

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION 3001311
IN THE NAME OF RICHARD ROSENZWEIG**

FOR THE TRADE MARK

W & H GIDDEN

IN CLASSES 18 AND 25

AND

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NUMBER 501791 BY
RUDOLF HERMAN SCHNIEDER**

Background

1. Richard Rosenzweig applied for the trade mark W & H GIDDEN on 9 April 2013¹ in classes 18 and 25 for the following goods:

Class 18: Attache cases made of leather; Belts (Leather shoulder -); Blankets for horses; Book bags; Briefcases and attache cases; Briefcases for documents; Briefcases [leather goods]; Briefcases made of leather; Canvas bags; Carriers for suits, shirts and dresses; Carrying cases for documents; Cases for keys; Cases, of leather or leatherboard; Change purses; Clutch bags; Clutch purses; Coin holders; Coin purses; Cosmetic cases sold empty; Cosmetic purses; Courier bags; Diaper bags; Diplomatic bags; Dispatch cases; Dog leashes; Duffel bags for travel; Evening bags; Furniture coverings of leather; Garment bags; Garment bags for travel made of leather; Gentlemen's handbags; Gym bags; Handbags; Handbags for men; Handbags, purses and wallets; Harness made from leather; Horse blankets; Horse bridles; Key wallets; Keycases; Knapsacks; Ladies handbags; Leather bags; Leather bags and wallets; Leather briefcases; Leather cases; Leather credit card cases; Leather credit card holder; Leather credit card wallets; Leather for furniture; Leather handbags; Leather pouches; Leather purses; Leather shoulder belts; Leather wallets; Luggage; Luggage tags [leatherware]; Luggage trunks; Make-up bags; Make-up cases; Overnight bags; Overnight cases; Overnight suitcases; Pocketbooks [handbags]; Portfolio cases [briefcases]; Pouches for holding make-up, keys and other personal items; Pouches of leather; Purses [leatherware]; Riding crops; Riding saddles; Riding whips; Rucksacks; Saddle belts; Saddlebags; Saddlery of leather; Shoulder bags; Suit bags; Suit carriers; Suitcases; Tie cases; Tool bags of leather, empty; Travel bags ;Travel cases; Travel garment covers; Travelling bags [leatherware]; Travelling bags made of leather; Travelling cases of leather; Travelling handbags; Travelling sets [leatherware]; Trimmings of leather for furniture; Trunks and travelling bags; Umbrella handles; Vanity cases sold empty; Wallets (Pocket -); Weekend bags; Wheeled bags; Whips, harness and saddlery.

¹ Claiming a partial US priority date of 3 April 2013.

Class 25: *Boots; Clothing; Clothing, footwear, headgear; Coats; Footwear for men; Footwear for women; Gloves [clothing]; Jackets [clothing]; Lace boots; Ladies' boots; Ladies' footwear; Leather belts [clothing]; Leather slippers; Menswear; Ready-made clothing; Riding boots; Riding gloves; Riding jackets; Riding shoes; Riding trousers; Shoes; Women's shoes.*

2. The application achieved registration on 19 July 2013. On 14 September 2017, Rudolf Herman Schnieder applied for a declaration that the trade mark is invalid under sections 47(2)/5(4)(a) of the Trade Marks Act 1994 ("the Act"). Mr Schnieder claims that the sign W & H GIDDEN was first used in London in 1806 and has since been used in relation to *saddles, bridles, nosebands, martingales, breastplates, reins, stirrup irons, stirrup leathers, girths, bits, headcollars, lead reins, rugs, saddle cloths and numnahs, boots (for horses), clothing and protective items for horse riding, horse racing, hunting and polo, riding whips, country knitwear, belts, bags, wallets, purses, ties, scarves, clocks, hip flasks, photo frames, brushes, cufflinks and other gift items.*

3. Mr Schnieder claims:

"The firm of W & H Gidden was established in London as saddlers in 1806 by William and Henry Gidden. Since that time the name "W & H Gidden" has acquired substantial goodwill and reputation in relation to high quality and precision made leather goods. The goodwill associated with the W & H Gidden name has been enhanced by aristocratic patronage, for instance:

1. The Duke of Wellington used a W & H Gidden saddle during his Napoleonic campaigns;
2. In Victorian times much of the English aristocracy used saddles made by W & H Gidden, including Queen Victoria.
3. W & H Gidden saddles have been bought by many of the Royal Households of Europe and the Middle East as well as by many Hollywood stars;
4. W & H Gidden holds a royal warrant (along with Schnieder Boots) as bootmakers and saddlers to Her Majesty the Queen.

