TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No 2188634
TO REGISTER A TRADE MARK
IN THE NAME OF R A GORE
IN CLASS 31

AND IN THE MATTER OF OPPOSITION THERETO
UNDER No 50035
BY FORESURE LIMITED

BACKGROUND

On 12 February 1999 Mr R A Gore of Clifton House, Delamere Close, Six Mile Bottom, Newmarket, Suffolk, CB8 0XF applied under the Trade Marks Act 1994 for registration of the following trade mark:

Likit™

The application was published in respect of the following goods:

Class 31: "Feed for horses containing molasses, flavourings, herbs, vitamins and minerals."

Following publication of the application opposition to the registration was filed by Foresure Limited on 28 July 1999. The grounds of opposition in summary are:

1 The opponent has applied for registration of the trade mark LIKIT in Class 31 under Application No 2197033.

2 The opposed mark is identical to the opponent's mark and is for the same goods.

3 The applicant's company Challenger Distribution Limited has been a distributor of the opponent's goods. The goods are manufactured by the opponent and the trade mark under which the goods are sold, LIKIT, was created by the opponent before the applicant company became a distributor of the opponent's goods.

4 The mark does not belong to the applicant. The mark was filed in bad faith and must be refused in accordance with Section 3(6) of the Act.

5 If there are any rights which can be considered to accrue to a mere distributor, those rights must belong to Challenger Distribution Limited. The applicant filed

the application in his own name without any bona fide intention to use the mark personally. On this basis , the application was filed in bad faith and registration would be contrary to Section 3(6) of the Act.

The applicant subsequently filed a counterstatement denying all grounds of opposition other than accepting that the opponent has applied for registration of the trade mark LIKIT in class 31 and that the applicant's company was a distributor of some of the opponent's goods. Both sides ask for an award of costs. Neither party wished to be heard in this matter. My decision will therefore be based on the pleadings and the evidence filed.

OPPONENT'S EVIDENCE

The opponent's evidence is in the form of a Statutory Declaration dated 22 August 2000 by Mr Adrian Mark Harvey. Mr Harvey states that he is the Managing Director of Foresure Limited, the opponent in this matter. He further states that he is authorised to make this statutory Declaration and that the facts and matters to which the declaration relates are taken from his own personal knowledge or from the records of the company to which he has access. In 1997 Mr Harvey was, with Mr Anthony Morris, a joint shareholder in Henoli Co Limited. This company developed a product aimed at horses and was named BOREDOM BREAKER. This consisted of a ball suspended from above by a rope or chain etc.. This developed into an idea where food would be suspended for horses to nibble. One of the foods involved was a molasses-based product which was contained within a cylindrically shaped container. Mr Harvey states that the company named this product LIKIT

Mr Harvey claims that:

(a) Mr Harvey and Mr Morriss first met Mr Gore (the applicant) on 6 November 1997. During this meeting it was confirmed to Mr Gore that they had products which were suitable for horses but no details were provided to him at that time.

(b) On the morning of 1 December 1997 samples of the LIKIT product was shown to Mr Nick Harvey (Mr Adrian Harvey's brother) and to Mr Derek Witney, a hay distributor in Surrey. The product was also shown to the Walberton Equestrian Centre in early December 1997. Exhibit AMH-1 is a letter from Mr Nick Harvey confirming this.

(c) During the afternoon of 1 December 1997 the product LIKIT was shown to Challenger Distribution, represented by Mr Gore, but no agreement was reached. On the same day the products were also discussed during a telephone conversation with Westgate Group Limited. Exhibit AMH-2 records the initial approach to Westgate Group Limited whereas Exhibit AMH-3 is their reply in which they decline to take the matter any further.

Exhibit AMH-4 is a letter from Mr Nick Harvey in which he agrees to accept initial supplies of both products for his distribution.

Exhibit AMH-5 is a statement by Mr Gerard Chapman in his capacity as a Director of Creative Imaging Limited. This statement confirms that in November 1997 discussions took place between Creative Imaging limited and Henoli Limited regarding the packaging design for the

LIKIT product.

