

O/455/21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO. 3408093

IN THE NAME OF

**DANUTA CZERWINSKA; MARY ROACH; JULIE YULE and ROSS BRAUND-
PHILLIPS**

IN RESPECT OF THE TRADE MARK

NORTHERN INUIT ASSOCIATION

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO. 502988

BY RUSS KELHAM OBO THE COMMITTEE OF THE NORTHERN INUIT SOCIETY

Background and pleadings

1. Registration 3408093 stands in the names of Danuta Czerwinska; Mary Roach; Julie Yule and Ross Braund-Phillips (“Association”).

2. The relevant details of this registration are:

The Mark: **Northern Inuit Association**

Filed on 19 June 2019 and registered on 4 October 2019 for the following goods and services:

Class 31: Dogs.

Class 35: Maintaining a registry of dog breeds; Administering of professional [vocational] certifications; Information, advice and consultancy in relation to all the aforesaid services.

Class 41: Organisation of dog shows; Dog shows; Organisation of dog competitions; Training in dog handling; Certification in relation to educational and training awards relating to the breeding and handling of dogs; Educational examination services; Organisation of examinations [educational]; Education and training services relating to the breeding and handling of dogs; Tuition in kennel management; Setting of educational standards relating to the breeding and handling of dogs; Setting of training standards relating to the breeding and handling of dogs; Information, advice and consultancy in relation to all the aforesaid services.

Class 44: Breeding of dogs; Dog performance testing services, namely testing and assessing the condition, health, agility and appearance of dogs; Genetic testing of dogs; Breeding kennels; Information, advice and consultancy in relation to all the aforesaid services.

3. On 10 January 2020, Russ Kelham, on behalf of (obo) The Committee of the Northern Inuit Society (“Society”) filed an application to invalidate this mark in its

entirety. The grounds relied upon are section 5(4)(a) and section 3(6) of the Trade Marks Act 1994 (“the Act”).

4. In its statement of grounds, Society states that under Section 5(4)(a) it relies on the unregistered mark ‘**Northern Inuit Society**’ which it claims has been used throughout the UK since 2002 for the following services:

- Maintaining a registry of dog breeds; Administering of professional [vocational] certifications; Information, advice and consultancy in relation to all the aforesaid services.
- Organisation of dog shows; Dog shows; Organisation of dog competitions; Training in dog handling; Certification in relation to educational and training awards relating to the breeding and handling of dogs; Educational examination services; Organisation of examinations [educational]; Education and training services relating to the breeding and handling of dogs; Tuition in kennel management; Setting of educational standards relating to the breeding and handling of dogs; Setting of training standards relating to the breeding and handling of dogs; Information, advice and consultancy in relation to all the aforesaid services.
- Testing and assessing the condition, health, agility and appearance of dogs.

5. Society relies on this earlier unregistered mark to attack all of Association’s goods and services.

6. Society also relies on the unregistered mark ‘**Northern Inuit**’ which it claims has also been used throughout the UK since 2002, for the following goods and services:

- Dogs.
- Breeding of dogs; Dog performance testing services, namely testing and assessing the condition, health, agility and appearance of dogs; Genetic testing of dogs; Breeding kennels; Information, advice and consultancy in relation to all the aforesaid services.

7. Society relies on this earlier unregistered mark to attack the goods and services of Association in classes 31 and 44.
8. In its statement of grounds, Society states that it has been operating since about 2002, founded by breeders who were involved in the breeding of Northern Inuit dogs from the beginning of the breed. It says that it is a breed governance body, and as such is concerned with maintaining the quality and integrity of the relevant breed. It vets and approves registered breeders, who are then entitled to register new puppies as members of the breed. It sets breed standards against which individual dogs/bitches are evaluated at dog shows, including dog shows that it organises. It sets breeding criteria, in terms of which animals can be mated with, which to prevent in-breeding and avoid the development of problematic genetic traits from being passed on. To help with the latter, Society maintains a genetic and familial database covering the family tree of all descendants of the original breed dogs.
9. Accordingly, it asserts, Society has developed and maintained a registry of all the Northern Inuit dogs bred in the UK and USA, and currently holds the complete pedigree database for Northern Inuit dogs. As a result of Society's activities, it claims that it has a significant goodwill in the name "Northern Inuit Society" in respect of those activities. It states that its activities in respect of which the goodwill exists are essentially identical to the services for which Association's mark is registered in classes 35 & 41.
10. Society claims that the respective marks – 'Northern Inuit Society' and 'Northern Inuit Association' are confusingly similar. It states that the marks have the same initial stem and differ only in the use of a synonym. It claims that there is clearly a likelihood of confusion.
11. Society goes on to assert that such confusion will inevitably cause damage to Society, in that its established role as the governing body for the Northern Inuit breed, the standards it has established for Northern Inuit registered breeders and puppies, and the integrity of its pedigree database will be impaired thus causing an immediate harm to its interests and its ability to play its role and provide its

services. Potential members will also be diverted from Society to Association thus harming Society's income.

