

O-097-13

TRADE MARKS ACT 1994

APPLICATION 84197 BY NUTTERS (HOLDINGS) LIMITED

FOR TRADE MARK REGISTRATION 2229000

IN THE NAME OF J & J CROMBIE LIMITED

TO BE REVOKED FOR NON-USE

AND

APPLICATION 2595856 BY NUTTERS (HOLDINGS) LIMITED

TO REGISTER THE TRADE MARK 'TOMMY NUTTER' IN CLASS 25

AND

OPPOSITION 102935 BY J & J CROMBIE LIMITED

THE ISSUES IN DISPUTE

1. The trade mark TOMMY NUTTER was registered on 22 September 2000 under No. 2229000. The registration covers:

Class 25:

Articles of clothing; leisurewear; sportswear; headgear and footwear; swimwear; suits, trousers, jackets, articles of clothing made from knitted material and knitted articles of clothing; shirts and ties; bathrobes.

2. The registration stands in the name of J & J Crombie Limited (“Crombie”).

3. On 5 October 2011, Nutters (Holdings) Limited (“NH”) applied under s.46 of the Act for registration 2229000 to be revoked for non-use. NH claims that the mark has not been put to genuine use since it was registered, or alternatively, had not been put to such use in the 5 year periods ending on 22 September 2010 and/or 4 October 2011 (i.e. the day immediately preceding the filing date of the application for revocation).

4. Also on 5 October 2011, NH applied under No. 2596856 to register TOMMY NUTTER in its own name in respect of:

Class 25:

Clothing; footwear; headgear; underclothing; nightwear; socks; swimwear; scarves; belts; braces; suspenders; gloves; men's formal wear; suits; blazers; jackets; sports jackets; formal jackets; trousers; formal trousers; shirts; formal shirts; dress shirts; ties; coats; raincoats.

5. Crombie filed a counterstatement in the revocation action on 23 December 2011 claiming that:

i) It had made genuine use of the TOMMY NUTTER mark during the periods specified by NH, or there had been such use with Crombie’s consent;

ii) Alternatively, genuine use took place after the end of the specified periods, but before the application for revocation was filed, and preparations for such use started before Crombie became aware that an application for revocation might be made¹.

6. On 27 January 2012, Crombie filed opposition to NH’s application 2596856.

¹ As noted at paragraph 3, there was no gap between the end of the last specified five year period (4 October 2011) and the date of filing the application for revocation (5 October 2011). Consequently, this part of Crombie’s counterstatement is self evidently misconceived.

The opposition is based on:

- i) Crombie's ownership of an identical earlier national trade mark under 2229000, which it claims means that NH's application should be refused under s.5(1) or s.5(2)(a) of the Act;
- ii) Crombie's ownership of identical earlier Community trade mark ("CTM") 1600865, which is also registered for various items of clothing in class 25 and presents similar grounds for refusal;
- iii) Crombie's common law rights under the mark TOMMY NUTTER, as a result of the goodwill generated under that sign in the UK "*since at least 2007*" in relation to a trade in „suits, waistcoats and shawls’.
- iv) A claim under s.3(6) of the Act that NH's application was made in bad faith because it is merely an attempt to deny Crombie the benefit of registered ownership of the TOMMY NUTTER mark and not reflective of a *bona fide* intention on NH's part to "*use TOMMY NUTTER commercially as a trade mark in relation to clothing either now or in the future.*"

7. NH filed a counterstatement denying Crombie's grounds of opposition to application 2596856 on the basis that:

- i) It had applied to cancel Crombie's earlier marks for non-use;
- ii) Crombie was required to prove use of those marks for the purposes of the opposition proceedings;
- iii) Crombie did not own goodwill under the name TOMMY NUTTER and NH's use of that mark would not be a misrepresentation actionable at common law;
- iv) NH has an intention to use the trade mark as indicated in the declaration made on the application form;
- v) Crombie's grounds for claiming otherwise are irrelevant and bound to fail;
- vi) The s.3(6) ground alleging bad faith should therefore be struck out.

8. Both sides sought an award of costs.

9. NH's request for the bad faith allegation to be struck out was subsequently rejected by the caseworker in a letter dated 13 April 2012. That letter indicated that the Hearing Officer would decide the s.3(6) ground on its merits. In the same letter, the registrar directed that the revocation and opposition proceedings should be consolidated.

THE HEARING

10. Following a case management conference ("CMC") held on 23 November 2012, the matter came to be heard on 16 January 2013 when NH was represented by Mr Aaron Wood of Briffa, and Crombie was represented by Mr Richard Davis of counsel instructed by William A. Shepherd & Son.

11. By the time of the hearing it became clear that Crombie was relying on three things to support its claim to have made genuine use of TOMMY NUTTER. Firstly, on the sale of some waistcoats from 2007 to 2010. Secondly, on the sale of some double breasted suits from 2010 to 2011. Thirdly, on the publicity (and it says goodwill and commercial raison d'être) generated by an offer made in September 2011 to sell the brand or enter into a partnership agreement to develop it. I will bear this in mind in presenting the facts because the evidence goes into other irrelevant matters.

12. Following the CMC, I directed that five of Crombie's six witnesses (Mr Lewis, Mr Brescia, Ms Pretious, Ms Ward and Mr McVey) should attend the hearing for cross examination on their evidence about Crombie's use of the TOMMY NUTTER mark. I also directed that NH's sole witness, Mr David Mason, should attend for cross examination on some very limited evidence he had given going to Crombie's non-use of the TOMMY NUTTER mark. Crombie had also wanted to cross examine Mr Mason about his motives for filing NH's application for registration of the mark. However, as Mr Mason had given no evidence about that matter on which he could be cross examined, I rejected that request.

13. Despite having opposed Crombie's request to cross examine Mr Mason about the purpose of NH's trade mark application, after listening to Mr Davis's opening at the hearing, Mr Wood requested that Mr Mason should be allowed to give oral evidence about the bad faith claim. He submitted that this was necessary because Crombie was now relying on Mr Mason's knowledge of Crombie's plans to sell/develop the brand, which was not evident from the grounds of opposition. Mr Davis for Crombie opposed that application on the basis that:

- i) The point that NH's application was made shortly after Crombie's public statement about its plans for the TOMMY NUTTER mark was merely a fact relevant to Crombie's pleaded ground that NH had no intention to use the mark;

- ii) That fact had been identified in Mr Lewis's witness statement in the revocation proceedings, which had been served on NH before the opposition proceedings even began and served again on NH as an exhibit to Mr McVey's statement after the proceedings were consolidated;
- iii) NH had been given an opportunity to file written evidence in reply to Mr McVey's evidence, but had failed to do so;
- v) If NH had wanted to file further evidence from Mr Mason, it should have made that application at the CMC;
- vi) To permit Mr Mason to give evidence-in-chief on the bad faith ground at the hearing could prejudice Crombie because it would not have the usual opportunity to investigate and reply to any commercial facts brought up for the first time in Mr Mason's evidence.

