

O/468/19

TRADE MARKS ACT 1994

**IN THE MATTER OF:
TRADE MARK REGISTRATION NO. 3295576
FOR THE TRADE MARK:**



Prometheus Safe & Secure Ltd

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
UNDER NO. 502228**

Background and pleadings

1. Trade mark registration number 3295576 (“the contested mark”), shown below, stands registered in the name of Zardo3 Ltd (“the proprietor”):



Prometheus Safe & Secure Ltd

Prior to an assignment on 10 August 2018, the owner of the contested mark was Pegasus Medical (1808) Ltd. The trade mark has a filing date of 9 March 2018 and it was registered on 13 July 2018 for the following services:

Class 39 Arrangement for the transportation of passengers by air; Arrangement of transportation; Arrangement of transportation of passengers by aircraft; Arrangement of transportation of passengers by cars; Arrangement of transportation of passengers by helicopters; Arrangement of transportation of passengers by ships; Arrangement of transportation of passengers by trains; Arrangement of transportation of people; Arrangement of transportation of travellers; Arrangement of travel; Arrangement of travel to and from hotels; Arrangements for transportation by land, sea and air; Arranging the collection of packages; Arranging the collection of packets; Arranging the transportation of passengers; Arranging vehicle hire; Arranging vehicle rental; Collection, transport and delivery of goods; Collection, transport and delivery of goods, documents, parcels and letters; Courier services for the delivery of goods; Courier services for the delivery of parcels; Courier services for the delivery packages; Freight ship transport; Hire of vehicles; Hire of warehouse storage space; Leasing of vehicles; Passenger transport; Passenger transport services; Passenger transportation services; Transport services and trips for

disabled persons; Transport services for the disabled; Transportation; Transportation of patients by ambulance; Transportation of patients by car; Transportation of patients by minibus; Transportation of people; Transportation of persons; Transportation of pharmaceuticals by road.

2. On 4 September 2018, an application for invalidation was filed. Initially in the name of Tim Slater, a request was made to substitute Prometheus Safe & Secure Ltd on the grounds that Mr Slater's name had been entered in error. The tribunal permitted the substitution, to which the proprietor raised no objection. I will refer to Prometheus Safe & Secure Ltd as "the applicant". The application is based upon section 3(6) of the Trade Marks Act 1994 ("the Act"), under the provisions of s. 47(1), and is directed against all of the services in the registration. The claim is stated as follows (reproduced as written):

"We are Prometheus Safe + Secure Ltd and have been operating for 4½ years, Pegasus medical 1808 Ltd have set up in competition this year. they are ex employees and have registered our logo in bad faith. we have used this logo for 4½ years on our website, our ambulances and paperwork and marketing materials. I have attached + Sent You Various Documents that we've USED Pre Pegasus even existing as Proof. I Can also get over 70 NHS Trusts to vouch for our use of this logo since our incorporation".

3. The proprietor filed a counterstatement in which it denies the basis of the invalidation. As I have no other comments from the proprietor, it is reproduced in full, and as written, below:

"The request to cancel this trademark is unreasonable. The opponent has not previously registered the mark and has shown no interest in doing so.

The opponent Tim Slater and his company rented an office from me for several years during this time Tim Slater asked me if I was interested in

starting the same type of business with him as a partner We had several meetings over this period about this possibility

The opponent Tim Slater told me he was unsatisfied with his current position where he felt he was unappreciated and underpaid for the volume of business he was generating

The opponent Tim Slater agreed to provide copies of all relevant documents and procedures which he claimed had been written by him in the first place.

The opponent Tim Slater agreed to manage the business on a day to day basis and my position was to provide the office and other facilities including finance it

After much deliberation and research, I considered his character and manner unbecoming which culminated in me giving them notice to find other offices

I believe the opponent Tim Slater objection to our trademark is personally based and should be refused”.

4. The applicant is not professionally represented. The proprietor is represented by Paul Stuart Ingram. Only the applicant filed evidence. Neither party asked to be heard. However, the applicant filed written submissions in lieu, which are brief in the extreme but I will bear in mind. This decision is taken following a careful reading of all of the papers.

Preliminary issue

5. During proceedings, the applicant raised concerns over the filing of the trade mark, in particular the name and actual involvement of the individual said to have made the relevant declaration on the form TM3. The tribunal advised the applicant that if it wished

to amend its claim under s. 3(6) to include this additional allegation, it should file the necessary explanation and amended form. The applicant filed no such request. I therefore proceed on the basis that the only claim is as outlined in the form TM26(I), and as reproduced at paragraph 2, above.