12. Further, it claims that dog owners and breeders may be confused into registering the pedigree details of their dogs with Association instead of Society, meaning that the pedigree database that Society has maintained from the beginning will become incomplete and unreliable. As such, the ability of Society to confirm a dog as Northern Inuit or not will be seriously impaired.
13. Accordingly, Society claims that the use of Association's mark in respect of the class 35 & 41 services for which it is registered will be contrary to the law of passing-off.
14. Further, as a result of Society's activities, it asserts that the name NORTHERN INUIT has become well-known in respect of dogs bred to a specific breed standard that is maintained by them. Society states that the sale of dogs under Association's mark will misrepresent to consumers that the dog is either approved by Society as genuine Northern Inuit, has been bred to the breed standard set by Society, or has been bred by a breeder approved by Society.
15. Although Society does not itself sell dogs or provide breeding services or breeding kennels, it does advise and approve breeders who do, maintains an approved list of breeders, and authorises those breeders to describe their dogs as Northern Inuit. As such, it claims that it holds goodwill in the name NORTHERN INUIT, in that it has come to mean a dog which meets a specific breed standard administered by Society and bred according to guidelines laid down by the applicant.
16. Society claims that use of Association's mark in respect of the class 31 goods and/or the class 44 services will misrepresent Association as the body responsible for setting and maintaining the breed standard, and that the dog and/or the breeder are approved by and operate according to the standards set by Society. Such confusion will cause damage to the goodwill in the NORTHERN INUIT name, in that the existence of multiple breed standards will dilute the definition of the breed, the uniqueness and recognition of the Northern Inuit breed

will be harmed, and its eventual Kennel Club registration will be hampered as a result.

17. Society also pleads section 3(6), stating that Association's application was made in bad faith. Two of Association's proprietors are Danuta Czerwinska and Mary Roach. Both are former members of Society's Committee; Danuta Czerwinska was Society's Health Advisor and Mary Roach the Registrations Officer. Whilst members of the Committee, Society claims that they had a duty to advance the interests of Society. Danuta Czerwinska resigned from the Committee of the Northern Inuit Society on 18 August 2019, and Mary Roach resigned on 14 August 2019.
18. The application which led to the contested registration was filed on 19 June 2019, i.e. while Czerwinska and Roach were still members of Society's Committee. Society states that filing an application for a conflicting similar trade mark in respect of the same services provided by Society was directly contrary to their duty to advance the interests of Society. It claims that such actions fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced traders, and therefore constitute bad faith. As such, Society states that Association's registration is invalid under section 3(6) of the Act.
19. In its counterstatement, Association denies the claims of Society regarding both grounds.
20. Association disputes that Society owns goodwill in the term 'Northern Inuit' in relation to the goods and services at issue, as 'Northern Inuit' is exclusively descriptive of a breed of dog. As such, it would be perceived by the relevant public as indicating a type of dog and does not serve to identify Society's goods and services.
21. Association also states that there are innumerable other sellers and breeders of Northern Inuit dogs in the UK and in other countries around the world not connected or associated with Society, as well as other groups concerned with breeding Northern Inuit dogs or promoting the interests of the Northern Inuit breed. It submits that Society is not the only person or entity to use the descriptive term in relation to dogs, dog breeding and other dog-related services.

Association states that the term is therefore in ordinary and general use by a variety of entities.

22. Association contends that Society cannot claim goodwill in the exclusively descriptive term 'Northern Inuit', as dogs of this type are now referred to as such in the market. Other traders, including themselves, need to be able to use the sign to refer to the nature of their own Northern Inuit dogs, and services provided directly in relation to Northern Inuit dogs.
23. Association submits that although Society claims to own goodwill in the term 'Northern Inuit' in relation to dogs and dog breeding services, Society also states that it does not itself sell dogs or provide breeding services. Association therefore contends that goodwill in the term 'Northern Inuit' cannot reside with Society, simply on the basis of its advisory services to breeders.
24. Association contends that the term 'Northern Inuit' has not acquired a secondary meaning associated with the business of Society, but serves to describe any Northern Inuit dog.
25. Association puts Society to strict proof that it owns goodwill in the terms 'Northern Inuit Society' and 'Northern Inuit' in relation to the goods and services at issue.
26. Association also denies that the grant of registration of their mark was contrary to the provisions of section 3(6) of the Act. Association contends that its actions in leaving Society to form its own group and to offer an alternative in the market for the goods and services in question was in fact acceptable commercial behaviour, which allows for a degree of competition. It states that it is irrelevant that members of Association were once a part of Society's business, as they were entitled to seek other opportunities even if it brought them into competition with Society, which is part of the process of free and fair competition.
27. Association claims that it opted for a dissimilar trade mark to the Society name and states that it opted to call its own group Northern Inuit Association which it believed, and continues to assert, distinguishes its business from Society's, given the descriptiveness of the common term 'Northern Inuit' in both marks. It submits

that the relevant public will be able to clearly recognise that the respective marks identify separate groups.

28. Likewise, Association believes and continues to assert that it is able to use the term 'Northern Inuit' in relation to its own goods and services concerning Northern Inuit dogs, given the descriptiveness of the term. Association contends that it is in fact necessary for it to use the term 'Northern Inuit' to describe its own goods and services and inform the public as to its nature. The action of Association in forming its own entity and applying for the registration, with the intention to use the trade mark for the purpose of engaging in fair competition, was acceptable commercial behaviour and the registration was not applied for in bad faith.

29. Both parties filed evidence, which will be summarised to the extent I deem it necessary later in this decision.

Representation

30. Both parties requested a hearing, which took place before me via videoconference on 27 April 2021. Society was represented by Mr Michael Downing of Downing IP Ltd. Association was represented by Mr Lee Curtis of HGF Limited.

31. Both parties sought an award of costs.

The evidence of Society

32. Society's evidence is comprised a witness statement of Russ Kelham dated 28 August 2020, with exhibits RK1 – RK19 and a witness statement of Michael Downing dated 1 September 2020, with exhibits MPD1 – MPD6.

33. In his witness statement Mr Kelham establishes that he is the chairperson of the Committee of the Northern Inuit Society (Society).

