

**O-481-20**

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK REGISTRATION NO. 3223495

**“BC ELECTRONICS”**

IN THE NAME OF WILTSGROVE LTD

AND

AN APPLICATION FOR INVALIDATION

UNDER NO. 502368

BY WILLIAM IVOR CUTLAN

## Background and Pleadings

1. Wiltsgrove Ltd (“**the Proprietor**”) owns UK trade mark registration 3223495, which it filed on 6 April 2017 (“**the relevant date**”) and which was entered in the register on 23 June 2017. The registration is for the word mark “BC ELECTRONICS” in respect of various remote controls specified in class 9, namely:

*Infrared remote control apparatus; Infrared remote controllers; Multifunctional remote controls; Remote control apparatus; Remote control units; Remote controls; Remote controllers; Remote control receivers; Remote controls for stereos; Remote controls for televisions; Television remote controllers; TV remote controls; Remote controls for radios; Remote controls for projectors.*

2. On 22 November 2018, William Ivor Cutlan (“**the Applicant**”) applied for a declaration of invalidity against the registration, by filing a Form TM26(I), along with evidence in the form of his own witness statement (dated 11 November 2018<sup>1</sup>), and with submissions filed on his behalf dated 13 November 2018. The application for a declaration of invalidity was based originally on two grounds under the Trade Marks Act 1994 (“**the Act**”) - section 5(4)(a) and section 3(6). The section 5(4)(a) claim was essentially that at the date that the registered mark was applied for, its use was liable to have been prevented by the law of passing off, because the Applicant had traded under that sign since 1993 in connection with remote controls and their parts. However, as explained below, the Applicant is prevented on the basis of cause of action estoppel from bringing an invalidity claim relying on section 5(4)(a).
3. This decision therefore concerns only the section 3(6) claim - an allegation that the trade mark was filed in bad faith and should not have been registered. The bad faith claims were set out in the form of a witness statement and submissions filed with the Form TM26(I). Points from the evidence are summarised later in this decision; the essence of the allegation of bad faith detailed in the cancellation application is that the Proprietor applied for the trade mark in order to disrupt the Applicant’s business on Amazon selling such goods. That allegation is premised on:

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<sup>1</sup> (with exhibits)

- i. the Applicant having used the sign BC Electronics (where 'BC' are the Applicant's initials, standing for Bill Cutlan) in connection with his online sales of remote controls, including in connection with his shopfront on the Amazon marketplace platform;
- ii. that the Proprietor is a competitor seller, which has traded for years via its own Amazon shopfront, as "Cherrypickelectronics" under the company Akita (UK) Ltd;
- iii. that Amazon emailed the Applicant on 1 July 2017 (a week after registration of the Proprietor's mark) informing him that Amazon had removed his products from the Amazon website as they contravened trade mark rights;
- iv. that the Applicant could "see no other reason" for the Proprietor to have registered the contested trade mark other than to prevent Mr Cutlan's use of his own brand, which amounts to bad faith.

*The Proprietor's defence and the removal of the section 5(4)(a) claim*

4. The following gives a recap of the circumstances of the removal of the section 5(4)(a) ground, including the points made at that stage by the Proprietor, some of which have some relevance to the present decision.
5. The registry served the Applicant's Form TM26(I) on the Proprietor on 18 December 2018. The Proprietor responded to the registry by email on 8 January 2019, with the following information and query:

"Please note the same cancellation applicant previously tried to cancel this trade mark on 12 July 2017 and lost the case ... is it possible for this applicant to continuously file cancellations on this trade mark. Please can you look into this, as it seems much of this issue is the same as the first case and would be a waste of time to re-do all of this."
6. The previous cancellation attempt referenced in the email query was Cancellation Application No. 501723, brought by the Applicant, then acting without legal representation, based (only) on section 5(4)(a) of the Act, which resulted in the decision published as BL O/570/18. In that decision the Hearing Officer dismissed the application because the evidence filed by the Applicant was insufficient to demonstrate sufficient goodwill to be protected by the law of passing off.<sup>2</sup>

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<sup>2</sup> Paragraph 22 of BL O/570/18.