In 1999 Mr Schnieder (the applicant for revocation) purchased from the administrative receiver of W & H Gidden Limited the unencumbered stock in trade, shop fixtures and fittings and the name W & H Gidden. Since 1999 Mr Schnieder has operated his existing business of Schnieder Boots (makers of bespoke riding boots) alongside his business of W & H Gidden and they have shared premises in Clifford Street, London W1. Mr Schnieder has enlarged the existing range of leather products sold under the W & H Gidden name to include business and conference leather goods such as document travel wallets, business card dispensers and similar goods as well as an extensive range of wallets, purses, attache cases and travel bags. These goods have been sold in most countries of the world, thereby extending the geographical goodwill of the business. Use of the name W & H Gidden by Mr Rosenzweig in relation to leather goods will inevitably be taken as a reference to the W & H Gidden name, owned by Mr Schnieder. Furthermore, Mr Rosenzweig's marketing materials claim that his business is the very business established by William and Henry Gidden. Negotiations were held in 2013 between Mr Schnieder and Mr Rosenzweig to sell the W & H Gidden name to Mr Rosenzweig, but no sale ever took place and the name and goodwill in the name remains with Mr Schnieder. Use of the W & H Gidden name on leather goods by Mr Rosenzweig will inevitably (and intentionally) lead to the public being deceived into thinking that the business of Mr Rosenzweig is the business of W & H Gidden owned by Mr Schnieder."

4. Although the explanation for the claim, reproduced above, refers only to use on leather goods, the statutory application for a declaration of invalidity (form TM26(I)) states that the application is made against all the goods of the registration².

5. Mr Rosenzweig filed a defence and counterstatement, denying the claim. He states that Mr Schnieder does not own, and nor does there exist, any goodwill in the alleged earlier right. Mr Rosenzweig states that Mr Schnieder cannot prove the linear relationship with the sign and that, therefore, the history of W & H Gidden has no relevance.

² Section C, question 3.

6. Both parties have been professionally represented throughout these proceedings. Both parties filed evidence. The matter came to be heard on 11 September 2018, by videoconference when Mr Schnieder was represented by Mr Ben Longstaff, of Counsel, instructed by Azrights Solicitors. Mr Rosenzweig did not attend, was not represented, and did not file written submissions in lieu of attendance.

The evidence

7. The evidence in these proceedings comes from Mr Schnieder and Mr Rosenzweig. Much of it concerns what each of them said to each other at various times and whether Mr Rosenzweig believed there to be any goodwill when he filed the application for the trade mark in the UK. There is no bad faith (section 3(6)) ground of invalidation, so what Mr Rosenzweig knew or believed does not alter the position as to whether goodwill existed at the relevant date, which is a question of fact. Therefore, I have restricted this evidence summary to those facts which I consider to be pertinent, or which give context to, the passing off claim.

Mr Schnieder's evidence

8. Mr Schnieder states that he is the owner and sole proprietor of the business "Schnieder Boots incorporating W & H Gidden, at 16 Clifford Street, London". Mr Schnieder gives some history about his early career making footwear, which it is not necessary to record.

9. In 1978, Mr Schnieder decided to set up his own bootmaking business in London and, in 1980, he rented some showroom and office space at 15D Clifford Street from what he describes as the well-known saddle maker, W & H Gidden. Mr Schnieder states that W & H Gidden is so well-known and well regarded that it was granted a royal warrant in 1964, which it still holds (Exhibit RHS1).

10. Mr Schnieder explains that because the two companies were sharing the same premises and producing 'complementary' products, they had a joint catalogue, first produced in about 1980. Copies of some pages from this are shown in Exhibit

RHS1. The remainder of the pages in Exhibit RHS1 are copied from the W & H Gidden Business collection catalogue. They are undated, but Mr Schnieder states that W & H Gidden produced catalogues from 1980 for 20 years. The catalogue showcased business and conference accessories, such as travel wallets, passport holders, briefcases and travel bags. The catalogue also refers to the royal connections which are recounted in the statement of case (reproduced above).

11. The end of the 1990s saw W & H Gidden enter a troubled financial state. In July 1999, BDO Stoy Hayward was appointed as the Administrative Receiver of W & H Gidden. Mr Schnieder states that the Receiver spoke to various entities who were interested in buying W & H Gidden, including Mr Schnieder. Exhibit RHS2 comprises a copy of the Report to Creditors and Statement of Affairs, showing that an offer of £100,000 plus VAT for the stock, goodwill and trading name, was the highest offer and was the one accepted by the Receiver. This document is dated 13 September 1999. Mr Schnieder states that the offer which was accepted was his offer, although the report does not specify any names. I note from the report that, for the year ending 31 January 1997, sales for the business amounted to £1,233,000. The business was still trading until May 1999, having made sales amounting to £21,000.

12. Mr Schnieder states that although he entered into a formal agreement with the Receiver, he cannot find a copy in his records. However, he points out that pages 1 to 3 of Exhibit RHS3 comprise copies of three letters from James Owen & Co., a company which deals with plant machinery, chattels, commercial property, valuations and auctions. The letter from that firm to Mr Schnieder, dated 21 July 1999, refers to delivering the W & H Gidden stock to Mr Schnieder “as soon as the landlord allows you [Mr Schnieder] access”. The letter also says:

“I would also confirm that you may now use the name WH Gidden”.

13. Another letter of the same date from an employee at James Owen & Co., to Messrs Drivers Jonas, which appears to be the landlord company, says:

“I was instructed by the above named company’s Administrative Receiver to inform you that we have now completed the sale to Mr Rudolf Schnieder of Schnieder Boots at 16 Clifford Street, London W1 for the unencumbered Stock in Trade, unencumbered Shop Fixtures and Fittings and the name WH Gidden, and he is now in a position to negotiate direct with your goodselves assignment of a new lease or the existing one.”