34. Mr Kelham states that the Northern Inuit breed has its roots in the popularity of late 20th century "wolf-like" dogs. These are dogs which are bred to have a similar appearance to wolves but not the same temperament.

35. Exhibit RK1 is a copy of a report written in June 2000, sponsored by the Department of the Environment and the RSPCA, setting out an overview of “wolf-hybrid” breeding activity in the UK.
36. The report refers to two prominent breeders of such dogs at that time. One of those breeders was Julie Kelham, Mr Kelham’s wife. Page 33 of the report refers to a court case brought against Mrs Kelham under the Dangerous Wild Animals Act 1976. Mrs Kelham’s development of the Northern Inuit breed is mentioned on page 41 of the same report where it states “She (Mrs Kelham) is now establishing a new breed of domestic dog, named “Northern Inuit” which she is currently trying to have recognised by the Kennel Club”. Mr Kelham asserts that this demonstrates that the breed name was in use by Mrs Kelham at least as early as June 2000.
37. Mr Kelham states that he and Mrs Kelham, along with a small number of other Northern Inuit breeders, formed what is now known as the Northern Inuit Society in 1997. He submits that Exhibits RK2 – RK10, which are dated between 1998 and 2015, demonstrate that Society has been fully operational and publicly using its name and the breed name throughout this period.
38. Exhibit RK2 is a letter from London Weekend Television (LWT) to Mrs Kelham, dated 14 September 1998. It is an approach to Mrs Kelham for expert commentary in the field of dogs. The LWT letter refers to the ‘Northern Inuit Club’, when it had intended to refer to the ‘Society’ of which Mrs Kelham was a leading member. The letter from LWT states that the producer Beverley Parr became aware of Mrs Kelham from an article about the Northern Inuit Club (Society) in “October’s edition of Your Dog”. It may be that the edition of ‘Your Dog’ that Ms Parr refers to is from October 1997 or an upcoming edition from October 1998 (LWT’s letter is dated September 1998).
39. Exhibit RK3 is a copy of a certificate of pedigree issued by Society for a dog born on 16 December 2005. The breeders are listed as Julie Kelham and Sue Sutton and the owner is listed as Julie Kelham.
40. Exhibit RK4 is comprised of four pages presenting the Northern Inuit Society newsletter of ‘Summer 2005’. The first page is a cover page with the Society

name prominently displayed at the head of the page. Page 2 lists the committee members which include Mr and Mrs Kelham. Page 3 lists the fees Society will charge its members in the year 2006. This page states that from 1 January 2006, Society will introduce annual membership subscriptions. The cost of membership is set at £10 for single members and £15 for family membership. Also provided are a list of fees open to members, such as registration fees for puppies under 12 weeks old at £5; puppies over 12 weeks old at £10; change of ownership £10; copies of registration certificates £1. Fees to advertise in future Society newsletters are set at £40 for full page full colour advertisements; £25 for half page full colour adverts; £15 for quarter page full colour adverts and £10 for a line of text up to a maximum of 30 words. The final page of RK4 lists Society's code of ethics.

41. Exhibit RK5 comprises two pages, the first showing the cover of 'Our Dogs' 2005 annual. There is no indication on this page of the mark at issue, the term 'Northern Inuit' or the name of Society. The second page appears to be an advertisement page headed 'The Northern Inuit Society', underneath which several advertisements are displayed offering Northern Inuit dogs for sale by various breeders. This information is undated.
42. Exhibit RK6 is a flyer advertising the Northern Inuit Society annual show. This is dated 26 August 2007 and was held in Oldham, Manchester. Entry was £2 per class. It states that NIS (Society) merchandise was on sale at the event.
43. Exhibit RK7 comprises several pages of the Society committee meeting of 18 October 2009. I note that one of the members present was a Maryann Bingham. Also provided are the Society Annual General Meeting (AGM) accounts for 2009. These accounts show that Society received £2037.25 in membership fees for the year; £450.47 from sponsors; £492.96 in merchandise sales and £3424.09 revenue from shows. This provided a total sales revenue for Society in 2009 of £6404.77. The accounts also show donations towards the rescue side of Society's activities of £1502.50. This exhibit also provides information about the Constitution of Society.

44. Exhibit RK8 comprises minutes of Society's 2012 AGM. The name of Danuta Czerwinska is noted in this material. Exhibit RK9 shows the Society calendar for 2014 being available for purchase at a price of £12.99. This information is dated 4 December 2013. Exhibit RK10 is a screen shot of a YouTube page referring to a Society dog show in Newark in 2015. Exhibit RK11 comprises Society's 'Breeders Code of Ethics' and the Society regulations for breeding Northern Inuit dogs. This information is undated. Exhibit RK12 comprises the Society Constitution and is undated. Exhibit RK13 comprises a document headed 'Breed Standard' which sets out e.g. general appearance of a Northern Inuit dog and its temperament. This information is undated.
45. Exhibit RK14 comprises several examples of actual confusion by consumers between the activities of Association and Society. This evidence is intended to support the claim that misrepresentation is occurring. Association made submissions that called into question the veracity of this evidence and it was also discussed at the hearing. I will come back to this in more detail later in my decision.
46. Exhibit RK15 comprises screenshots of 5 pages from the Association's website. In this information it can be seen that Association claim to 'have more than 55 years of breeding experience between all of our registered breeders'. Association also states that it is 'one of the few independent breeding clubs that are involved in breeding the Northern Inuit Dog'. At the foot of the final page of this exhibit, the text: "We are not affiliated with the Northern Inuit Society" is presented, albeit in very small lettering. Exhibit RK16 comprises a further 7 pages of screenshots from Association's website which set out background to Association and to its project aimed at the overall improvement of the Northern Inuit breed. At the foot of the final page of this exhibit can be seen the text: "We are not affiliated with the Northern Inuit Society". Mr Kelham states that this information shows that Association set out a constitution, code of ethics, breed standard, etc. which parallels those of Society.
47. Exhibit RK17 comprises a single page from Association's website that shows use of the term 'Alaska Northern Inuits' by a breeder based in central Scotland and

use of the term 'Traildog Northern Inuits' by a party operating by that name and "expecting little Northern Inuit puppies in four weeks time".