7. In response to the Proprietor's email query, an official letter from the registry, dated 2 February 2019, asked the Proprietor whether this was a request for this Cancellation Action to be struck out. The Proprietor replied to that letter by e-mail on 13 February 2019, confirming that it requested that the present cancellation (No. 502368) be "struck out on the grounds that the argument for cancellation is the same in principle as the first denied cancellation request, CA000501723." The Proprietor continued (verbatim):

"The evidence submitted again is sales figures, from ebay and Amazon, and assumes trade mark and considerable goodwill has been generated by opening a amazon store name to that of my registered brand BC ELECTRONICS UK00003223495. As explained in my initial case the evidence supplied by the Claimant did not make any sense nor did prove any goodwill was generated. Storefront names can be added/changed at any time irrespective of when the ebay/amazon account was open. I personally think this repetition of work is a waste of both yours and my time and money when the argument is essentially the same."

8. The Proprietor also filed its Form TM8 notice of defence on 13 February 2019, making the following counterstatement dated 13 February 2019 (verbatim and in full):

*"I strenuously deny the grounds of which the cancellation request has been made. The applicant has previously tried to cancel this trademark unsuccessfully under CA 00501723. Again there is no proof of goodwill being built. Setting up Amazon/Ebay accounts in any name does not entitle you to ownership to a trade mark. Setting up a storefront in any name is relatively straight forward on Amazon / Ebay and can be repeatedly changed to another store name. I therefore request full proof of the statement and sales figures made by the claimant."*

9. A hearing on the matter of the repeat attack on the validity of the Proprietor's trade mark took place before me by telephone conference on 26 April 2019, the outcome of which was published as decision BL O/283/19. The findings from that hearing were that the present (second) invalidity claim relying on section 5(4)(a) is prevented on the basis of cause of action estoppel, because in that regard the cause of action in these proceedings is identical to that raised and determined in the earlier proceedings – a claim that the contested mark is invalid based on a claim to an earlier right in the form of goodwill protecting against passing off. However, neither cause of action nor issue estoppel

applied to the section 3(6) ground, as that bad faith cause of action was not raised or decided in the earlier proceedings. I also concluded that the Applicant in this case was not misusing or abusing the process of the tribunal by seeking to raise an issue which could have been raised before. Accordingly, the Applicant's claim in relation to section 5(4)(a) was struck out, but the proceedings continued in relation to the bad faith claim. The registry served the Proprietor's Form TM8 defence on 30 May 2019 and set the evidence rounds.

### **Papers filed and representation**

10. In the present proceedings the Applicant has engaged the legal services of a firm of trade mark attorneys - initially Chapman IP, but which has meanwhile been acquired by another firm, becoming Murgitroyd. The Proprietor acts in these proceedings without professional legal representation.
11. As mentioned above, when the Applicant filed its invalidity application form it also included a witness statement of William Ivor Cutlan, dated 11 November 2018 (with exhibits) and submissions dated 13 November 2018 filed on his behalf by Chapman IP. During the evidence rounds, a witness statement was filed by the same witness in near-identical terms to the statement filed with the Form TM26(I), differing only at paragraph 11 to refer to an additional exhibit. Submissions on behalf of the Applicant were again filed at this stage. The Proprietor also filed evidence during the evidence rounds, including points of submission, and the Applicant filed evidence in reply.
12. Neither party requested an oral hearing, but they were set a deadline to file written submissions prior to a decision being made from the papers. That deadline fell (albeit just) within the operation of "interrupted days" in which the normal course of business at the IPO was disrupted by the national lockdown in response to the coronavirus pandemic. So that the case may proceed, an official letter dated 16 April 2020 asked the parties to notify the registry as soon as possible if they did not intend to file written submissions. On 8 June 2020 the registry wrote to the parties to prompt the point. On 9 June 2020 the Applicant's representatives confirmed that they did not intend to file submissions in lieu. In the absence of a response from the Proprietor, the drafting of this decision was delayed pending the end of the period of interruption, which extended to 29 July 2020. I take this

decision having carefully read all materials filed, including of course all the evidence, an account of which is given below.

## **THE EVIDENCE**

### **The Applicant's evidence**

13. The Applicant's evidence in chief comprised the **witness statement of William Ivor Cutlan** dated 23 July 2019 with **Exhibits WC-1 to WC-5**. The Applicant also filed evidence in reply to the evidence filed on the part of the Proprietor. The evidence in reply comprised a second witness statement by Mr Cutlan, dated 20 February 2020, with further exhibits, but again named as WC-1 to WC-4. In aid of a clearer, more connected account of the evidence, I shall mention points in reply where it appears sensible to do so, rather than sticking to an account that adheres strictly to the order in which the evidence was filed. My account of the evidence summarises the main points made, and includes my own observations or comment as I consider appropriate.
14. I note the following points from the Applicant's evidence in chief.

