

**O-531-17**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF CONSOLIDATED PROCEEDINGS INVOLVING:**

**TWO INTERNATIONAL REGISTRATIONS WHICH HAVE DESIGNATED THE UK  
FOR PROTECTION**

**UNDER NOS 1281231 & 1281232**

**IN THE NAME OF SWATCH AG (SWATCH SA) (SWATCH LTD)**

**IN RESPECT OF THE TRADE MARKS:**

**SWATCH ONE MORE THING**

**&**

**ONE MORE THING**

**AND**

**OPPOSITIONS THERETO (UNDER Nos 406449 & 406479)**

**BY APPLE INC.**

## **BACKGROUND AND PLEADINGS**

1. These consolidated proceedings concern two International Registrations (“IRs”) for which their owner (who I will refer to as Swatch) designated the UK for protection on 24 November 2015. The marks were accepted for protection and then published for opposition purposes on 22 January 2016. Protection is sought for various goods in classes 9 and 14, including consumer electronic/technology products and watches. The two marks are: **SWATCH ONE MORE THING** and **ONE MORE THING**.

2. Protection in the UK has been opposed by Apple Inc. (who I will refer to as Apple). In both cases the grounds of opposition are the same, namely:

Under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) on the basis that Apple has acquired goodwill associated with the sign ONE MORE THING on account of use since at least 1998. It is claimed that the use of the IRs would cause a misrepresentation to the public that would damage this goodwill.

Under section 3(6) of the Act, bad faith, in that Swatch must have been fully aware of Apple’s use of the sign ONE MORE THING and that it is indelibly linked to it and that Swatch “has sought to hijack the mark for its own benefit, either to parody Apple, divert trade from Apple or make use of the reputation subsisting in that mark”.

3. Swatch filed counterstatements denying the grounds of opposition. It put Apple to proof on its claim that the sign ONE MORE THING is extremely well-known and indelibly linked with Apple. It further denies that any form of misrepresentation would arise. In relation to bad faith, Swatch states that the marks were selected in good faith in accordance with its established name selection process.

4. The proceedings were consolidated. Both sides filed evidence. The matter was heard before me on 20 September 2017 at which Apple was represented by Mr Jaani Riordan, of counsel, instructed by Lock Lord LLP, and at which Swatch was represented by Michael Conway of Haseltine Lake LLP.

## **THE EVIDENCE**

5. Rather than summarise the evidence witness statement by witness statement, I will, instead, refer to it by its main (and pertinent) issues. However, before doing so, I set out below who has given evidence, and about what.

### **Apple's primary evidence**

6. Apple filed two witness statement in support of its case. The first is from Mr Thomas La Perle, a director in Apple's legal department. He provides information about Apple's business activities, the fame of its APPLE brand, the impact of one of its co-founders, Steve Jobs, on this success, and, finally, the use of the sign ONE MORE THING by Apple. Apple's second witness statement is from Mr Ben Hitchens, counsel in the intellectual property group of Locke Lord. He provides information from press articles about Swatch's applications and another application for the mark TICK DIFFERENT. He also provides information about the use of the sign ONE MORE THING. Finally, he provides information about some of Apple's licensing activities.

### **Swatch's primary evidence**

7. Swatch filed one witness statement in support of its case. It comes from Mr Michael Conway, a trade mark attorney at Haseltine Lake. He provides evidence about Apple's trade marks (as published on Apple's website). He provides information about the phrase ONE MORE THING and its origin in popular culture, as a catchphrase of the television detective Columbo. Evidence is provided about Swatch's history, the theming of its watch collections, and some of its licensing activities. Finally, he provides information about successes Swatch has had defending the equivalents of these designations in other jurisdictions.

### **Apple's reply evidence**

8. Apple filed one witness statement as reply evidence. It comes, again, from Mr Hitchens. He provides a list of trade marks owned by Swatch in the UK and EU. He

notes that beyond the subject designations, none incorporate the words ONE, MORE, and/or THING.

## **MAIN ISSUES COVERED BY THE EVIDENCE**

### **Apple's business**

9. I do not consider it necessary to provide a detailed summary of the evidence in relation to this issue. It is undoubtedly the case that Apple is one of the biggest technology companies in the world (including in the UK). It was founded in 1976 and is known for various products including computers, mobile phones and tablet computers (branded as Mac, iPhone and iPad, respectively), together with their underpinning software. As of 2015, Apple's market value was \$750 billion. At the hearing, Mr Conway accepted (sensibly) the fame and recognition of the Apple brand and its products. Apple has also produced and sold a watch, branded as Apple Watch. The Apple Watch was launched at an event in September 2014.

### **Steve Jobs**

10. The evidence of Mr La Perle shows that Steve Jobs was a co-founder of Apple (along with Steve Wozniak and Ronald Wayne) in 1976. I think it clear from the evidence that he helped steer the company to the successful one it is today. He left Apple in 1985, but returned to it as CEO in 1996. It seems that his second spell coincided with a major resurgence of the business. A number of articles in Exhibit TLP-9 demonstrate the impact he had, one of which, an article in Fortune Magazine, is entitled "How Steve Jobs saved Apple". At the hearing, Mr Conway accepted that Mr Jobs was an individual of renown, credited with the success of Apple, and that he is revered by fans of the Apple brand. Mr Jobs resigned his position as CEO in 2011 on the grounds of ill health, he passed away in October that year.