14. It was clear that NH had not been taken by surprise by Crombie's reliance on Mr Mason's knowledge of its plans to develop the brand. Further, after the proceedings were consolidated in April 2012, NH was given an opportunity to file written evidence in the opposition and to reply to Mr McVey's evidence (which included Mr Lewis's statement). However, it chose not to file evidence. Further still, permitting Mr Mason to give evidence in chief on the bad faith ground at the hearing, without him having previously made a relevant witness statement, presented a risk that Crombie would be presented with new facts which it might have been able to investigate and challenge if it had had notice of them. It is true that at the CMC Mr Wood (for NH) offered to provide a witness statement from Mr Mason; this was in response to Crombie's request to cross examine Mr Mason and intended to facilitate cross examination if it were to take place. However, NH's primary position at the CMC was that cross examination was inappropriate, which I accepted. No application was made for leave to file late written evidence from Mr Mason. Therefore, having regard to NH's position on cross examination at the CMC, and the other matters listed above, I directed that Mr Mason's role at the hearing should be limited to cross examination on the written evidence he had already given.

THE FACTS

15. Mr Mason is the sole Director of NH. His witness statement is dated 5 October 2011. The key points from his statement are that:

- i) He has worked as a tailor since 1984;
- ii) He worked with former partners of the tailor known as „Tommy Nutter“;
- iii) Together with such former partners, he had worked at a business with the trading name „Nutters“ for the previous eleven years;

- iv) As a result of this connection he keeps himself aware of any developments involving the TOMMY NUTTER brand, including any products being offered for sale under that mark;
- v) He was not aware of any use of that mark in relation to goods falling in class 25 since Crombie's mark was registered in 2000, and he was "*overwhelmingly confident*" that he would have been aware of any such use.

16. In cross examination Mr Mason accepted that he may not have become aware of the sale of a small number of TOMMY NUTTER waistcoats from a store in Newcastle (which is one of the uses claimed by Crombie). He said that if he were to start trading as TOMMY NUTTER and launched that brand, he would not do so in Newcastle. He remained adamant that any serious use of TOMMY NUTTER as a mark would have come back to him. He said he had internet alerts set up which meant that he would receive email alerts if TOMMY NUTTER or NUTTERS were to appear on the internet. And he constantly checked other stores in London, including Crombie's London store, to see what brands and designs were being used.

17. Mr Mason also spoke about confusion between Nutters of Saville Row and TOMMY NUTTER. When I asked him how there could have been confusion between these marks without any use of the TOMMY NUTTER mark, he explained that what he had meant by confusion was that the reputation of Tommy Nutter (the person) is such that people associate Nutters of Saville Row with the deceased designer.

18. As noted above, Crombie filed witness statements from Alan James Lewis CBE, David Brescia, Amelia Pretious, Rose Ward and Jonathan Selwood. All five are, or used to be, engaged in Crombie's business. Mr Selwood has worked for Crombie since 2000. He has managed Crombie's Manchester store since 2010. His evidence is that "*for several years*" he has "*used the words "Tommy Nutter" ...to describe Crombie's historic support for Tommy Nutter, the commercial relationship with him and Crombie's continued ownership of the brand and trade marks.*" Mr Selwood was not called for cross examination and neither side mentioned his statement at the hearing. Crombie's sixth witness is Stephen McVey, who is a solicitor acting for Crombie.

Mr Alan Lewis

19. Mr Lewis's written evidence was that Tommy Nutter was a well-known and highly regarded tailor who worked for a number of very well-known celebrities. After falling out with a previous business partner, Mr Nutter entered into a partnership with Mr Lewis in the 1980s. Later they formed a company called Tommy Nutter Promotions Limited, in which Mr Lewis was the majority shareholder and Mr Nutter was a minority shareholder. Mr Nutter acted as the designer. Mr Lewis took care of the business end of things. They had a store at 19 Saville Row that sold both Crombie

and Tommy Nutter clothes. This arrangement continued until 1992 when Mr Nutter became ill and died. Tommy Nutter Promotions Limited is now in Mr Lewis's sole ownership. Mr Nutter's designs for the partnership were transferred from Mr Lewis² to Crombie. According to Mr Lewis, the designs have remained in use by Crombie's design department as the basis for „Tommy Nutter' products sold through Crombie's stores. He says that in Summer 2007, Crombie ran a "cobranded" Crombie/Tommy Nutter event at Crombie's flagship store in London. The invitations referred to it as a "Crombie Tommy Nutter Night".

20. Mr Lewis's statement also indicates that:

"...the "Tommy Nutter" releases include a Tommy Nutter waistcoat. This was first sold in Autumn/Winter 2007/2008, with remaining stock being brought out again every year in certain concessions until the last few products were sold last year (2010). I also recall a "Tommy Nutter" inspired shawl at around the same time as the waistcoat (2007 or 2008).

The most recent "Tommy Nutter" release is a range of double breasted suits which have been sold in each of the last three seasons (Autumn/Winter 2010, Spring/Summer 2011, and Autumn/Winter 2011). The suit was designed using Tommy Nutter's original designs."

21. According to Mr Lewis, in 2006 he hired two people to provide ideas to develop the TOMMY NUTTER brand at a cost of £60k. However, Mr Lewis did not agree with their plans. Mr Lewis was interviewed on Radio Rock Manchester in April 2009 in connection with the opening of Crombie's Manchester store. During that interview he mentioned Crombie's historical connection with Tommy Nutter.

22. The next step in events is recorded in Mr Lewis's statement as follows:

"In 2009 the Crombie design team in Leeds (under Amelia Pretious) began to work on designing the enlarged Tommy Nutter range and the branding style which uses the Mark (incorporating a copy of Tommy Nutter's signature).

The double breasted suits....came about as a result of this initial design process. These have been sold in Crombie stores, on its website and in Crombie concessions since the Autumn/Winter 2010 season."

23. Mr Lewis says that in 2011 he came up with the idea of seeking to work in partnership with other manufacturers, so in September 2011 he asked David Brescia to approach numerous major clothing companies to discuss the potential for a joint venture. This led to an article in the Financial Times on 21 September 2011, a copy of which is in evidence³. The title of the article was „Stone age Crombie to sell

² The basis of which Mr Lewis came to own such design rights is not explained.