Evidence

Applicant's evidence

6. The lion's share of the applicant's evidence is provided by Tim Slater, Managing Director of the applicant, with accompanying exhibits A-O. There are additional witness statements from J. Watts, Andrea Maynard, Greg Maynard and Tufail Mahmood.

7. Mr Slater states that the artwork, logo and lettering was first used by the applicant in 2015 on invoices, ambulance livery, policies and documents, ID cards, uniforms and timesheets. He exhibits a copy of an email from July 2015 to the company's uniform supplier, Newport Sports, which includes a request for a quotation for jackets bearing the following logo:¹



Prometheus Safe & Secure Ltd

8. A number of other documents are provided which show the same logo. These are:

- Induction documents dated October 2014;²
- Uniform request forms dated 2014 and 2016;³

¹ Exhibit A.

² Exhibits B, F.

³ Exhibits C, D, E.

- A Trust Request Form dated March 2016.⁴ This appears to concern transfer of a patient from a police station to hospital;
- Ambulance daily inventory checklists, dated December 2017. I note that the document template appears to be from March 2015;⁵
- Three invoices to NHS Trusts in Manchester and the West Midlands, dated between October and December 2017;⁶
- Incident report forms dated 2015, concerning the use of blue lights on transfer journeys;⁷
- An email dated May 2015 which has as its subject the “new logo”, apparently from Creative Copy N Colour, said to be the logo designer.⁸

9. There is also an email, which appears to have been solicited for the proceedings, regarding the use of the above logo on vehicles.⁹ The logo itself is shown in an earlier email dated January 2016. The following logo is also visible, though it is not at all clear when or how it may have been used:



10. Mr Slater claims that the individual who signed exhibits H and I is a Mr Stanley, the son-in-law of Mr Ingram, the owner of the proprietor. The signature on the exhibits referred to only shows the word “Mann”, or possibly “Manu”.

⁴ Exhibit G.

⁵ Exhibits H, I.

⁶ Exhibit J.

⁷ Exhibits K, L, M

⁸ Exhibit O.

⁹ Exhibit N.

11. Mr Slater states that sales of the services in 2017 amounted to £3,500,000 and that £5,000 was spent on promotional material such as pens, pads and mugs.

12. The applicant's second witness, J. Watts, appears to have worked for the applicant since May 2015, though the position held is illegible. This person claims that the applicant's use dates from May 2015 and gives narrative evidence that the logo was supplied to the applicant in 2015 by a design company called Creative Copy.

13. Andrea Maynard has been Director of Patient Care at the applicant since October 2015. She states that the logo has been used in all of the UK and all areas of the business since before she began working for the applicant. She does not indicate the source of her information.

14. Greg Maynard's evidence is simply that he has been the Financial Logistics Manager for the applicant since November 2015 and that the artwork, logo and lettering was first used by the applicant in 2015. He states that such use was throughout the UK.

15. Tufail Mahmood gives his position at the applicant as "HCA", which he has held since July 2015. His evidence is that the logo etc. was used from May 2015 on invoices, ambulances, policies, documents, ID cards and uniforms, though he does not clarify the source of his information. Sales before the date of application are put at £3.5m.

16. As the proprietor filed no evidence, that concludes my summary.

Decision

17. 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."

18. Section 47 also applies:

“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)”.

19. The law in relation to s. 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which

must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes 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": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)".

20. I also note the following comments of the CJEU in *Lindt v Hauswirth*:

"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".

21. The relevant date under s. 3(6) is the date of the application for registration, i.e. 9 March 2018.

22. In any assessment of bad faith, there are a number of competing considerations. The first among them is that the trade mark registration system operates on a "first to file" basis. Unless cogent evidence is provided that an applicant (in this case, the proprietor) acted in bad faith, the assumption is that the application was filed in good faith (per Arnold J., in *Red Bull* at [133], cited above). It is, however, also possible for

the claimant (the applicant in the instant case) to establish a *prima facie* case of bad faith which, in the absence of an adequate rebuttal from the proprietor, may succeed.¹⁰

23. The application for invalidation contains the allegation that the proprietor has set up in competition with the applicant and that “they” are former employees of the applicant. It is accepted in the counterstatement that Mr Ingram (no distinction is drawn between Mr Ingram and the proprietor) knew of Mr Slater and his company. The proprietor’s claim is that Mr Ingram and Mr Slater discussed starting “the same type of business”, with Mr Ingram as a partner, providing the office and other facilities, including finance, before Mr Ingram decided against it. It is claimed that the applicant had not shown any interest in registering the mark.

