

O-125-11

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2497715
BY GURU JOSH PROJECT TO REGISTER THE TRADE MARK**

GURU JOSH PROJECT

IN CLASS 41

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 98889
BY PAUL DUDLEY WALDEN**

TRADE MARKS ACT 1994

**IN THE MATTER OF application No. 2497715
by Guru Josh Project to register the trade mark
GURU JOSH PROJECT in Class 41**

and

**IN THE MATTER OF Opposition thereto under No. 98889
by Paul Dudley Walden**

BACKGROUND

1) On 16 September 2008, Guru Josh Project (“GJP”), of 17 Maes y Garreg, Ebbw Vale, Gwent, NP23 5BQ applied under the Trade Marks Act 1994 (“the Act”) for registration of the mark GURU JOSH PROJECT in respect of the following services in Class 41:

Music entertainment, Dj act and music production.

2) The application was published in the Trade Marks Journal on 30 January 2009 and on 29 April 2009, Peter Dudley Walden of Apdo de Correos 594, 07840 Santa Eularia des Riu, Ibiza, Spain filed notice of opposition to the application.

3) The grounds of opposition are in summary:

- a) The application is in respect of a mark that is similar to Mr Walden’s well-known unregistered earlier mark GURU JOSH and is in respect of identical or similar goods and services. The application therefore offends under Section 5(2)(b) and Section 5(3) of the Act, and;
- b) The applicant is a partnership of which Mr Walden is a member, however, the partnership uses the mark GURU JOSH under licence from Mr Walden and he has not given permission for the application to be made, nor had he any knowledge that it was being made. The making of the application is therefore an act of bad faith and offends under Section 3(6) of the Act.
- c) Mr Walden asserts his rights under the law of passing off because use of the applicant’s mark by the applicant will amount to misrepresentation of its services as the services of Mr Walden. The application therefore offends under Section 5(4)(a) of the Act.

4) GJP subsequently filed a counterstatement denying Mr Walden’s claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 10 March 2011 when Mr Walden

represented himself and GJP was represented by Mr Hugo Cuddigan of Counsel instructed by Jensen & Son.

Opponent's Evidence

6) This takes the form of a witness statement, dated 8 December 2009, by Mr Walden. He accepts that the partnership known as GURU JOSH PROJECT is a partnership at will formed in 2007 by himself, Darren Bailie and Anders Nyman, however, he states that the application was filed without any consultation with him and without his knowledge. He denies that the applicant's representatives, Jensen & Son has the authority to act for and on behalf of the partnership. He asserts that Mr Bailie unilaterally filed the application without the authority and approval of the others.

7) Mr Walden states that there is no written partnership agreement between the parties but that all the parties are aware that his professional name is GURU JOSH and that he has used his name extensively for a number of years prior to the formation of the partnership.

8) Following an approach by Mr Bailie to Mr Walden in 2007 relating to a remix of Mr Walden's hit song "Infinity" the parties considered forming a partnership and in August 2008 they began discussions with a view to entering a "gentlemen's agreement" relating to the terms of use and the respective rights over the name GURU JOSH PROJECT. At the time the contested application was filed, a draft agreement had already been circulated. This was eventually signed later the same month, on 30 September 2008. A copy of this is produced at Exhibit PDW1.

9) This agreement is signed by all three members of the partnership. There is no mention of trade mark rights. The statements contained within, include the following:

"6. ...all three members are now to be paid thirty-three and one third percentage to their individual bank accounts.

7. The name Guru Josh Project can only be used for advertising performances when all three members are performing/working together on the same billing.

8. To clarify the above point – the billing for individual projects shall be worded thus:

"DJ Darren Bailie of the Guru Josh Project"

"Guru Josh (Live show including sax-player etc) of the Guru Josh Project"

"Anders Nyman and/or Snakebyte of the Guru Josh Project"

9. All communication between band members is conducted via Matt Cogger and Carlos Terrazas until further notice.
Anders Nyman will be represented by Carlos Terrazas.

...