³ As exhibit AJL1

swinging suitmaker Tommy Nutter'. The article also stated that Crombie would consider a partnership in order to develop the brand.

24. Mr Lewis gives evidence from records obtained from Companies House which show that NH is a relatively new company having been incorporated in August 2010. Mr Mason is the sole Director. Mr Lewis notes that Mr Mason's (NH's) application was filed two weeks after the article in the Financial Times and brands it as "*a blatant attempt to achieve a commercial advantage by frustrating Crombie's plans to further develop the Tommy Nutter brand, and gain some financial advantage*".

Cross examination of Mr Lewis

25. Cross examination showed that although Mr Lewis was an honest witness, some of his evidence was vague and at times confused. For example, it became clear that, contrary to the impression given in his witness statement, a number of different companies in which he had an interest had traded as TOMMY NUTTER during the 1980s/1990s. Further, as a long time friend of Tommy Nutter, he had difficulty distinguishing between events that occurred when they were just friends and events that occurred when they were in business together. Nevertheless, cross examination clarified that:

- i) There was no TOMMY NUTTER clothing available or offered for sale at the „Crombie Tommy Nutter Night' held in Summer 2007;
- ii) Crombie's turnover in the UK during the relevant period was in the region of £2-3 million per annum (Mr Lewis said it was about that now, and had gone down over the past couple of years - but was around £2m before);
- iii) Mr Lewis did not deal with the day-to-day business of Crombie;
- iv) He was aware that a previous Nutters of Saville Row company had applied in 2000 to revoke Crombie's previous registration of TOMMY NUTTER;
- v) Crombie had not defended that application because it had the same mark registered as a CTM;
- vi) Mr Lewis had been told that the previous Nutters of Saville Row had traded for a year or so before going into liquidation;
- vii) Mr Lewis had not heard of Mr Mason since the demise of the original company, but he would not expect to have been given any such information unless Crombie's assets were at stake;
- viii) Although, the press billed the 2011 announcement primarily as Crombie offering to sell the TOMMY NUTTER mark, Mr Lewis was

more interested in a partnership to develop the brand, particularly in Asia.

Mr David Brescia

26. Mr David Brescia is a researcher and analyst at Hartley Investment Trust Limited, which is Crombie's parent company. He works for Mr Lewis. Mr Brescia joined the company in January 2009. Mr Brescia's written evidence was that he helped to man the Crombie stall at the Conservative Party Conferences in October 2009, 2010 and 2011. He says that he used the Tommy Nutter name in numerous conversations with delegates and *"found that talking to customers about Crombie's relationship with Tommy Nutter was an effective way to promote the Crombie brand"*. According to Mr Brescia, he presented some suggestions to Mr Lewis and the Crombie management team in Summer 2009 about development of the TOMMY NUTTER brand. This included a proposal to develop a complete commemorative TOMMY NUTTER range, which could be launched in 2012, being the 20th anniversary of the designer's death. This idea was accepted.

27. Mr Brescia says that the design team started work straight away. The designers were given all the Tommy Nutter imagery Crombie had. This resulted in double breasted suits based on designs by Tommy Nutter from 1983-1992 being *"launched in Crombie's stores and concessions nationwide in 2010 and 2011"*. Mr Brescia further stated that in 2012 *"in preparation for the planned 2012 Tommy Nutter collection, I also searched Crombie's storage facility at its London office and tracked down"* [certain Tommy Nutter designed garments, including 5 or 6 suits] and *"sent these to the design team in Leeds to use for design purposes"*.

28. Mr Brescia confirms that Mr Lewis told him to contact large textile manufacturers in order to explore the commercial opportunities for a partnership. He exhibits⁴ an example of one of the 80 letters he wrote to such businesses on 1 September. The letter is headed *"British heritage fashion brand for sale: Tommy Nutter"*. The first paragraph of the letter introduces Crombie as the owner of the brand and continues *"We are now looking to sell the asset, and inviting offers"*. The letter also talks about Crombie owning a small collection of Tommy Nutter's original design sketches, cloth patterns and completed garments⁵. The paragraph finishes *"The brand would be an ideal purchase for an existing clothing company with the imagination and resources to revive and develop it"*. The second paragraph of the letter states that a company with an existing British presence might prefer to buy the brand outright. Alternatively, a company without existing UK infrastructure might prefer a partnership with Crombie so as to use its national retail network to build market presence. Forty of the letters went to businesses in China.

⁴ As page 12 of exhibit DB1

⁵ I take this to be a reference to the original garments, not current stock.

29. Mr Brescia says that he spoke to the Financial Times a couple of weeks later about Crombie's plans. As noted at paragraph 23 above, the resulting article on 21 September 2011 also focussed on the sale of the brand.

30. Mr Brescia's written evidence also includes some opinion evidence as to why NH filed its application.

Cross examination of Mr Brescia

31. Mr Brescia was an honest straightforward witness. Cross examination did not reveal much more than was in his written evidence, nor did it change his evidence. I noted that:

- i) 90% of the companies to whom Mr Brescia wrote in September 2011 were outside the UK;
- ii) He did not pre-approve the story run in the Financial Times;
- iii) He had the same information as Mr Lewis about the corporate history of NH;
- iv) He had also visited Saville Row looking for an NH outlet, but could not find one;
- v) He has also conducted internet searches, which had shown that NH had a website, but there were no products for sale.

Ms Rose Ward

32. Mr Rose Ward worked for Crombie for 14 years before she was made redundant in 2009. In 2007, she managed Crombie's Newcastle store and was also Regional Manager with responsibility for 5 other stores and 6 concessions in the Midlands, North of England and Scotland. In her written evidence Ms Ward said that she had been asked to provide her recollection of Crombie's release in Autumn/Winter 2007 of the Tommy Nutter commemorative waistcoat. Ms Ward said that prior to the release of the waistcoat she undertook some internet research to find out more about the link between Tommy Nutter and Crombie. She then briefed her 35 staff about the matter. She recalled the standalone stores (not the concessions) receiving the brown waistcoats and said that they sold very well. Ms Ward exhibited⁶ pictures of the waistcoat shown on a hanger bearing the name TOMMY NUTTER and stated that at least one waistcoat in each store (the one at the front of the rail) was displayed on a hanger such as the one in the pictures. Ms Ward recalled talking to customers about the waistcoat and "*explaining that it was the "Tommy Nutter" waistcoat.*"

⁶ As exhibit RW1

Cross examination of Ms Ward

33. Ms Ward seemed keen to help Crombie. She said that even before the "Tommy Nutter" waistcoats were available for sale, customers would come into her stores and talk about the connection between Crombie and Tommy Nutter. When asked what they thought the link was, Ms Ward at first suggested that customers knew of a financial connection, but she subsequently agreed that customers had no specific knowledge of what the connection was. She was also asked about her own oral use of TOMMY NUTTER. The exchange went like this.

