

O/440/11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2497223B  
BY THE FLYING MUSIC COMPANY LIMITED  
TO REGISTER THE TRADE MARK  
THRILLER LIVE  
IN CLASSES 9 & 41**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 99617  
BY RODNEY TEMPERTON**

## BACKGROUND

1) On 10 September 2008 The Flying Music Company Ltd (hereinafter the applicant) filed an application to register the trade mark THRILLER LIVE, in respect of the following goods and services:

In Class 9: Recordings of live entertainment shows; recordings of sounds and images in any media; carriers of audio signals and/or video signals; film recordings; recordings of music; audio and video cassettes; compact disks; DVDs; CD ROMs; computer software relating to music; computer games software; computer games; digital music (downloadable) provided from the Internet; video recordings (downloadable) provided from the Internet; downloadable electronic publications provided on-line from databases or the Internet; electronic publications in any media; downloadable artwork provided on-line from databases or the Internet; electronic artwork in any media; screensavers; background artwork for electronic displays; all of the above relating to live entertainment consisting of popular music songs.

In Class 41: Theatrical and show business entertainment services; entertainment services in the form of musical theatre; entertainment services; production of musicals and any and all adaptations thereof; production of sound recordings, concerts, dramas, stage shows, television programmes and films; theatrical, musical, television and film entertainment services; ticket agency services; providing theatre facilities; presentation of live performances; providing entertainment information; providing education regarding music, musicals and the theatre; information relating to entertainment provided on-line from a computer database or the Internet; publication of books, texts and journals on-line; providing digital video and audio recordings (not downloadable) via a computer network such as the Internet; providing on-line electronic publications (not downloadable) on-line from databases or the Internet; providing electronic images and artwork (not downloadable) on-line from databases or the Internet; all of the above relating to live entertainment consisting of popular music songs.

2) Following examination, the trade mark was accepted and published for opposition purposes on 10 July 2009 in Trade Marks Journal No. 6793.

3) On 9 October 2009 a notice of opposition, subsequently amended, was filed by Rodney Temperton (hereinafter the opponent). The grounds are in summary:

- a) The opponent wrote the song THRILLER which was performed by Michael Jackson. The opponent retained the copyright in the lyrics, music and title of THRILLER. The song is well known in the UK from sales of the single and album by the same name. The opponent has to provide his permission if anyone wishes to reproduce the composition, even if they wish to use the recording by Mr Jackson. The opponent contends:

“There could be no use of the mark THRILLER LIVE, which would suggest a live entertainment performance related to the works entitled THRILLER, in relation to any musical work or merchandise or theatrical show without there being a general belief that such use was permitted by the owner of the rights in the mark as applied to the composition and album.”

b) The opponent receives royalties as a song writer for each recording sold and performance royalties each time the song is played on the radio, television or internet. His permission, by way of a licence, is required if his song is to be incorporated into a dramatic performance. It is contended that the opponent has goodwill in the title THRILLER given the success of the album and song. That there would be misrepresentation if the mark in suit is used as it would be assumed that the opponent had endorsed any product related to a live show or live entertainment using the mark in suit. Damage would occur as use of the mark in suit could divert consumers and sales from the opponent’s goods and services or reduce licensing opportunities of goods and services under the THRILLER mark. The mark in suit therefore offends against Section 5(4)(a) of the Act.

c) The opponent contends:

“The applicant for the trade mark has used the mark THRILLER LIVE to produce a live entertainment show about Michael Jackson and featuring songs including the song THRILLER. From this it is evident that the applicant is well aware of the significant goodwill which has been built up in the mark THRILLER at the date on which the application was filed. The applicant is submitted to have knowledge that the application, if registered, would result in confusion and deception in the minds of the public to the detriment of the proprietor of the goodwill in the trade mark THRILLER.”

d) Consequently the mark in suit offends against Section 3(6) of the Act

4) On 4 January 2010, the applicant filed a counterstatement. They deny all the grounds and put the opponent to strict proof on issues such as goodwill, ownership of copyright, music industry conventions and permissions, public perception of the mark, royalty distribution, misrepresentation and damage.

