O-470-14

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2632571
STANDING IN THE NAME OF
DOJO DESIGN STUDIO LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.500071
BY DOJO DESIGN LIMITED**

**AND
THE CONSOLIDATED MATTER OF
OF APPLICATION No. 3008332
BY DOJO DESIGN LIMITED
TO REGISTER THE TRADE MARK**

IN CLASSES 16,35 & 42

**AND
IN THE MATTER OF OPPOSITION
THERETO UNDER No. 401322 BY
DOJO DESIGN STUDIO LIMITED**

BACKGROUND

1) The following series of two trade marks are registered in the name of Dojo Design Studios Limited (hereinafter DDS):

Mark	Number	Date of filing and registration	Class	Specification
 A series of two trade marks. MARK DESCRIPTION: The first mark in the series contains the colour PMS 187.	2632571	23.08.12 21.12.12	42	Design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others; design services.

2) By an application dated 13 June 2013, subsequently amended, Dojo Design Limited (hereinafter DOD) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) That DOD has used a device mark similar to the registered mark (see paragraph 4 below) since April 2004 in respect of the following goods and services:

Printed matter; Printed publications; books; magazines; newsletters; brochures; booklets; pamphlets; manuals; journals; leaflets; greeting cards; advertising and promotional materials. Advertising; business management; business research and advisory services; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing advertisement for use as web pages; market surveys; analysis of advertising response and market research; information and advisory services relating to all the aforesaid, Graphic design services; graphic design, drawing and commissioned writing for the compilation of web pages on the internet; design of graphics and of livery for corporate identity: creating, maintaining and hosting the web sites of others; design services; company formation and registration advisory services; advisory services for intellectual property rights; professional consultation and advisory services; title searching; preparation of reports; information provided on-line from a computer database or from the Internet; creating and maintaining web sites; hosting the web sites of others; installation and maintenance of computer software; compilation, creation and maintenance of a register of domain names; leasing access time to a computer data base; information relating to information and advisory services relating to all the aforesaid.

b) DOD contends that it has goodwill in the device such that the registered mark of DDS offends against section 5(4)(a) of the Act. DOD also contends that the device registered by DDS copies substantial parts of its artistic work and so offends against Section 5(4)(b) of the Act. Further DOD contends that at the time of filing

its application DDS knew that use of mark 2632571 was causing confusion and acted in bad faith in registering the mark, offending against section 3(6) of the Act.

3) DDS provided a counterstatement, dated 9 August 2013, subsequently amended, in which it denies the above grounds and claims. DDS states that it has been trading under the mark in suit for a number of years prior to submitting its application and that the specification applied for was limited to areas in which it had actually been engaged. DDS denied that its registration was an attempt to prevent DOD's use of its mark. It also states that DOD's activities have been focussed upon magazine publishing and not website design services.

4) On 03 June 2013 DOD applied to register the following trade mark under no.3008332:

5) In respect of the following services:

Class 16: Printed matter; printed publications; books; magazines; newsletters; brochures; booklets; pamphlets; manuals; journals; leaflets; greeting cards; advertising and promotional materials; but not including any such goods relating to dojos (schools for training in various martial arts).

Class 35: Advertising; business management; business research and advisory services; business administration; advertising and marketing services; promotion services; database management services; business information services provided online from a computer database or the Internet; composing advertisement for use as web pages; market surveys; analysis of advertising response and market research; information and advisory services relating to all the aforesaid.

Class 42: Graphic design services; graphic design, drawing and commissioned writing for the compilation of web pages on the internet; design of graphics and of livery for corporate identity; creating, maintaining and hosting the web sites of others; design services; professional consultation and advisory services; preparation of reports; information provided on-line from a computer database or from the Internet; creating and maintaining web sites; hosting the web sites of others; installation and maintenance of computer software; information and advisory services relating to all the aforesaid; but not including any such services relating to dojos (schools for training in various martial arts).

6) The application was examined and accepted, and subsequently published for opposition purposes on 6 September 2013 in Trade Marks Journal No. 2013/036.

7) On 6 December 2013 DDS filed a notice of opposition. The grounds of the opposition are in summary: DDS is the proprietor of trade mark shown at paragraph 1 above. It contends that the marks of the two parties are very similar. DDS only opposes the services in classes 35 and 42. It states that it has used its mark on the services for which it is registered since February 2008 in the UK and has acquired goodwill in its mark in

relation to these services. It states that the marks and services of the two parties are similar and so the mark applied for offends against sections 5(2)(b) and 5(4)(a) of the Act. Finally, it is worth noting that the opponent [DDS] is not objecting to the applicant's [DOD] mark in class 16. The opponent has always been of the view that the applicant's provision of magazine publishing services does not cause confusion with the opponent's mark.