Q. You say that it was useful in selling Crombie clothing?

A. Yes.

Q. How would you use the TOMMY NUTTER brand to sell Crombie?

A. I think what is key in any role of sales, and that was my avenue of sales and retail, it is all about the product. It is all about what you sell. It is all about how it is made. It is all about how you look. It is the start, the middle and the end. For us, if we are selling a Crombie suit, it was great to incorporate the waistcoat with the suit.

Q. You would sell a Crombie suit and you would try and up-sell.

A. Up-sell, link sell, not only with the TOMMY NUTTER waistcoat, but we would do it with a shirt and a tie, socks and shoes, the complete outfit.

Q. So someone would come in, they would want to buy a Crombie suit and you would say, "Why do you not have a look at this?"

A. Sometimes we would just put it on the back and say, "Try it on with the suit and see how you look." Then we would take it from there. That is what we were taught to do.

34. I note that oral use of TOMMY NUTTER is conspicuous by its absence in this description of how Ms Ward sold waistcoats and other products as add-ons to CROMBIE suits.

35. Ms Ward claimed that she had personally sold one to two of the waistcoats per week. When Mr Wood pointed out to her that the records attached to Mr McVey's evidence indicated that only six of the waistcoats had been sold from the Newcastle store, she said that she also sold from other stores in her area and that she liked to lead her staff by example. However, Crombie only claims to have sold 16 of the waistcoats between 2007 and September 2011 from all the stores managed by Ms

Ward. Therefore even if she sold all the waistcoats in her region, which seems unlikely if she had 35 staff, her claim to have sold one to two per week was clearly an exaggeration. In the end she accepted that she might have included the sales of other waistcoats in her first answer.

36. Ms Ward thought that each store received between 10-16 waistcoats, although she could not be sure of the precise number. She was very clear and definite about the efforts that were made to ensure that the waistcoat at the front of each rail was on a TOMMY NUTTER hanger. She accepted that the others may have been hung on CROMBIE hangers.

37. I asked Ms Ward what she meant by the reference in her written statement to the „Tommy Nutter commemorative waistcoat’, but she did not know.

38. Perhaps the most surprising thing about Ms Ward’s evidence is that she does not say in her statement (and was not asked during cross examination) whether the individual waistcoats carried a trade mark and, if so, which mark they carried.

Ms Amelia Pretious

39. Ms Amelia Pretious has worked for Crombie as a designer since 2005. She is currently the head of the design team. Ms Pretious’s written evidence was that in 2006 the design team received pieces designed by Tommy Nutter and were tasked with using them to develop a clothing range. She said that the “*Tommy Nutter inspired waistcoat*” was released in Autumn/Winter 2007 season. Ms Pretious provided⁷ a photograph of original Tommy Nutter garments, including a waistcoat, design drawings for the 2007 waistcoat, and pictures of the finished waistcoat, again shown on a TOMMY NUTTER hangar.

40. I note that the original waistcoat carried a label on which the mark TOMMY NUTTER appeared. I also note that the design drawings for the 2007 version included a blank tag in the place at the neck of the garment where a brand name would usually appear. This part of the waistcoat is not visible on the photograph of the finished version of the 2007 waistcoat.

41. According to Ms Pretious’ statement (dated 19 December 2011), it was decided in August 2009 to develop a larger range of Tommy Nutter inspired designs. These would be used in the Autumn/Winter 2010 season. Ms Pretious said that she then prepared a pencil sketched version of the Tommy Nutter signature “*a version of which was later used on the reverse of the Tommy Nutter swing ticket which is now being used in stores*”. Ms Pretious exhibits⁸ copies of mock ups of the designs of the Tommy Nutter labels and swing tickets. These show a signature mark, but also the words TOMMY NUTTER in a fairly conventional typeface.

⁷ As pages 1-7 of exhibit AP1

⁸ As pages 8-11 of exhibit AP1

42. According to Ms Pretious' statement, a double breasted "*Tommy Nutter inspired*" grey flannel suit was subsequently designed, produced and delivered for sale in November 2010. The suit was sold through Crombie's London, Edinburgh and Manchester stores, on the Crombie website, and via House of Fraser concessions. Another version of the suit was produced for the Spring/Summer 2011 season (this time a blue suit made from wool and mohair) and another version again was produced for the Autumn/Winter 2011 season. The stock for these suits was delivered to Crombie's Leeds warehouse on 25 March 2011 and 10 August 2011, respectively. Ms Pretious exhibits⁹ pictures of various suits, some of which are shown to carry swing tickets bearing the TOMMY NUTTER mark. Others show suits on sale in association with TOMMY NUTTER point of sale material. However, it is not clear from Ms Pretious's statement when these pictures were taken. Some of these pictures show suits on CROMBIE hangers.

Cross examination of Amelia Pretious

43. Ms Pretious was a careful witness. She was candid about what she could say for sure and what was outside her direct field of knowledge. For example, Ms Pretious was asked whether the 2007 waistcoat carried the TOMMY NUTTER mark. She said that she did not know because her responsibility was for designs not for marketing. Despite this she designed the back of the swing ticket for the double breasted suits because "*we thought it was such a nice little thing to have his signature included into the swing tickets*". However, when asked about the extent of her involvement in getting products into stores she said this:

A. Generally, the designs we should sort of, I guess, let go of them after the first sample and then it will go on to more QC and garment technologies. That will see it all the way through to production. It will be passed over to QC, then to production and then usually to retail.

44. Asked if there was any Crombie branding in the double breasted suits shown in the photographs exhibited to her statement Ms Pretious said:

A. I do not know. That is really not my area.
Q. You just did the one swing tag.
A. Yes.

Mr Stephen McVey

45. Mr Stephen McVey is a solicitor at Gordons LLP, which represents Crombie. His statement is dated 13 June 2012. Most of Mr McVey's evidence is regurgitation of

⁹ As pages 14-21 of exhibit AP1

the legal grounds, legal arguments and the factual evidence given by Crombie's other witnesses. However, he gave some additional evidence in two areas. Firstly, he provided¹⁰ sales records which he claimed showed that Crombie had sold 42 „Tommy Nutter' waistcoats between October 2007 and September 2011, and 21 „Tommy Nutter' double breasted suits between November 2010 and September 2011. This information comes from Crombie's electronic sales system. It shows that the selling price for the waistcoats was £120 and the price of the suits was £695, although some of the items were sold at a discount. It also shows that the suits (but not the waistcoats) were described in Crombie's internal system as TOMMY NUTTER products. According to the sales records the waistcoats were sold through 12 stores and through Crombie's website. The suits were sold via 5 stores and also through the website.