14. Mr Schnieder states that from 1999 until the present date (his witness statement is dated 5 February 2018), he has traded as “Schnieder Boots incorporating W & H Gidden”, from 16 Clifford Street. He received the Royal Warrant of Appointment to HM The Queen in 1999. A copy of the letter granting the Royal Warrant is shown in Exhibit RHS4. It appears to refer to Mr Schnieder personally as having the Royal Warrant, although it is addressed to Mr Schnieder at W & H Gidden Ltd. A letter showing renewal is also exhibited (Exhibit RHS4), dated 20 December 2012. The renewed warrant is granted to the Proprietor of Schnieder Boots Inc. & W. & H. Gidden, as saddlers and bootmakers, to be reviewed in 2017.

15. Mr Schnieder states that since he acquired the business and name of W & H Gidden in 1999, his accounting records have not differentiated between income derived from sales of Schnieder Boots items and items sold under the W & H Gidden name. However, he states that sales of W & H Gidden items have generally amounted to about 55% of his total sales. Mr Schnieder provides sales figures for the combined business (i.e. Schnieder Boots and W & H Gidden) until 2013:

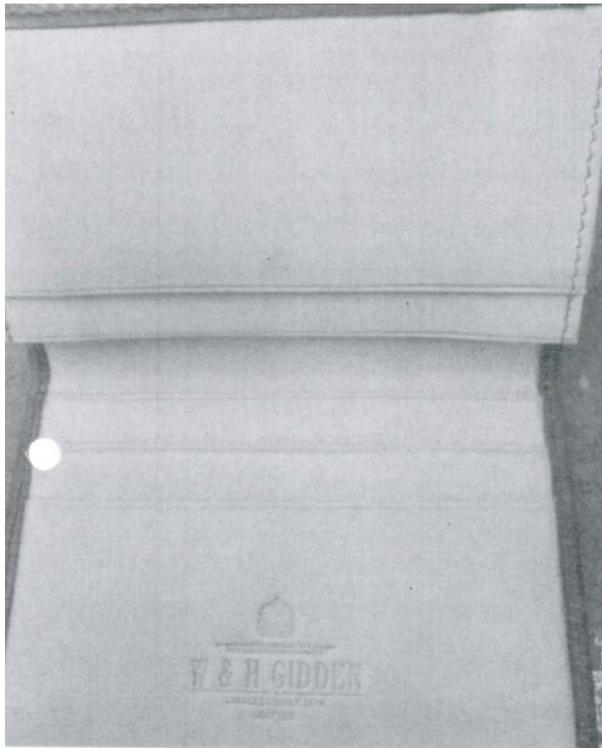
1999	£260,947		2007	£319,452
2000	£342,579		2008	£308,840
2001	£307,341		2009	£326,314
2002	£398,722		2010	£352,079
2003	£385,038		2011	£381,739
2004	£352,124		2012	£363,796
2005	£314,703		2013	£366,591
2006	£408,814			

16. Mr Schnieder states that, in early March 2013, he was approached out of the blue by Mr Rosenzweig, a US citizen living in New York, who expressed a very strong interest in buying his business. Mr Schnieder explains that, at that time, he was 76 years old and the prospect of selling his business and retiring was very attractive. He proposed to Mr Rosenzweig that he was prepared to sell the business of Schnieder Boots and W & H Gidden, including all of the stock, goodwill, his factory in Northampton, the Royal Warrants and his contracts with the Ministry of Defence (supplying boots to the Royal Household Cavalry). Mr Schnieder states that Mr Rosenzweig proposed that the transaction should occur in two phases, with him buying the W & H Gidden part of the business initially. Mr Schnieder was prepared to reach agreement on this basis and provided him with full details of all his suppliers, copies of catalogues and copies of the Royal Warrants. A few days after they had met, Mr Schnieder received from Mr Rosenzweig a copy of a draft agreement, which appeared to allow Mr Rosenzweig an exclusivity period within which he could evaluate and continue to negotiate the transaction. A copy of the draft agreement is shown in Exhibit RHS5.

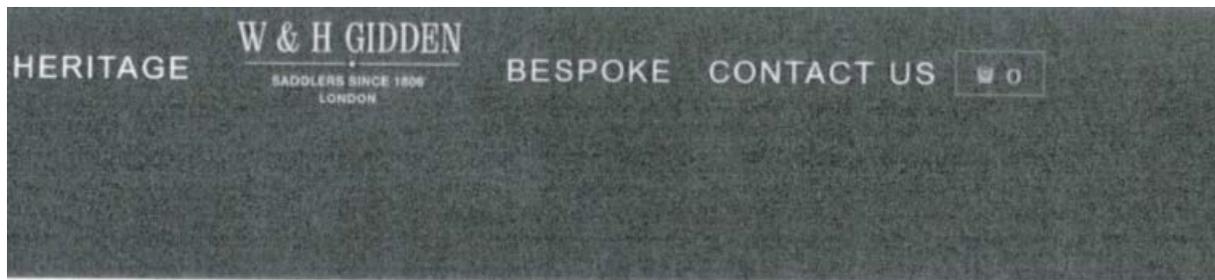
17. Mr Schnieder states:

“After 1999 until 2013, as a result of substantial ongoing sales of leather goods under the name W & H Gidden, together with being the holder of a Royal Warrant in respect of W & H Gidden and Schnieder Boots, by the use of the W & H Gidden name on the website at www.schniederboots.co.uk which shows products of both the Schnieder Boots business and the W & H Gidden business and by the use of the W & H Gidden stamp on all W & H Gidden leather goods, I have maintained and developed the goodwill in the W & H Gidden name by the use of the name W & H Gidden in relation to the business.”