### **The use of the phrase ONE MORE THING by Apple**

11. To explain Apple's use at its simplest, ONE MORE THING was used as a phrase by Mr Jobs (and after his death by Apple's subsequent CEO Tim Cook) during various

keynote speeches he gave. The speeches were given in his capacity as CEO of Apple as opposed to being in any personal capacity. His speeches are colloquially referred to as “Stevenotes”. The premise is that whilst feigning some concluding remarks, Mr Jobs (and subsequently Mr Cook) would add that there is “one more thing”, following which he would reveal a new Apple product, service or announcement. Presentations have been given at events such as the Worldwide Developers Conference, Macworld and Apple Expos. None of them took place in the UK. The tradition of using this phrase started in 1998 and has carried through to at least 2015. Below is a list (summarised from one provided by Mr La Perle) of when the “sign” was used, together with what was then revealed:

- 1998 – Apple’s return to profitability.
- 1999 – iMac in colours.
- 1999 – 22 inch Apple cinema display.
- 1999 – iMac DV and iMovie.
- 2000 – AQUA, and also that Mr Jobs would become permanent (as opposed to interim) CEO.
- 2000 – Power Mac G4 Cube.
- 2001 – PowerBook G4.
- 2002 – 17 inch iMac G4.
- 2003 – PowerMac G5.
- 2003 – 12 inch aluminium PowerBook G4.
- 2004 – iPod Mini.
- 2005 – iPod Shuffle.
- Unspecified date (but likely to be 2005 or 2006) – iPod with video.
- 2006 – MacBook Pro.
- 2006 – Movie sales at the iTunes Store, iTV (later renamed Apple TV), and a third “one more thing” introducing a live performance by John Meyer.
- 2007 – Safari for Windows.
- 2008 – Aluminium UniBody for MacBook.
- 2009 – Video camera and speaker in iPod Nano.
- 2010 – Facetime video calling.
- 2010 – Second Generation Apple TV.

- 2010 – Revised MacBook Air.
- 2011 – iTunes Match service (this is the last use by Mr Jobs, prior to his death).
- 2012 – NO USE
- 2013 – NO USE
- 2014 – Apple Watch (this is the first use by Mr Cook).
- 2015 – Apple Music.

12. There is evidence showing that compilations of these ONE MORE THING moments have been put together. For example, someone (unconnected with Apple) placed a video compilation of such moments on YouTube, a video which has been viewed over 290k times. Various stills from the video are provided of the presentations which show the words “ONE MORE THING...” on display screens behind Mr Jobs. One can be dated to 1999.

13. Another website *EverySteveJobsVideo* identifies itself as the largest Steve Jobs video archive and uses the text “Steve Jobs keynotes were often punctuated by memorable “One More Thing” moments in a manner similar to Peter Falk’s character Columbo”. This reminiscence (in terms of the use of the phrase) to the television character Columbo is also something mentioned by Mr La Perle in his evidence. There are also references to Mr Jobs and his use of the phrase ONE MORE THING in articles in MacWorld, an unofficial biography (titled “One More Thing”), Forbes magazine, The Telegraph and The Independent.

14. Mr Hitchens refers to the Guardian website carrying a video of the ONE MORE THING moment that preceded the reveal of the Apple Watch (in September 2014). A video of the full presentation also appears on YouTube, with the ONE MORE THING moment occurring 55 minutes in. It has been viewed 1.7 million times. There is also evidence live blogs of some of the events being carried on the website of the Telegraph which took place at 6pm UK time.

### **Apple's trade marks**

15. Mr Conway provides a list from Apple's website of its various brands and trade marks. The point being made is that ONE MORE THING is not listed among them.

### **Apple's licensing activity**

16. Mr Hitchen's provides evidence about licensing undertaken by Apple. This includes watch straps produced by Hermes and a special edition of the Apple Watch produced in conjunction with the same company. There has also been the release of the Apple Watch Nike+ and there is a report about collaborations between Apple and Nintendo.

### **The use of the phrase ONE MORE THING by the fictional television detective Columbo**

17. Mr Conway provides a number of Internet articles about the fictional television detective Columbo, the main character in the eponymously titled US television program. He used the catchphrase ONE MORE THING to deliver a reveal in a similar way to that of Mr Jobs. Indeed, as indicated in paragraph 13, it appears that Mr Job's use was inspired by that of Columbo. The television programme started in 1971. It had eight seasons in the 1970s, two in the late 80s, and a tenth in 1990. There were also some TV specials throughout the 90s, one in 2000 and another in 2013. There is evidence that the programme is still repeated today and, further, that there are plans to reboot it. Various press articles are provided making reference to the phrase and its association with the Columbo actor Peter Falk (e.g. in The Telegraph, Wikipedia, The Independent, The Guardian and the New York Times). A book written by Mr Falk was titled "Just One More Thing".

### **Swatch's branding**

18. Mr Conway provides evidence about themed collections Swatch has produced over the years including: Apres-Ski, Street Energy, Guezi All, Exotic Charm and Tech Mode. It has produced watches based upon various James Bond characters. It has produced a Bollywood inspired watch and has undertaken a collaboration with the pop

star Mika. It has used the mark I ALWAYS WANT MORE in relation to a spring/summer 2016 collection and in association with the Rio Olympic Games. In 1991 is offered a series of watches by reference to the name ONE MORE TIME.

### **Media coverage of Swatch's application(s)**

19. A number of media articles are put forward which comment upon the applications made by Swatch. In summary, most of the articles suggest that the applications are not appropriate, one even describes it as an act of trolling. Another article refers to an apparent explanation (by a Swatch spokesperson) for making the applications, in that it was inspired by the phrase used by Columbo; the writer of the article found this very hard to believe. Reference is made to all of this by Mr La Perle, but more comprehensively by Mr Hitchens. Both also make reference to the application by Swatch of the mark TICK DIFFERENT and its similarity to the use by Apple of THINK DIFFERENT – this is also mentioned in a number of the press articles. The articles provided, and a brief summary of their content, is as follows:

- CNET article dated 25 August 2015 titled “Swatch trademarks Apple’s “One More Thing””. There is a reference to “thumbing your nose at the competition”. There is a reference to the wide specification of goods of the mark (including class 9 goods). There is a reference that the application might “be a calculated or preventative measure against Apple. It might be Swatch having its own personal entertainment at Apple’s expense.” In support of this assumption reference is made to the Tick Different application and its similarity to Think Different.
- jckonline.com article dated 31 August 2015 titled “Swatch’s reasoning for its Apple – Sounding Trademarks is Patently Absurd”. Reference is made to an earlier article in Patently Apple (see below). Reference is made to both “tick different” and “one more thing” with the suggestion that “the first conjures Apple’s late 90s slogan “think different”; the second was Steve Jobs’ showy way of unveiling a new product..”. In relation to a Swatch spokesman’s Columbo based explanation, the writes states that the problem is that Columbo’s phrase

was “Just one more thing” whereas Swatch registered “the Jobs-ian version “one more thing”. It is also noted that Swatch does not appear to have licenced Columbo’s name or image nor applied for a film noir watch. It is stated that this is not the first time the parties have come up against each other, with reference made to a previous disputes concerning an application by Apple for iWatch which was opposed by Swatch on the basis of its iSwatch mark. It is concluded that Swatch ought to have better plans to counter the smart watch trend “than just trolling with trade marks”.

- Trademarkology article date 27 August 2015 titled “Watch Out!” Reference is made to TICK DIFFERENT and ONE MORE THING, with the former being described as a direct jab at Apple. The writer questions whether the application is are a “pre-emptive strike against Apple’s anticipated encroachment on Swatch’s market territory? Or is this just a ticking bomb, an inevitable trademark clash in light of the companies’ present trajectories?”.
- thenextweb.com article dated 21 August 2015 titled “Swatch has trademarked Apple’s iconic “One more thing” catchphrase in an epic troll move”. Reference is made to both ONE MORE THING and THINK DIFFERENT. It is stated that Swatch is poking fun at Apple with the applications. It questions whether it wants the name ONE MORE THING to keep Apple from using it or “to troll the company with a future ad campaign”.
- Idownloadblog.com article dated 26 August 2015 titled “Swatch attempts to justify “One more thing trademark with a silly explanation”. The writer explains at length why he/she does not accept Swatch’s explanation for coming up with its applications. Reference is made to Swatch “also trolling Apple by opposing iWatch on the basis of its iSwatch mark”. A number of reader comments follow the article which, essentially, suggest that they have lost respect for Swatch.
- Bgr.com article dated 22 August 2015 titled “Swatch trolls Apple, trademarks “One More Thing””. Reference is made to the earlier iWatch dispute. In relation to the ONE MORE THING application this is referred to as “one helluva troll job”.

- Macworld.com article dated 24 August 2015 titled “Swatch CEO needs to stop talking and start shipping”. There is a reference to Swatch “trying to agitate Apple with trademarks instead of competition”.
- Iphonehacks.com article dated 20 August 2015 titled “Swatch files trademark for “One more thing” the well-known phrase made famous by Steve Jobs. The writer states that it is unknown what Swatch plan to do with the application and that “one would imagine it would have something to do with watches at some point in the future”. One reader comments that Swatch’s motive may be “if you’re gonna mess with us...”.
- Metv.com article dated 24 August 2015 titled “Swatch registers trademark for the phrase “One More Thing”. There is reference to the phrase and to Columbo. It is stated that Swatch have staked claim to the phrase.
- Digiday.com article dated 24 August 2015 titled “Swatch trademarks Steve Jobs’ iconic line “one more thing”. Reference is made to watch “[Swatch] has continued to ratchet up its rivalry with Apple..”.
- Eye on mobility article dated 22 August 2015 titled “Swatch trademarks Apple’s “One More Thing” catchphrase. The writer questions what Swatch may do with the mark, perhaps using it as part of a launch or ad campaign for its own products, or to stop Apple from using it?
- Patently Apple article dated 19 August 2015 with the following extract provided in evidence “Apple’s watch competitor Swatch is trying to poke Apple in the eye by trademarking “One More Thing”, the saying made famous by Apple’s late CEO Steve Jobs when introducing new surprise products”.

20. At the hearing, Mr Conway noted that the story was first picked up by a publication called Patently Apple on 19 August 2015. He inferred that this was an IP centric, Apple focused publication. He made similar observations about some of the other publications, highlighting, for example, that there could be an Apple bias. Whilst I accept that the titles of some may be indicative of an Apple focused publication (eg Macworld and iphonehacks) which could, theoretically, favour Apple, it is difficult to

ascertain what degree, if any, of bias they may actually show. I will, though, approach these articles with some caution. Mr Conway also suggested that some of the publications may be IP focused rather than industry focused, but beyond Patently Apple, the only title that obviously falls into this category would be trademarkology.

### **Other decisions**

21. Mr Conway refers to two decisions in which Swatch has been successful in analogous proceedings, in Switzerland and the Czech Republic. Whilst these are noted, I must, of course, reach my findings based on the facts and arguments presented to me.

### **SECTION 5(4) – PASSING-OFF**

22. Section 5(4)(a) of the Act 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.”

23. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 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.”

24. 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."

25. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-

410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, discussed the matter of the relevant date in a passing-off case:

“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.’ ”

26. Swatch has neither claimed nor presented any pre-filing use. Consequently, the only date to consider in this matter is the date on which the UK was designated by Swatch for protection of its marks, namely: 24 November 2015.

## **Goodwill**

27. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

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

28. 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.”

29. It cannot seriously be disputed that Apple, as a business, possess a protectable goodwill in the UK. Indeed, its goodwill is significant. Its business is in the field of consumer electronic/technology devices such as computers, mobile phones, and their underpinning technology and software. Although the APPLE WATCH was only announced in September 2014 (14 months before the relevant date), the size of Apple’s existing goodwill will have meant that the goodwill will have rapidly expanded to that field (smart watches) also. Apple’s goodwill is clearly associated with the name APPLE, together with various product names such as iPhone, iPod, iMac, iTunes and Apple Watch etc. However, the question that arises is the degree to which, if any, the words ONE MORE THING are distinctive of Apple’s business and its goodwill.