Mr Harvey goes on to state that Challenger Distribution Limited agreed to distribute the product named LIKIT and received their first consignment on 22 January 1998. On 1 July 1998 Mr Harvey ceased to be a shareholder of Henoli Co Limited and with the agreement of Mr Morris both the BOREDOM BREAKER and LIKIT products were transferred to Foresure Limited. Towards the end of 1998 the final consignment of stock was delivered to Challenger Distribution Limited. Mr Harvey states that on 1 February 1999 an agreement was signed under which Challenger Distribution Limited would act as the exclusive distributor of both the BOREDOM BREAKER and LIKIT products. A copy of that agreement is at Exhibit AMH-6.

Mr Harvey draws attention to the fact that Exhibit AMH-6 was written by Mr Gore. The agreement confirms that Challenger Distribution Limited was to act as an exclusive distributor of the entire product range of Foresure Limited

Finally, Mr Harvey refers to Exhibit AMH-7 which is a sample of the packaging bearing the trade mark LIKIT and points out that the application stands in the name of Mr Gore in a personal capacity and not in the name of Challenger Distribution Limited, which appears on the packaging.

As the applicants did not file any evidence that concludes my review of the evidence. I now turn to the decision.

Section 3(6) of the Act reads:

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

The Trade Marks Act 1994 does not define bad faith, leaving it to the Tribunal or Court to determine whether an application was made in bad faith based upon the circumstances of a particular case.

The notes on the Trade Marks Act 1994 (based on the Notes on Clauses which were prepared for use in Parliament while the Trade Marks Bill was before it) gives an example of a circumstance where bad faith might be found:

> "(ii) where the applicant was aware that someone else intends to use and/or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom:"

Guidance on the approach to dealing with a bad faith claim was given by Lindsay J in Gromax Plasticulture v Don & Low Nonwovens Ltd, 1999 RPC 367.

> "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."

It therefore appears that whilst business dealings may not be actually dishonest they may, if they fall short of acceptable commercial behaviour, still constitute bad faith.

Thus it seems that business dealings which, though not actually dishonest, may be caught by the provision if they fall short of standards of acceptable commercial behaviour. This includes conduct that is not fraudulent or illegal, but may be regarded as unacceptable in a particular business context and on a particular set of facts. Commenting on the passage from *Gromax* reproduced above, in *Demon Ale Trade Mark* [2000] RPC 345, the Appointed Person stated:

> "These observations recognise that the expression "bad faith" has moral overtones which appear to make it possible for an application for registration to be rendered invalid under Section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant."

In asserting that the application was made in bad faith the onus rests with the opponent to make out a prima facie case. It is clear from the evidence that the word LIKIT was first used as a trade mark on this product by Heloni Co Limited in 1997. The evidence goes on to show that the trade mark continued to be used in relation to this product by Foresure Limited. It is also clear that Challenge Distribution was involved in discussions with the opponents on possible distribution of the goods since December 1997. Exhibit AMH-6 is a copy of a signed agreement dated 1 February 1999 between Mr Gore of Challenger Distribution Limited and Mr Harvey of the opponents which confirms that Mr Gore of Challenger Distribution Limited will distribute the entire product range on an exclusive worldwide basis. This agreement makes it clear that the product sold under the trade mark LIKIT is included within the terms of this agreement. I have also taken account of the fact that the applicant's trade mark is for a stylised version of the word LIKIT which is identical to the stylised mark shown on the product packaging at Exhibit AMH-7.

In my view it is clear that the applicant was fully aware of the opponent's use of the trade mark LIKIT on these goods and it is also clear that there was a business relationship in which the applicant operated as an officer of the company which was the sole distributor of the product with the United Kingdom. Apart from the counterstatement the applicant has filed no evidence in rebuttal of the opponent's claims.

In all of these circumstances I take the view that I should find in favour of the opponent. I therefore find the opponent successful in their opposition under Section 3(6) of the Act.

The opposition having succeeded the opponent is entitled to a contribution towards their costs. I order the applicant to pay the opponent the sum of £535. 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 successful.

Dated this 12 day of March 2001

A J PIKE
For the Registrar
The Comptroller General