8) On 26 February 2013 DOD filed a counterstatement denying all the grounds, referring to its earlier application to invalidate the registered mark relied upon by DDS. It put DDS to strict proof of use of its mark.

9) Both sides filed evidence. Both ask for an award of costs. Neither side wished to be heard in the matter although both have provided a number of written submissions during the course of the proceedings, most of which are highly repetitive and unnecessary.

EVIDENCE OF DOD

10) DOD filed two witness statements. The first, dated 21 October 2013, is by Catriona Dickson a director of DOD. She states that she is the sole director and member of the company which was formally incorporated on 26 May 2010. Prior to this date she states that she traded as a sole proprietor and has used the mark shown at paragraph 4 above since 2002. She also states:

> "7. Further, in 2003 I decided to enhance the identity of the general mark by the creation of a distinctive logo to supplement the mark and for use in my trade of the dojo design going concern. There is now produced and shown to me marked "DDL-CD7" a copy of the image entitled "dojo logo" (the "LOGO") dated 9 August 2006. This is the logo I created in 2002. I used the logo continuously in trade from 2002 until 26 May 2010."

11) Ms Dickson states that when DOD was incorporated she transferred all her rights, title and interest in the mark, the domain and logo including goodwill to DOD. She provides the following exhibits:

- CD1: This is an undated proposal to Sage & Hermes which shows use of the device mark. From references within the document it was clearly created in or after 2009. It refers to the company assisting with branding, market planning and market research for magazines. It also provides a price for the creation of a website for the magazine for Sage & Hermes. Also included are copies of the DOD website from July 2007 which includes comments from customers regarding work in creating websites for their organisations.

- CD2: Copies of the front pages of Ms Dickson's tax returns dated April 1998-April 2001 inclusive. These give no details of the activities undertaken by Ms Dickson in earning the amounts shown as liable for tax.

- CD3: Invoices dated September 2004 and November 2006 said to relate to the attempted repair of a hard disk, but which appear to be for the actual purchase of computer equipment rather than a repair. For instance it does not show an engineer carrying out repairs for a number of hours at a given rate per hour.

- CD4: Copies of two bank statements dated September 2005 and September 2010 showing Catriona Dickson trading as Dojo Design.

- CD5: Copies of screen prints of compliments slips showing use of the logo at paragraph 4 above dated September 2004.

- CD6: A copy of an entry showing that the domain name dojodesign.co.uk was registered on 3 August 2006 by Ms Dickson.

- CD7: A copy of a screenshot showing the logo mark as per paragraph 4 above dated 9 August 2006.

- CD8: Two versions of the logo device stated to be “original” and “March 2013”. The only difference is that the word “design” is in a slightly different font and has the letters “TM” in very small font at the end.

- CD9: A screen print from 2006 showing Ms Dickson trading under the Dojo Design logo. This talks about the company offering design services in respect of corporate leaflets stationery etc so to ensure a joined up design in client communication.

- CD10: A copy of a website search dated 28 March 2013 which shows the website of DOD stating that the company “provides a full service, offering elegant graphic, print and website design”.

- CD11: Copies of “Professional Investor” dated February 2004 to July/August 2007 showing on all 37 front pages a credit for “design and production: Dojo Design: Catriona Dickson”. From September 2007 the magazine went quarterly and had a credit of “Design editor: Catriona Dickson: Dojo Design” on the next 18 editions taking it to March 2012.

- CD12: A copy of a page from “Professional Investor” dated December 2011 which shows that its membership is almost 10,000 strong.

- CD13: A page identical to one included in exhibit CD11.

- CD14: A quote to redesign and re-launch a magazine complete with a website dated 25 January 2007. The quotation has the logo mark upon it.

- CD15: A copy of what is said to be a sales ledger for 2005/06 and a copy of a front page of a tax return dated 5 April 2010. The first page merely show a list of figures, whilst the tax return only gives the amount of tax to be paid. Neither document gives details of the services actually provided.

- CD16: A copy of the unaudited financial statement for DOD for the periods 26 May 2010 to 31 May 2011 and 1 June 2011 to 31 May 2012 showing a turnover of £28,194 and £18,153 respectively. Both contain statements that the principal activity of the company is that “of an art and design company”.