5) Only the opponent filed evidence in these proceedings. The matter came to be heard on 20 June 2011. At the hearing, the opponent was represented by Mr Cuddington of Counsel instructed by Messrs Kilburn & Strode LLP; the applicant was not represented and relied upon its earlier submissions.

## **OPPONENT’S EVIDENCE**

6) The opponent filed three witness statements. The first, dated 10 May 2010, is by Lance Freed a music publisher with Rondor Music International. He states that he has

been in the music publishing business in the UK and USA for 36 years and now lives and works in the USA. He states:

“As a music publisher I administer publishing rights in relation to musical compositions including copyrights in the lyrics and the written music. Whilst the title of a song is not protectable as an individual work of copyright, in the case of extremely well-known songs I would expect anyone wishing to use such a title to approach the relevant music publisher for permission to use it in exactly the same way as they would ask for permission for use of any of the publishing rights. This is because the title of a well-known song has, over time, attracted what we refer to in the U.S. as a “secondary meaning”. That is to say, that the title of the song conjures up an immediate connection with the artist responsible for the song and if the writer is well known, a connection with said writer. In some cases the artist and the writer of the song would be the same person, in other cases as with Thriller that is not the case and the reputation is shared.”

7) Mr Freed gives a U.S. legal definition of “secondary meaning” but it is not clear whether this is relevant to the UK. He then continues:

“4. If anyone wanted to produce a television programme or a film using the title of a well-known song controlled by my company as the title of the programme/film then I would expect them to seek permission from my company. If they did not seek permission (and especially if they intend to market merchandising using the title) I would have little hesitation in instigating proceedings for damages. In such cases it is clear to me that the song title would only have been chosen as the programme/film title because of the reputation and goodwill that already attaches to that song title. That reputation and goodwill belongs to the artist and the songwriter. The position would be exactly the same if someone wanted to use the title for a dramatic stage show.”

8) Mr Freed explains how licensing song titles can work and illustrates it with an example where he obtained payment of “ a high six figure fee” for use of the song title “what’s love got to do with it?” on a film about the life of Tina Turner. He provides his opinion that THRILLER would be worth more as it is so well-known and associated so closely with Michael Jackson. He states that in his opinion members of the public would associate a stage show called THRILLER LIVE with Michael Jackson and the opponent and this would devalue the goodwill that could otherwise have been licensed.

9) The second witness statement, dated 10 May 2010, is by Stuart Hornall a music publisher in the UK since 1980. He states that in his opinion members of the public would associate Michael Jackson with the song THRILLER, whilst devoted Jackson fans and members of the music industry would also associate the opponent with the song. He states that the song THRILLER is in an almost unique category in terms of goodwill and reputation. He does acknowledge that in the UK there is no copyright protection for the title of a song.

10) Mr Hornall also confirms that he is a board member of PRS for Music ( the association of MCPS/PRS) which administers performing and mechanical rights. He states that the opponent will receive payment each time his song is played on radio, TV or live as well as each time a recording is sold. He states that the opponent's rights in Thriller would be known to all relevant collecting societies worldwide and recorded in their databases. He continues:

“7. The performance rights in a dramatic-musical work written expressly for use in a dramatic performance are known as the Grand Rights and such Grand Rights are excluded from administration by PRS. If a producer wants to use a pre-existing musical work in a dramatic production he will need to verify with PRS whether the publisher of that work has exercised what is referred to as the Article 7(f) procedure. If the publisher has exercised this procedure then the performance rights in the composition for the purpose of dramatic works are treated as though they were Grand Rights i.e. PRS cannot grant a license of them. A producer wishing to use such a composition as background in a scene of a dramatic work, or to play it during a straightforward concert without any narrative, would expect to obtain a license from PRS who would in turn pay royalties to the composer. However, if a song were to be incorporated into a dramatic performance or narrative this would require a specific licence, akin to a Grand Rights licence, from the composer.”

11) Mr Hornall states his opinion that the public is aware that artists and writers hold such rights and that use of such rights would require a license. As such he opines that the public would believe that the owners of the rights in THRILLER had authorised the use in a show called THRILLER LIVE.