#### *Applicant's claimed history trading as BC Electronics:*

- i. Mr Cutlan states that he has traded as BC Electronics since September 1993, his account of such including as follows:
  - a. That until 1997, he operated his business from home in Cardiff, repairing, refurbishing and selling electronics and associated accessories. From 1997 - 2002 he had a physical shop named "BC Electronics". **Exhibit WC1** shows a bill from Cardiff Council dated March 1999 for charges relating to that shop, showing the Applicant trading as B C ELECTRONICS.
  - b. From 2002 – 2015 he states he sold products primarily through the eBay marketplace platform and that during that time he also registered the domain "www.bcelectronics.co.uk", which he states he still uses.
  - c. From 2013 to date he has sold his products through his online BC ELECTRONICS shop hosted on the Amazon marketplace - paragraph 3(e) of his witness statement.

*Applicant's claimed trading as BC Electronics on Amazon:*

ii. Mr Cutlan states at paragraph 2 of his witness statement that the goods marketed under the sign BC ELECTRONICS consist of electronic devices and remote controllers.

**Exhibit WC2** comprises 4 pages:

- the first page is a print out of a page from the Amazon UK website, based on search results for “BC Electronics Shopfront”. It shows a dozen remote controls offered for sale, such items described as, for example, ‘replacement remote control for / fit for Panasonic / Samsung / Sony TV’, with particular models listed. The webpage states BC Electronics to be “committed to ... the highest standard of customer service”. It shows five reviews from October 2018 and that 99% of the reviews in the last 12 months were positive. I note that, even with a twelve-month rewind, this print-out is after the relevant date. Mr Cutlan states at paragraph 4 of his witness statement that the online shopfront on the Amazon marketplace shown in the exhibit is his, and it is shown to have had (at October 2018), over 1300 reviews over its lifetime.
- Page 2 of the exhibit is a print-out of an archived webpage (via the WayBack Machine) from the website “bcelectronics.co.uk” showing (consistent with the claim at paragraph 14(i)(b) above) that it existed in January 2008 and advertising itself as offering “one of the largest selections” of digital, satellite and standard TV remote controls in the UK, including original and directly compatible replacement handsets, at prices indicated to be a fraction of those from the manufacturers. The page states that full website was to “follow soon”, but “to see its full range of remote controls”, the page directs the viewer to its “relaunched eBid shop” (which it stated to be the UK’s 2<sup>nd</sup> largest auction site). There is no further evidence in relation to that referenced eBid shop.
- The third and fourth pages are more archived pages from the Applicant’s bcelectronics.co.uk website, each page closely resembling the other in terms of the particular remote controls offered, and where the searched dates are so small as to be very difficult to make out, although the fourth page appears to date from 2 October 2016.

*Applicant's claimed feedback on Amazon*

iii. Mr Cutlan states at paragraph 5 of his witness statement that he has sold goods under his trade name BC Electronics on Amazon since 2013, and that he has built up a reputation and goodwill in his brand, which he states “*is evidenced by the positive feedback attributed to my online shop through customer feedback*”. **Exhibit WC3** shows

14 captures of web pages from the Amazon.co.uk site, which Mr Cutlan states are “*excerpts of feedback provided by customers on my Amazon Seller Profile...*”. The text in the exhibit is again very small, but it shows 99% positive customer feedback based on over 1300 reviews by 2017, and includes example reviews from each of the years 2013 – 2017, several of which reviews expressly reference the nature of the goods (replacement/compatible remote controls).

- iv. Mr Cutlan states that due to the nature of the Amazon platform, he does not directly invoice his customers, rather invoices are generated automatically, and that “*in view of this, in order to evidence sales to customers and use of my brand from 2007 to date*”, Exhibit WC-4 shows “*notification of payment invoices from PayPal.*” **Exhibit WC4** shows six individual payments from PayPal to BC Electronics or to William Cutlan for remote controls purchased from “b\*c\*electronics” in 2007, 2008 and 2009. These are self-evidently not payments arising from Amazon because they significantly pre-date 2013, which is the year from which Mr Cutlan states that he has traded on Amazon. The exhibit also shows eleven notifications from eBay to an email address that starts “bill.bce@”. Those pages show various messages from eBay to “BC Electronics” or to “William Cutlan” and/or “b\*c\*electronics” confirming individual sales of (variously branded) remote controls in the years 2009 – 2015. It also shows, at page 38, a payment from PayPal in 2010 which is shown to originate from the sale of a remote control on eBay. Pages 41 and 42 of the evidence show invoices / receipts for the sale of remote controls, with dates in 2016, paid to BC Electronics (UK) at an address in Cardiff. The exhibit (page 43) also shows hand-written paid invoices to “Mr B Cutlan, BC Electronics” dating from August 1994. Similar invoices from 1997 and 1998, 2000, 2004, 2006 refer to “BC ELECTRONICS, Bill Cutlan” (page 45).
- v. Mr Cutlan’s account in his witness statement is that the Proprietor has been a competitor seller on Amazon for about ten years, having an Amazon shop trading as “cherrypickelectronics” under a company called Akita (UK) Ltd. (Evidence from the Proprietor highlights that these points are certainly not precisely accurate statements by the Applicant.)
- vi. Mr Cutlan states that he first became aware of the Proprietor’s registration of BC Electronics as a trade mark, when Amazon emailed him on 30 June 2017. **Exhibit WC5**