18. A screenshot from Mr Schnieder’s website, showing the ‘leather collection’, is shown in Exhibit RHS6, presumably from around the date of his witness statement, together with an undated photograph of a leather wallet showing the W & H Gidden stamp:



19. Mr Schnieder exhibits (Exhibit RHS6) screenshots from a website owned by Mr Rosenzweig, whgidden.com. I note that there is a page entitled "A Rich History":



A RICH HISTORY

It was in 1806 that William and Henry Gidden made their first saddle. Within 10 years, their work had become renowned throughout England for its quality and precision.

Since then, W & H Gidden has continued to exemplify the timeless qualities of English tradition and craftsmanship upon which our reputation was built.

Historically, W & H Gidden has held a Royal Warrant as Saddler to Her Majesty Queen Elizabeth II: a tradition of patronage that dates from 1815, when the Duke of Wellington rode into battle against Napoleon at Waterloo on a Gidden saddle.

Mr Rosenzweig's evidence

20. Mr Rosenzweig states that he is the owner of the contested trade mark registration and describes himself as “an entrepreneur with a legal background, based in New York, USA.” He states that he first became aware of W & H Gidden in the 1990s on one of his frequent business trips to London. He states that he bought several W & H Gidden products over the years and was impressed by the brand and the quality of the products. Mr Rosenzweig states that he visited 15D Clifford Street in 2010 and that “it was clear that W & H Gidden was no longer there, having been replaced by some other company; however, he then noticed that at 16 Clifford Street, there was a small sign on the first floor that said “Schnieder Boots inc W & H Gidden”. He rang the doorbell and met Mr Schnieder for the first time. According to Mr Rosenzweig, it appeared to be more of a museum than a shop, in particular, because there was no direct access for the public and he does not recall any opening hours being advertised. He does remember that access to the premises was “by appointment only”. Mr Rosenzweig states that it did not seem to him that the business was being run as a going concern. He states that he is an investor always looking for opportunities and that he proposed the idea to Mr Schnieder of buying W & H Gidden.

21. On 25 January 2013, Mr Schnieder sent to Mr Rosenzweig his profit and loss accounts for 2011, Exhibit RR1. Mr Rosenzweig points out that there is no mention in the accounts of W & H Gidden. The accounts are entitled “Schnieder Riding Boot Company”. Mr Rosenzweig flew to London and the two men met in early March 2013. Mr Rosenzweig states that Mr Schnieder remained open to the idea of selling, but that he (Mr Rosenzweig) had to be expressly clear that he had no intention of buying Schnieder Boots: his interest was in W & H Gidden. He states that, based on the initial documents received in January, he made Mr Schnieder an offer of £750,000 for W & H Gidden, subject to an initial exclusive option period for carrying out due diligence. Mr Rosenzweig faxed the options agreement to Mr Schnieder on 12 March 2013.

22. Exhibit RR2 comprises copies of the subsequent email exchange. Ordinarily, this might have been considered to be covered by the 'without prejudice' rule. However, in Mr Schnieder's evidence, he too refers to the matters, including the sums of money involved. I consider privilege to have been waived (and neither party's professional representatives have mentioned the potential issue, despite being given the opportunity by the Tribunal). As it is, the emails do not add anything which is of assistance in assessing the passing off claim.

23. One of the emails from Mr Schnieder, sent on 21 March 2013, raised questions about the agreement and asked why Mr Rosenzweig would not buy Schnieder Boots as well as W & H Gidden, which would be more straightforward. Mr Schnieder said that some of his boots were stamped with both names and would be around after the projected 12 month period in which the sale was to be concluded.

24. The final email in Exhibit RR2 is dated 5 December 2013, sent from Mr Rosenzweig to Mr Schnieder:

Rudolf

I was in London and mailed you back the Schneider Boots financials as per your request .

Actually I have acted in good faith in all my dealings with you. Sorry to say that you represented to me that you owned the Intellectual property rights to W & H Gidden but as you well know that was never the case. Our discussions were solely to purchase the W & H Gidden name since there was no operating company for us to purchase. No employees, no customers, no production facility, etc. We did our due diligence and found no current or historical ownership by you or any entity for that matter. You did not own any of the relevant web addresses you claimed to own. We went and purchased whgidden.com, Gidden.com etc. from third party URL brokers. We followed trademark law and registered accordingly and currently own the rights in Great Britain, USA etc. We are introducing the brand worldwide.

In fact you are currently in violation of our trademark ownership by having a sign up in Mayfair. Will leave that to my attorneys to deal with in the new year.

I am always happy to sit down with you and talk but let's be correct in who has been honorable in these dealings.

You knew all along you did not own the Gidden name and that is why you wanted me to purchase Schneider boots and according to you "Gidden" would be included. All of our email correspondence tells the true and correct facts.

Never once did you inform me that you had no trademarks etc. I had to find that out in our own due diligence. If you owned it we would have bought it from you but you did not so you had nothing to sell.