12. The Guru Josh Project will only exist with Paul Walden, Darren Bailie and Anders Nyman being active members.”

10) Regarding point 6, reproduced above, Mr Walden states that no partnership bank account was ever set up.

11) Mr Walden states that this agreement unambiguously shows that there was a clear intention and agreement between the three partners that the name GURU JOSH PROJECT can only be used in instances where all three partners are involved. He states that the intentions, actions and obligations of all three parties to the partnership has always been that use of GURU JOSH PROJECT is separate from his continuing use of his established name GURU JOSH.

12) Mr Walden refers to the content of his statement of case where he states that he has been writing, producing and performing music under the mark GURU JOSH since 1989, that he is very well-known around the world and that his reputation has grown as a result of his status as a 1990s music scene icon. He has acquired a “very significant reputation and goodwill” in respect of goods and services including the services covered by the contested application.

13) In 1989, Mr Walden, under the name GURU JOSH, created one of the best known dance tracks in the UK and worldwide, called “Infinity”. It has sold in excess of 3 million copies. It continues to be sold and re-mixed regularly. He has also released a large number of successful individual music tracks in the UK and worldwide and has also produced music and has worked with many major record labels such as BMG, EMIUK, Sony Music and Ministry of Sound. Mr Walden has given live musical performances in the UK and worldwide since 1990, including at some best known nightclubs.

14) He refers to a number of websites, all with dot com addresses, where use of his mark can be found and refers to a video on the *YouTube* website apparently showing GURU JOSH and been downloaded by over 4,600,000 viewers.

15) Exhibit PDW2, Mr Walden provides extracts from www.discogs.com showing some of the pages for GURU JOSH. He describes the website as “the largest international online database of musical recordings”. These extracts show seven releases by GURU JOSH, one of which is an album as well as an extensive list of what appear to be mainly compilation albums where a GURU JOSH track has featured. Further pages are exhibited from the same website providing more detailed information about many of these albums. Several were released in the

UK in 1991 or before, others were released in Italy, Spain, Poland, Denmark, Netherlands, Germany, Switzerland, Japan, Russia, Israel, Australia and the US between 1990 and 2007. There is one more release in the UK in 2007. This appears to be an “unofficial release” of “two untitled remixes” of his 1989 hit “Infinity”. Under the heading “Shopping” appears the text “Search further: eBay.uk Amazon.uk.de”.

16) Exhibit PDW3 is a copy of an undated flyer advertisement promoting GURU JOSH’s show in Ibiza. Mr Walden states that the show played twice weekly over four months in 2005 predominantly before a British crowd.

17) Exhibit PDW4, Mr Walden provides an extract of an agreement between himself and EMI Virgin Music Limited dated 6 February 1990 and a supplement agreement dated 16 January 2008 relating to a licence of Mr Walden’s music that extends to 2014. The original agreement was in respect of unspecified back catalogue compositions. The supplement adds four titles to the agreement and includes the payment of an advance, the amount of which has been struck out.

18) Mr Walden provides documents to illustrate that GJP has opposed his Community Trade Mark for the mark GURU JOSH.

19) Exhibit PDW6 is a copy of a letter from BigCityBeats of Frankfurt, Germany to all three members of GURU JOSH PROJECT. The letter states that it serves as notification that BigCityBeats exercises its option on a second single entitled “Crying in the Rain”. Mr Walden offers this as the only contractual obligation outstanding with the partnership and states that this agreement is in dispute.

Applicant’s Evidence

20) This takes the form of a witness statement, dated 8 April 2010, by Darren Bailie. He states that, in common with almost all music groups, GJP is a partnership at will under the 1890 Partnership Act. He makes his statement on behalf of GJP. He explains that he is a DJ who has been playing the club circuit for eighteen years and has also re-mixed music, in particular electronic music. He has a passion for “old skool music” that he describes as the rave music of the 1990s. This led him to have the idea of re-mixing GURU JOSH’s 1990 track “Infinity” and BigCityBeats expressed an interest in releasing this “around the concept of a new group involving himself.