30. One of the issues discussed at the hearing was the territorial aspect of the law of passing-off. This question arises because none of the actual uses of ONE MORE THING have been in the UK, the various conferences and events having taken place in the US. Custom in the UK is required for a successful claim under the law of passing-off. Mr Riordan accepted that the sign must be distinctive of Apple from the perspective of UK customers. He cited the decision of the Supreme Court in *Starbucks v BSKyB* [2015] UKSC 31 where it was stated:

“the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products of services in question.”

31. The claimant in the above case did not have any goodwill in the UK that would give it the right to prevent BSkyB from using the name "NOW TV" in relation to its internet protocol TV service. This was because the customers for Starbucks' broadcasting services under the name NOW were based in Hong Kong. The services could not be bought here. The fact that the service was sometimes accessed via the Internet by Chinese speakers in the UK did not mean that Starbucks had customers here.

32. Mr Riordan submitted that Apple had customers in the UK for whom the name ONE MORE THING was distinctive of it (and that this would be enough) and he stressed that goodwill can arise even if the relevant business is conducted outside of the UK quoting Lord Neuberger who stated in *Starbucks* “it is not necessary that the claimant actually has an establishment or office in this country”. He argued that the use was a form of use directed to all of Apple's customer's regardless of where they were based. Mr Conway submitted that the failure of Apple to use ONE MORE THING in the UK must count against it.

33. From a pure territorial point of view, one must be careful not to confuse goodwill with mere knowledge of something. Even if a global business with a branch (and customers) in the UK had a protectable goodwill, that would not, in my view, extend to names or signs which the business may use in other jurisdictions even if its UK customers had, through some means, become aware of those names or signs. The use of the names or signs would not be contributing to the attractive force of the business in the UK. That said, the evidence does not suggest that the use of ONE MORE THING has a territorially specific nature. The actual use may be in the US, but, as Mr Riordan submitted, it is aimed (or at least the announcements are aimed) at all of its customers/potential customers. Thus, I do not consider that Apple's claim should be rejected on a pure territorial basis on account of where the use has been made.

34. It is clearly pertinent to consider the degree to which the use of ONE MORE THING will be known by Apple's customers/potential customers in the UK. Given that its use is a) made in the US, b) made as part of a presentation as opposed to being used on the goods or in advertising etc and, c) is made towards the end of a presentation, one would ordinarily assume that the degree to which the name relied upon is known in the UK would be extremely limited. Mr Conway relied on a number of these (or similar) points. Mr Riordan, though, highlighted that the size of Apple's business in the UK provided a large receptacle for potential knowledge. He highlighted that the presentations are highly visible global events used to launch and promote Apple's products and that the presentations are made available in the UK at appropriate times for UK customers to view them (this submission was based upon the evidence of the live blogs in the Telegraph and the video on the Guardian website) and that ONE MORE THING had been used in such presentations for many years and that its notoriety had been acknowledged in the various press articles in evidence.

35. I accept that Apple products are extremely popular. It is reasonable to infer that there is a high level of interest in what Apple is about to announce to the market. However, it does not follow that those with such an interest will tune in to the presentations that Apple make at the various events listed earlier. Beyond the Guardian video and the Telegraph blog, there is no evidence to show the means by which other presentations have been made available to the UK public, let alone any evidence showing how many people in the UK availed themselves of such an opportunity. There may well be videos on YouTube of the presentations, and compilations of the ONE MORE THING moments, but there is no evidence to show how many of these videos have been viewed in the UK. That said, I accept that there are some press articles provided from well-known UK publications, demonstrate that the phrase ONE MORE THING has become associated in some quarters with [predominantly] Mr Job's presentations given as CEO of Apple. The sense I get from the evidence is that those in the press, particularly writers on technology matters, will be aware of the use of the phrase, but, further, some members of the public who have a fan-like attitude towards Apple and its products may also have such an awareness. This is, of course, difficult to quantify. To be protected under the law of passing-off, any goodwill must be of more than a trivial level. By analogy, it would be wrong to protect signs that may be associated with a claimant's goodwill if that degree of

association is trivial. I come to the view that it is probable that the degree to which the phrase is associated with Apple in the UK is small, but of more than a trivial degree.

36. The sign relied upon by a plaintiff in a passing-off case must be distinctive of it, as per: *AG Spalding & Bros v AW Gamage Ltd* [1915] 32 RPC (HOL) and *T Oertli, AG v EJ Bowman (London) Ltd* (No.3) [1959] RPC 1 (HOL). In terms of the guidance I set out earlier, I highlight what is stated in Halsbury's Laws of England:

“(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market **and are known by some distinguishing feature;**” (my emphasis)

and

“(1) that a **name, mark or other distinctive feature** used by the plaintiff has acquired a reputation among a relevant class of persons; and” (my emphasis)

37. I also note the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Wild Child Trade Mark* [1998] RPC 455 (AP), where he held that the use of the sign must relate to use for the purposes of distinguishing goods or services. I accept, though, that the circumstances (decorative use on a t-shirt) before Mr Hobbs were very different to that before me; Mr Hobbs stated:

“23. My difficulty with regard to the use of the words WILD CHILD as part of the overall get-up of such sweatshirts is that I would not expect people to interpret the use of those words in that manner as an indication of trade origin. I therefore cannot see any basis for the suggestion that people in the world at large will have been educated by means of such use to infer that “complete articles of outer clothing; footwear and headgear” supplied under or by reference to the trade mark WILD CHILD are connected in the course of trade or business with the undertaking responsible for supplying sweatshirts embellished in the way I have described. On that view of it the evidence tendered on behalf of the Opponent does not actually demonstrate that the words WILD CHILD have been used by the Opponent in a manner sufficient to

cause them to be misleading when used as a trade mark for the goods of interest to the Applicant c.f. *Unidoor Ltd v Marks & Spencer Plc* [1988] RPC 275; *Divisional Trading Officer v Kingsley Clothing Ltd* [1989] RPC 695; *Kodiak TM* [1990] FSR 49. I appreciate that the Registrar is often required to act upon evidence that might be regarded as less than perfect when judged by the standards applied in High Court proceedings. However, I am not willing to regard assertions without any real substantiation as sufficient to sustain an objection to registration under Section 5(4). On my assessment of the evidence the asserted “*earlier right*” remains unsubstantiated and the question of conflict does not arise. Therefore the appeal fails.”