exhibit shows the emails from Amazon, again to bill.bce@, notifying him (by emails dated June – August 2017) of the reports of infringement from the rights owner, consequently removing from Amazon listings of various goods, such as BC Electronics Panasonic replacement TV remote controls and BC Electronics Samsung replacement TV remote control, as well as of other remote controls for brands such as LG and Sony, which make no direct mention of BC Electronics. The emails provided the contact details of the rights owner and standard text on how to respond if it is believed that the reported content does not infringe the right owner’s intellectual property.

- vii. Mr Cutlan’s statement also provides annual UK turnover figures under the BC Electronics brand ranging from over £33,000 in 2006, to over £53,000 in 2016. Although the infringement notifications from Amazon contain a few references to ‘BC Electronics’ in the description of the handsets, the remote controls themselves appear to be either refurbished units under other proprietorial brands (LG, Panasonic, Toshiba, Goodmans etc) or universal or compatible remotes for such brands. By Mr Cutlan’s own evidence, the manufacturer is e-Remotes (based in Poland) – per Exhibit WC-3 to his second witness statement dated 20 February 2020 filed as evidence in reply to the Proprietor. The Applicant’s use of “BC Electronics” appears largely to have been used in relation to the *sale* of such goods (as an Amazon storefront), rather than in respect of the goods themselves.

### **The Proprietor’s evidence and submissions**

- 15. The Proprietor filed evidence in the form of a **witness statement of Jeevan Singh**, dated 25 September 2019, along with exhibits numbered: X11, X13, X17, X20, X21, X22, X23, X24, X30, X31, X32, X33, X34, X35, X36 and X37.
- 16. I firstly note the following from Mr Singh’s evidence, relating to claimed areas of use outside of the Amazon platform:
  - i. he states that bcelectronics.co.uk is a non-functional website and that simply registering a domain name does not give entitlement to brand ownership.

- ii. he says at paragraph 3 of his witness statement that “*the eBay store b\*c\*electronics (Exhibit X17) and Amazon store BC Electronics are simply shop names and user IDs, which can easily be created and changed at any point*”. He states “*I could open a shop name with any famous brand. This does not mean I have a right to own the brand or trade mark.*” As part of his evidence in reply *the Applicant filed Exhibit WC-2* (his second exhibit so named), which shows his user id history for the ebay website, which makes clear that the Applicant has traded on ebay as B\*C\*Electronics since 7 May 2004 without name change. Mr Singh presents **Exhibit X17**, which is itself an exhibit filed by Mr Cutlan in the previous proceedings between the parties. It is a print-out of a web page from eBay, undated, showing b\*c\*electronics to have 100% positive feedback in the “last 12 months”, to have received around 32000 reviews and to have been a member of eBay since 29 June 2002.

*Proprietor’s manufacturing claims*

17. Returning to focus on the disputed profiles and listings on the Amazon platform, I note the following from Mr Singh’s evidence. Mr Singh states (at paragraphs 5 and 6 of his witness statement) that **exhibits X20 - X23** show Amazon listings of products “manufactured by Wiltsgrove Ltd and the brand BC ELECTRONICS” and that he has “given two examples of products which clearly feature the brand ‘BC Electronics’” (my own underlining). I find these to be loosely expressed statements and his claim that the Proprietor manufactures the products is not well – if at all - supported by Mr Singh’s other evidence. Thus, the two example products referenced by Mr Singh’s statements are: Firstly, a “Replacement Remote Control for Samsung BN59-00611A (the Amazon listing for which is presented across **Exhibits X20** and **X21** and which I shall refer to as “**the Samsung remote**”); and secondly one listed as “BC ELECTRONICS – Replacement Remote Control MKJ42519601 for LG LED TVs” (the Amazon listing for which is presented across **Exhibits X22** and **X23** and which I shall refer to as “**the BC Electronics remote**”). I now describe those exhibits further, and will go on to indicate the conclusions the parties invite me to draw.
18. *The Samsung remote*: **Exhibit X20** is a print-out of an undated Amazon web page listing the Samsung remote, which is shown to be listed as “sold by cherrypickelectronics and