21) Mr Bailie states that he has been friends with Mr Walden since 1998 and that Mr Walden’s music career had effectively ended and was working as a satellite installer in Ibiza. He had not released any new music since 1990 and only played “very occasional gigs in Ibiza”. They both got together with a music producer, Anders Nyman and by the time they signed a record contract with BigCityBeats, they had decided upon the name GURU JOSH PROJECT. This

was chosen as it referred back to Mr Walden's original work but would enable the GURU JOSH PROJECT to be distinguished in catalogues.

22) It was expressly agreed with Mr Walden from the beginning when the group line-up was settled that any money would be divided equally and decisions would be made jointly. Mr Bailie states that, following some effort on his part, the group signed to a German record label (BigCityBeats) and a copy of the contract is provided at Exhibit DB1. Mr Walden agreed that Mr Bailie would be the main person to administer the business side of GJP and, to this end, Mr Bailie opened a bank account on behalf of the partnership. The other two members never furnished the bank with their proof of identity, so despite some initial payments being made to the account, it never became fully functional as a partnership account and soon became redundant when the "Gentlemen's Agreement" exhibited as Mr Walden's Exhibit PDW1 required the three members to receive payments into their own accounts.

23) Mr Bailie states that this "Gentlemen's Agreement" was produced by Mr Walden in response to Mr Bailie filing the contested trade mark application and that it was only signed by himself and Mr Nyman in the mistaken belief that it had already been checked by Mr Bailie's lawyer and that it was never intended as a partnership agreement or have any legal effect. He states that the contested trade mark application was never intended to prevent Mr Walden from performing as GURU JOSH.

24) GURU JOSH's hit song "Infinity" was a "modest hit" in 1990 and was the only song that achieved any commercial or critical success. Whilst it appeared on a number of anthology or compilation albums over the years, the track itself was not released as a single until the GURU JOSH PROJECT release in 2008. Mr Walden has not performed in the UK "for a long time" and has made no effective effort to promote the name GURU JOSH for "well over a decade" in the UK.

Opponent's Evidence in reply

25) This takes the form of a further witness statement by Mr Walden, dated 8 June 2010. He claims that GJP is not a partnership at will as it is clearly subject to the terms of the agreement exhibited with his first witness statement.

26) Many music tracks have been released by GURU JOSH and the original "Infinity" single has been re-mixed every year since 1990. Mr Walden has also released five music videos under the label Guru Josh Productions which are commercially successful and known throughout the world. Mr Bailie promoted a GURU JOSH show in Bristol in 2006 and it was the success of this show that resulted in Mr Bailie making an approach to work with him.

27) Mr Walden claims that the agreement referred to earlier was not produced as a result of Mr Bailie filing the trade mark application, but rather a draft was

already in circulation between the parties at that time. Negotiations between the parties and their representatives had been ongoing for about three months. Mr Walden states that he can easily provide evidence of this, but does not provide any. He also states that Mr Bailie failed to notify him of the application at the time the agreement was signed or any time after.

28) Mr Walden refers to the contract with BigCityBeats, exhibited at Exhibit DB1 of Mr Bailie witness statement. He points out that the three partners all signed the agreement in the capacity of “Artiste” and that, in addition, he also signed the agreement as the “Licensor”. Clause 14 of that agreement reads:

“Licensor warrants and undertakes that if [sic] has a binding and exclusive agreement with the Artist”

29) Mr Walden states that this is a reference to the agreement exhibited at Exhibit PDW1 of his first witness statement.

30) At no time has Mr Walden been asked to sign any documents regarding a partnership account.

31) For the past 19 years, Mr Walden has been receiving royalties for GURU JOSH performances from a German collecting society. He discovered that, without his knowledge the details of his record at the collecting society had been changed to Mr Bailie’s address. He later discovered that it was Mr Bailie himself who requested the change.