38. Mr Conway submitted that the nature of the use was not for the purpose of distinguishing anything. He submitted that the use of ONE MORE THING was merely a catch-phrase of Mr Jobs, and that Mr Cook’s subsequent use was merely a homage to Mr Jobs as opposed to a continued use by Apple for the purpose of distinguishing goods. Mr Riordan submitted that there was no prohibition on the law of passing-off from protecting slogans (which I accept) and that the sign was used by Mr Jobs and Mr Cook in their capacities as CEO of Apple as opposed to any personal presentation style. He submitted that the sign was, essentially, used by Apple as part of its general marketing and that the sign distinguished, essentially, all its goods and services and, if not, then it certainly distinguished the relevant products that were launched following the ONE MORE THING moment. Irrespective of this point, Mr Riordan also submitted that the question of goodwill simply related to the business itself (there being no goodwill in a sign per se) and that the proper place for questions of this type was when contemplating whether a misrepresentation would arise.

39. Having considered the evidence provided, I do not accept that the phrase is connected with Mr Job’s in a purely personal manner. Whilst it is used as part of the presentations he gave (although Mr Cook also used it as part of a presentation he gave after the death of Mr Jobs), it is used as the launchpad for Apple products and those who are familiar with the phrase will understand it as such. However, whilst I accept that there is no real limitation on what can constitute a distinguishing sign for the purposes of the law of passing-off, I am of the same view as Mr Conway in that the actual use, whilst it may be associated with Apple in the minds of a small number

of people in the UK, and whilst such people may be awaiting the next ONE MORE THING moment in order to see what Apple's next product launch will be, the phrase represents no more than this and is not being used as a distinguishing sign, i.e. distinctive of Apple's goods or services. I come to the view that this alone would be sufficient reason to dismiss the claim under section 5(4)(a). However, given what Mr Riordan said in relation to the difference between goodwill in a business and goodwill in a sign, it is useful to consider more fully the question of misrepresentation as the proof of the pudding is often in the eating. There is some support for this approach given what is stated in Halsbury's Laws of England:

"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."

## **Misrepresentation**

40. 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.”

41. It is noteworthy, as highlighted by Mr Riordan, that Swatch's mark covers a broad range of goods in classes 9 and 14, including goods which correspond to those for which Apple is known in the UK and, also, goods which were launched in presentations after the phrase ONE MORE THING was used. There are two marks the subject of these proceedings: ONE MORE THING and SWATCH ONE MORE THING. Clearly, the first mark is identical to the sign which is relied upon by Apple, the second is reasonably similar. However, irrespective of this, misrepresentation does not automatically follow. The question cannot be considered in a vacuum. Whilst it is the notional use of Swatch's marks that is to be considered, the question is whether a substantial number of members of the public will believe that the goods offered under such notional use are the responsibility of Apple (or a related economic undertaking), or that there is some form of other relevant connection such as a licence agreement in play. Such assumptions must, though, be reached on the basis of the actual use they have encountered by Apple of the sign relied upon. Mr Riordan submitted that it was enough for a member of the public to guess at some form of relevant connection. Whilst I do not necessarily disagree with this, I am not sure that “guessing” at a relevant connection is any different from assuming that there is a relevant connection. What I do not consider to be relevant are people who merely wonder if there is a connection, for they are not being deceived. See, for example, *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17 where Jacob LJ stressed that being caused to wonder is not sufficient for passing-off.

42. In my view, the combination of the relatively low starting point of the UK public's knowledge of Apple's use of ONE MORE THING, combined with the nature of that use, would not lead to a substantial number of people being deceived. The nature in particular (as a phrase used as part of a presentation, even if it is also used on a video screen at the same point) leads me to conclude that without something more to indicate that the goods come from Apple, there would be no deception. The most that some (but not all) members of the UK public who have the relevant awareness of Apple's use of ONE MORE THING will do is to pause to wonder. As stated earlier, that is not enough. **The ground under section 5(4)(a) of the Act is dismissed.**

### **SECTION 3(6) – BAD FAITH**

43. Section 3(6) of the Act states that:

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

44. In *Red Bull GmbH v Sun Mark Limited* [2012] EWHC 1929 (Ch), Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

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* [2009] EHC 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).”

45. Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the application date of the applications to register the trade marks, or in the case the dates of UK designation. The relevant date is 24 November 2015.

46. At the hearing, I raised with the parties whether the arguments foreshadowed in Mr Riordan’s skeleton argument were open to him as within the scope of Apple’s pleaded case. Mr Conway stated that he was planning to raise a similar point. The pleading point relates to the alleged motivation on Swatch’s part. However, before coming to this, I intend to deal with the first part of a section 3(6) claim which relates to knowledge. I deal with this now because unless I am satisfied that Swatch knew of Apple’s use of ONE MORE THING when it applied for the trade marks then any claim under section 3(6) is bound to fail.