It is me that should be upset with your dealings!! You wasted my time and money negotiating to purchase something you had no right to and did not own.

If you would like to sit down on my next visit in January and discuss further then happy to. We are operating in full view and not behind anyone's back.

Respectfully

Richard

25. Mr Rosenzweig states that he surmised that the reason Mr Schnieder was so keen to sell the Schnieder Boots business as well was because he had no W & H

Gidden business to sell. Mr Rosenzweig states that there was no evidence that Mr Schnieder had a right to use or to sell the name because he did not own anything related to W & H Gidden. Mr Rosenzweig's lawyers informed him that W & H Gidden did not have any trade marks registered anywhere in the world, with the exception of one lapsed trade mark in the USA; W & H Gidden had no URLs or any other web or digital presence; and there was no evidence of employees, customers or production facilities relating to W & H Gidden. Mr Rosenzweig states that he could not find any publicly available information that the assets of the W & H Gidden company (dissolved in 2002) had been purchased by anyone.

26. Mr Rosenzweig states that at no point did Mr Schnieder show him any documents showing a chain of ownership of the goodwill he claims, nor any information about W & H Gidden customers or contracts, nor any evidence of sales. He believed that although W & H Gidden had once existed, there was no remaining goodwill either through failure to assign or apathy. Mr Rosenzweig states that he could not see any barriers nor any competing or similar marks on the UK trade mark register, and so filed for the UK trade mark on 9 April 2013, claiming priority from the US filing of three days earlier. He also purchased several URLs, which had not been taken by anyone³.

27. Mr Rosenzweig states that if he had been shown exhibits RHS2 and RHS3 in 2013, he "would not have found this to be enough to convince [him] that there was a successful transfer. ...RHS2 does not even state a name of the bidder. There is simply no evidence of a sale of goodwill as Mr Schnieder claims." In relation to the Royal Warrant, Mr Rosenzweig states that he has not seen any evidence that Mr Schnieder provided W & H Gidden products to the MOD/Queen's Guard.

28. Mr Rosenzweig invites me to disbelieve Mr Schnieder's turnover figures:

"I further believe from my own due diligence, and from his lack of disclosure on exact numbers of products sold under which brand and to whom (ie. under contract or to the public), that his statement that W & H Gidden products

³ gidden.com, whgidden.com and wandhgidden.com.

make up 55% of his overall sales is completely untrue. I refer to Mr Schnieder's email of 21 March 2013 on pp 5 of RR 2 where he states: "*Please note—all my boots and my other equestrian goods are stamped with [Schnieder Boots inc W & H Gidden]*". In other words, there was no W & H Gidden stock to sell me as the product he sold in 2013 was in fact Schnieder boots products."

Mr Schnieder's evidence-in-reply

29. Mr Schnieder's second statement is dated 4 June 2018, in reply to Mr Rosenzweig's evidence.

30. Mr Schnieder states that after he acquired W & H Gidden, he continued to offer the same products that had previously been sold under that sign (e.g. equestrian clothing and equipment, leather wallets and bags), "through the business of Schnieder Boots incorporating W & H Gidden". From 1999 to the present time all products sold by me, with the exception of riding boots, are either sold as W & H Gidden products or, to the extent that they bear the original manufacturers' own trade marks, will be regarded by my customers as goods offered by the W & H Gidden side of my business."

31. Mr Schnieder considers it to be inconceivable that Mr Rosenzweig would have offered the substantial sum of £750,000 for a business if he had genuinely thought that it was not being run as a going concern. Mr Schnieder states that each time that Mr Rosenzweig visited his showroom he would have seen "a huge collection of jackets, trousers, saddles, reins, whips, wallets, cases and bags, all prominently bearing the W & H Gidden name and trade mark."

32. Exhibit RHS7 is described as a copy of a blogpost entitled "Full Cry: a Hound Blog", written by an American named Glenye Cain Oakford. Mr Schnieder states that attempts to contact her had been unsuccessful. Ms Oakford describes her visits to the hunting fraternity's historic clothiers in London. Although the article is undated, it was posted online on 28 October 2009. However, Mr Schnieder states that the article was written "some ten years or so ago". Mr Schnieder states it is

clear from the article that Ms Oakford visited his premises (there is a photograph of Mr Schnieder in front of some boots), but he does not remember her visit.

33. Pages 8 to 10 of the article concern Ms Oakford's visit to Mr Schnieder's premises, including photographs of the interior. The first sentence of this section of the article says:

“Just around the corner from Dege & Skinner, and directly above their workshop on Clifford Street, is Schnieder Boots (incorporating W. & H. Gidden saddlers, too).”

The remainder of the page concerns the boots which Mr Schnieder makes. The next page has a photograph of the interior of the premises. It is poorly reproduced in the evidence. It is possible to see saddles, boots and clothing. The caption underneath the photograph says “Schnieder's don't just make custom boots. They also sell everything from hunt coats to saddles to reins.”

34. The article finishes:

“Schnieder's is easily the most fragrant shop we visited, and it's no wonder: there are 2,000 pairs of boots on the premises, and there are also quite a few saddles and bridles...We saw everything from a sidesaddle to waxed cotton jackets to wooden boot trees, and pretty much everything in between (including leather accessories).”