46. Secondly, Mr McVey provided records from Companies House¹¹ which he claimed showed that:

- i) Mr Mason has been a Director of 15 companies, 7 of which have been struck off;
- ii) NH was only incorporated on 25 August 2010;
- iii) NH is a holding company which owns all the shares in Nutters Wholesale Limited and Nutters Retail Limited, both of which were incorporated on the same day as NH;
- iv) In 2000, Mr Mason became a Director of 3 newly incorporated companies, another Nutters Holdings Limited, Nutters of Saville Row Limited and Nutters Online Limited;
- v) All three companies were struck off between 2005 and 2007;
- vi) Only Nutters of Saville Row appears to have traded;
- vii) That company went into liquidation in 2002 after trading for less than 2 years;
- viii) There is no record of any limited company with Nutters in its name having traded after Nutters of Saville Row went into liquidation.

¹⁰ See pages 1-33 of exhibit SAM1

¹¹ See exhibit SAM4

Cross examination of Mr McVey

47. Mr McVey was a straightforward witness. This case was the first time he had worked for Crombie. He therefore had no first hand knowledge of the sales described in his statement. He accepted that it would have been better if someone from Crombie had given the sales evidence. The information he had given in evidence had been supplied to him by Mr Brescia.

48. It emerged that Mr Brescia had added the sales figures up wrongly and Mr McVey had not checked the maths. After having been taken to the records in his evidence, Mr McVey accepted that only 14 of the suits (not 21 as per his statement) were sold before the application for revocation was filed (it was later pointed out that some of the sales shown in the exhibits to Mr McVey's evidence had been missed out of the tally kept during cross examination: the correct figure is 19). The figure for the number of waistcoats sold was also incorrect: the correct figure is 46.

49. Mr McVey also confirmed that the evidence about Mr Mason's trading history was based entirely on records obtained from Companies House.

FINDINGS OF FACT

Use of TOMMY NUTTER in relation to waistcoats

50. I bear in mind that s.100 of the Act places the onus on Crombie to show what use has been made of the TOMMY NUTTER mark.

51. Ms Ward's evidence establishes that TOMMY NUTTER was used on a tiny number of coat hangers used to present a small number of waistcoats to the public. These waistcoats were based on a design by Tommy Nutter. They were probably produced to commemorate the 15th anniversary of the tailor's death in 1992.

52. Given Ms Ward's extremely clear recollection about the branding on the hangers on which some of these waistcoats were displayed, I am sure that if they had been individually branded as TOMMY NUTTER products, she would have said so in her evidence. None of the documentary sales records exhibited to Mr McVey's statement show use of the TOMMY NUTTER mark in relation to waistcoats. The evidence of Mr Brescia, Ms Pretious and Mr Selwood sheds no further light on the matter.

53. Mr Davis for Crombie submitted that Mr Lewis's evidence about the release of a „Tommy Nutter' waistcoat in 2007 should be accepted because it had not been challenged in cross examination. Mr Wood for NH countered that as Mr Lewis had accepted that he did not have day-to-day knowledge of the Crombie business, there had been no point in asking him about the branding on the waistcoat. I am not sure

that Mr Lewis's concession went so far as to exclude knowledge of the brands used. However, I find that Mr Lewis's written statement is vague on this point. His reference to a „Tommy Nutter' waistcoat could be a reference to the branding of the waistcoat, but it could equally be just a reference to the design of the original product on which the 2007 waistcoats were closely based. If the waistcoat had been branded TOMMY NUTTER it would have been very easy for Mr Lewis to have said as much. Instead he, and Crombie's other witnesses, appear to have gone as far as they can to imply that the waistcoats were branded as TOMMY NUTTER products, without actually saying so.

54. In these circumstances, I find that it is not likely than the waistcoats offered for sale between 2007 and 2011 were individually branded TOMMY NUTTER.

Use of TOMMY NUTTER in relation to double breasted suits

55. Mr Brescia claims that he had an idea in summer 2009 for Crombie to launch a double breasted suit in 2012 based on designs by Tommy Nutter in order to commemorate the 20th anniversary of the tailor's death. By contrast, his evidence talks of suits based on Tommy Nutter designs being offered for sale in 2010 and 2011. It is true that this was said in the context of the development of the TOMMY NUTTER brand. However, Mr Brescia also states that in 2011 he searched Crombie's storage facility and sent the design department 5 or 6 original Tommy Nutter suits to help with the design of the 2012 TOMMY NUTTER collection. Preparations for the 2012 commemorative TOMMY NUTTER suit collection therefore appear to have been still on-going during 2011.

56. Mr Lewis' statement (see paragraphs 20 and 22 above) indicates that suits from *“the “Tommy Nutter” release”* were sold in 2010 and 2011. The clear suggestion is that the 19 suits sold prior the date of the application for revocation carried the TOMMY NUTTER mark. However, it is not clear from Mr Lewis's evidence what he means by *“the “Tommy Nutter” release”*. Consequently, it is not clear when the branding for the commemorative suits, which I accept began development in 2009, was first used externally in relation to the products. Again, it would have been very easy for Mr Lewis to have clearly stated when TOMMY NUTTER was first used externally in relation to the goods, and how.

57. Ms Pretious gave written evidence in December 2011 [i.e. after the application for revocation was filed] that she produced the Tommy Nutter signature design in 2009, *“a version of which was later used on the reverse of the TOMMY NUTTER swing ticket which is now being used in stores”* (emphasis added). She also referred in her statement to the *“Tommy Nutter inspired... suit being sold...in the Autumn/Winter 2010 season”* (emphasis added). She exhibited some pictures of suits, some of which show a swing ticket bearing the TOMMY NUTTER mark *“the design of which began in 2009”*, but the pictures themselves are not dated. And when asked during cross examination about the branding on the suits shown in her

evidence, Ms Pretious simply said that she was a designer: marketing was not her area. I do not, therefore, consider that Ms Pretious' evidence reliably informs me about the branding used on the suits in question prior to the date of the application for revocation.

58. Mr McVey provided sales records showing that Crombie's sales system recorded that 19 TOMMY NUTTER double breasted suits sold prior to the date of the application for revocation. However, these are internal records. All they show is that Crombie listed the items as Tommy Nutter suits on its internal system. The copies of till receipts associated with this evidence do not show the TOMMY NUTTER mark used externally. The only name they carry is CROMBIE.