48. Exhibit RK18 comprises dictionary extracts which show that the words 'society' and 'association' are synonyms of each other. Association claims that the names at issue are not similar. Mr Kelham states that they are very similar, sharing the words NORTHERN INUIT and the synonyms ASSOCIATION and SOCIETY. Mr Kelham also claims that the breed name is distinctive of the breed controlled by Society.

49. Finally, Exhibit RK19 comprises a single page showing the results of a Google search for 'northern inuit society'. It can be seen that of the five results returned, the first three are Society and the final two are Association.

50. In his witness statement Mr Kelham provides a detailed overview of dog breeding and the role of breed societies and the Kennel Club as well as Society's policies and procedures including its 'Breeders Code of Ethics'. I will not summarise that information here, but I have read and considered all of Mr Kelham's statement carefully and will refer to it as and where it may be appropriate to do so.

51. Mr Kelham submits that Society runs regular dog shows for Northern Inuit owners and breeders.

52. By the end of 2018, before the formation of Association, Mr Kelham states that Society had a database covering every Northern Inuit dog born up to that date, going back 7 generations, at a rate of 70-75 pups per year. Mr Kelham claims that these pups were spread between 220 registered owners which he believes was substantially all of them as of 2018.

53. Mr Kelham states that Society's income is primarily made up of owner and breeder fees, which fund Society's core functions. Other income comes from show fees and rescue services donations. Mr Kelham submits that none of Society's officers take any income from the society, and work as volunteers. He states that Society's income is relatively small as it exists primarily to help and regulate the Northern Inuit breed and community rather than to extract funds from them and is operated on a not-for-profit basis. However, he claims that the impact

of Society is significant and comes from the longstanding and authoritative database it has established, which was the only one of its kind at the date of filing of Association's mark, and by the community that Society has established. In this regard, Mr Kelham refers to the Society Facebook group, which has approximately 5400 members.

54. Mr Kelham refers to claims made by Association that there are many other breeders of Northern Inuit dogs in the UK who are not members of Society. Mr Kelham states that there have been a number of 'spin-off' breeders, perhaps a dozen or so over the last 20 years, who may have initially begun with pure Northern Inuit dogs, but then cross-bred them. Mr Kelham asserts that as far as he is aware, Association and its members aside, the only breeders actively breeding and selling pure-bred Northern Inuit dogs are those affiliated to Society, to Society's North American sister society, or a very small number of breeders outside the UK or the US, who still follow Society's guidelines.

55. Mr Kelham asserts that Danuta Czerwinska and Mary Roach, both proprietors of Association, along with Susan Meldrum, a member but not an owner of Association, were all members of the Society committee until August/September 2019. As part of their roles in Society, Czerwinska and Roach were responsible for the maintenance and use of Society's genealogical Pedigree database, which lists all Northern Inuit dogs, their health scores and lineage.

56. With regard to Association's counterstatement, Mr Kelham strongly disputes that "there are innumerable other sellers and breeders of Northern Inuit dogs in the UK and in other countries.... not connected or associated with Society". Mr Kelham states that Association have provided no evidence that this is the case and strongly denies that it is the position.

57. Mr Kelham explains that Society relies mainly for its income on fees paid by its registered breeders, who in turn rely for their breeding income on the reputation and characteristics of the Northern Inuit dog, managed on their behalf by the Society. He adds that the reputation and characteristics built up by Society over many years clearly represents a substantial goodwill which will be harmed should

that reputation and the characteristics of the Northern Inuit dog be harmed through the operation of a parallel breed club operating under different standards.

58. Regarding the section 3(6) claim of bad faith, Mr Kelham bases much of this claim on the matter of the pedigree database that Society have established over a long period of time. Mr Kelham asks how it can be that Association claims to have a database that can check back several generations of Northern Inuit dogs, having only been in existence since 2019. He suggests that Czerwinska or Roach may have acquired this information from the Society database before resigning from the group. Mr Kelham adds that Association do not dispute that Czerwinska and Roach were members of Society's governing committee at the time they submitted the application for the mark at issue, that no warning was given for their leaving Society, and that they established the Association's website once the trade mark had been accepted.

59. Mr Downing's witness statement provides online material which he finds to be pertinent to the matter to hand.

60. Mr Downing submits that Wikipedia has included a page relating to the Northern Inuit dog since 21 April 2007. The exhibits provided under Mr Downing's witness statement comprise various Wikipedia pages including a page no longer available but provided via the "Wayback Machine" (MPD5). Exhibit MPD4 comprises the 2019 version of the Wikipedia page referring to "the original Northern Inuit Society" and lists other groups that have split off over time, including The Inuit Dog Association, the British Timber dog and The British Inuit Dog Club. Exhibit MPD6 provides more recent (September 2020) information about the Society online.

61. Association also submitted evidence in chief, which I need not summarise in great detail here. Much of what Association provided does not assist in my assessment of the claims made against them and is largely focussed on the history of the Northern Inuit breed and the goods and services provided by both parties.

