

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION **m 9239**
BY SYMONDS TROLLEY SERVICES LIMITED FOR A
DECLARATION OF INVALIDITY IN RESPECT OF
REGISTRATION **m 2015364** STANDING IN THE NAME OF
DONALD EDWARD SYMONDS



EST. 1954

TRADE MARKS ACT 1994

IN THE MATTER OF Application **m** 9239
by Symonds Trolley Services Limited for a
declaration of invalidity in respect of
5 registration **m** 2015364 standing in the name of
Donald Edward Symonds

DECISION

Background

10 On 27 March 1995, Mr Donald Edward Symonds applied to register the mark shown below in
classes 37 and 39 in respect of the following services:

Class 37: “Servicing, repair maintenance and refurbishing of trolleys.”

Class 39: “Trolley transportation.”

The mark is in the form shown below:



15 The application was given the number 2015364, and on 10 October 1995 the applicant was
informed by telephone that his application had been accepted. The mark was published for
opposition purposes on 17 January 1996. As no opposition was filed, the mark was entered
onto the register on 3 May 1996. These facts are all a matter of public record, available from
the official file.

20 By an application filed on 25 September 1996, Symonds Trolley Services Ltd (hereafter
“STS”) seek to have registration **m** 2015364 declared invalid on the following grounds:

- ! Section 47(1) — The trade mark, having been applied for in bad faith, was registered in breach of section 3(6).
- ! Section 47(2)(b) — The applicant (for invalidation) has an earlier right to the mark as set out in section 5(4). The earlier right in question relates to the law
25 of passing off.

Mr Donald Edward Symonds, the registered proprietor, filed a counterstatement denying both of these grounds.

Neither side has asked to be heard in this matter. After a careful study of the papers filed in these proceedings, I therefore give the following decision on the Registrar's behalf.

The Evidence

5 The evidence filed in these proceedings is somewhat exhaustive, and often acrimonious. Not all of it is relevant to the issues which I have to decide, and consequently I do not intend to summarise it in minute detail. It traces the history of a service company which specialises in the repair and refurbishment of supermarket trolleys and airport trolleys. Prior to 1993, the company was known as Symonds Trolley Services (UK) Ltd or "STS (UK)", and was controlled by Mr Donald Symonds and two of his sons. In 1993, STS (UK) went into
10 voluntary liquidation and a new company, STS (the applicant in these invalidation proceedings), acquired many of the assets of the earlier company and continued to trade in the same services as STS (UK). It is common ground that the new company did **not** acquire any intellectual property rights in respect of the trade mark from the liquidator.

15 Mr Donald Symonds was appointed as a consultant to the new company, and although he was also appointed as a Director, he had no share holding in the new venture. Mr Symonds' sons, Andrew and Paul, also became Directors of the new company, STS, with equal share holdings of 24½%.

20 Partly as a result of a dispute over the trade mark in suit, Mr Donald Symonds left STS in April 1996 and now works for his own company - Symonds Industrial Contractors Limited. One of Mr Symonds' sons (Paul) remained with STS; the other (Andrew) is now employed by Symonds Industrial Contractors Limited. I mention this here, not to give undue publicity to what appears to be a family split, but because all three Mr Symonds' have given evidence in the form of statutory declarations in these proceedings — two in support of the registration, and one in support of the application for invalidation. To avoid confusion, in the remainder of
25 this decision I will refer to Mr Donald Symonds (the registered proprietor) as Mr Symonds; I will refer to his sons as Mr Andrew Symonds and Mr Paul Symonds (ie including their respective first names).

30 Symonds Industrial Contractors Limited was incorporated on 5 October 1995. The registration forms required by Companies House were signed by Mr Symonds on 20 September 1995. This was several months before Mr Symonds was dismissed by the Board of STS. Mr Symonds' explains this apparent conflict of interest by saying that he could see the way that the business (that is STS) was going, and he could foresee difficulties with the new chairman of STS.