59. Considering the evidence overall, I do not consider that it shows that TOMMY NUTTER was used externally on swing tickets, labels etc as a trade mark for suits prior to the date of the application for revocation. Mr Davis appears to have anticipated this conclusion. His skeleton argument accepted that *"it seems the swing tickets, labels and promotional signs were not in fact used on product until after the relevant period."*

Oral use of TOMMY NUTTER

60. Mr Brescia's evidence about oral use of TOMMY NUTTER at Conservative Party conferences is irrelevant because it was not use of the mark in relation to any goods. The same applies to Mr Lewis's evidence about use of *"Crombie Tommy Nutter Night"* in relation to a Crombie promotional event held in 2007. The evidence about Mr Selwood and Mr Lewis talking to customers and radio listeners, respectively, about the historical connection between Crombie and Tommy Nutter the tailor is also irrelevant. This is because it does not show use of TOMMY NUTTER as a trade mark. Mr Lewis is clearly not involved in day-to-day sales. He offers no direct or specific evidence about how the „Tommy Nutter' waistcoat and double breasted suits were orally described by sales staff. He does not say, for example, that Crombie had a marketing strategy which involved training its staff to refer to some of its products as TOMMY NUTTER products.

61. Ms Ward's written evidence was that she briefed herself and her staff on the connection between Crombie and Tommy Nutter and explained to customers that the waistcoats were „Tommy Nutter' waistcoats. It was not clear from her written evidence whether this meant that she told customers that TOMMY NUTTER was the trade mark for the 2007 product, or simply that the waistcoats were based on a design by Tommy Nutter. Given the absence of evidence from Ms Ward that the products were individually branded as TOMMY NUTTER products, the latter seems more likely. In any event, when asked during cross examination to explain how she used the name TOMMY NUTTER to sell the waistcoats, she gave an answer which did not involve any use of the name. As I noted above, I got the impression that Ms

Ward was trying hard to help Crombie. I am therefore disinclined to resolve any ambiguity in Ms Ward's evidence in Crombie's favour.

62. I have considered the evidence in its totality, but I find that there is no convincing evidence that TOMMY NUTTER was used orally, with Crombie's consent, as a trade mark for suits, waistcoats or other garments prior to the date of the application for revocation.

Nutters (Holdings) Limited

63. Mr Mason is clearly the controlling mind behind NH. I find that:

- i) Mr Mason has twice incorporated companies with Nutters of Saville Row in their names.
- ii) He traded between 2000-2002 under that company name after having previously successfully revoked Crombie's TOMMY NUTTER mark for non-use.
- iii) The company currently known as NH was incorporated only in 2010.

THE APPLICATION TO REVOKE THE MARK TOMMY NUTTER FOR NON-USE

The Law

64. The relevant parts of s.46 of the Act are re-produced below.

(1) The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it is registered, and use in the United Kingdom includes affixing the trade mark to goods or the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that

paragraph is commenced or resumed after expiry of the five year period and before the application for revocation is made. Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) -

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation;

(b) if the registrar or the court is satisfied that the grounds for revocation existed at an earlier date, that date.

65. The requirements for genuine use were conveniently summarised by Ms Anna Carboni as The Appointed Person in *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd (Sant Ambroeus Trade Mark)* [2010] RPC 28. The summary, which I gratefully adopt and re-produce below, is drawn from the judgments of the Court of Justice of the European Union (CJEU) in Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV*, Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar*, and Case C-495/07, *Silberquelle GmbH v Maselli-Strickmode GmbH*.

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].

Application of the law to the facts relating to revocation

66. I reject Mr Davis's submission that the publicity surrounding Crombie's offer in 2011 to sell the mark, or to enter into a partnership arrangement in order to "*revive and develop it*", counts as genuine use of the mark. This is because such an offer, however genuine it is, does not represent use of the mark „in relation to' clothing in order to create or maintain a market for those goods. Consistent with this, the offer was not directed at customers for clothing, but at other clothing manufacturers. In other words the offer was seeking to create a market for the trade mark rather than using the mark to attract a share of the clothing market. It would be odd indeed if an offer to sell a mark, without more, counted as genuine use of that mark in relation to goods. This can be tested by asking what the position would be if the new owner (or

partner) still made no use of the mark in the UK. The answer is that the offer to sell the mark wouldn't have brought it any closer to having a share of the UK clothing market; that would depend entirely on what the new owner/partner did with it. Therefore simply making such an offer cannot represent genuine use of the mark for this purpose.

67. Does use of the mark in relation to a coat hanger used in up to 12 stores to display one waistcoat out of a number of such products, count as genuine use of the mark in relation to the goods? Mr Davis submitted that it did. He drew my attention to paragraph 38 of the judgment of the Court of First Instance in the *Sunrider* case¹², which is as follows:

“38. In interpreting the notion of ‘genuine use’, account must be taken of the fact that the *ratio legis* of the provision requiring that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade-mark application is to restrict the number of conflicts between two marks, where there is no good commercial justification deriving from active functioning of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks.”

68. Mr Davis relied on this passage for two purposes. Firstly, as support of his argument that Crombie's offer to sell the mark, or partner with an overseas business to revive it, represented “*good commercial justification*” to maintain the registration. Secondly, to show that the small number of sales claimed under the mark should not be taken to mean that the use was not real. I have already rejected the first point for the reasons given above. As to the second point, I do not detect any difference between the law as stated in the Court of First Instance's judgment in this case, and the CJEU's judgments in the *Ansul* and *La Mer* cases cited above. In any event, the Court of First Instance, like myself, is bound by the law as stated by the CJEU.

69. Crombie claims to have sold 46 waistcoats based on Tommy Nutter designs. Five of these were sold through Crombie's website, so the use of TOMMY NUTTER on display hangers cannot apply to these sales. The argument seems to be that use of the mark on the first hanger on the display rail was use in relation to all the waistcoats on that rail, or at least those of the same design as the one on the leading hanger. Given that the total number of relevant sales was only 41, and Mr Lewis's evidence is that all the waistcoats were eventually sold, it is likely that the mark was used on, at most, 12 coat hangers. I say “at most” because some of the 12 stores, including the London store, are recorded as having sold just 1 or 2 „Tommy Nutter’

¹² Case T-203/02

waistcoats over a period of several years. Thus it is by no means certain that all the stores received the same number of waistcoats or that they all received a TOMMY NUTTER hanger for display purposes. This is the slightest imaginable level of use of a mark in relation to goods over a five year period.