35. An online comment about the article, dated 23 July 2011 from Peter O'Connor, said “Very interesting, but I would have liked to know who makes Rudolph Schnieder's clothes. As a bootmaker, he's not going to make clothes.” The reply was:

“...I recall that he carries Barbour, but I don't remember offhand what other brands he might offer, the shop contains both the boot company and W.H Gidden saddlers. The shop has a website at <http://www.schniederboots.com>

and, according to that, you can email questions for him at rudolf@schniederboots.com.”

36. The photograph, shown below, is referred to by Mr Schnieder in his second witness statement. He points out the “W & H Gidden Royal Warrant” on the wall and the large variety of clothing, saddles and other leather items, “all of which formed part of my W & H Gidden business in 2009.” He states that he has continued to buy such items from suppliers from 1999 to the present day. Mr Schnieder describes Exhibit RH8 as consisting of a sample of invoices and delivery notes “to my business” for clothing and leather items. Some of the invoices specifically mention W & H Gidden. I note one of the invoices, from Mister Fox Limited, addressed to Schnieder Riding Boot Co and dated 1 December 1999, was for unidentified items called Foxhunter in cream and white “with Gidden labels”. There are examples of similar invoices from 2000 and 2001 (e.g. referring to W & H Gidden leather bags). An invoice from Husbands saddlery, dated 16 June 2001, refers to a Gidden saddle. An order from Schnieder Boots to Tim Hardy Ltd (a manufacturer of leather goods) on 13 August 2001 specifies that the goods are to be branded as “W + H Gidden”. The only identifiable item on the form is ‘H/flask’ (presumably hip flask). The amount on the order form is £1309.57. Another dating from 20 July 2001 is for an unidentified item “stamped with W + H Gidden”.



EXHIBIT RHS 7010

37. Correspondence from September 2004 indicates that Mr Schnieder had problems with a supplier charging extra for putting W & H Gidden labels on goods, when they had not, previously, charged for this service. The items are 'huntshirts' and 'stocks', (the latter appears to be a necktie, like a cravat). Other invoices and correspondence, on which W & H Gidden goods can be identified include:

- An invoice dated 25 March 2003 (£3886.55) from Traditional Weatherwear Ltd for raincoats. The invoice is marked “Gidden labels”. The unit price to Mr Schnieder is £155.
- Invoices dated 8 October 2004 (£963.08), 20 October 2004 (£838.00) and 18 February 2002 (£153.58), from Mister Fox, for WH Gidden cream riding vests, stocks, and WHG Four Fold Marcella, which on another invoice is identified as a stock.
- An invoice dated 20 May 2005 to Jeffries Saddlery, for 300 W H Gidden Saddle nails and 300 W H Gidden bridle studs.
- A letter from Mr Schnieder (on letterheaded paper, dated 11 October 2005) to Walsall Riding Saddle Co Ltd, reminding the company that he required W & H Gidden to be stamped on saddle plates, breast plates, stirrup leathers and saddle flaps, plus the use of W & H Gidden saddle nails; and a saddle plate to be fixed to attaché cases for a Japanese customer. The letter finished with Mr Schnieder saying that he would be ordering more saddles once he had received this delivery.
- An invoice dated 12 October 2005 (£2774.25) from Walsall Riding Saddle Co Ltd for Gidden saddles.
- A delivery note from Equestrian Supplies Ltd, dated 19 May 2010, for ten W & H Gidden stocks.
- An order/delivery note from Equestrian Supplies Ltd for shirts, stocks and stock pins, all with W & H Gidden labels, for delivery in November and December 2012.

38. Generally, the invoices are each for several hundred, or a few thousand, pounds. There are some 2013 invoices for huntcoats and waistcoats, but it is not possible to identify whether these were labelled W & H Gidden. However, Mr

Schnieder explains that most of the suppliers had been dealing with the W & H Gidden business for “many decades [and] would have no reason to make reference to W & H Gidden on their invoices.” Examples of clothing linings bearing the W & H logo and W & H Gidden labels are shown in Exhibit RHS9, which Mr Schnieder states are used in clothing such as jackets. He further states that the labels were in use in 1999 and that he has used them continuously since then on W & H Gidden clothing that he has sold.

39. At paragraph 15 of Mr Schnieder’s second statement, he replies to Mr Rosenzweig’s challenge that his own statement that W & H Gidden products account for 55% of his sales is untrue. Mr Schnieder states that he is happy to repeat the statement as it is accurate. He states that accounting records do not differentiate between sales of Schnieder Boots items and items sold under the W & H Gidden name. He states that the figure of 55% is his best estimate. He denies Mr Rosenzweig’s allegation that there was no W & H Gidden stock to sell to him in 2013.

40. The remainder of Mr Schnieder’s second statement concerns events subsequent to the relevant date. However, I take note of one of the exhibits, RHS 11, which comprises an exchange of emails between a supplier, RJB Simpson & Co (‘Simpson’) and Mr Schnieder. Simpson had been supplying Mr Schnieder with leather goods since 1999. In an email dated 18 April 2017, Simpson informed Mr Schnieder that it could no longer supply him with goods stamped with the W & H Gidden name because Simpson had received an email from Mr Rosenzweig to say that Simpson, by so doing, was infringing his trade mark registration.