62. I note that in submissions, Association has questioned the credibility of the examples given by Society as to actual confusion in the market. In this regard it is

the case that all but one of those examples has been followed up in further evidence and by way of witness statements from the parties involved, confirming that the confusion referred to was genuine. The only example not confirmed through a further witness statement, was that of Maryann Bingham.

63. I raised this matter with Mr Downing during the hearing and made it clear that I was not convinced that the evidence of Maryann Bingham could be given any merit. I based my position on the fact that in evidence, Society provided minutes from a committee meeting from 2009 in which a Maryann Bingham was listed as a Society committee member. The subsequent evidence of actual confusion provided by Society included an example coming from a Maryann Bingham who appears to be confused by the existence of Association and Society and is unable to determine who is who. It is certainly possible that there is more than one person in the UK with the name Maryann Bingham. However, I find it unlikely that two people with the same fairly uncommon forename and surname would be interested in the same, fairly obscure breed of dog, and that one Bingham would hold a position on the committee of Society whilst the other Bingham, having become interested in the Northern Inuit breed, would then find herself confusing Society and Association. It may well be a perfectly innocent coincidence, however on the balance of probabilities I find it unlikely and I therefore give no weight to that specific piece of evidence. Regarding the other examples of actual confusion, in the face of additional witness statements from the parties involved I take this evidence at face value. It is the case however, as Mr Downing alluded to during the hearing, that evidence of actual confusion is not determinative, rather it supports the wider context of the case.

Legislation

64. In respect of invalidation proceedings, grounds based upon section 5(4)(a) of the Act are relevant because of the provisions set out in section 47 of the Act, the relevant parts being as follows:

47. (1)

[...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

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

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

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

[...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made. Provided that this shall not affect transactions past and closed.”

Section 5(4)(a) ground of cancellation

65. Section 5(4)(a) of the Act 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, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

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

66. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

67. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to EU trade mark law.

68. In *Discount Outlet v Feel Good UK*,¹ Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

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

¹ [2017] EWHC 1400 IPEC

“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.”

Relevant date

70. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM O-212-06* Mr Allan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

71. Association has made no claim to have used the contested mark prior to the filing date of the application. That being the case, the matter must be assessed as at the date of filing, which is 19 June 2019. This date has been accepted by both parties in submissions and during the hearing as the relevant date.

Goodwill

72. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

73. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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

74. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

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

75. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

76. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, “very limited”, the claimant's goodwill was found to be sufficient to entitle it to restrain the defendant's trade under LUMOS.

77. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

78. I have already summarised Society’s evidence. Taking the evidence as a whole I conclude that Society does hold goodwill, which is more than nominal, in the mark ‘Northern Inuit Society’, in relation to the following services:

Maintaining a registry of the Northern Inuit dog breed; Organisation of Northern Inuit dog shows; Northern Inuit Dog shows; Organisation of Northern Inuit dog competitions; Education and training services relating to the breeding and handling of Northern Inuit dogs; Setting of educational standards relating to the breeding and handling of Northern Inuit dogs; Setting of training standards relating to the breeding and handling of Northern Inuit dogs; Testing and assessing the condition, health, agility and appearance of Northern Inuit dogs; Information, advice and consultancy in relation to all the aforesaid services.

79. I come to this finding based on the evidence before me and application of the relevant case law. It seems clear to me that at the relevant date, the mark ‘Northern Inuit Society’ would have been known to a significant part of the relevant public i.e. the breeders of Northern Inuit dogs and purchasers of such dogs. Whilst the evidence may not be overwhelmingly strong, it does show that Society established a business using the name Northern Inuit Society around the year 2002 and had been using the term earlier than that in fact. It also shows that Society does provide services such as registration and genealogy services as well as the running of dog shows specifically for Northern Inuit dogs. The Society Facebook page, with 5400 members, shows that Society has a considerable following which, in the context of a breed that can be said to be fairly obscure and currently not recognised by the Kennel Club, is of significance. Society claims that all UK based breeders of Northern Inuit dogs would have been aware of its existence for a considerable period of time prior to the relevant date. I think that whilst this may be the case, it has not been proven beyond doubt, however it is not necessary to show that 100% of the relevant public were aware of, or were

consumers of Society's services to show that goodwill has been established. It is clear that at least a significant part of that public was aware of Society and a significant part were consumers of Society's services prior to the relevant date.

80. In his submissions, Mr Curtis asserts that the evidence of Society, particularly the low degree of sales and financial information, supports his argument that Society has not established goodwill in the mark 'Northern Inuit Society'. I note that in consideration of the issue regarding the ability of a non-trading organisation to own a goodwill, Westlaw sets out the following:

"In contrast to trade and professional associations, charities do not necessarily or typically provide their members, subscribers or supporters with tangible benefits so as to be said to enjoy any goodwill in the provision of services to their members for value. However, charities and other non-profit or non-trading organisations such as churches, political parties and interest groups, do depend on the financial contributions of their members and the general public. To that extent, they may be said to have something corresponding sufficiently closely to the goodwill of trading organisations in so far as they are able to attract money (or money's worth) which would otherwise have been kept, spent or bestowed elsewhere. It is settled law that even a non-trading charity may maintain a passing-off action against another similar charity and a fortiori any such charity would expect to be protected against exploitation of its reputation by a non-charitable commercial organisation, or an outright fraudster. Although the claimant in the Diabetic Association case was principally a self-help charity (analogous in some ways to a members' club or even a motoring organisation), the implications of the decision extend to every kind of charity, regardless of the extent to which selflessness is combined with self-interest. What is true for charities may be applied with suitable caution to other non-trading organisations dependant on public financial support. It is common for charities to raise money by trading as well as by seeking donations. The activities for which a charity exists may also involve carrying on a trade or business even though it makes no profit on them. Most universities and public schools, for instance, are run by charities and a charity might charge the public for admission to an historic building it

was responsible for preserving. There is no doubt that in its capacity as a trading concern a charity, whether incorporated or not, has as much locus standi in a passing-off action as any other business.”²

81. Whilst perhaps not on all fours with this case, I note that this extract from Westlaw deals not only with charities but also other non-profit organisations. In his witness statement Mr Kelham has stated that none of the members of Society take a salary. It would appear therefore, that Society’s revenue, as limited as it may be, is recycled back into Society to maintain the running of the organisation. I find therefore, that the evidence provided by Society is sufficient to maintain a passing off action against Association.