47. Mr Conway submitted, as per *Red Bull*, that Swatch should be assumed to have acted in good faith unless bad faith is proven and, further, that it is not enough to establish facts that were also consistent with good faith. Mr Riordan submitted, rightly in my view, that Apple need only establish a *prima facie* case and that it would succeed on that basis unless Swatch provided evidence to rebut it. In terms of knowledge, despite my view that only a small number of people in the UK would have known of Apple’s use in the UK, it is likely that such knowledge would be wider from the perspective of those engaged in the same field of business. Competitors or potential competitors are likely to keep an eye on each other and will take note of product launches etc. Of course, I bear in mind that Swatch is principally engaged in the watch industry. However, the most recent evidenced use of ONE MORE THING by Apple prior to the relevant date was in relation to the announcement of the Apple Watch in September 2014. Another factor highlighted by Mr Riordan was one of timing. Whilst

the UK designation of the marks came in November 2015, some 14 months after the launch of the Apple Watch, the Swiss application on which the IR is based was filed in November 2014, so only a short period of time after the Apple Watch launch.

48. There are further factors which point towards knowledge. First, it is common ground that prior to the relevant date the parties had already become embroiled in various legal disputes concerning applications by Apple for the mark I-WATCH, which Swatch had opposed on the basis of its earlier mark I-SWATCH. Thus, there is a greater propensity for competing parties who are already at loggerheads to keep an eye on each other's business activities. Second, Swatch has also applied for the mark TICK DIFFERENT which it was submitted is at least reminiscent of an Apple mark called THINK DIFFERENT. I come to the view that when these various factors are combined, there is at least a *prima facie* case that Swatch must have known of Apple's use of ONE MORE THING when it applied for the two subject trade marks.

49. A *prima facie* case of knowledge having been established, I must consider what Swatch has presented in rebuttal. In this respect, Swatch provided evidence showing that the television detective Columbo used the phrase prior to Mr Jobs and, further, that Swatch has a history of themed collections. That is all very interesting, but there is nothing in the evidence which gets close to Swatch explaining what its knowledge was at the relevant time and whether those responsible for deciding to file the subject marks knew about Apple's use of the phrase ONE MORE THING. The evidence filled by Swatch is, essentially, an attempt to lull the tribunal into filling in quite significant gaps in its evidence. Although it might be possible for a watch company such as Swatch to produce a themed range based on a television detective (although I agree with Mr Riordan that this is highly unlikely in relation to Columbo, despite the references in the evidence to a possible reboot), it would have been an extremely easy thing for a representative of Swatch to provide evidence to this effect, explaining that this was its plan. The reference in a few of the press articles to a Swatch spokesman's Columbo based explanation is accorded little weight, consisting, as it does, of multiple hearsay. Mr Conway stated that Swatch took a proportionate approach to its evidence and filed what it considered necessary to defeat the claims made against it. That may be so, but it is a dangerous game to play particularly in this case where part of

Swatch's defence is based upon good faith, yet it says nothing specifically about the making of the application or its knowledge of Apple's use.

50. Given the above, my finding is that when the mark was coined and filed, Swatch had Apple's use of the phrase ONE MORE THING in mind. I now turn to consider whether the filing of the applications was an act of bad faith in that it represented a form of conduct that falls short of the "standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined".

51. At this point, I return to the pleadings issue. For context, I repeat how I summarised Apple's pleading under section 3(6):

Under section 3(6) of the Act, bad faith, in that Swatch must have been fully aware of Apple's use of the sign ONE MORE THING and that it is indelibly linked to it and that Swatch "has sought to hijack the mark for its own benefit, either to parody Apple, divert trade from Apple or make use of the reputation subsisting in that mark".

52. It is useful to record what Mr Riordan submitted towards the end of his submissions in respect of the bad faith ground:

"In fact, my primary case is that this is a blocking application in retaliation for the wider dispute between the parties, essentially seeking to take the fight on to Apple's home turf, territory which it knows full well is occupied by Apple with its iconic catchphrase and seek to block Apple from using that mark or continuing to use that mark in relation to its own products. That is quintessential bad faith. It is also consistent with there being no bona fide intention to use the mark as a badge of origin itself."

53. The problem is that nowhere in the pleaded case is it stated that Swatch have no intention to use the marks or that the applications are blocking applications or that the motivation was merely to prevent Apple from using the ONE MORE THING phrase. Whilst Mr Riordan did not necessary disagree with this, he nevertheless submitted that

the case had been pleaded in a sufficiently broad manner to enable his type of primary argument to be run. He urged that I should not take a too technical approach to what he submitted was Apple's broad pleading. He stressed that there was an important distinction between a pleading, and the facts in support of that pleading; with the former simply being needed to identify a case with sufficient particularity so that the other side could understand the nature of the case that it had to meet and that the pleading does not need to set out all facts relied upon in support of that case as that is the role of evidence. Further, Mr Riordan submitted that if there was any doubt about Apple's case then this ought to have evaporated when Swatch saw its evidence (reference was being made to the various media articles commenting on Swatch making the subject applications and another mark, TICK DIFFERENT). In any event, Mr Riordan referred to the use of the word "parody" in the pleaded case and submitted that this would "encompass the kind of trolling behaviour, the malicious bad faith use of the mark in that sense".

54. Mr Conway submitted there was no general broad bad faith claim put forward by Apple and that its case against Swatch was crystallised in paragraph 9 of the pleading (which mirrors my summary above) and that any other type of bad faith case was therefore excluded. He also submitted that it would be a great stretch to construe the word "parody" as encompassing trolling or blocking given that a "parody would normally, typically, be a bit of a humorous reference, some kind of send-up perhaps, but not the type of malicious behaviour, shall we say, that one might expect of a passing troll which, for example, in the IP sector that one would consider to be associated with the term "trolling".

55. The pleading itself is a long one. Therefore, whilst I had reservations about the pleaded case and its relationship with the primary arguments which appeared in Mr Riordan's skeleton, I approached the matter in the following way:

- i) I would decide the pleadings issue as part of my substantive decision.
- ii) I therefore heard the submissions that Mr Riordan had prepared, but I indicated that he should also cover the types of argument that were clearly in scope of the pleaded case.