Section 5(4)(a) of the Act

41. Section 5(4)(a) states:

“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.”

42. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “a substantial number” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

43. Guidance is given in paragraphs 184 to 188 of Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) 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."

Relevant date

44. There is no evidence that Mr Rosenzweig had used the contested mark prior to making the application. The application has a priority date from the US of 3 April 2013, although this is only a partial claim. The UK filing was made 6 days later on the 9 April 2013. The dates are very close; either way, nothing turns upon which date is the 'correct' relevant date.

Goodwill

45. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

“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.”

46. Mr Schnieder needs to show in his evidence that he had goodwill at the relevant date. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation;

evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

47. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

48. Goodwill must be of more than a trivial nature. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), 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.”

49. Whilst the law does not protect a trivial goodwill, it protects a small goodwill. In *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC, Sweet Squared (UK) LLP*⁴, the Court of Appeal upheld a claim for passing off based on the claimant's use of the mark LUMOS for around three years prior to the defendant's use of the same mark, both in relation to anti-ageing products. The claimant's products sold for between £40 and £100 each. Between early 2008 and September 2009, the claimant had achieved a turnover of around £2k for quarter. From the latter date up until the relevant date in October 2010, the claimant's turnover increased to around £10k per quarter. Even so, the business remained a very small business with a modest number of sales. Nevertheless, the court was prepared to protect the goodwill in that business under the law of passing off.

What is the sign attached to the business?

50. I will come back to the existence/sufficiency (or otherwise) of goodwill at the relevant date, but will assume, for present purposes, that goodwill existed. The exhibits show, and Mr Schnieder states, that trade has been conducted by reference to “Schnieder Boots incorporating W & H Gidden”. This combination is identified by Mr Rosenzweig as indicating lack of goodwill in the sign relied upon. I do not agree. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Recorder Iain Purvis QC, sitting as a Deputy Judge of the Patents County Court⁵ stated at [45]:

⁴ [2013] EWCA Civ 590

⁵ Now the Intellectual Property and Enterprise Court (IPEC).

“As for the point that the device is always used along with the name of the Claimant, this does not preclude a claim in passing off based on the device [a fox underneath a riding boot]. The device and the name are not indivisible parts of a single logo. They are separate entities, as indicated by the fact that they have been used by the Claimant in many different positions in relation to each other over the years. There can be no serious doubt that the Claimant’s customers will recognise the fox and boot device as the Claimant’s logo and the name ‘Foster & Son’ as the Claimant’s name”.

51. In my view, this applies *a fortiori* in the present proceedings because it is clear from the word ‘incorporating’ that the trading style conjoins two separate, divisible signs, or trading names. W & H Gidden is distinctive of Mr Schnieder’s business; i.e. assuming the existence of goodwill at the relevant date, that goodwill was attached to his goods by association with W & H Gidden.

Ownership of goodwill

52. Mr Rosenzweig disputes Mr Schnieder’s claim to own the goodwill generated by the previous owners of the mark. He states that there is no evidence supporting a transfer of title. Whilst it is true that there is no formal assignment document in evidence in these proceedings, Mr Schnieder has produced other evidence which, in combination, leads me to conclude that he did take ownership of the goodwill. Mr Schnieder has stated that the offer of £100,000 for the business, which was reported by the Receiver as having been accepted in the Report to Creditors and Statement of Affairs, was his offer. The report refers to the offer having been accepted for stock, goodwill and the trading name. The report was dated 13 September 1999, which was just a couple of months after the letters to Mr Schnieder from the firm appointed to dispose of the property, referring to delivering the stock to him and informing him that he may now use the name. There is no other reasonable interpretation of this evidence to make other than that Mr Schnieder bought the goodwill.

Was there sufficient goodwill at the relevant date?

53. The evidence shows that there was goodwill at the date on which the business was sold to Mr Schnieder, in July 1999. Although the accounts are for the year ending 31 January 1997, sales for the business had amounted to £1,233,000, with sales continuing until the company went into administration. In a niche, high-end business such as that associated with the sign W & H Gidden (the evidence shows that saddles cost around £1000 apiece), it is unreasonable to suppose that the goodwill had dissipated only two years later (in 1999). The goods are not everyday purchases, are expensive, and were sold by a company with a long and distinguished history. There was goodwill to start with, when Mr Schnieder took over the 'stock, goodwill and the name' in 1999.

54. Mr Rosenzweig's position is that, at least by 2010, when he first visited Mr Schnieder at his premises, there was no going concern. Mr Rosenzweig appears to have based this upon the style of display cabinets ("more of a museum than a shop"); because there was no direct access (one had to ring the doorbell); and because he does not recall that there were any opening hours advertised. The most that this indicates to me is that the premises housed a specialist and bespoke business or businesses, which is commensurate with the fact that Schnieder Boots, also operating from the same premises, was in the business of making custom riding boots, including for the Ministry of Defence (for the Household Cavalry).

55. Mr Schnieder has provided turnover sales figures for the combined businesses and states that he does not have separate accounts, but that his best estimate is that sales under the W & H Gidden sign account for 55% of the total. Mr Rosenzweig has invited me to disbelieve Mr Schnieder's statement. Mr Schnieder answers the challenge in his evidence in reply. He restates the position. Importantly, this second set of evidence also includes copies of a selection of orders, invoices and delivery notes.