82. I do not come to the same conclusion in respect of the unregistered sign ‘Northern Inuit’. This is because evidence from both parties has, in my opinion, established that for the relevant public, be that dog breeders or the purchaser of a dog/puppy from a breeder, the term ‘Northern Inuit’ will be perceived as the name of a breed of dog. I note that during the hearing, Mr Downing told me that “both parties in their evidence agree that ‘Northern Inuit’ means a specific breed of dog and has come to mean that in the eyes of the public, so this meaning is entirely a secondary meaning.” I agree with this statement in part, but I do not accept the suggestion that the descriptive nature of the term will be perceived as a ‘secondary meaning’, rather I find that, for the average consumer, the primary impact of the term will be a descriptive message indicating a particular type/breed of dog.

83. In this regard Mr Curtis referred me to Mr Downing’s skeleton argument, in which Mr Downing refers to the *Advocaat* decision.³ In reply, Mr Curtis stated that “Advocaat is part of a long line of cases regarding inherently descriptive terms. Advocaat is descriptive ... there are multiple registrations for different Advocaat traders, which have Advocaat in trade mark registrations. There are multiple Champagne houses using Champagne with another term to describe Champagne ... effectively those cases support our position that we have a

² Westlaw: The Law of Passing-Off: Unfair Competition by Misrepresentation 5th Ed

³ *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd.*, [1979] AC 731, [1980] R.P.C. 31

perfect validity to use a descriptive term "Northern Inuit" to describe goods and services relating to Northern Inuit dogs.”

84. In submissions Society has stated that it “holds goodwill in the name ‘Northern Inuit’, in that it has come to mean a dog which meets a specific breed standard administered by Society and bred according to guidelines...”. In my opinion the average consumer will attach no more than a generic understanding to the term Northern Inuit, that being a dog with wolf-like features.

85. The evidence provided by Association under exhibits DC1 and DC2 shows that the website pets4homes.co.uk lists the name ‘Northern Inuit’ as a specific breed. It also states on the perfectdogbreeds.com website, that the name Northern Inuit was being used in either the 1970’s or the 1980’s, prior to the date that Mrs Kelham started using the name as a replacement name, following the court case brought against her under the Dangerous Wild Animals Act 1976.

86. The evidence of Society does not therefore, support a claim of goodwill in respect of the name ‘Northern Inuit’.

87. Having found that Society holds goodwill in the unregistered sign ‘Northern Inuit Society’ for the services set out in paragraph 78, I must now consider whether misrepresentation would occur.

Misrepresentation

88. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

““There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101." ."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than de minimis" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

89. Turning to the question of who may be deceived, I note that in this matter it may be the 'trade user' i.e. the dog breeder, upon whom misrepresentation may have an effect, however I must also consider the 'end-user, i.e. that consumer which purchases a dog from a breeder.

90. In *Lumos Skincare Limited v Sweet Squared Limited* and others [2013] EWCA Civ 590, Lord Justice Lloyd stated that:

"...it seems to me that the customers for the Claimant's products, upon whom any misrepresentation might have an adverse effect, must be both the direct purchasers, by way of trade (whether the salons and clinics or retail outlets such as Kensington Wholefoods), and also the end users, whether these pay for the use of the product by way of a treatment at a salon or clinic or whether they also buy supplies themselves, and if so whether from a salon or clinic, from a retail outlet or via the internet. In practice, the end users are more likely to be misled by a misrepresentation, because the trade purchasers will know more about the market and about the Claimant and its product range."

91. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Mr Iain Purvis QC, as a Recorder of the Court stated that:

“54. Mr Aikens stressed in his argument the difference between ‘mere wondering’ on the part of a consumer as to a trade connection and an actual assumption of such a connection. In *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

‘This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former’.

92. I have found that Society holds goodwill in the earlier unregistered sign ‘Northern Inuit Society’ for the services set out in paragraph 78 of this decision. Both parties seem to accept that the differences between Society’s sign and the contested sign are fairly minimal. Indeed, evidence has been provided that shows that the words ‘society’ and ‘association’ are synonyms. Association, whilst accepting this, dispute that the marks are confusingly similar and state that misrepresentation would not occur.

93. During the hearing Mr Curtis referred me to the *Westminster Window Cleaning* case which he referenced in his skeleton arguments.⁴ He stated that “with regard to terms that incorporate non distinctive terms, which we would contend “Northern Inuit” is because it is descriptive, relatively small differences between trade marks are sufficient for them to be distinguished. We contend that Northern Inuit Association and Northern Inuit Society are different. The *Westminster Window Cleaning* case, given the circumstances of this case, is very relevant because Northern Inuit is a descriptive term. Therefore, small differences are sufficient between the two trade marks.”

94. I find however, that a substantial number of Society’s customers or potential customers will be misled into taking up Association’s services in the mistaken belief that they are the services of Society, and misrepresentation would occur. I have based this finding on an assessment of the nature and extent of the reputation Society enjoys; the closeness of the respective fields of activity in

⁴ *Office Cleaning Services v Westminster Window and General Cleaners* [1946] 63 R.P.C. 39

which the parties carry on business; the similarity of the marks used by the parties, and the class of persons who it is alleged is likely to be deceived.