- iii) I refused leave to amend the pleaded case (which, after taking instruction, Mr Riordan stated he would seek if I was against him on point i)) as there was no good reason why a pleading matching the type of arguments now put forward could not have been made earlier, and, further, we were now at the point of the substantive hearing.

56. In relation to point i), it is worthwhile setting out, in exact terms, what was said by Apple in its notice of opposition. Following each paragraph of the statement of case, I will add (in bold) my view of what is indented to be taken from each paragraph. However, I observe before doing so, as has been highlighted in many cases, that bad faith is a serious allegation which must not only be distinctively proven, but also distinctly alleged. In terms of the allegations, it is not enough, in my view, to make general references to the section of the Act and to the act of bad faith. Bad faith claims turn on the motivation for the making of the application, thus, the allegation must similarly be made on such a basis so that the other side may properly understand and defend it.

“4 Further and in the alternative, the Applicant has filed the Application in bad faith and therefore offends section 3(6) of the Act. According to the case law of the High Court of Justice (Chancery Division), the First Board of Appeal of the EUIPO and the Court of Justice of the European Union, the definition of bad faith will encompass a range of conduct:

Bad faith includes not only dishonestly. but also *"some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined"* (Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd [1 999] RPC 367 at paragraph 379, as cited in Hotel Cipriani SRL, v Cipriani (Grosvenor Street) Limited [2.008] EWHC . 30.32 (Ch) ("Cipriania") at paragraph 166);

*"Bad faith may be defined as referring to the state of someone, who knowingly by doing something contrary to accepted principles of ethical behaviour or honest commercial and business practices, gains an unjust*

*advantage or causes unjust damage to others (First Board of Appeal in Johnson Pump AB v Johnson Pump (UK) Ltd ( case R2S5/2006- 1, 31 May 2007), as cited in Cipriani at paragraph 171);*

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

*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."*

**This paragraph merely identifies, in my view, the ground of opposition and the underpinning principles that the tribunal will need to consider when deciding the merits of the claim.**

"5 The Opponent is a world-renowned computer and consumer electronics company producing personal computers and a wide variety of associated hardware, computer software, digital music and/or video players and other consumer electronic devices. In addition, the Opponent provides a broad range of computer and telecommunication services. In April 2015 the Opponent released its widely anticipated wrist watch offering, the Apple Watch, which further enhanced the Opponent's reputation around the world, including the United Kingdom. As a result of its extensive sales of goods/services falling into the category above, the general public throughout the United Kingdom will be extremely familiar with the Opponent and its activities."

**This paragraph merely sets out some background information about Apple.**

"6 As will be established in more detail in the Opponent's evidence, since at least as early as 1998, when the tradition was started by Apple's then CEO, Steve Jobs, the mark ONE MORE THING has been used to promote new

releases announced by Apple at events such as the Worldwide Developers Conference, Macworld and Apple Expos. A *typical* Stevenote began with Mr. Jobs presenting sales figures for Apple products and a review of products released during the past few months. He then presented one or more new products, Reminiscent of Peter Falk's Columbo, he typically feigned some concluding remarks, turned as if to leave the stage and turned back, saying; .. But there's one more thing". The tradition of Stevenotes and most notably ONE MORE THING was continued by Mr. Tim Cook, Apple's current CEO, who still uses the phrase to this date.

7 Notably, the "One more thing..." slogan was featured at the following Apple product launches and events:

[list of Apple events as summarised earlier]

8 Therefore the mark ONE MORE THING has been used by Steve Jobs, Tim Cook and Apple in relation to broad range of products, including the Apple Watch, continuously since at least as early as 1998."

**Paragraphs 6, 7 and 8 merely set out the way in which Apple has used the phrase ONE MORE THING.**

"9 As explained above, *"Bad faith may be defined as referring to the state of someone, who knowingly by doing something contrary to accepted principles of ethical behaviour or honest commercial and business practices, gains an unjust advantage or causes unjust damage to others"*. It is clear that as a result of the significant publicity generated, the ONE MORE THING mark has become extremely well-known to consumers, including within the UK, to the extent that it is indelibly linked with the Opponent and its products. It is therefore inconceivable that an organisation as large as the Applicant, which operates in the same geographical sphere as Apple (and increasingly in the same commercial sectors), would not have been aware of the existence and fame of the ONE MORE THING mark. In full knowledge of Apple's reputation in the ONE MORE THING mark, the Applicant has sought to hijack that mark for its

own benefit, either to parody Apple, divert trade from Apple or make use of the reputation subsisting in that mark. The Applicant's conduct therefore evidently *"falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined".*

**This paragraph sets out the claim that Swatch must have known about Apple's use of the phrase ONE MORE THING and sets out an allegation that the motivation of Swatch was to "hijack the mark for its own benefit" in order to achieve one of three possible objectives: i) to parody Apple, ii) to divert trade from Apple, or iii) to make use of the reputation in that mark.**

"10 The Applicant has also recently filed International Registration Numbers 1280843 and 1279757 for TICK DIFFERENT, which are designed to allude to, or cause confusion with, the mark THINK DIFFERENT, which has been associated with Apple for many years. The mark THINK DIFFERENT was used originally by Apple in conjunction with an extremely famous and successful advertising campaign launched in 1997. The THINK DIFFERENT mark was used extensively in connection with Apple's marketing of its various products, featuring in a broad range of media, as well as on Apple's products themselves and its website. The advertising campaign was a significant success, and has been described as Apple's re-emergence as a marketing powerhouse. In the years leading up to the ad Apple had lost market share to the Wintel ecosystem which offered lower prices, more software choices, and higher- performance CPUs. The success of the "Think Different" campaign bolstered the Apple brand and re-established the "counter-culture" aura of its earlier days, setting the stage for the immensely successful iMac personal computer and later the Mac OS X operating system. In addition, since 2009 the packaging for iMac computers has included the branding "Think Different". Apple's ongoing use of the THINK DIFFERENT mark over many years has resulted in the phrase becoming unequivocally associated with Apple by consumers. As such, in combination with the Application, the Opponent will rely on these additional applications as evidence of the Applicant's state of mind, namely the act of filing the Application in full knowledge of Apple's rights for a purpose that falls short of the standards of acceptable commercial behaviour."