12) The third witness statement, dated 7 May 2010, is by Rodney Temperton (the opponent). He provides background to his involvement in writing the song THRILLER and his part in the album of the same name. He states that the album was released in the UK in December 1982 whilst the single was released in the UK in November 1983. The single got to number ten in the UK charts, whilst the album sold 110 million copies worldwide. He also states:

“8. I have retained the copyright in the lyrics, the written music and the title of Thriller (together the Composition) these rights are commonly referred to in the music industry as the publishing rights. I emphasise that it is the convention in the music industry that the publishing rights in the composition include rights in the title of the song. To illustrate this point I include as pages 1 & 2 of exhibit RT1 the first two pages of my agreement with my music publishing company , Chrysalis Music Limited (Chrysalis). The first page includes the definition of Composition and expressly includes the rights to use the title. The second page expressly provides that the rights granted to Chrysalis include:

“ The sole and exclusive right to use and license others to use the title or titles of the Compositions for all purposes in the Territory...subject to the approval of [Rod Temperton]”

9. Any use of the Composition, i.e. including express use of the title, would need to be authorised by me or by any person whom I have appointed to administer or sub-publish my compositions. I have appointed Universal Music to administer my songs throughout the World other than in Europe where I have appointed Chrysalis. I am currently a member of the Performing Rights Society to whom I have assigned the performing right in any compositions written by me (including Thriller) but excluded what are widely known as grand rights, namely the right to license music for dramatic performance.

10. Michael Jackson’s estate (or his production company MJJ Productions LLC) own the rights in his recorded performance(s) of the Composition (the Recording Rights) and those Recording Rights are licensed to and distributed by Sony Music. Anyone wishing to use Michael Jackson’s recording of Thriller must obtain permission from Sony Music but such permission is not enough on its own and they must also obtain permission from me to reproduce the Composition and exercise the underlying publishing rights. If they want to use recordings of other songs on the album Thriller they must seek permission from both Sony Music and the owner of the relevant publishing rights in those songs. In relation to songs written by Michael Jackson the publishing rights are administered by Warner Chappell in the UK.”

13) The opponent states that his status as the writer of Thriller is well known as he is credited on all albums and singles, and well documented upon the Internet. He states that the song is instantly recognisable and that whilst it brings to mind Michael Jackson he states that “a not insignificant proportion of members of the public would recognise me as the writer”. He states that he gets all kinds of requests to license his work. He provides the following examples:

- a) In April 2006 and in June and July 2009 three separate requests for the use of my lyrics to Thriller on T-shirts for sale in shops such as House of Fraser and River Island.
- b) In June 2009 a request for the use of the name and lyrics on commemorative jewellery.
- c) In June 2008 a request to sync the music with an online photo album facility.
- d) In January 2007 a request for use for an animated air blown graveyard.
- e) In January 2004 a request for use in a mechanical pig.

f) In February, July and August 2004, June 2007 and in February, June, July and August 2009 for use in various computer games.

g) In 2005 for use in a theatre for schools and in 2009 in a fringe theatre show.

14) It is not clear from the exhibits provided precisely whether the licence was sought for the title alone or the music and/or lyrics. Nor is it clear precisely which of the examples quoted above were actually granted a licence and whether that was in relation to the UK. He also provides photographs of the packaging for a halloween doll called "Thriller Frank" which credited the opponent as the owner of the publishing rights on the packaging. The doll would appear to be battery powered and to reproduce the song Thriller when a button is pushed. The publishing rights for this item must relate to the music and lyrics and not simply the word "Thriller". The opponent then provides details of the use of the mark by the applicant and the dispute over whether the original license granted by the PRS, in 2007 was valid. The PRS according to the opponent revised its opinion with retrospective effect to January 2009, and stated that the copyright owners need to licence the use of the songs in the show. The applicant is apparently disputing this with the PRS claiming that the original licence is still valid. He continues:

"Bad Faith

22. By the time The Flying Music Company applied for the Trade Marks they had sought licenses from the PRS to use the Thriller music. They were fully aware that the licences they obtained were not appropriate for the show they intended to produce. They cannot have failed to recognise the considerable goodwill in the name Thriller belonging both to me and to Michael Jackson. In fact, it must have been in recognition of such goodwill that they decided to call their show "Thriller Live".

