

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 501941

FOR A DECLARATION OF INVALIDITY

IN THE NAME OF LORRAINE MASSEY

TO TRADE MARK REGISTRATION NO. 3199720 Curl by Curl

IN THE NAME OF MATTHEW JAMES HAIR LIMITED

DECISION

1. Matthew James Hair Limited (“the Proprietor”) is the owner of UK registered trade mark 3199720 Curl by Curl (“the Mark”) applied for on 30 November 2016 and registered on 24 February 2017 in respect of the following goods and services:

Class 3

Hair shampoo; Hair conditioner; Hair curling preparations; Hair cream; Hair balm; Hair oil; Hair nourishers; Hair emollients; Hair oils; Hair rinses; Hair lotions; Hair tonic; Hair protection lotions; Hair care agents; Hair colouring and dyes; Hair mousse; Styling mousse; All specifically for use with curly hair.

Class 44

Hair care services; Hair styling services; Hair colouring services; Hairdressing; Providing information in the field of hair styling and hair care.

2. On 19 January 2018, Ms Lorraine Massey (“the Applicant”) applied for a declaration that the trade mark is invalid on the basis of the bad faith provisions of section 3(6) of the Trade Marks Act 1994.
3. Prior to the hearing of this appeal the Proprietor sought security for costs from the Applicant, who is based abroad. I am pleased to say that the principle and amount of £2900 was agreed between the parties without the need for a hearing, and the money is being held by the Proprietor’s agents, Marks & Clerk LLP, pending the outcome of this appeal.
4. A hearing took place on 21 May 2019 at which the Applicant represented herself. The Proprietor did not attend but sent written submissions.

THE LAW RELATING TO BAD FAITH

5. The Applicant made no criticism of the Hearing Officer's approach to the law. The Hearing Officer relied on the eight principles set out by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), which can be summarised as follows (with citations omitted):
- (a) the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date;
 - (b) later evidence is relevant if it casts light backwards on the position as at the application date;
 - (c) a person is presumed to have acted in good faith unless the contrary is proven and so it is not enough to prove facts which are also consistent with good faith;
 - (d) 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';
 - (e) the provisions against bad faith are intended to prevent abuse of the trade mark system. There are two main classes of abuse - abuse vis-à-vis the relevant office and abuse vis-à-vis third parties;
 - (f) the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case;
 - (g) 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;
 - (h) consideration must be given to the applicant's intention at the time of filing, including whether an applicant is intending to prevent a third party from entering the market.
6. The Court of Justice has recently handed down judgment in case C-104/18P *Koton*. In this decision the Court emphasised a number of the principles relevant to the law of bad faith. In particular, it stated as follows:

47. The intention of an applicant for a trade mark is a subjective factor which must, however, be determined objectively by the competent administrative or judicial authorities. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 37 and 42). It is only in that manner that a claim of bad faith can be assessed objectively.
7. This emphasises the importance of the facts (and the findings of the primary fact-finding tribunal) in cases concerning allegations of bad faith.

STANDARD OF APPEAL

8. There was no dispute as to this and I refer to the principles set out in the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52].

THE FINDINGS OF THE HEARING OFFICER

9. The Hearing Officer made certain findings of fact in her decision at §§10-17 which she stated were not in dispute. The Applicant confirmed this at the hearing before me.
10. This evidence can be summarised as follows. Ms Massey specialises in styling curly hair. At the start of 1998 she developed her own method of cutting naturally curly hair. She launched her own salon in New York (Devachan), a range of products dedicated to the care of naturally curly hair and has co-authored a book on the subject: *Curly Girl: the handbook*. Within the hair industry, Ms Massey is sometimes referred to as “the original Curly Girl”.
11. Ms Massey has taught her technique to numerous hairdressers. In 2011, she met Mr Surplice (a director of the Proprietor, together with his mother Sarah Surplice), who flew to New York to spend a few days in her salons, observing the technique in use. Their contact continued over the next few years and both parties attest to the closeness of the relationship between Ms Massey and Mr Surplice. Ms Massey describes them as friends. Ms Massey attended Mr Surplice’s wedding and was invited to be godmother to his first child.
12. In 2014, Ms Massey sold her interest in the Devachan business to a private equity firm. As part of this deal, she signed a three-year non-compete agreement. During this period, she discussed ideas for future collaborations with Mr Surplice. This included involvement and investment in Mr Surplice’s new salon, “Spring”, dedicated