12) The second witness statement, dated 21 October 2013, is by Philip Hannay, DOD's Trade Mark Attorney. He repeats much of what was said by Ms Dickson and comments extensively on the "cease and desist" letters sent by DDS. He also remarks on the use of red in both parties marks. He states that the domain sites of DDS were registered on 25 October 2007 and 26 March 2011. He also points out that DOD was incorporated on 26 May 2010 whereas DDS was incorporated on 5 July 2010. He refers to the cease and desist letters and points out that the lawyers for DDS contended that the two businesses were geographically close and that both offered identical services and that the use of the two marks was causing confusion in the marketplace. He points out that DOD received a rates bill from Glasgow council which was intended for DDS. He also provides the following exhibit:

- PH5: Copies of an archive web search for DOD's website dated 30 June 2007 which shows that the mark in paragraph 4 was being used. These pages are extremely similar in content but vary slightly in format to exhibit CD1.

EVIDENCE OF DDS

13) DDS filed a witness statement, dated 13 November 2013, by Chris Torres the sole Director of DDS. He states that initially he traded as Dojo Design Studio from October 2007 until incorporating DDS 5 July 2010. From its inception he worked with a partner, later a co-director, Tom Hart until 3 September 2013. The first invoice of the partnership was issued on 27 November 2007 and relates to the provision of "Exhibition stand and plinth". The mark on this invoice at exhibit CT7 is different to the registered mark. Mr Torres states that around October 2007 they became aware of DOD which was not incorporated at the time, but dismissed them as they were based in Essex and engaged in the magazine publishing business. He states that the mark shown in paragraph 1 was prepared for the company's formal launch on 1 February 2008 and has been in use ever since. He states that, initially they advertised the company in various design magazines but in recent times have reduced considerably their advertising. They rely upon their website, social media sites such as Facebook, Twitter etc and also promotional gifts to clients such as mugs and Christmas cards. He points out that his company has traded under its logo for many years and has built up a substantial business. He contrasts this with DOD which he states did not offer website services until approximately 2011. He also provides the following exhibits:

- CT17: This is a copy of the website of DDS dated 1 February 2008. It offers graphic and print design, website design and hosting, illustration, video and post production and 3D visualisation and animation.

- CT19: An estimate dated 14 July 2008 in relation to filming interviews. It shows use of the mark in suit.

- CT20: A proposal dated 15 May 2008 regarding marketing material including a website. It shows use of the mark in suit.

EVIDENCE IN REPLY OF DOD

14) DOD filed four witness statements. The first, dated 13 December 2013, is by Ms Dickson who has provided evidence earlier in these proceedings. She states that she never traded from Essex, and has only been based in Scotland other than a brief spell

(1997 & 1998) in London. She does accept that her clients have been located throughout the UK. She repeats that her business has included all forms of design including websites. She states that her webpage details websites she has designed.

15) The second witness statement, dated 17 January 2014, is by Virginia Blackburn who was the editor of the magazine *Professional Investor* in August 2005, when DOD redesigned the magazine. She states that although DOD was based in Edinburgh Ms Dickson travelled to London for any meetings. In 2007 Ms Blackburn states that she "decided to team up professionally with Dojo Design". She states that they aimed to provide editorial, design and website services to meet clients' print and growing online needs.

16) The third witness statement, dated 17 January 2014, is by Geoff Smith. He states that he was a Director of Capital Websites during the period 2004-2007. He states that he acted as a subcontractor to Dojo Design supplying web services and online hosting to Dojo Design and that he worked on website projects for Dojo Design's clients based in Edinburgh and Dunoon.

17) The fourth witness statement, dated 13 December 2013, is by Mr Hannay who has provided evidence earlier in these proceedings. He repeats his earlier claims that DOD were offering website design and related services and that the print outs from "the Way Back Machine service" clearly show that this was the case. He points out that the meta data states under "keywords" (the essential attributes of the business) as "design, magazine, publishing, logo, website". He states that he contacted Dunning Design and confirmed with this company that Mr Torres and Mr Hart were still employed until the beginning of 2008. He also provides the following exhibits:

- PH17: An enlarged image of the "website" roll-over button from the June 2007 website of DOD. This allowed customers to view the website work carried out by DOD.

- PH18: Copies of the DOD website between 2010-2013 which shows website services being offered.