35 Thus far, the evidence of both parties coincides. But there are also significant differences between the parties' evidence, and I will highlight the remaining salient points under separate headings.

Applicant's Evidence - Rule 13(3)

STS filed two statutory declarations in support of the invalidation action. Both declarations are dated 12 May 1997. One is by Robert John Hodge, the other by Paul Michael Symonds.

Mr Hodge is the chairman of STS. Several times in his declaration, Mr Hodge says that at no time did Mr Symonds ever claim, or even suggest, that the mark and the rights to use it were his personal property. Neither, according to Mr Hodge, did Mr Symonds disclose the fact that he had applied to register the mark.

5 Mr Hodge states that STS employs 141 people, and he gives the following financial information in relation to STS:

Period	Turnover	Pre-tax Profit
15 Months to June 1994	£ 375, 000	(£ 17, 000) Loss
Year to June 1995	£ 815, 000	£ 79, 000
10 Year to June 1996	£ 1, 303, 000	£ 90, 000

Some time during the summer of 1996, STS dropped the trolley device from the mark. In his counterstatement, Mr Symonds interprets this change as an admission by STS of his rights in the trolley device. However, Mr Hodge explains that this was done in response to letters received from the local Trading Standards Officer, which he believes were prompted by a complaint from Mr Symonds that his registered trade mark was being infringed. He goes on to say that after taking legal advice and being informed that the validity of the registration could be challenged, STS recommenced use of the trolley device on its stationery and on its vehicles.

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20 A convenient summary of Mr Hodge's assessment of the situation can be found in paragraph 14 of his declaration which reads:

"There is no doubt in my mind that Mr Symonds registered the mark in bad faith. He did it secretly whilst a Director of STS, without disclosing it to STS and whilst he continued to accept remuneration from STS and allow STS to discharge his own personal debts."

25 *Paul Symonds' Evidence*

Mr Paul Michael Symonds is the Managing Director of STS. In his evidence, he says that at no time did his father ever assert that the mark comprising the trolley logo was his personal property. On the contrary, Mr Paul Symonds says that it was always accepted that it was an asset of STS (UK), and that STS was entitled to use it from the time of its formation. He says that his father "*positively concurred and acquiesced in that*".

Registered Proprietor's Evidence - Rule 13(5)

This also comprises two statutory declarations, one by Mr Symonds (the registered proprietor) and another by Mr Andrew Symonds (his son). Both are dated 8 August 1997.

Mr Symonds says in his declaration that no one ever asked him for his permission to use the logo. He continues:

5 “... but I realised that the use of the logo on headed note paper etc would assist previous customers in realising that the service that they had come to know and trust that had been provided by STS (UK) Limited would now be provided by STS Limited.”

However, this appears to conflict with a later passage in his evidence where Mr Symonds states:

10 “It is denied however that the Mark had clearly become, in the eyes of the Customers of Symonds Trolley Services Limited, associated with that Company and the services which it provided.”

He claims that Mr Hodge and his Directors were well aware that he had applied to register the mark. He says that he told them quite openly in a board meeting, although he concedes that no minutes were taken at the meeting in question.

15 At a further board meeting which took place on 11 October 1995, Mr Symonds declares that he told the Board that he had registered the mark in his personal name and not in the name of STS. He further says that he had already told Sir Julian Hodge (Robert Hodge’s father) that he had done this. By ‘this’, I understand him to be saying that he had previously told
20 Sir Julian Hodge that he had applied to register the mark in his own name. Although it is not explicitly stated, this suggests to me that when Mr Symonds originally told the Board that he had applied to register the mark, he did not make it clear that the application had been made in his own name, and that he did not so advise the Board until 11 October 1995.