Opponent’s Additional Evidence

32) At the hearing, I permitted Mr Bailie leave to submit additional evidence. This takes the form of an email dated 7 February 2011 from Mr Anders to Mr Walden. Mr Walden claimed this illustrates that Mr Anders, the third partner in the GURU JOSH PROJECT, confirms that he had no knowledge of the contested application and does not support the making of it. The content of the email does not support this interpretation fully, but does confirm that Mr Anders has taken the decision not to participate in any proceedings regarding the disputed mark.

DECISION

Section 3(6)

33) I find it convenient to begin my consideration with the pleading based upon Section 3(6) of the Act. This part of the Act reads as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

34) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date (*Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 paragraph 35).

35) In *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J. considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes 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. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

36) In *Harrison v. Teton Valley Trading Co* [2005] FSR 10, the Court of Appeal confirmed that bad faith is to be judged according to the combined test set out by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164. Paragraphs 25 and 26 of the Court of Appeal decision are of particular assistance and read as follows:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36. Therefore I consider that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

37) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant's views about standards of honesty is required. The majority of their Lordships were also in agreement with Lord Hutton's comments in *Twinsectra*. They then went on to state:

"15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant's mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to "what he knows would offend normally accepted standards of honest conduct" meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant "consciousness that one is transgressing ordinary standards of honest behaviour" was in their Lordships' view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about what those standards were."

38) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the transaction if I am satisfied that their action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct. Thus, in considering the actions of Mr Bailie purportedly on behalf of the GJP, the test is a combination of the subjective and objective. Furthermore, it is clear that bad faith, in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behaviour i.e. unacceptable or reckless behaviour in a particular business context and on a particular set of facts.

39) In order to place the actions of Mr Bailie into context it is necessary to identify the rights, if any, that it is alleged that he is violating. Mr Walden claims he has goodwill as a performer that is identified by the name GURU JOSH. Mr Cuddigan, at the hearing contested that his goodwill existed only in the late 1980s and early 1990s as a result of his one hit song "Infinity" and that since that time there has been a long period of inaction that has resulted in the goodwill

dwindling to the extent that, at the time the contested application was filed on 16 September 2008, it no longer existed.

40) The high degree of recognition enjoyed by Mr Walden as GURU JOSH in the late 1980s/early 1990s has clearly not continued to the same degree up to the date of filing of the contested application. However, this is not to say that Mr Walden's goodwill had dwindled to such an extent that it no longer existed. In fact, the evidence, whilst it could have been better marshalled on this point, clearly does illustrate a continuing goodwill. In the first instance, there is the agreement of January 2008 between Mr Walden and EMI Virgin Music Limited ("EMI Virgin"). This is an extension of an agreement dating back to 1990 and relates to four additional songs written by Mr Walden under the name GURU JOSH. The agreement provides for an advance payment to Mr Walden. This alone, is sufficient to demonstrate that Mr Walden has a continuing goodwill identified by the name GURU JOSH at the time the contested application was filed and that EMI Virgin was prepared to make an advance payment in order to allow it to continue exploiting this goodwill.

41) I note Mr Cuddigan's criticism, levelled at the evidence showing the GURU JOSH discography, namely that it mostly illustrates activity between 1989 and 1991 and that much of the activity since then has been on compilation albums, many of which can be described as "nostalgia" albums that feature music from the late 1980s/early 1990s. He also notes that many of these releases are not in the UK or not obviously so. Clearly, many are published by record companies outside the UK for non-UK markets (such as Mr Cuddigan's notable example "Hits 90-Das Internationale Doppelalbum" releases by "BMG Ariola Munchen GmbH"). However, the same exhibit also has details of an "unofficial release" of two remixes of "Infinity" in 2007. The details show that it was available on the UK websites of both *eBay* and *Amazon*. This provides further support for Mr Walden's claim to have been continually active on the music scene as GURU JOSH and certainly shows that he was active on the music scene in 2007. I also note that it is not disputed that Mr Bailie promoted a GURU JOSH show in Bristol in 2006.

42) Further, in Mr Bailie's own evidence (see paragraph 21 above) he explains that the name GURU JOSH PROJECT was chosen as it referred back to Mr Walden's original work as GURU JOSH. This statement strongly suggests that Mr Bailie was of the view that there was remaining goodwill associated with the name GURU JOSH and that the partnership wanted to exploit this.