- PH19-25 incl: Screenshots of the original archived versions of various DOD clients websites which credit DOD with the design. These are: *Quadmania* dated 26 August 2004 which also credits Capital Websites (see paragraph 16 above); *Stronchullin Holiday Cottages,* dated 14 September 2004; *Walkabout Scotland*, dated 26 October 2005; *Saffron Winds*, dated 7 Jan 2008; Dancehammer, dated 23 July 2008; Capital Cranfield Trustees & Scottish Pension Trustees, dated 8 September 2011. In addition he also includes a print out of *Globalex Consulting*, dated 5 July 2007, however I could not find a credit to DOD.

- PH26: An invoice regarding the Cranfield website mentioned in the exhibit above. This is dated 16 November 2010 and is for £4,700.

- PH27 & 28: Copies of the Linked-In pages for Mr Torres and Mr Hart. Mr Torres states on his page that he was employed by Dunning Design from August 2005 – January 2008. He shows his involvement with DDS as beginning on February 2008. On his page Mr Hart states that he was employed by Dunning Design between April 2004 and February 2008 before starting with DDS in June 2008.

FURTHER EVIDENCE OF DDS

18) DDS filed a witness statement, dated 23 April 2014, by Mr Torres who has provided evidence previously in these proceedings. He denies being aware of the existence of DOD other than noting in 2007 that they were a magazine publishing company and then dismissing them as not being in the same field as DDS. He states that he carried out searches on various social media in addition and found no mention of DOD. He states that he created the first logo device mark in 2007, and this was subsequently updated in 2008. He created the logo in his own time, from his own mind and he contends that it belongs to him. He also states that a "brochure site" is one which offers products or services for sale. He provides the following exhibits:

- CT50-52: Invoices for the period 24 November 2007 to 1 May 2008 with the original logo design. Also invoices with the registered logo device dating between 16 May 2008 and 13 June 2008. There is then a further group of invoices dated 13 June 2008 – 1 December 2009 which do not have the logo or even the company name appearing anywhere upon them. All the invoices appear to relate to website services.

FURTHER EVIDENCE OF DOD

19) DOD filed six witness statements. The first, dated 10 April 2014, is by Ms Dickson who has provided evidence previously. She states that she worked for Professional Investor under a contract of service. In relation to website work she states that her design work for a website would usually be incorporated onto the website by the person/company that built the website. She also provides the following exhibits, many of which are very recent and so after the relevant date. Others have no reference to DOD upon them. I shall only mention those I believe to be relevant.

- CD24: A transfer document between Ms Dickson acting as a sole trader and the limited company DOD. It includes the goodwill in the mark and although signed on 16 April 2014 it has an effective date of 26 May 2010.

- CD25: A range of invoices. The first dated 18 July 2002 does not feature the name DOD. Invoices number 3 (dated 22 April 2004) to invoice number 154 (dated 25 February 2014 all appear to be related to standard graphic design services such as designing leaflets, brochures, magazines, logos, stationery headings, conference banners etc. The only exceptions are pages 55 (dated 20 August 2007) regarding building a website £3,000; page 56 (dated 18 October 2007) in relation to designing account registration, delivery details, passwords etc £520; page 73 (dated 16 July 2008) developing a corporate brand including website design £3,850; page 138 (dated 20 June 2011) includes updating a website £348; and page 143 (dated 27 November 2011) design of a website header £960.

20) The second witness statement, dated 7 April 2014, is by Joanna Walters a Director of Dancehammer Group Limited. She states that her company has worked with Ms Dickson from 2002 to the present day and during this time she has traded as DOD and then became a limited company. Ms Walters states that DOD has assisted her company to develop its brand. During 2007 she provided artwork, brochure design and website design, and has continued working on all aspects of the company's brand since.

21) The third witness statement, dated 16 April 2014, is by John Charlton a legal consultant, Managing Director and company owner. He states that in 2004 he commissioned DOD to design a website for him. He states that Ms Dickson did all the design work and then found a website developer who could put the design work onto the web. He states that invoice 202 of exhibit CD25 (£731) dated 15 March 2006 relates to the work carried out regarding his company website. He provides a list of services which DOD have provided to his company which spans all standard graphic design services including computer aided design and graphic services and website services.

22) The fourth witness statement, dated 14 April 2014, is by John Paul Mason a former partner in Walkabout Scotland. He states that in 2005 he commissioned DOD to carry out a full website redesign and also design a new brochure.

23) The fifth witness statement, dated 26 June 2006, is by Fiona Muirhead, formerly the sole proprietor of Saffron Winds. She states that from 2006 DOD worked on the website for her company which included shopping cart imagery. She includes at exhibit SW1 a copy of a page from the website which carries a credit to DOD at the bottom of the page.