*fulfilled by Amazon*" (my underlining). The product item is shown to have 64 reviews and a 4.5 star rating (out of 5 stars). The exhibit also shows the Samsung remote as "by BC ELECTRONICS" – this tag may indicate the brand name or the manufacturer of the remote control. Mr Singh claims that the Proprietor is the manufacturer of this particular item; however, as part of the Applicant's evidence in reply the Applicant filed (his second) **Exhibit WC-3**, which Mr Cutlan states shows his seller edit view of that listed item on Amazon and I accept that that appears to be case. He also states the view is "as of 2013", but I could see no date to confirm that. Nonetheless, the exhibit shows the matching details for that particular product by reference to its identifying code and that the brand name is BC Electronics, but that the manufacturer is called e-Remotes (my underlining). I find this good evidence that Wiltsgrove Limited is not the manufacturer of the Samsung remote. Mr Singh makes another point in relation to the Samsung remote (by reference to the product details shown at **Exhibit X21**, which pairs with Exhibit X20), which is that it is shown to have been first available at amazon.co.uk on 8 November 2012. Since the Applicant claims to have been operating on Amazon since 2013, Mr Singh states that "clearly Mr Cutlan is not telling the truth". While I note this apparent anomaly, I am not satisfied that this evidence as to the first availability significantly undermines the Applicant's statement evidence that he has operated an Amazon storefront since 2013. Without evidence to clarify the significance to be drawn, it seems to me that simply because a product may have been available for sale on date X, does not necessarily prevent that same product from being sold by another seller at a later date Y.

19. *The BC Electronics remote*: **Exhibits X22** and **X23** are essentially the same as each other, but with X22 showing more of the upper part of the web page print-out and X23 showing more of the lower part of the same. The print-out of that Amazon web-page shows a remote control "made by BC Electronics" and shown to be sold by cherrypickelectronics. It is not shown to have any reviews or star rating. The item's "date first available at Amazon.co.uk " is shown as 3 April 2012. While I again note that point as to first availability, Mr Cutlan stated in his second witness statement that he has never claimed any association with the item in these exhibits so the evidence is not relevant. He also states that the exhibits appear to have been doctored in some way between 2013 and 2017, pointing out that the title and description of the product refers to the brand LG,

whereas the product details shown in the lower section, identify a different item model number and different brand (TOSHIBA). I note the anomaly highlighted by Mr Cutlan, but I do not consider that allegation substantiated, as the discrepancy may equally be attributable to error.

#### *Proprietor's complaints to Amazon*

20. Mr Singh accuses Mr Cutlan of having “*seen these popular listings and attempted to take ownership of the listing.*” However, since I note that the BC Electronics Remote is not shown to have any reviews or star rating, it cannot be considered a “popular listing” as Mr Singh suggests. The only other listing referenced in Mr Singh’s evidence is for the Samsung Remote, which I have found is not manufactured by the Proprietor.
21. Mr Singh states that “*Amazon were informed of Mr Cutlan’s actions and removed him from listing as they could see he did not create the listing nor was the brand owner and was simply trying to take false ownership.*” Mr Singh states “*There is further proof of this from a complaint we filed to Amazon and Amazon taking appropriate action.*” Evidence of that complaint takes the form of **Exhibit X24**, which is one sheet that shows three very short emails, all dated 18 October 2016. One email is from Mr Singh (using the Proprietor’s email address) and is entitled “Re: Your Amazon.co.uk Enquiry”. In it, Mr Singh refers to having provided information “*against seller BC Electronics who is selling counterfeit products for the ASINs I mentioned*” and asking that Amazon check and “*take appropriate action*”. The second email is from Amazon (co.uk) stating that “the information you mentioned appears to have been removed from Amazon.com.” (my underlining).
22. The context of the complaint(s) in Exhibit X24 is not clear, for example as to what products are the subject of the complaint or on what basis they were removed (or even from which platform). Nor does the exhibit show that Mr Singh operated at that time under the sign or name BC Electronics. What it does apparently show is that Mr Singh made a complaint in October 2016 (six months before the relevant date) against “seller BC Electronics”. That seller was, by Mr Singh’s evidence, the Applicant. The terms in which the complaint was made are not included and the exhibit does not substantiate the contention by Mr Singh that Amazon had concluded that Mr Cutlan did not create the listing.