43) Taking all of the above evidence into account, I conclude that Mr Walden does have a protectable goodwill identified by the name GURU JOSH and whilst this may not be at the levels attained in 1989/1990, goodwill still exists.

44) It is obvious to me that Mr Walden, when joining up with Mr Bailie and Mr Anders to form GURU JOSH PROJECT, permitted the partnership to use GURU

JOSH as part of its name and by doing so permitted the partnership to benefit from the goodwill identified by GURU JOSH. However, it is important to these proceedings to consider what restrictions, if any, there is to the scope of this use and benefit. Mr Cuddigan argued that any dispute between the partners is an internal matter for the partners and that, anyway, a licence was provided without restriction. He supports this contention by quoting from Mr Walden's own statement of case where he said:

“The Applicant uses the name and mark GURU JOSH under licence, which was granted by the Opponent as licensor in 2007”

45) However, this does not shed any light as to the nature of this license. The only evidence before me that explicitly does this is the “gentlemen's agreement” signed by all three partners in September 2008. Whilst Mr Bailie attempts to distance himself from this by stating that he only signed under the misapprehension that it had been checked by his lawyer and claims that it was not intended to be a partnership agreement or to have any legal effect. I find these claims somewhat disingenuous. I cannot see the purpose or effect of such an agreement to be anything other than as a partnership agreement or to have legal effect. Whilst it might be convenient for Mr Bailie's case for his position to be correct, factually, this cannot be the case. Further, in his own witness statement, Mr Bailie said that from the beginning (of the partnership) it was agreed that decisions would be made jointly between the partners.

46) The “gentlemen's agreement” does appear to implicitly lay down certain conditions in how the partnership may exploit the goodwill in GURU JOSH. It was signed by the partnership members on 30 September 2008, two weeks after the filing date of the contested application, but Mr Walden states that the partners were discussing its content in August 2008. Mr Bailie denies this saying that it was produced in response to the making of the application. However, the agreement is silent on the issue of registration of the trade mark, which would be expected if Mr Bailie's version of events are correct. As such, and on the balance of probability, I accept that the agreement was being discussed prior to the filing of the application and provides an insight into the conditions of consent that Mr Walden required when allowing the partnership to use GURU JOSH as part of its name. The first condition in this agreement is that the name GURU JOSH PROJECT can only be used for advertising performances when all three partners are performing or working together. Secondly, the GJP will only exist with all three partners being active members. It can be inferred from these conditions that Mr Walden does not permit the goodwill identified by the name GURU JOSH to be exploited by Mr Bailie or Mr Anders individually or together.

47) Mr Bailie's actions must be considered within the context of this agreement and the fact that it was agreed that the partners would make decisions jointly. However, he claims it was agreed that he would be the main person to administer the business side of the GJP and Mr Cuddigan dismissed Mr

Walden's claim that Mr Bailie did not have his authorisation to file for the mark. Mr Cuddigan stated that there is no requirement in law that every partner must know of a trade mark application before it is filed. This may be so, but his action was contrary to the original agreement, referred to by Mr Bailie himself, whereby decisions would be made jointly. Therefore, not to make the decision jointly with the other two partners was not right or honest. Further, it is clear that it is Mr Walden who has brought the name GURU JOSH, and the goodwill associated with this name, to the partnership and that he continues to use it to identify his music persona. It is equally clear to me that Mr Bailie is aware of this. Even if I am wrong in assessing the significance to these proceedings of the effect of the "gentlemen's agreement", it was still not right for Mr Bailie to make the application when it was obvious to him that Mr Walden had such a vested personal interest in controlling how the partnership used its name GURU JOSH PROJECT and how it took advantage of his goodwill identified by the name GURU JOSH.