## **APPLICANT'S SUBMISSIONS**

15) The applicant did not file evidence, but instead filed submissions which I summarise here. They state that the opponent has never traded in goods or services under the mark THRILLER and that he has failed to show that he has any goodwill or reputation in the mark. They also state that the opponent has failed to show any misrepresentation and that live musical performances are different to the copyright of a song claimed by the opponent. They also state that there are no damages as the relevant royalties are being paid.

## **OPPONENT'S SUBMISSIONS**

16) The opponent also provided submissions. They state that Mr Hornall stated that a title has its own substance as it creates an automatic association with the writer. They state that organisations such as the PRS use the mark THRILLER in their database as the key reference to enable them to grant permission for use of a work or to allocate royalties. Therefore a producer wishing to use the composition Thriller can seek a

licence and so goodwill is generated. They point to the evidence of Mr Freed regarding secondary meaning of a song title in the USA, and also to the requests to use the mark Thriller on a variety of products. They refer to the evidence of Mr Freed and Mr Hornall who both give their opinion regarding what members of the public would believe if they saw the mark in suit.

## **DECISION**

17) I shall first consider the ground of opposition under Section 5(4)(a) 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.”

18) In deciding whether the mark in question “THRILLER LIVE” 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.”

19) First I must determine the date at which the opponent’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.”

20) If the applicant had used their THRILLER LIVE trade mark prior to the application date then this use must be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer. However, as the applicant has provided no evidence of its use of the mark in suit the date of filing of the instant application, 10 September 2008, is the material date.

21) Regarding the issue of whether the opponent can have goodwill in the title of a song the opponent referred me to Wadlow’s “The Law of Passing-Off” 4<sup>th</sup> edition 3-132 (particularly the sentence I have underlined) which reads as follows:

“Ownership of goodwill has been the central issue in three or four comparatively recent cases, two of them in the Court of Appeal, a high number in such a short period of time for a topic which has previously tended to be taken for granted and dealt with as a subsidiary issue, if specifically addressed at all.<sup>406</sup> What these cases have in common is their emphasis that, in the absence of agreement, ownership of goodwill is ultimately a question of fact to be decided in the light of all the relevant circumstances, and that arbitrary presumptions or rules of thumb (including some canvassed in previous editions of the present work) provide illusory assistance and are best avoided.

With a well-known and widely used mark such as *Dulux* or *St Michael*, for example<sup>407</sup> it is often obvious who owns the goodwill in the business in respect of which it is used. Two interchangeable items may stand side-by-side on the supermarket shelf, and may even have been made in the same factory. It is self-evident that the goodwill for the supermarket “own brand” belongs to the retailer, and that of the nationally advertised market leader to the manufacturer. However, passing-off is not confined to misuse of household names. All that is necessary for a mark to be capable of being protected is that the public should rely on the mark as denoting that the quality or character of the goods so marked is the responsibility of some one trader.<sup>408</sup> The public need not be able to identify him by name, and they need not even know the capacity in which he stands in relation to the goods. Verbal marks such as brand names may provide a clue as to who is responsible for applying if they correspond to the name of a trader, but more than one competing trader may have a name incorporating the mark. Many marks, such as get-up, most visual marks and many arbitrary words coined for specific lines of goods may not correspond to the name of any trader involved. Hence there is a need for objective criteria from which ownership of the goodwill may be determined, irrespective of the way the goods are marked. The question is sometimes put in terms of whether a mark is a manufacturer’s mark, an importer’s mark, a retailer’s mark, etc. There is no magic in these terms, which simply re-state the problem in different words.”

<sup>406</sup> *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367; *Scandecor Development AB* [1999] F.S.R. 26, CA and *MedGen Inc v Passion for Life Products Ltd* [2001] F.S.R. 30. *Dawnay Day & Co Ltd v Cantor Fitzgerald International* [2000] R.P.C. 669, CA is less relevant in the present context.