70. Further, although the use of the TOMMY NUTTER mark on the hanger might have been taken as a trade mark advertising the product (at least the one on that hanger), if the product carried a different mark in the neck label, eg CROMBIE, it is also possible that the name on the hanger might have been taken by consumers as identifying only the name of the original deceased designer. Thus I am not sure whether the use in question qualifies as use in accordance with the essential function of the mark, which is to distinguish the trade source of the products sold under it.

71. In the *Ansul* case, the CJEU stated that:

“38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.”

72. Even if the use of TOMMY NUTTER on some of the hangers for the waistcoats was use of the mark in accordance with its essential function, the scale of such use is so miniscule in the context of the clothing market, that I do not consider that, by itself, such use would be viewed as warranted by those in the economic sector concerned to create or maintain a share of the clothing market. I have noted that the waistcoats in question were relatively expensive items, but they were not that much more expensive than an average waistcoat so as to place them in the sort of very exclusive niche market where such very limited use of a mark in relation to a very small number of items would be considered to be warranted. Rather, and particularly in the context of a mark that was revoked once before for non-use, the scale and nature of the use in question reeks of token use.

73. For these reasons, I find that the use of TOMMY NUTTER on a few display hangers was not genuine use of that mark in the five year periods ending on 22 September 2010 and 4 October 2011.

74. Whilst I accept that Crombie retained an interest in the TOMMY NUTTER mark, genuine use of the mark means more than no conscious abandonment. It follows that the mark should be revoked a second time for non-use. As the conditions for revocation appear to have existed at 23 September 2005, I direct that the registration should be revoked from that date.

CROMBIE'S OPPOSITION TO NH'S APPLICATION

Crombie's earlier TOMMY NUTTER marks

75. It is convenient to start with the s.5(1) and s.5(2)(a) grounds. The relevant provisions are as follows:

5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b) –

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

76. Earlier trade marks are defined in s.6, the relevant part of which is:

6. - (1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks..

77. It is clear from s.46(6) of the Act that the revocation of UK registration 2229000 with effect from 23 September 2005 means that the proprietor's rights in that mark ceased from that date. Therefore, if my decision on revocation stands, the registration of UK 2229000 is deemed to have ceased in 2005 and that mark no longer qualifies as an earlier trade mark for the purposes of Crombie's opposition to NH's application. Consequently, I reject the opposition based on that mark.

78. Crombie's CTM 1600865 – TOMMY NUTTER - is registered and qualifies as an earlier trade mark. However, because the registration procedures for Crombie's CTM 1600865 were completed on 6 September 2005, more than five years prior to the date of publication of NH's application No. 2596856 on 28 October 2011, Crombie's reliance on that mark is also subject to s.6A of the Act, which is as follows.

6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where-

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) –

(4) -

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

79. Section 6A(1)(c) indicates that the relevant period for assessing non-use of CTM 1600865 is 29 October 2006 – 28 October 2011. This is very similar to the last 5 year period I considered in the revocation case, which ended 26 days earlier on 4 October 2011. Consequently, unless Crombie’s evidence shows genuine use of TOMMY NUTTER in the period 5 October – 28 October 2011, or genuine use of the mark in the relevant five year period in the EU, the result of my examination of Crombie’s use under s.6A is bound to follow my findings about use in the revocation action, and this would mean that Crombie cannot rely on the CTM.

80. There is no evidence that Crombie made any use of TOMMY NUTTER elsewhere in the EU.

81. There is evidence that Crombie sold 3 additional double breasted suits in the period between 5 October and 28 October 2011, which were recorded on its internal sales system as TOMMY NUTTER products. However, it is no more likely that

TOMMY NUTTER was used externally in relation to those 3 suits than it was in relation to the 19 similar suits sold before 5 October. And there is no evidence that they were orally promoted as TOMMY NUTTER suits either.

82. I therefore find that Crombie has not shown that it made genuine use of CTM 1600865 in the relevant period. Consequently, it cannot rely on that mark for the purposes of this opposition and the grounds based on that mark therefore fail.

83. Subsequent to the hearing, my attention was drawn to a decision by the Cancellation Division at OHIM to reject an application by NH to revoke the CTM. On the basis of very similar evidence OHIM found that Crombie had made genuine use of its CTM in the UK and therefore in the EU. I regret coming to a different conclusion, but I note that the Cancellation Division did not have, as I have had, the benefit of hearing the arguments (and concessions) of the parties at an oral hearing, or witnessing the result of cross examination of Crombie's witnesses¹³.

Crombie's common law rights under the sign TOMMY NUTTER

84. Section 5(4)(a) is as follows:

- (4) 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.

85. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) summarises the law of passing off at paragraph 165. The guidance given is with reference to 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. The passage reads:

"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

¹³ I also find it hard to square with the recent judgment of the General Court in *Reber Holding GmbH & Co. KG v OHIM*, Case T-355/09, in which the sale of 40-60Kg per annum of specialist chocolate was considered to be insufficient to constitute genuine use of a trade mark registered in Germany.

(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."

86. Crombie relies upon its use of the mark TOMMY NUTTER in the UK "since at least 2007" in relation to a trade in „suits, waistcoats and shawls' as having established a goodwill which could have been protected on the date of NH's application under the law of passing off. However, I have found that there is no established use of the mark in relation to these goods. The passing off case cannot therefore succeed on the basis of Crombie's supposed use since "at least" 2007. Crombie does not rely on any residual goodwill associated with the mark as a result of earlier trading under the mark in the 1980s/1990s. I was told that this was because the chain of title to any such goodwill is unclear.

87. However, Mr Davis for Crombie did seek to rely on the publicity surrounding Crombie's offer to sell the mark, or acquire a partner to revive it, as having established, or at least having contributed, to the acquisition of goodwill. I do not accept this. The submission confuses publicity about the brand with the creation of goodwill under it. Goodwill exists amongst customers and potential customers for goods or services. In order for goodwill to exist there must be existing customers or extensive pre-launch publicity showing an intention to use the mark in near future¹⁴. A public offer to sell a mark, or to enter into some form of partnership in order to revive it, does not create any goodwill for the mark amongst customers for clothing. This point was not covered by the original s.5(4)(a) pleading, but as there is nothing in it, this makes no difference.

The bad faith claim against NH

88. Section 3(6) of the Act states:

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

89. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) ("Sun Mark") Mr Justice Arnold 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

¹⁴ BBC v Talbot Motor Co. Ltd [1981] FSR 228.

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 Plastics 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).”