48) I obtain support for such a finding from Lindley and Banks on Partnership, Eighteenth Edition (Sweet & Maxwell, 2002). When discussing "disputes between partners" at paragraph 15-05, the editor draws attention to Section 24(8) of the Partnership Act 1890:

"24.-(8) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners"

49) This clearly empowers a numerical majority of the partners, but "if a majority of partners is to outvote a minority, the former must ensure that they act with complete good faith and, in particular, that the views of the latter are fully canvassed, since it is the fundamental right of every partner to be heard and to have his views duly considered before any decision is taken" (see Lindsey and Banks, paragraphs 15-07 and 15-08). Whether acting alone or with the permission of Mr Anders, he failed to seek the views of Mr Walden and as a result Mr Walden was unable to exercise his right to be heard and to have his views considered.

50) Whilst not directly relevant to these proceedings, I also note the allegations by Mr Walden (and not denied by Mr Bailie) that the details of his record with a German collecting society was changed by Mr Bailie to reflect his own address without Mr Walden's knowledge and also that Mr Bailie has been signing GURU JOSH posters at gigs (purportedly claiming to be GURU JOSH). Such actions are instructive as they suggest a pattern of behaviour, of which the filing of the contested application also falls, of an attempt to take advantage of the name GURU JOSH, and the goodwill identified by the name, without the consent of Mr Walden.

51) These shortcomings are attributable to Mr Bailie rather than the partnership in whose name the application was made. Nevertheless, to the extent that Mr Bailie purports to have been acting on behalf of the partnership, his actions go directly to the matter of whether the application was filed in bad faith.

52) I am not persuaded by Mr Bailie's claim that he had no intention to prevent Mr Walden using GURU JOSH. The actions of Mr Bailie, detailed above are not consistent with this claim. Further, such a statement is not consistent with GJP opposing Mr Walden's CTM. It is implicit in such an action that, firstly, Mr Walden was once again, not consulted and secondly, that the action was not in the best interests of Mr Walden as Mr Bailie (purportedly on behalf of the partnership) is attempting to prevent Mr Walden registering his mark GURU JOSH.

53) Taking all of this into account, the application to register the mark GURU JOSH PROJECT, made by Mr Bailie on behalf of the partnership, but without the knowledge or consent of at least one of the other two partners is an act that can be described as both unacceptable and reckless. Mr Bailie was well aware that the name GURU JOSH was the name used by Mr Walden and that there was an ongoing goodwill associated with the name. To attempt to register the mark GURU JOSH PROJECT without consulting Mr Walden or taking his views into account is contrary to the behaviour expected of a partner in a partnership (as made clear in the quote from Lindsey and Banks provided in paragraph 48 above). Such an action is also not consistent with the "gentlemen's agreement" between the partners. Further, there is other evidence that suggests that this is just part of a pattern of behaviour on the part of Mr Bailie directed towards appropriating Mr Walden's goodwill for himself, or in the name of the partnership.

54) Mr Bailie's making of the application can therefore be categorised as a business dealing that falls short of the standards of acceptable commercial behaviour. In reaching this conclusion, I am particularly mindful of the comments of Lord Hutton when he said that a finding of dishonesty cannot be escaped because the person sets his own standards of honesty. As such, I am not persuaded by Mr Bailie's claim that he believed he was acting in the best interests of the partnership.

55) Taking all of the above into account, I find that the filing of the contested application by Mr Bailie is therefore an act of bad faith. The ground of opposition based upon Section 3(6) of the Act is therefore successful.

Section 5(4)(a)

56) My findings in respect of the grounds based upon Section 3(6) of the Act effectively decide the proceedings. However, I will comment briefly on the grounds based upon Section 5(4)(a) of the Act. This section reads as follows:

“5.-(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, 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”.

57) For an action based upon Section 5(4)(a) to succeed, the opponent’s goods or services must have acquired a goodwill and be known by some distinguishing feature, there must be misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents and the opponents must have suffered or be likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation (*WILD CHILD Trade Mark* [1998] R.P.C. 455).