Andrew Symonds’ Evidence

25 Mr Andrew Symonds is employed by Symonds Industrial Contractors Limited, although he does not say in what capacity he is employed. He says that his father (Mr Symonds) had the trolley logo designed by a lecturer at a local college in 1970. His evidence confirms that his father has consistently used the logo in connection with all his businesses since that time. Concerning the application to invalidate the mark in suit, Mr Andrew Symonds says:

30 “To me there seems only one reason why Robert Hodge, who was Chairman of STS, is making this application. He failed to buy the logo as an asset from the liquidator of STS (UK) Limited and also failed to register the logo as a trade mark. With hind sight he realises that the logo would be instantly recognisable in the eyes of the purchasing public as being concerned with Symonds Trolley Services. This whole application is made maliciously and it
35 is Robert Hodge that is jealous of the success that my father has had in setting up Symonds Industrial Contractors in direct competition to STS.”

(Emphasis added)

Applicant's Evidence in Reply - Rule 13(6)

In reply to the registered proprietor's evidence, STS filed four brief statutory declarations, all dated 12 November 1997, and all sworn by Directors of STS. Two of the declarations are by Robert Hodge and Paul Symonds, whose earlier evidence I have summarised above. The other two are by Iwan Gwyn Griffith, Financial Director of STS, and Barry Gibson Mitchell, a non-executive Director of STS.

All four declarants were Directors of STS before Mr Symonds filed the application in March 1995. They each declare that Mr Symonds did not, at any board meeting at which they were present, profess to have any personal rights in the mark. Neither did he say anything about registering the mark in his personal name; not, that is, until the board meeting in October 1995 when he informed the Board that the mark was already registered in his own name.

That concludes my review of the evidence in these proceedings, and I now turn to consider the specific grounds of invalidation under the two headings of bad faith, and passing off.

Bad faith

STS claim that Mr Symonds applied to register the mark in bad faith contrary to section 3(6) and that the registration should be declared invalid according to section 47(1). These sections of the Act read as follows:

“47.—(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”

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

It seems to me that one of the key considerations in determining whether Mr Symonds made his application in bad faith is the extent to which he informed his fellow Directors of his intentions, and his claims to proprietorship of the mark. Having carefully examined **all** the evidence filed in these proceedings, I conclude that Mr Symonds **did** inform the Board some time before the meeting on 11 October 1995 that he had applied to register the mark. However, I can find nothing in the evidence which supports the view that Mr Symonds advised the Board prior to 11 October 1995 that the application had been made in his own name, and that he was thus claiming the mark as his personal property. Rather it appears that to the extent that his fellow Directors were aware of the application before 11 October 1995, they assumed that the application had been filed in the name of the company, ie STS. Of course it may be an unfortunate coincidence that Mr Symonds disclosed his claim to ownership of the mark the day after he heard from the Registry that his trade mark application had been accepted; consequently I have not placed any weight on this in reaching my decision.

It is also clear that when Mr Symonds applied to register the mark in his own name in March 1995, he knew that STS had been using the mark since its formation in 1993. As a Director of STS, he should have realised that the company had come to rely heavily on the mark, and that, at the very least, his fellow Directors had a right to know that he considered the mark to be his personal property and that he was applying to register the mark in his own name. Moreover, whilst his trade mark application was being processed in the Registry, Mr Symonds, though still a Director of STS, was also taking steps to set up his own separate business in direct competition with STS. According to his own evidence, he intended to use the mark in connection with his new company in direct competition with STS. In the circumstances I have described, there is no doubt whatsoever in my mind that Mr Symonds' application was made in bad faith. The application succeeds on this first ground.

Passing Off

STS further claim to have an earlier right to the mark as set out in section 5(4)(a), and that the registration should be declared invalid by virtue of section 47(2)(b). These sections of the Act read as follows:

“47.—(2) The registration of a trade mark may be declared invalid on the ground

(a)

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

“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.”