95. From its evidence I conclude that Society may claim a reasonable goodwill and reputation in respect of the services set out in paragraph 78 above. I find that the goods and services of Association are either identical, overlap closely or are intrinsically linked, and I find the marks to be extremely similar visually, aurally and conceptually. I also find that the class of persons likely to be deceived will be either a dog breeder involved in breeding Northern Inuit dogs, or a member of the public who is interested in obtaining a Northern Inuit dog. Whilst both categories of public may be said to take some care in the selection of the goods and services at issue, I believe that the small difference between the signs, notwithstanding Mr Curtis's reference to the Westminster Window Cleaning case, combined with an expectation that both a society and an association will provide governance and regulation, in this case, in regard to Northern Inuit pedigree dogs, will lead to misrepresentation.

Damage

96. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the Lego case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the

defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

97. In light of the aforesaid, I find that damage would occur in the diversion of sales of identical and closely linked services from Society to Association. That being the case, the application for invalidation based upon section 5(4)(a) succeeds for the following services under Association's registration:

Class 35: Maintaining a registry of dog breeds; Administering of professional [vocational] certifications; Information, advice and consultancy in relation to all the aforesaid services.

Class 41: Organisation of dog shows; Dog shows; Organisation of dog competitions; Training in dog handling; Certification in relation to educational and training awards relating to the breeding and handling of dogs; Educational examination services; Organisation of examinations [educational]; Education and training services relating to relating to the breeding and handling of dogs; Tuition in kennel management; Setting of educational standards relating to the breeding and handling of dogs; Setting of training standards relating to the breeding and handling of dogs; Information, advice and consultancy in relation to all the aforesaid services.

Class 44: Dog performance testing services, namely testing and assessing the condition, health, agility and appearance of dogs; Genetic testing of dogs; Information, advice and consultancy in relation to all the aforesaid services.

98. The application for invalidation under Section 5(4)(a) is also successful in respect of the remaining goods and services under Association's registration:

Class 31: Dogs.

Class 44: Breeding of dogs; Breeding kennels; Information, advice and consultancy in relation to all the aforesaid services.

99. I find that there is a danger in this instance that Society may lose control over its reputation and will therefore be damaged in the event that e.g. a consumer purchases a dog or the services of a breeder, which is/are subsequently

perceived to be of an inferior quality. Whilst Society has explicitly stated that it does not provide dogs or breeding services itself, the close relationship that it has had with many, if not all, UK based breeders of Northern Inuit dogs for two decades or so, has generated a sizeable reputation in the field of Northern Inuit dogs. Association is focussed entirely on the same breed of dog, and the goods and services under its registration have been shown in evidence to relate solely to that breed. As I have found misrepresentation will occur due to the closeness of the names at issue and the goods/services at play, damage to Society's reputation would follow, in the event that the goods and services of Association were of a lower or poor quality.

100. I turn now to the second ground of cancellation, which has been brought under section 3(6) and a claim of bad faith on the part of Association.

Section 3(6) ground of cancellation

101. Section 3(6) of the Act states:

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

102. Section 47 of the Act states:

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

103. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade*

Mark, The Appointed Person, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark*, The Appointed Person, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

104. The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

(a) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.

(b) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.

(c) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

(d) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

105. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

106. The applicant's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

107. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

108. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

109. A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky* CJEU.

110. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

111. Bad faith has been defined as dishonest behaviour and dealings falling short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area (*Gromax Plasticulture Ltd v Don &*

Low Nonwovens Ltd [1999] RPC 367 at 379). In *Red Bull v Sun Mark*, it was emphasised that convincing evidence of bad faith is required due to the seriousness of the allegation ((*Red Bull GmbH v Sun Mark Ltd and Sea Air & Land Forwarding Ltd*) [2012] EWHC 1929 (Ch) at 133).

112. In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, the CJEU stated that:

“46.....the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith”.

47. In such a case, the applicant’s sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant’s registration of the sign may be in pursuit of a legitimate objective.

49. That may in particular be the case.....where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50. Moreover.....the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitor’s freedom to choose the shape of a product and its presentation is restricted by technical or

commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51. Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by the sign at the time when the application for registration as a Community trade mark is filed.

52. The extent of that reputation might justify the applicant's interest in ensuring wider legal protection for his sign."

113. During the hearing Mr Downing stated that on some of its website pages, Association felt it necessary to add the text: "We are not affiliated with the Northern Inuit Society". Mr Downing suggested that if Society "was as small, as trivial and as unknown as has been made out, I do not think that would be at all necessary. It shows, rather, that at the relevant date even Northern Inuit Association recognised that Northern Inuit Society was a substantial enterprise within this field."

114. In my opinion the inclusion of that text merely establishes that Association intended to make clear a distinction between themselves and Society, to avoid any confusion between the two entities. I can think of no other reason for this information to be displayed on the website.

115. Mr Downing also submitted that when senior officers of an organisation "quietly file a trade mark application whose effect, will be to force the organisation that they had a duty towards as officers to give up its name, and ... to fund Registry proceedings in order to allow that 22 year old organisation to carry on under its existing name, that step falls short of normal standards of acceptable commercial behaviour". He added "If they disagreed with the policies of the Northern Inuit Society and they wanted to establish their own competing organisation, then they could have done so and chosen a dissimilar name, when there would have been no difficulty whatsoever. But to choose an almost identical name and set it up to provide an identical function and to file an application whose effect is to force the Northern Inuit Society to abandon its name and move

to one side away from the recognition that it has, allowing the new organisation, effectively, to take over, that is not using the trade mark system to protect the new organisation. That is using the trade mark system to bring down somebody who you are upset with. That, we say, is bad faith”.