to the cutting, colouring and styling of naturally curly hair. Ms Massey was enthusiastic about being involved with this venture. In 2015, she made a loan of £10,000 to Matthew James Hair Limited, with the agreement that this loan could be converted into an equity position once the non-compete agreement had expired. A promissory note was issued to this effect on 15 November 2015.

13. Ms Massey attended the salon's official opening in January 2016 and was in contact with Mr Surplice about future plans, including a product range.
14. In September 2016, the Proprietor filed an application to register "Curl by Curl" as a trade mark. The application was later withdrawn, and a further application made on 30 November 2016. The mark was registered on 24 February 2017.
15. In March 2017 Ms Massey and Mr Surplice discussed ideas for names for services and/or products. Ms Massey attended a Matthew James Hair Limited shareholders meeting on 25 June 2017. Although not a shareholder, she appears to have been invited on the assumption that she shortly would be. Following this meeting, she left earlier than expected. On 4 August 2017, her loan was repaid with interest. The Proprietor then received a "cease and desist" letter from Ms Massey's US lawyers on 1 September 2017, demanding that they remove from their website all references to phrases which Ms Massey claimed to be her intellectual property, and that the "Curl by Curl" trade mark be transferred to Ms Massey or be abandoned.
16. Before I turn to the matters which were in dispute before the Hearing Officer, it is worth emphasising from the above that at the date of application for the Mark, the parties were in a business arrangement. This arrangement broke down when the Applicant became aware of the Proprietor's registration of the Mark. What transpired has evidently engendered strong emotions on both sides. But as the authorities make clear, the relevant date for assessment of bad faith is the date of application.
17. The Applicant's case before the Hearing Officer was that the Proprietor knew that the Mark was owned and used by the Applicant, who is well known around the world including the UK in relation to the goods and services. According to the Applicant, registration without informing the Applicant therefore fell well short of the standards of acceptable commercial behaviour. It was said that the Proprietor's subsequent acts to prevent the Applicant from using the Mark and alleging trade mark infringement against affiliates of the Applicant in connection with the promotion of her book demonstrates a dishonest intention in filing and registering the Mark.

18. In relation to the Applicant's goodwill in the Mark, the Applicant relied primarily on her alleged use of the mark in the form of #curlbycurl on her Instagram account since 12 July 2012. This evidence was challenged by the Proprietor who suggested that the references to the Mark had all been added in comments made within 6 months of the evidence being adduced in these proceedings, and so could not support the suggestion that the Applicant had significant goodwill in the Mark prior to the date of its application. The Proprietor's evidence was adduced by way of screen shots showing the date that the #curlbycurl comments were added. The Applicant did not seek to reply to this evidence.
19. The Hearing Officer assessed this evidence and held that the Proprietor had cast doubt on the Applicant's evidence, and that this doubt had not been overcome. Even if it had, she held that the Applicant has not provided sufficient evidence that she had been using the mark "Curl by Curl" in relation to goods and services connected with hair before the relevant date and that she had not demonstrated the significant reputation that she claimed in the mark.
20. I consider that the Hearing Officer was fully entitled to come to this conclusion. Indeed it seems to me to be pretty apparent from the evidence before her that attempts had been made by the Applicant to represent that use of #curlbycurl in 2018 had in fact been in 2016 or before. This is a very unsatisfactory aspect of the Applicant's evidence.
21. I acknowledge that there was some independently verifiable evidence of use by the Applicant of the Mark before November 2016, for example in the form of a Certificate awarded by the Applicant to a salon in Minneapolis for "Curl by Curl Dry Cutting No Shampoo, Combs or Brushes". But such evidence goes nowhere near establishing significant use of or goodwill in the Mark prior to November 2016, whether in the US or anywhere in Europe.
22. The Hearing Officer went on to find in §29 that even if she had found use of the Mark in the US, that on its own would not be sufficient for a finding of bad faith, citing Case C-320/12 *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker*.
23. She then asked herself whether there were any other reasons to support such a claim, such as knowledge of an intention by the applicant to enter, and use the sign in, the UK market, and a desire to pre-empt this. Although she noted the existence of discussions about future plans, she held that the evidence before her pointed to

an expectation that the applicant would enter the market as part of the business of the registered proprietor. I think that she was entitled to make such a finding.

24. At §31 she reached what was the nub of the Applicant's case before me, namely that the existence of a relationship between the parties means that the Proprietor acted in bad faith when it decided to file the Mark in its own name.
25. I have sympathy with the Applicant for believing that that amounted to "bad faith". As a matter of ordinary English language it might do. But in the law of registered trade marks "bad faith" has a particular and specialised meaning going well beyond its ordinary English meaning which requires more than merely the existence of a relationship between the parties. As set out above, the Applicant needs to establish significantly more than this to succeed, and on the findings of the Hearing Officer she failed to do so in the present case.
26. As the Hearing Officer went on to record, at the time that the application was made the Applicant had made a loan to the Proprietor and shown an interest in becoming a shareholder. Given that relationship the Hearing Officer was entitled to find that registering the Mark in the name of the company amounted to acceptable commercial behaviour. As the third of the principles set out above makes clear, it is not enough to prove facts which are also consistent with good faith.
27. Further, she was entitled to reject the significance of the repeated application for the Mark (§33) and the examples of uses of other marks by the Proprietor (§35).
28. Finally the Applicant sought to rely before the Hearing Officer on what she characterised as an admission by Ms Surplice that the sign belonged to the Applicant. The Applicant renewed this point before me by reference to an email dated June 26 2017 from Sarah Surplice to the Applicant in which the former stated:

Re trademark, we registered both the name Spring and curl by curl as a safeguard measure as we have seen numerous salons now referring to curly by curl cutting and colouring. It has been registered with the Trade Marks Registry and is only applicable in the UK. I hope we haven't done anything to cause you upset or concern, if we have it certainly wasn't our intention to do so and we will rectify it.
29. The email was sent in the context of the Applicant becoming a shareholder once the £10,000 loan had been returned to her. So even at this stage the relationship remained business-like.
30. I do not think the Hearing Officer erred by failing to take this email specifically into account. If anything it supports the suggestion that at the time the Mark was applied

for the Proprietor considered that he was acting expressly in the interests of both the Proprietor and the Applicant. It certainly does not provide sufficient evidence to make a finding of bad faith. As the Hearing Officer correctly held, even had there been use of the sign, and knowledge by the Proprietor of this use, this would not be sufficient to find that the Proprietor had acted in bad faith.

CONCLUSION

31. In conclusion, although I have no doubt that the Applicant feels shabbily treated by the Proprietor in relation to the registration by the Proprietor of a phrase which originated from the Applicant, I consider that the evidence before the Hearing Officer did not meet the high standard necessary to amount to bad faith under the Trade Marks Act. Accordingly I consider that the Hearing Officer was correct to reach the decision she did for the reasons she gave.

COSTS

32. The appeal has failed and in the usual way costs should follow the event.
33. The Proprietor prepared a respondents notice, which it was not necessary to deal with, and provided written submissions in lieu of attending the hearing.
34. As a result and in accordance with the amounts awarded by the Hearing Officer for the equivalent steps below, I assess the costs of this appeal payable to the Proprietor by the Applicant in the sum of £700.
35. This should be added to the sum of £2900 already ordered by the Hearing Officer and currently held by Marks & Clerk by way of security, and should be paid within 28 days of the publication date of this decision.

Thomas Mitcheson QC
The Appointed Person