56. The orders, invoices and delivery notes are, in general, each for several hundred or a few thousand pounds. As detailed in the evidence summary, there are specific mentions of the sign either in the lists of goods to be supplied or else as a

general note that they are to be stamped or labelled with the sign. Whilst the majority of the documents are dated in the early to mid-2000s, the last invoice/order which makes a clear reference to the sign, for clothing items ("All Gidden labels"), is dated in June 2012, for delivery in November and December 2012 (presumably the hunting season). Mr Rosenzweig filed his UK trade mark application a few months later, in April 2013.

57. I consider that these invoices support Mr Schnieder's statement about the sales figures. Even without the sales figures, it is plain that there were consistent sales, by reference to the sign relied upon, for the goods relied upon, up to and including during the year prior to the filing of the contested registration. This picture is further supported by the Simpson evidence. Although it is after the relevant date (2017), it refers to the fact that Simpson can no longer supply Mr Schnieder because of an email from Mr Rosenzweig telling Simpson that it was infringing his trade mark by so doing. It appears more likely than not that this was not new trade, beginning after the relevant date, but was a continuation of existing trade with Mr Schnieder, in relation to W & H Gidden.

58. Taking the evidence in the round, I conclude that there was goodwill at the relevant date, owned by Mr Schnieder, in a business associated with the sign W & H Gidden selling equestrian goods, clothing and leather goods. I do not consider that the paucity of evidence relating to modern promotional methods (such as a website and recent catalogues) necessarily harms Mr Schnieder's case. The evidence paints a picture of a historic brand/business selling high quality, expensive, niche products which, in all probability, had (at the relevant date) no real need to rely upon modern marketing methods. It supplied the hunting fraternity - the sort of customer whereby word of mouth recommendation is the way in which business is done. Ms Oakford's blog, which includes details of other historic businesses in exactly the same part of London (in Mayfair) supplying hunting equipment and clothing, shows that these are all highly specialised and historic family businesses. Indeed, the evidence shows that Mr Rosenzweig has been keen to capitalise on the longevity of the brand and its historic pedigree (including Mr Schnieder's Royal Warrant) on his own website, representing it as a continuation of the original, including using the sign in exactly the same typeface.

59. Mr Rosenzweig's failure to uncover evidence of trade in his due diligence exercise does not mean that there wasn't any. Nor is it relevant that he said in his email to Mr Schnieder that he was unable to find any trade marks (presumably he meant registered trade marks) owned by Mr Schnieder. Was the level of goodwill in April 2013 trivial or small? I do not think it can be said to be large, at least in terms of sales figures. However, I think it was of sufficient size to have been protectable in law. It was certainly not trivial. The evidence, as a whole, points to a longstanding business, with regular custom.

60. Mr Schnieder has met the burden placed upon him to prove goodwill at the relevant date, and has met the direct challenge to his sales figures by providing copies of orders, invoices and delivery notices. There has been no request to cross-examine him on any of his evidence.

61. I will just briefly mention the issue of residual goodwill, since it was raised by Mr Rosenzweig as not existing (his position is that it had dissipated). Clearly, I have found that there was goodwill from continuing custom at the relevant date, so I do not need to make a finding about whether there was residual goodwill, which presupposes cessation of trade at some point prior to the relevant date. However, for the sake of completeness, if I had been minded to accept that trade had dwindled by 2010, or even that there had been none since 1999, I would still have found residual goodwill to have existed in April 2013. I agree with Mr Longstaff that for the sort of goods which had been sold, it is unlikely that the reputation of the sign, almost two centuries old by that point (having been in the Gidden family all along) would have "evaporated". It is not as though the business had been short-lived, in which case, without sales, any goodwill is more likely to wither. The goods are not everyday goods. They were all stamped or marked with the sign (even the saddle nails and bridle studs) and would have existed for years, presumably being used in successive hunting seasons. I am fortified in that view by the judgment in *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), in which Vice Chancellor Pennycuik stated (my emphasis):

"It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some

period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are **likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name**".

Misrepresentation

62. 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]”.

63. The contested registration covers the same general type of goods as Mr Schnieder's W & H Gidden goods: leather goods, cases and wallets, goods for animals, riding paraphernalia and general clothing. There is no doubt in my mind that Mr Schnieder's actual and potential customers will be confused by the contested registration, believing the goods to emanate from Mr Schnieder's business.

Damage

64. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

65. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

66. In my view, the identity of the signs/mark and the closeness/identity of the respective goods leads me to conclude that damage, such as diversion of trade and/or injurious association, is inevitable.

Outcome

67. The application for a declaration of invalidity on the grounds of passing off (section 5(4)(a)) succeeds in full. Under section 47(6) of the Act, the registration is deemed never to have been made.

Costs

68. Mr Schnieder has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. The costs breakdown is as follows:

Preparing a statement and considering Mr Rosenzweig's statement	£200
Official fee	£200
Preparing evidence and considering and commenting upon Mr Rosenzweig's evidence	£1000
Preparing for and attending a hearing	£800
Total	£2200

69. I order Richard Rosenzweig to pay to Rudolf Herman Schnieder the sum of £2200 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 4th day of October 2018

**Judi Pike
For the Registrar,
the Comptroller-General**