<sup>407</sup> Examples given in *Gromax Plastics Ltd* [1999] R.P.C. 367.

<sup>408</sup> *Powell v Birmingham Vinegar Brewery Co* [1897] A.C. 710; 14 R.P.C. 721, HL.

22) At 8-124 of the same edition of Wadlow, it states that:

“Cases on the title of an individual book, or that of a play, film or similar work, raise an issue which is fundamentally different to that of the title of a periodical such as a magazine. When many different issues of a work have a common title then that title may properly be regarded as having trade mark significance. The same

applies to works such as legal or medical textbooks which go into many editions, perhaps under different editors. The same conclusion does not apply to a single work. The distinction has often been overlooked, and discussion of the titles of books (and of plays, films and the like) has often proceeded on the assumption that the title is either descriptive or is distinctive of the publisher in the same way as for periodicals. It is possible for an action based on the title of a book to fail because the title is not exclusively associated with the claimant's work, for instance because it is prima facie descriptive, hackneyed, used by others, or used on too small a scale or too long ago to be remembered. However, even a title which is novel, striking, arbitrary and universally known cannot normally be said to be distinctive of the publisher of that book. If it is distinctive at all, it is distinctive of the book itself."

23) The opponent is struggling as its evidence is less than convincing. It shows that the single of the song reached number ten in the UK charts. However, the album sales provided are global, with no indication of the number sold in the UK. Mr Cuddington invited me to infer that as the songs were in English the global figures meant that a huge number would have been sold in the UK. I do not accept this proposition. There is, and was, an album chart for the UK and it would surely have taken little effort to obtain the sales figures for the UK. The other instances of licences being granted relate to the actual song being used, such as the Halloween doll or representations of the actual lyrics being used on goods. To my mind this does not equate to goodwill in the common word "THRILLER" *solus*. The opponent contended that the writer of the song, Mr Temperton enjoyed considerable reputation and that a large number of people would know that he wrote the song called "Thriller".

24) I accept that certain members of the music industry and members of the general public would know who wrote the song but this is not actually necessary and does not equate to goodwill. It is necessary for there to be goodwill and it to be owned by the plaintiff, whether the public know this or not: *The Birmingham Vinegar Brewery Co Ltd v Powell* [1897] AC 710. I have no doubt that anyone purchasing a ticket for the show will expect a rendition of the song "THRILLER" and indeed other songs from the repertoire of Mr Jackson. However, the actual singing of the song would not cause deception and so the ground of opposition under Section 5(4)(a) fails.

25) 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."

26) 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.”

27) 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 und 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."

28) 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).

29) The opponent's main thrust under this ground of opposition revolves around whether the applicant should have sought its permission to use what are known as the opponent's "grand rights", and had instead misrepresented the situation to the PRS and then sought to hide behind the cover of a licence, effectively issued under false pretences. The opponent's evidence dealt with the issue of such rights in some detail and it was clear from the evidence of those in the music profession that such knowledge would be widely known by anyone in the position of the applicant in staging a major show in London. It is also clear from the evidence that the PRS could and would not have issued a licence had they been fully aware of the circumstances. Although all of this evidence is contained in witness statements with little corroboration the applicant chose not to file evidence regarding these very serious allegations. The opponent's evidence is therefore unchallenged. The absence of any explanation from the applicant leads me to the view that they were aware of their obligations and that they should have sought a copyright licence from the opponent. However, this has nothing to do with whether or not they applied for a trade mark in bad faith. Whatever the bad faith the applicant may have shown towards the PRS and the opponent in seeking the disputed copyright licence, there is no evidence that this had anything to do with the applicant's behaviour when applying for the trade mark. The opponent has no goodwill in the mark applied for and so the mark in suit was not applied for in bad faith. The opposition based upon Section 3(6) therefore fails.

## COSTS

30) The applicant has been successful and is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Considering and commenting on the other side's evidence	£100
TOTAL	£400

31) I order the opponent to pay the applicant the sum of £400. 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 7<sup>th</sup> day of December 2011**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**