24. In response, the applicant has filed evidence showing its use of the contested mark before the date of application, with external use (i.e. on invoices) from October 2017. Besides the statements in the pleadings, which can be given evidential weight as both are signed by individuals under a statement of truth, the only evidence going to the relationship between the parties is Mr Slater’s assertion that a Mr Stanley signed one of the documents in evidence and that he is related by marriage to Mr Ingram. The evidence itself is not conclusive on that point but nor has the proprietor disputed the truth of what Mr Slater has claimed. In any event, whilst the precise nature of the relationship is unclear, it is apparent from both parties’ comments that there was a pre-existing relationship of some type between the parties, which appears to have ended by the date of application for registration.

25. It is reasonably evident from the documents filed by the applicant that it was operating a business involving the transfer of patients by ambulance before the date of application. The evidence of over £3million in sales in 2017 has not been called into question by the proprietor. Whether the applicant was using the mark before the application date is not determinative of whether the application was filed in bad faith but

¹⁰ This appears to be consistent with the approach of David Kitchin Q.C. (as he then was) in *Ferrero SpA’s Trade Marks* [2004] RPC 29.

it is a factor to be borne in mind, particularly as the proprietor was plainly aware of such use.

26. The proprietor's intention at the date of application is a central issue (as explained in *Lindt*, referred to in Arnold J's summary above). In one sense, any application to register a trade mark is to control the exploitation of that mark, including preventing third parties from using it without permission: a trade mark is legal property and an application to register is staking a claim to that property. Such a claim is, self-evidently, not always illegitimate. It is also the case that there is a fine line between legitimate self-interest, or sharp practice, and bad faith: in *Ian Adam Trade Mark* (BL O/094/11), it was said that:

“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”.

27. Even an application for an identical mark which a party knows to be in use by another for identical goods/services may be an act in good faith, for example where there is a belief in a pre-existing right. However, there is no assertion on the part of the proprietor that it believed itself to be entitled to the trade mark registration: the closest it gets is a denial that the applicant has ever shown any interest in such protection. It is far from satisfactory that neither party has provided a full account of their interactions. Making the best I can of it on the evidence provided, and in the absence of any real explanation from the proprietor, my view is that applying for a mark so closely resembling the earlier sign, in circumstances where there was an existing business and where there had been previous discussions about the possibility of Mr Ingram playing a part in that business, would be considered an act that fell below the standards of acceptable commercial behaviour. Although I recognise that the burden in a case of bad faith is not a light one, my view is that the applicant has raised a prima facie case that the proprietor's behaviour in applying for the trade mark was improper. That prima facie

case has not, in my view, been adequately rebutted: the proprietor has been silent as to its intentions when it could easily have provided an account to establish their legitimacy. In order to render the registration ineffective for purposes which made it objectionable in the first place, my view is that it should be invalidated for all of the services for which the mark is registered. I acknowledge that the specification goes wider than the services for which the sign has been shown to be used. However, all of the services involve the transportation of goods or people, the arrangement of such transport or services associated with transport. There is not, in my view, sufficient distance between the services to overcome the objection. The invalidation succeeds in full under s. 3(6).

Conclusion

28. The invalidation has succeeded in full. The application will be deemed never to have been made.

Costs

29. As the applicant has been successful it is entitled to a contribution towards its costs. It has requested costs, on the appropriate form, in the amount of £6,380, comprised of the official fee, 150 hours at £40 per hour and £180 in fuel costs. Unless there are reasons why another approach may be appropriate, the tribunal awards costs on a contributory rather than compensatory basis. The Litigants in Person (Costs and Expenses) Act 1975, the Civil Procedure Rules Part 46 and the associated Practice Direction set the amount payable to litigants in person at £19 per hour. I accept that the applicant, as an unrepresented party, will have had to familiarise itself with the relevant law and issues in the case. However, the proprietor did not participate in proceedings after filing a defence. The applicant's evidence was not extensive. Bearing in mind that there was only one ground of cancellation, I consider that it would have reasonably taken no more than half a day to research and prepare the application, and to consider the counterstatement. The collation of evidence is likely to have taken longer but given its light nature I consider that two days' work is adequate. I make no award in respect of

the applicant's submissions, which were extremely brief. I also make no award for travel time: there has been no explanation of why the applicant was unable to use modern means of communication and it would be inappropriate to expect the proprietor to subsidise what appears to be a matter of choice rather than necessity. I award costs to Prometheus Safe & Secure Ltd on the following basis:

Official fees:	£200
Preparing a statement and considering the other side's statement (4 x £19):	£76
Filing evidence (16 x £19):	£304
Total:	£580

30. I order Zardo3 Ltd to pay Prometheus Safe & Secure Ltd the sum of **£580**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated 12 August 2019

**Heather Harrison
For the Registrar
The Comptroller-General**