23. The third email at Exhibit X24 is also from Amazon (co.uk) stating (only) that “Amazon respects the IP of others and expects that sellers posting on its site do the same. Based on the information in your intellectual property rights infringement complaint, we have removed these items from our site: ...” - but the exhibit does not present the goods complained of, nor the IP right invoked by the Proprietor (which in 2016 was evidently not the contested registration).

*Proprietor’s account for brand choice and distinguishing cherrypickelectronics*

24. Mr Singh, at paragraph 8 of his witness statement, makes the following bulleted claims:

- *“my business partner name is Bobby Chohan and the reason why we registered the trademark. These are the same initials as the applicant. Not that I consider this an important reasoning to brand ownership, it seemed a natural idea.”*

I note that Mr Cutlan argues in his second witness statement that this explanation is entirely spurious and points out that the name Bobby Chohan has not been raised at any earlier point in the proceedings.

- *“Wiltsgrove Ltd has six different remote control brands targeting different markets and products, RM SERIES 121AV, GRC etc. BC ELECTRONICS was just another brand that was thought of and created listings. It is not done in bad faith but simply a brand name we wanted to develop for remote controls. The applicant is tried to seize on this opportunity.”* (my underlining)

Mr Cutlan in his second witness statement argues that the claim to be targeting different markets does not make sense because *“the market for replacement remote controls is exceptionally niche and specialist – there are not several different markets”*.

- *“The Proprietor does not own Amazon shop called cherrypickelectronics [as the Applicant claimed] ... it is owned by Akita UK limited. This company is a customer of the proprietor. Akita UK Ltd buy many products under different brands supplied by the proprietor.”*

This is an accurate statement. Cherrypickelectronics, even according to Mr Cutlan’s own evidence, is owned by Akita UK Limited – not by the Proprietor, Wiltsgrove Limited. It may also be the case that Akita UK Limited is a customer of the Proprietor; however, Mr Cutlan filed evidence in reply where his second Exhibit WC-4 is said to be an extract from

information from the Companies House website showing (at page 15) that Jeevan Singh, was, until 23 June 2015 a director of Akita (UK) Limited, which remains run by family members. To this extent there is some validity to Mr Cutlan's point that both he and Mr Singh have operated competing storefronts on Amazon selling replacement remote controls.

*Proprietor's reason for filing a trade mark*

25. At paragraph 10 of his witness statement Mr Singh states that *"the applicant had clearly seen the success and good search ranking and good customer reviews of the "BC ELECTRONICS" branded remotes on the Amazon platform created by ourselves and sold to our customers and decided to 'piggyback' the listing by setting up a store name to that of the brand BC ELECTRONICS which is an act of bad faith by the applicant. ... In order to protect our listings and brand we had developed I immediately made an application to register the brand 6 April 2017. This application was not done in bad faith but to protect my listings and brand goodwill on Amazon."* In my view, the evidence filed by the Proprietor is insufficient to support its (counter) claim to have generated its own goodwill under the sign.

*Proprietor denies knowledge of Applicant*

26. Mr Singh denies that he was aware of the Applicant until he began to "sell on our listings." Mr Singh denies that they have been competitors on the Amazon marketplace for 10 years, pointing out, correctly, that Mr Cutlan claims to have joined only in 2013. I have, however, already referred to the evidenced connection between Mr Singh and Akita (UK) Limited /cherrypickelectronics, which is shown to have been a competitor storefront on Amazon. The Applicant's evidence in reply further casts doubt on Mr Singh's claim to have been unaware of BC Electronics as a competitor since Mr Cutlan states in his second witness statement that both have been selling products on eBay for about the same amount of time (around 16 years). Mr Singh's evidence makes no denial of having traded on eBay and nor did the Proprietor make any such point of submission in lieu of an oral hearing, despite being given repeated opportunities to do so.