24) The sixth witness statement, dated 27 May 2014, is by Mr Hannay who has previously provided evidence. He provides a large amount of information such as officer appointment lists, company details, changes of name, Articles of Association, screenshots, emails, and twitter accounts regarding Dojo Design Studio Limited, Complete Clarity Solicitors Limited and uSell Limited. He seems to suggest that there is a connection between these companies; he talks of "the extent of support" they provide each other and that they are "incentivised to cross refer business". However, quite what this has to do with the instant case is not clear and Mr Hannay does not explain in any intelligible form the reasons for proving this tome of information.

25) That concludes my review of the evidence. I now turn to the decision.

DECISION

26) I shall first consider the invalidity action under the ground of Section 5(4)(a) which reads:

> "A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
>
> > (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
> > (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."

27) In deciding whether the marks in question offend against this section, I intend to adopt the guidance set out in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 which provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

> "The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:
>
> (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
>
> (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
>
> (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.
>
> The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

28) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

> "To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
>
> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.
>
> While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.
>
> In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:
>
> (a) the nature and extent of the reputation relied upon;
>
> (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

29) The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP)

30) First I must determine the date at which the opponent's claim is to be assessed; this is known as the relevant or material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

"39. In *Last Minute*, the General Court....said:

'50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes* v *Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court

can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

> (a) The right to protection conferred upon senior users at common law;
> (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
> (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan 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.' "

31) The application of DDS was filed on 23 August 2012. However, DDS claims to have been using its registered mark since February 2008, with use of the name "Dojo Design Studio" since 24 November 2007. This use is supported by the copy of the website and also invoices filed at exhibits CT17 and CT50-52 which show both logo devices being used in respect of graphic and print design, website design and hosting, illustration, video and post production and 3D visualisation and animation. I therefore accept that as of 24 November 2007 that DDS had goodwill in the mark "Dojo Design Studio" in a slightly stylised fashion and in the registered mark from May 2008 in respect of these services. I

am also willing to accept that the goodwill engendered between November 2007 and May 2008 remained with the company.

32) I therefore turn to consider whether as of 24 November 2007, DOD had any goodwill and if so in what goods or services this goodwill existed. It is clear from the evidence at exhibits CD1 and CD9 that the website of DOD offered services to ensure a joined up design in client communication in 2006 and also creation of websites in July 2007. There is also a raft of evidence regarding the design services offered to the magazine *Professional Investor* which dates from February 2004 through to March 2012. There are also independent witnesses that attest to the creation of websites by DOD from 26 August 2004 through to 2007, and that they offered a range of standard graphic design services such as designing leaflets, brochures, magazines, logos, stationery headings, conference banners etc during the same period.

33) In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

> "62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used "but had not acquired any significant reputation" (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

34) 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 reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

> "There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience."

35) I also rely upon *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

36) Given that both parties are very close geographically the issue of localised goodwill is not one I need to consider. I do not accept the submissions that Glasgow and Edinburgh are not close, nor do I accept that the 23 miles between Glasgow and Sterling mean that the businesses are not in close proximity. Taking into account all of the above and

accepting that the turnover figures of DOD are not that large but it is nonetheless a genuine business in its infancy. I therefore find that as of November 2007 DOD had goodwill in respect of a range of standard graphic design services such as designing leaflets, brochures, magazines, logos, stationery headings, conference banners and creation of websites. **DOD therefore overcomes the first obstacle under this ground of invalidity.**

37) The mark used by DOD is to my mind very distinctive. Although it has the word "design" in it which clearly alludes to the services offered, the word "dojo" can only be considered as very distinctive as it has no association with design services meaning as it does a "room" or "mat".

38) I now turn to consider the issue of misrepresentation. 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."

39) There is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora,* [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that *"a substantial number"* of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

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

> "The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:
>
> > 'where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a "jury question". By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.
> >
> > The question does not cease to be a "jury question" when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.'"

41) It is the plaintiff's customers or potential customers that must be deceived. In *Neutrogena Corporation and Another v Golden Limited and Another*,1996] RPC 473, Morritt L.J. stated that:

> "This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff's customers or potential customers had been deceived for there to be a real effect on the plaintiff's trade or goodwill."