Taken together, these provisions require the applicant to establish a right which can be asserted against the registered proprietor in accordance with the law of passing off. In that connection Halsbury's Laws of England 4th Edition Vol. 48 (1995 re-issue) at paragraph 165, refers to the speeches in the House of Lords in the Jif Lemon case¹ and the Advocaat case² and gives the following guidance:-

“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;

¹Reckitt & Colman Products Ltd v Borden Inc and others [1990] RPC 341

²Erven Warninck BV & Another v J Townsend & Sons (Hull) Ltd & Another [1980] RPC 31

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

For the sake of completeness, I note that trade mark registration **m** 2015364 is substantially the same as the mark which the applicant (STS) has been using, and that the services in respect of which the mark is registered are precisely the same as those in respect of which the applicant has used the mark. These facts are not an issue between the parties — as Mr Symonds has put it, the two companies are in direct competition.

Taking in turn the three elements of the above test, I find that by March 1995, STS had acquired a goodwill or reputation in the relevant market (ie service and repair of supermarket trolleys etc) and that it (STS) was known by some distinguishing feature. To some extent STS inherited the goodwill and reputation of the earlier company, STS (UK), even if goodwill was not formally acquired from the liquidator. In any event, STS generated further goodwill as a result of its subsequent trading activities between 1993 and 1995. In their respective declarations, Mr Symonds and his son acknowledge STS's reputation, to which they undoubtedly contributed during the time they spent with STS (UK) and subsequently with STS. They also acknowledge the association between the mark and STS in the mind of the public. For the sake of convenience, I will repeat the following passages from their evidence:

"... but I realised that the use of the logo on headed note paper etc would assist previous customers in realising that the service that they had come to know and trust that had been provided by STS (UK) Limited would now be provided by STS Limited." *(Mr Symonds)*

"With hind sight he (Mr Robert Hodge) realises that the logo would be instantly recognisable in the eyes of the purchasing public as being concerned with Symonds Trolley Services." *(Mr Andrew Symonds)*

The second element of the passing off test requires a misrepresentation. When he applied to register the mark, Mr Symonds indicated on the application form that either the mark was already being used, or there was a bona fide intention that it would be so used. On the basis that he intended to use the mark in relation to the services specified in the registration, then it seems to me that there must be a misrepresentation which is likely to lead the public to believe that the services offered by the registered proprietor are the services of the applicant, STS. The mark which Mr Symonds is using (or proposed to use) in connection with his new trolley

servicing business is the same as the mark which STS has been using in connection with such services since 1993, and which STS (UK) used prior to 1993. Although it is well established that misrepresentation in passing off cases need not be intentional, the evidence before me indicates that, in the balance of probability, the misrepresentation in this case was intentional.

5 The third and final element of the test requires that the applicant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the registered proprietor's misrepresentation. Strictly speaking, I need look no further than the registered proprietor's own evidence before concluding that STS either has suffered, or is likely to suffer, damage. Mr Symonds describes his new company (Symonds Industrial Contractors Limited) as a direct
10 competitor of STS. Mr Andrew Symonds uses the words — "in direct competition" to describe his father's new business in relation to STS. The evidence also indicates that both companies are based in South Wales.

If Mr Symonds uses the same mark for the same services, in the same part of the country, it is inevitable, it seems to me, that STS will lose a proportion of its market share to Symonds
15 Industrial Contractors Limited, and will suffer damage as a result. The evidence filed by the applicant (for invalidation) merely reinforces the conclusion that STS is likely to suffer damage.

I therefore find that, at the time Mr Symonds filed his trade mark application in March 1995, STS could have succeeded in an action against him for passing off. They therefore had an
20 earlier right under section 5(4), and the application succeeds on this second ground also.

To summarise, I have found that the grounds for invalidation have been established, and accordingly I order the removal of registration **m** 2015364 from the register of trade marks.

Neither side has specifically asked for an award of costs. Nevertheless, it is customary for the Registrar to make an order for costs in proceedings such as these, even if the successful party
25 chooses not to present the order. The applicant having succeeded, I therefore order the registered proprietor to pay Symonds Trolley Services Limited the sum of **£400** as a contribution towards the cost of these proceedings.

Dated this 17th day of April 1998

30 **S J Probert**
Principal Hearing Officer
For the Registrar, the Comptroller-General