*Proprietor's further counter-allegations of bad faith*

27. Mr Singh puts forward further points to build his own argument that it is in reality the Applicant who has acted in deceitful bad faith. Mr Singh states he has also registered in the name of the Proprietor another brand for Class 9 remote controls, "GRC", under UK trade mark number 3222489. He then refers to Exhibits X30 – X37 – these are all web page print outs from Amazon showing individual remote controls for sale apparently via the Amazon storefront of BC Electronics. The thrust of Mr Singh's points in his witness statement in relation to these Amazon web pages is that they show that the remote control goods therein, identified as 'sold by BC Electronics', are also identified in their product listing descriptions as GRC remotes (eg X31), or "by GRC Remotes TM" (X35) or "by GRC" (X36); and that Exhibit X33 even describes the goods as "cherrypickelectronics grc ... replacement remote control".
28. Mr Singh states at paragraph 12 of his witness statement that the GRC products are currently being sold by the Applicant's BC Electronics storefront. Mr Singh states that this is evidence of the Applicant "attempting to profit by selling on other brands and listings where he has no right to do so". He also states that "the listings with the trade mark were created before the applicant began selling on Amazon." Exhibits X30 – X37 are all undated, so it cannot be determined whether they are from before or after the relevant date; the star ratings visible for these GRC goods are based on very low numbers (single digits or low double digits), which may tend to suggest that the GRC sign has not been deployed long – but this is not conclusive.
29. Mr Cutlan describes Mr Singh's points about the GRC exhibits as "fallacious, irrelevant and not based on evidence". He states that he is however, aware that there was a brand GRC which was "operated by another business who also sold remote controls" but that that brand, as with Mr Cutlan's claimed brand BC Electronics, was "suddenly removed by Amazon at around the same time Amazon announced that manufacturers who owned a trade mark registration could effectively have complete control of all those products, and block all other sellers, if they simply applied for 'Amazon Brand Registry'". He states that the Proprietor applied for the GRC trade mark registration five days before they applied for the contested registration. That is a matter of record.

## THE LAW ON BAD FAITH

30. Section 3(6) of the Act states: “A trade mark shall not be registered if or to the extent that the application is made in bad faith.” Section 47(1) of the Act states: “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).”

31. The principles to be considered in determining whether a trade mark application has been filed in bad faith and thus offends against section 3(6) arise from various court judgments. The relevant case-law includes the following cases:

- *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07
- *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 [2010] RPC 16)
- *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch)
- *Alexander Trade Mark*, BL O/036/18

32. The legal principles appear to include the following:

- While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.
- Where an applicant does not intend to engage in fair competition under the applied-for mark, but intends to use the trade mark to undermine the interests of third parties, contrary to honest practices, then the application is made in bad faith: *Sky* CJEU.

33. Assessment of bad faith claims requires an approach that takes into account the following points:

- The applicant's intention 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*.
- The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.
- 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*.
- 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*.

Important questions for consideration include:<sup>3</sup>

- What, in concrete terms, is the objective that the trade mark applicant has been accused of pursuing?
- Is that an objective for the purposes of which the contested application could not be properly filed? and
- Has it been established that the contested application was filed in pursuit of that objective?

## **DECISION**

34. As is apparent from my account of the evidence, the materials filed on both sides left various points unanswered or unsubstantiated. My task is to look at the evidence in the round to determine whether it may be concluded on the balance of probabilities that the contested trade mark was filed in bad faith. The allegation is that the Proprietor applied for the registered trade mark, knowing about Mr Cutlan's business operation and with the intention of disrupting his trading in the field (of selling electronic devices, especially remote controllers), in particular displacing him from trading on Amazon.

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<sup>3</sup> Daniel Alexander QC as the Appointed Person in Alexander Trade Mark

35. Having considered all relevant materials, I conclude as follows:
- i. While this is not a case based on a claimed earlier right as such – the section 5(4)(a) claim having been removed - the Applicant's account of being an established trader in the field, operating under the name BC Electronics is clear and consistent with the evidence filed. The Applicant has been using the sign BC Electronics for some considerable time in relation to his business selling remote controls.
  - ii. The reason for his choice of that sign is soundly explained as reflecting the initials of Bill Cutlan and the realm of his business. The sign has a readily understandable connection to the Applicant and is further reflected in the initials within his business email in evidence.
  - iii. I do not attach significance to the early evidence of the Applicant trading under the sign, at home and at his shop in Cardiff beyond establishing his long-standing operation in this business area. The Proprietor will not have encountered the Applicant at that time. However, it seems reasonably likely that when the Applicant moved to an online presence a business operating in the same specialised trade will have become aware of its competitors, whether on Amazon, ebay or elsewhere, in the course of the years of common enterprise.
  - iv. The Applicant's business operated on eBay as BC Electronics since 2004, gathering 32,000 reviews and that online presence continued until 2015.
  - v. The Applicant set up a bcelectronics.co.uk website, which existed as of 2008 and in 2016, and although the evidence is not strong as to its functionality or sales generation, its notable focus on replacement remote controls is emphatic.
  - vi. The Applicant operated a storefront on Amazon, again under the BC Electronics name, selling replacement remote controls and achieving over 1300 positive reviews from 2013 onwards.
  - vii. Mr Singh has strong commercial associations with companies that have been competitors of the Applicant in the same specialised area of trade in the UK over a number of years.
  - viii. The Proprietor knew of the Applicant's storefront trading on Amazon, registered a trade mark for BC Electronics for the goods in which both parties trade, and promptly deployed its registration as a basis to activate Amazon to delist the Applicant's goods, where it is not even apparent that the vast majority of the goods were branded or described by reference to the sign.