42) In the instant case both parties use the words "Dojo Design". DDS adds the word "Studio" which is obviously alluding to the artistic nature of the work undertaken and combines with the word "design" to form a clear vision of an artistic workspace. There are stylistic differences between the marks used, but as the legal representatives of DDS made clear in correspondence between the parties, they are both in the same field of activity, are very close geographically and both use marks which have the same distinctive element. There is even evidence that the local council believed DOD to be DDS and send the rates bill to the wrong company in 2012. **To my mind it is clear that misrepresentation will occur.**

43) I now turn to consider the third aspect, damage. 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.

44) **Given the circumstances of this case where both parties are competing for the same business, in close geographical proximity and using the same distinctive element as their sign it seems to me that damage of the kind envisioned above is inevitable.**

45) I must also consider the issue of Concurrent goodwill. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited,* [2013] EWPCC 18 (PCC), Iain Purvis Q.C. sitting as a Deputy Judge set out the following test for whether honest concurrent use provides a defence in a passing off action:

> "61. The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:
>
> (i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);
>
> (ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;
>
> (iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality being that the difference will significantly increase the likelihood of deception."

46) As part of its evidence DDS provided a witness statement from its principal, Mr Torres who stated that in 2007 he became aware of DOD but because he believed them to be a magazine publishing company based in Essex he dismissed them as they were not in the same field that DDS were about to enter. He states that he carried out searches on various social media but found no reference to DOD. I find this hard to accept. I assume that he noticed the credit given to DOD in the magazine *Professional Investor* which is situated in the South East of England. I find it strange that he would be so blasé about another company using a very similar name and offering graphic design services, when

DDS own website at the time boasted of offering “graphic and print design” (exhibit CT17). Quite how he came to the conclusion that DOD was in a different field to his company is unclear. Rather than actively seeking out DOD he states that he searched social media by which I assume he means Facebook, Twitter etc. He states that he found nothing and so did not pursue the matter further. It is also clear that by 24 November 2007 DOD had goodwill in the same fields of activity and so the first use by DDS would have amounted to passing off. **Therefore, DDS cannot rely upon honest concurrent use.**

47) Having determined that DOD had goodwill in the same services as those for which DDS’ mark is registered in Class 42, it follows that the registration in full must be regarded as invalid and erased from the Register.

48) I now turn to consider the ground of invalidity under section 3(6) which reads:

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

49) The law in relation to section 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)."

50) I also take into account the case of *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others [2009] RPC 9 (approved by the COA in [2010] RPC 16), Arnold J. stated that:

> "189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system."

51) In the instant case it seems to me that DDS could not claim that it believed that it had a superior right to use the highly distinctive "Dojo" element in respect of design services which it clearly knew that DOD were engaged in at the time when DDS was only just beginning its business. I refer to my comments in paragraph 46 above where I outline the events in 2007 as set out in the evidence of DDS. At the very least it must have been clear to DDS that even before they started their business there was someone else using the one distinctive element of their mark in relation to services identical to at least some of those they intended to offer. Despite this they decided to carry out a cursory search of social media only instead of investigating whether a potential conflict would arise by simply contacting DOD. I believe that DOD came to the attention of DDS by way of the magazine Professional Investor, in which case it would have been simple to have phoned the magazine and asked for contact details. I note that DDS does not claim to have searched on Google otherwise I suspect that the presence of DOD's website would have come to light, showing the range of services on offer and the close proximity of the company in Edinburgh. Despite being aware of the existence of DOD in 2007, DDS has not stated that it carried out any checks before applying for its registered trade mark in August 2012.To my mind a reasonable person entering business would carry out extensive checks to ensire no conflict existed. **I therefore find that the application was made in bad faith and that the ground of invalidity under Section 3(6) is successful.**

52) As the invalidity action against the earlier registered right of DDS (2632571) has been successful then its ground of opposition under section 5(2)(b) in respect of DOD's application 6008332 must fall away. Similarly, because of my finding regarding the senior user above DDS cannot succeed under its ground of opposition under section 5(4)(a). The opposition to application 3008332 therefore fails.

CONCLUSION

53) Invalidity action 500071 in respect of trade mark 2632571 has succeeded. Opposition 401322 in respect of application 3008332 has failed.

COSTS

54) As DOD has been successful in both the invalidity and opposition actions it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement x2	£600
Expenses	£200
Preparing evidence and considering the other side's evidence	£1000
Preparing submissions	£500
TOTAL	£2300

55) I order Dojo Design Studio Ltd to pay Dojo Design Ltd the sum of £2,300. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of November 2014

G W Salthouse
For the Registrar
the Comptroller-General

ANNEX 1

Continuation Sheet

DOJO DESIGN Logo: