if it could be shown that the defendants were holding out the plaintiffs as their partners, I should think (subject to what the defendants, whom we have not heard, might say) that the plaintiffs would be entitled to an injunction.”

61. In the reckoning at the dissolution of the partnership, no mention or provision was made for the goodwill of the business, nor the name or sign under which it traded. I can therefore only conclude that these assets were apportioned to the respective partners, in other words, each acquired the right to use and carry on business under the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED, provided that in doing so he did not hold out the former partners as being connected with that business, and did not expose them to any risk of liability. The evidence shows that Mr Niemczyk did, in fact, continue in business using the same trading style as that used by the partnership. However, there is nothing to suggest that Mr Niemczyk, nor indeed Mr Evans and Mr Meredith contravened this proviso.

62. Much is made that Mr Evans and Mr Meredith traded under the name ABACUS Décor, and the evidence seems to support this contention. I am somewhat puzzled as to why Mr Evans goes to such lengths to deny that this is the case. The word Décor is not the most distinctive word in relation to decorating services, and added as it was to the partnership logo, did not, in my view, alter that sign in any material way. It therefore seems to me that Mr Niemczyk on one side, and Messrs Evans and Meredith on the other, were using the same sign in the course of their trade. Although there appears to have been some confusion, this does not appear to have been significant, nor from within the trade or amongst customers, past or potential.

63. In the case of *Gromax Plasticulture v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J said the following in regards to bad faith:

“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.”

64. In the *Demon Ale trade mark* [2000] RPC 345 , Geoffrey Hobbs QC, sitting as the Appointed Person said:

“I do not think that Section 3(6) requires the 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.

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.”

65. Even if Mr Evans devised the mark in suit, I take the view that he either brought it into the ownership of the partnership or the partnership acquired it by virtue of having paid for its conception, but that even if that were not so, the partnership, by virtue of its first use is to be regarded as the proprietor. I believe it follows that when the partnership was dissolved without any express agreement on the distribution of the goodwill or use of the name, each partner was, and remains at liberty to carry on business under the name ABACUS HIGH QUALITY PAINTERS AND DECORATORS LIMITED, subject to the proviso that I mention above.

66. On the facts before me, Mr Evans clearly has every right to claim to be the owner of the mark in suit, albeit not exclusively, to seek to register the mark in his own name and to prevent use of the mark by third parties. However, what is good for one is good for the other, and I consider that Mr Niemczyk (and Mr Meredith) also have the right to regard the trade mark as their own and to register it in their own name, should they so wish. Taking everything into account I do not consider that in making the application to register the mark Mr Evans acted in bad faith and the ground under Section 3(6) fails.

67. The application having failed, the registered proprietors are entitled to an award of costs. I therefore order the applicants to pay to the registered proprietors the sum of £1,300 as a contribution towards their costs. 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 30th day of September 2002

**Mike Foley
for the Registrar
The Comptroller General**