90. A particular feature of this case is that the applicant has filed no evidence going to the bad faith claim. Consequently, if the opponent has established a *prima facie*

case of bad faith, the case will succeed because the applicant has not answered it¹⁵. The first question is therefore whether the opponent has presented a *prima facie* case of bad faith.

91. The notice of opposition based the bad faith claim on two things. Firstly, that Crombie had not been able to find any current or past use by the applicant of the sign TOMMY NUTTER. Secondly, Crombie relies on inferences drawn from certain statements that Mr Mason made, or did not make, in his witness statement filed with NH's application to revoke Crombie's trade mark registration. In particular, Crombie claimed that it was significant that in that statement:

- i) Mr Mason did not claim that his business has used, or is using, or intends to use the mark TOMMY NUTTER;
- ii) Mr Mason did not express any concern about being sued for trade mark infringement if his applications for revocation failed;
- iii) Mr Mason's wording suggests that *"the only reason for [NH's applications for revocation and its own application to register TOMMY NUTTER] is to try to deny the Opponent the benefit of registered ownership of the trade mark TOMMY NUTTER and thereby interfere with the Opponent's business interests in and legitimate right to exploit the trade mark TOMMY NUTTER..."*.

91. So far as point iii) is concerned, Mr Mason's statement was filed prior to the commencement of the opposition proceedings and it says nothing about his own trade mark application. The only thing that Mr Mason says in his short statement about Crombie's business is that it has not been using the TOMMY NUTTER mark. The point about NH seeking to deny Crombie the benefit of its ownership of the TOMMY NUTTER mark, and thereby *"interfering"* in Crombie's business interests, appears to be a complaint that Mr Mason provided no justification for his application for revocation. The previous trade mark law required an applicant for revocation (or „rectification' as it was called then) to have sufficient interest in the trade mark. However, the current law has no such qualification requirement. Anyone can apply to revoke a mark for non-use. Therefore Mr Mason's failure to justify his application for revocation has no bearing on his application for revocation, let alone his own application for registration.

92. This aspect of the bad faith allegation touches upon a claim made by Mr Lewis in his written evidence in the revocation action. He characterised that application as "a

¹⁵ I believe that this approach is consistent with that of Mr David Kitchen Q.C. (as he then was) in *Ferrero SpA's Trade Marks* [2004] RPC 29.

blatant attempt to achieve a commercial advantage by frustrating Crombie's plans to further develop the Tommy Nutter brand, and gain some financial advantage" (emphasis added). Leaving aside any objection there might be that the allegation I have underlined was not included in Crombie's Notice of Opposition, there is nothing improper about applying to register a trade mark that someone else has registered but not used, unless perhaps that party has a legal claim to the mark based on something other than the trade mark registration. A financial advantage gained from exploiting a mark that someone else has not used for five years is not therefore improper *per se*. If the complaint had been properly advanced, it might have been significant that Crombie has not been able to claim ownership of any residual goodwill in the TOMMY NUTTER mark from the businesses carried on under that sign in the 1980s/1990s which gave it the "iconic" status on which its commercial value now appears to depend. Nor has it identified who else might own any such goodwill. Therefore whilst I accept that the timing of NH's applications was probably linked to Crombie's public offer to sell the mark, and the application for registration was probably seeking to achieve some kind of advantage for the applicant (as with most, if not all, trade mark applications), I do not find this evidence of NH's bad faith towards Crombie.

93. The points made at paragraph 91 i) and ii) above can be taken together. It is clear that neither NH nor Mr Mason has used the mark TOMMY NUTTER. However, it is sufficient that NH had a *bona fide* intention to use the mark at the date of the application for registration. The absence of past use does not call that into question, even on a *prima facie* basis, particularly in circumstances where Crombie has maintained a live trade mark registration for TOMMY NUTTER for at least the past 12 years.

94. The basis for the bad faith claim seemed to change a little at the hearing after Mr Mason was cross examined. The thrust of Mr Davis's case for Crombie then seemed to be that if NH had an intention to trade, it was as Nutters of Saville Row. The application for registration was therefore a defensive measure to stop anyone else getting rights in TOMMY NUTTER and either interfering with, or causing confusion with, that business. Although there is evidence that Mr Mason owned a company which traded as Nutters of Saville Row in the past, and Mr Mason says he still trades under that name, the evidence from some of Crombie's witnesses is that there is no current business trading under that name. Whether or not that is right, I do not think it would be safe to draw the inference that this was the full extent of NH's future intentions at the date of the application, and that NH therefore had no intention to use TOMMY NUTTER as part of its business. This is particularly so where the subject of Mr Mason's cross examination at the hearing was Crombie's use of TOMMY NUTTER, not his own proposed use.

95. As the authorities make clear, bad faith is a serious allegation and there is therefore a particular obligation on someone making such an allegation to plead it

fully and clearly. If Crombie's case was that NH only ever intended to use Nutters of Saville Row, it should have made that allegation clearly and at the outset. Mr Mason cannot be criticised for failing to answer a bad faith allegation that only crystallises at the conclusion of the hearing.

96. For the reasons given above, I find that Crombie has not established a *prima facie* case of bad faith, and the s.3(6) ground of opposition therefore also fails.

COSTS

97. NH's applications have succeeded and it is therefore entitled to a contribution towards its costs. Mr Wood tentatively asked for NH to be awarded costs off the usual scale in order to discourage what he considered to be Crombie's attack on Mr Mason as an individual based on his past business record, which he characterised as "*muck spreading*". In particular, Mr Wood asked for the full cost of Mr Mason's attendance for cross examination.

98. Bad faith allegations almost always involve a personal element because it is people rather than businesses which act in good or bad faith. Although Crombie's case failed, and the basis for its bad faith allegation could certainly have been made clearer, I consider that Crombie's stance was more indignant than vexatious. I will therefore award costs on the usual basis. According to the published practice this includes:

"The reasonable travel and accommodation expenses for any witnesses of the successful party required to attend a hearing for cross examination."

99. I will therefore order Crombie to pay Nutters (Holdings) Limited the sum of £3100 made up of:

£600 for filing the application for revocation and considering Crombie's counterstatements (to include the official fee for a TM26N of £200).

£800 for filing Mr Mason's witness statement and considering Crombie's evidence.

£1500 for preparing for and attending the substantive hearing.

£200 towards the cost of the CMC.

100. In addition I will order Crombie to pay NH the reasonable travel and accommodation costs associated with Mr Mason's attendance at the hearing, provided that a bill of such costs is provided within 21 days of the date of this decision.

101. I will issue a supplementary decision setting out the final award of costs and the timescale on which they must be paid.

102. My decision on the substantive matters is a final decision.

Dated this 27th day of February 2013

**Allan James
For the Registrar**