36. In my view, the above findings support a prima facie claim that the Proprietor applied to register the contested trade mark for strategic commercial advantage in a way that falls short of honest practices. Turning therefore to consider the Proprietor's response: the Proprietor was confronted with a clear and specific allegation of bad faith, premised on a tactic of eliminating competition from a business already using the sign to sell on Amazon, and where the Applicant, in his statement of grounds could see "no other reason" for the Proprietor to have chosen to file for a trade mark BC Electronics. Faced with that claim against it, I would have expected that the Proprietor would have at once responded not only with a specific denial of that scenario of bad faith, but to have responded with its own account of the Proprietor's own earlier use of the mark, its reasons for choosing to apply for that particular mark and the misconduct by the Applicant. Instead, the Proprietor set out its explanations and counter-allegations only during the evidence rounds. While I do not ascribe undue significance to the initially more reticent response, I do find it surprising that neither at counterstatement stage nor in the correspondence with the registry that led eventually to the partial estoppel decision, did the Proprietor make any reference to the central allegation of bad faith.

37. The position according to Mr Singh appears to be that the Proprietor is a manufacturer of remote controls who, in order to address different markets in the UK for such goods, created a suite of half a dozen brands, including one called BC Electronics, named after his business partner, and that Mr Cutlan must have spotted the good reviews for the Proprietor's BC Electronics goods and changed his Amazon shopfront name accordingly, in order to take advantage of the goodwill generated by the Proprietor. This, Mr Singh contends, is borne out by investigations carried out by Amazon.

38. In my view, this position is not well supported by the evidence filed.

- There is no corroborating evidence that the Proprietor is a manufacturing company.
- No clear explanation is given of the commercial rationale for a multiplicity of UK trade marks for the same specialist goods - what the different markets may be, why they would differ or why one name – be it GRC or BC Electronics or another - would be commercially preferable to another for such goods.
- The particular claim that one of those brand choices happened to be BC Electronics is surprising. While the combination of the two initials BC with 'electronics' may not be the most imaginative choice for a sign for electronic goods, that two UK traders would have

reached that formulation independently for precisely the niche goods at issue is more unusually coincidental.

- The credibility attaching to the explanation that the chosen sign reflects the name of Mr Singh's business partner would be greater if there were evidence to support the claimed business relationship with a person of that name.
- There is no evidence that the Applicant changed its Amazon BC Electronics storefront name.
- There is little evidence of the Proprietor offering remote controls under the BC Electronics mark, or of such goods being notably well reviewed as to provoke an opportunistic adoption by the Applicant; there is no evidence of sales by the Proprietor generating its own goodwill in the sign as claimed. The claim that the Applicant has "tried to seize on this opportunity" is undermined, at least to some degree, by the evidence filed by the Applicant which demonstrates his real and long-standing interest in and use of the sign in relation to replacement remote controls.
- The bases of the complaints made to Amazon are unclear, as is the basis for any response by Amazon.

39. Taking matters in the round, it seems likely that the Proprietor's objective in choosing and filing the contested trade mark was to displace a competitor seller by invoking the registration in the context of the IP protection policies of the relevant online selling platform. I consider this an abuse of the trade mark system and therefore find that the trade mark was applied for in bad faith. Its registration is to be invalidated and shall be deemed never to have made.<sup>4</sup>

## **COSTS**

40. The Applicant, having succeeded in its application to invalidate, is entitled to a contribution towards its costs, based on the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the Applicant the sum of £1,350 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

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<sup>4</sup> In line with section 47(6) of the Act.

Official fee for the Form TM26(I): £200

Preparing a statement and considering the Proprietor's counterstatement: £350

Preparing, considering and commenting on evidence : £800

41. I therefore order Wiltsgrove Ltd to pay William Ivor Cutlan the sum of **£1,350**. This sum is to 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 29th day of September 2020**

**Matthew Williams**

**For the registrar**

  

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