**This paragraph sets out further claimed facts to support the claim as to knowledge and motivation. However, it does not, in my view, set out a different basis upon which the allegation is made. Consequently, the allegation is tied to that set out in the previous paragraph.**

“11 The authorities on this point are clear, where a mark is filed in full knowledge of a strikingly similar or identical earlier mark, that application will be deemed to have been made in bad faith. The Applicant's course of conduct and its attempted registration of other well-known Apple marks merely confirms that its behaviour falls short of acceptable commercial standards.”

**The paragraph makes further reference to the underpinning case-law, although the case(s) relied upon are not identified. However, in my view, it is not an accurate statement of the law because mere knowledge of another parties rights does not deem an application to have been made in bad faith. There is a further general claim but one which, again, must be tied to the allegations made in paragraph 9.**

57. Given what I have said above, I come the view that it is not appropriate to consider any arguments based on Swatch having no intention to use the marks and that the applications were blocking applications. With this finding I reject the submission that the actual nature of the allegation was made clear to Swatch due to the evidence Apple filed. Whilst this media articles purport to, and are relied upon by Apple, to show the reaction of relevant people in the field, they should not be relied upon to change the nature of the case put forward by Apple. Indeed, what does strikes me is that having no intention to use (because it is merely a blocking application) is diametrically opposed to the pleaded allegation which suggests that some form of use will be made, otherwise there would be no parody, diversion of trade, or benefit from reputation.

58. I now turn to the pleaded case. I can deal with two of the allegations quickly. One form of “hijacking” is based upon a desire to divert trade, another to benefit from the reputation of the sign. However, my findings under section 5(4)(a) was that there will be no deception, so I struggle to see how any diversion of trade will occur. Similarly, I struggle to see how Swatch would benefit from the claimed reputation of the sign given

my view as to the degree of knowledge, and the nature of the use. Although shortly stated, there is not even a *prima facie* case of bad faith based upon these two allegations.

59. The third allegation is based on parody. At the hearing, Mr Riordan drew heavily upon the various press articles that had been filed in evidence. I have already summarised them above. What is clear is that the writers of those articles were not, generally speaking, impressed with Swatch's conduct, albeit there was no great consensus as to the possible motivation of Swatch, with possible motivations put forward ranging from trolling Apple, blocking Apple's use of ONE MORE THING, or using the mark as part of a marketing campaign which seeks to parody Apple.

60. Mr Conway submitted that the articles themselves were not a reliable source on which to base any decision because some were from Apple biased publications or were from IP publications as opposed to the relevant trade. Further, none are UK publications. Whilst I do not rely too heavily on them, they at least give some credence to the suggestion that Swatch may be intending to parody Apple. It can also be no coincidence that Swatch applied for the subject marks, and TICK DIFFERENT, shortly after the Apple Watch was launched, at a point in time where the parties were already at loggerheads. All of this strongly supports that the applications were filed in a retaliatory measure with some form of objective of upsetting or cocking a snook at Apple. I therefore accept that a *prima facie* case exists to support that Swatch intended to raise the stakes with Apple by poking fun at it in a manner akin to parody and that the subject applications were filed as part of such an objective.

61. Mr Conway submitted that Swatch's rebuttal evidence showed that there were alternative good faith explanations for the applications and, further, that parody does not necessarily equate to bad faith. In terms of the alternative explanations, I have already rejected this when I assessed Swatch's knowledge of Apple's use. Put simply, Swatch has done nothing to demonstrate what it does actually intend to do with the applications and so has done nothing to rebut the *prima facie* case. In terms of the second point, I consider that the filing of applications to support and justify a potential parodying form of use (which could not only poke fun at, but may also denigrate, the subject of such parody) against a competitor and rival with which it was at loggerheads

would, *prima facie*, be considered by experienced men in the field to fall short of the standards of acceptable commercial behaviour. The marks being used as part of a parody of another trader is also difficult to reconcile with the use of the marks in accordance with their essential function, of indicating the commercial source of the goods. In reaching this finding, I accept that there is nothing wrong with parody as such. It is an important part of free speech. However, there is a difference between parody in commercial communications and registering trade marks consisting of parodies of a rival's marketing signs. Using the trade mark registration system to obtain exclusive rights to such signs goes far beyond what is necessary to engage in legitimate parody. It is the applicant's attempt to secure an exclusive right to engage in this form of commercial parody (even, presumably, to the extent of excluding Apple's commercial use) which is objectionable. The ground of opposition under section 3(6) therefore succeeds against both applications against all of the goods for which protection is sought.

## **CONCLUSIONS**

62. The oppositions succeed and, subject to appeal, both designations are refused protection.

## **COSTS**

63. Apple having been successful, it is entitled to a contribution towards costs. My assessment is as follows:

*Official fees - £200 x 2*

*Preparing a statement of case and considering the counterstatement - £400  
covering both oppositions*

*Filing and considering evidence - £1000*

*Attending the hearing - £600*

**Total - £2400**

64. I order Swatch AG (Swatch SA) (Swatch Ltd) to pay Apple Inc. the sum of £2400 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 19<sup>th</sup> day of October 2017**

**Oliver Morris**

**For the Registrar**

**The Comptroller-General**