116. Mr Curtis responded by telling me: “what were the motives for the people who left the Northern Inuit Society.? They were filing a trade mark application to register a term in combination with another term, and the first term was, in their eyes, descriptive of a Northern Inuit dog. What else could they call their organisation... It is fair to say that their motives were to set up a competing organisation.... The fact that some of those parties were still on the committee for the applicant for invalidity at the time they filed the application is irrelevant. They were not acting to cause confusion. They were creating a new entity which, yes, may well be in competition”.

117. Taking account of all of the factors in this matter; the evidence provided by both parties, the submissions made in writing and during the hearing, and taking note of the relevant case law, I find that Association did not act in bad faith. I come to this conclusion for the following reasons: The claim of bad faith is made by Mr Kelham predominantly due to the assertion that the pedigree database which Association claim to have, must contain information that predates the establishment of Association. He argues that, as two of Association’s proprietors were previously Society committee members with access to Society’s longstanding pedigree database, the information on Association’s database must have come from the Society database. If that is the case, he claims that this amounts to dishonest behaviour which must be deemed to be bad faith.

118. The other arguments put forward by Mr Kelham to support a claim of bad faith, relate to the actions of Czerwinska and Roach whilst still members of Society. It is clear that prior to resigning from Society, Czerwinska and Roach filed an application for the contested trade mark registration. Having left Society they then, with other like-minded persons, established Association and the Association website, and began using the trade mark Northern Inuit Association.

119. Applying the criteria from *Alexander Trade Mark*, I find that the objective that Association has been accused of is, in essence, attempting to provide an alternative body of expertise in the field of Northern Inuit dogs. I do not see any reason why the contested registration should not have been sought in order to assist in the promotion of that objective and I find that it is reasonable business practice that the contested registration was filed in pursuit of that objective.
120. As established in *Red Bull*, an allegation of bad faith is a serious allegation which must be distinctly proved. Convincing evidence of bad faith is required due to the seriousness of the allegation.
121. The evidence provided shows that two members of Society resigned and established Association. Mr Curtis confirmed during the hearing that this action has resulted in competition between the parties but stated that this is fair competition. The filing of a trade mark application for the mark Northern Inuit Association whilst remaining members of Society may appear to Society to be somewhat underhanded behaviour, however I do not accept that this amounts to dishonest action or to a breach of a duty of good faith. I find that Czerwinska and Roach, unhappy with the way that Society was being run or the path that it was taking with regard the Northern Inuit breed, were entitled to make plans to move away and form their own organisation. It is clear from the submissions from both sides, that the breeding, care and regulation of pedigree dogs can be a sensitive subject. Both sides are clearly highly motivated and energised in protecting the future of the Northern Inuit breed. It is understandable that each side will feel that the services they offer to breeders and purchasers is in the best interests of the breed, and that the other side offers a less optimal set of services to the relevant public.
122. Choosing to leave Society and establish Association, to pursue the objectives that they feel are best for the breed, objectives that they felt were not those of Society, does not amount to dishonest behaviour or bad faith.
123. The primary argument made by Mr Kelham relates to the pedigree database. In this regard I note that the evidence provides the following information: Czerwinska and Roach had access to the Society database prior to leaving

Society. Mr Kelham states that Association claim to have a pedigree database which predates its establishment, and as a result that database material must have come from Society's database.⁵ In Exhibit RK16, Mr Kelham has highlighted text which he claims supports his argument that Association have a database that must contain pedigree information that predates the establishment of Association.

124. In fact what the highlighted text states is the following: "It is required that proposed breedings within the project be assessed for coefficient of inbreeding... the Committee must be notified so this absolutely vital information can be included in the Association's pedigree database". And "The minimum number of generations required for a sensible COI (Coefficient of Inbreeding) is recommended to be at least eight and preferably ten".

125. Whilst this information may possibly suggest that the Association database carries longstanding information as to several generations of Northern Inuit dogs, it is not explicit in this regard. Nevertheless, it is clear from the Witness statement of Czerwinska, where she states that she has 10 years of experience breeding, fostering and rescuing Northern Inuit dogs, and a claim of more than 55 years of combined experience between the members of Association, that information on the Association database may have been gathered independently of Society or its database. No claim is made explicitly by Association as to the age or size or its database.

126. Therefore, I find that the convincing evidence which, according to *Red Bull*, is required due to the seriousness of the allegation, has not been provided and accordingly the cancellation action brought under section 3(6) is unsuccessful.

Conclusion

127. The cancellation action has been entirely successful under the Section 5(4)(a) ground but has failed on the Section 3(6) ground. Subject to appeal, the contested registration will be declared invalid in its entirety.

⁵ Witness statement of Mr Kelham at paragraph 38.

Costs

128. Society has been successful and is entitled to a contribution towards its costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice 2/2016.

129. I award costs to Society as follows:

Considering the statement of grounds and preparing a counter statement	£200
Preparing evidence and considering and commenting on the other side's evidence	£700
Preparing for and attending a hearing	£800
<u>Total</u>	<u>£1700</u>

130. I therefore order Danuta Czerwinska; Mary Roach; Julie Yule and Ross Braund-Phillips jointly and severally to pay Russ Kelham obo The Committee of the Northern Inuit Society the sum of £1700. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 16th day of June 2021

Andrew Feldon

For the Registrar

The Comptroller-General