58) I have already found that Mr Walden has his own goodwill identified by the mark GURU JOSH at the material date. As such, he has the right to sue the partnership for passing off at the relevant date. The partnership is a separate entity to Mr Walden (see the comments of Mr Justice Laddie in *SAXON TRADE MARK* [2003] FSR 39) and needed his consent to avoid being susceptible to a passing off action. Although Mr Walden had given his consent to the partnership to use the name GURU JOSH, this was with conditions, as the signed “gentlemen’s agreement” illustrates. He therefore retains the right to sue for use which breaches the terms of consent as set out in the “gentlemen’s agreement” and therefore the right to oppose the application under Section 5(4)(a) of the Act.

59) Having established that Mr Walden retains a goodwill identified by the mark GURU JOSH, the presence of this mark in the mark applied for leads to an obvious finding that misrepresentation would occur. As a result, Mr Walden would suffer damage, for example, where the quality of the services/performances provided in the name of the partnership are unsatisfactory resulting in customers avoiding GURU JOSH performances.

60) Taking all of the above into account, the opposition based upon Section 5(4)(a) is also successful.

Section 5(2)(b) and Section 5(3)

61) For the sake of completeness, I will also comment on the grounds of opposition based upon Section 5(2)(b) and Section (3), however, I will keep my comments brief. The relevant parts of the Act read as follows:

“5.-(2) A trade mark shall not be registered if because –

(a) ...

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

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

5.-(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

62) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

...

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.”

63) It is clear from this that an earlier trade mark for the purposes of opposition to registration on relative grounds under Section 5(2)(b) and Section 5(3) of the Act can be an unregistered mark entitled to protection as a well known mark (see also the comments of Geoffrey Hobbs QC, sitting as the Appointed Person in O-043-08 *FIANNA FAIL*, paragraphs 26 – 28).

64) When considering whether Mr Walden’s mark qualifies for protection under Section 56 of the Act by virtue of it being a well known mark, I have been mindful of the guidance provided in the decisions *Le Mans Autoparts Limited v Automobile Club de l’Ouest de la France (ACO)* O-012/05, and *Hotel Cipriani SRL et al v Cipriani (Grosvenor Street) Limited et al* [2008] EWHC 3032 (CH).

65) I have already noted that the duration in which GURU JOSH enjoyed a high level of success appears to be relatively short and restricted to the late 1980s and early 1990s. Whilst the evidence illustrates a continued use of the mark, there is nothing beyond some bold assertions that it has remained well known. These assertions are not supported by any sales figures, royalty payments, number of sales or promotional spend either in the UK or elsewhere. At the hearing, Mr Walden offered to provide further, unspecified evidence to address these shortcomings. I should say at this point, that on the basis of the information before me, such evidence would do no more than support the finding that I detail below.

66) I have found earlier that the use of the mark GURU JOSH is sufficient to establish an ongoing goodwill associated with the mark, however, the requirements for demonstrating that a mark is well known are somewhat different and sets a higher hurdle. When taking all of the above into account, there is no evidence to suggest that GURU JOSH is a mark that has cleared this hurdle and qualifies for protection as a well known mark under Section 56 of the Act.

67) It follows that Mr Walden has no mark that qualifies as an earlier mark for the purposes of Section 5(2)(b) and Section 5(3). As such, the grounds of opposition based upon these parts of the Act must fail.

COSTS

68) The opposition having been successful, Mr Walden is entitled to a contribution towards his costs. A partnership is not a legal entity (*Memec v I.R.C.* [1998] S.T.C. 754, 764e-f) and, further, it would be nonsense for the partnership, of which Mr Walden is a member, to be liable. Mr Bailie is the partner whose actions have been brought into question and found to be unacceptable. It is therefore appropriate to make the costs award against Mr Bailie.

69) I take account of the fact that he had legal representation until shortly before the hearing. I award costs on the following basis:

Preparing Notice of Opposition and considering other sides statement	£500
Preparing and filing evidence & considering other sides evidence	£750
Preparing and attending hearing	£300
TOTAL	£1550

70) I order Darren Bailie to pay Paul Dudley Walden the sum of £1550. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11 day of April 2011

**Mark Bryant
For the Registrar,
the Comptroller-General**