

IN THE MATTER OF APPLICATION NO. 2304053 IN THE NAME OF ROBERT
McBRIDE LIMITED

AND IN THE MATTER OF OPPOSITION NO. 91255 THERETO BY RECKITT
BENCKISER (UK) LIMITED

DECISION

Introduction

1. On 22 June 2002 Robert McBride Ltd filed an application on Form TM3 to register the trade mark shown in Annex A to this decision in respect of the following goods in Classes 3 and 5:

Class 3: Preparations for perfuming the atmosphere; preparations for perfuming or neutralising odours in fabrics, wall and floor surfaces and textile articles.

Class 5: Insecticides; air freshening preparations; air purifying preparations.

Subsequently the specification of goods was revised in minor respects which are not material to this decision.

2. Section 4 of the Form TM3, which contains the rubric “If the mark is not a word or picture, indicate here (*for example 3-dimensional*)” was left empty. The section following section 13, which contains the rubric “The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be used” was duly signed by the applicant’s trade mark attorneys.

3. The Form TM3 was filed under cover of a letter from the applicant's trade mark attorneys dated 21 June 2002 which contained the following heading:

Re: Trade Mark Application in the name of Robert McBride Ltd
Mark: Hexagon 2D mark
Class: 3, 5

In this heading the numeral "2" was hand-written. It appears that the writer of the letter had corrected a typewritten numeral "3" so as to change "3D" to "2D".

4. The application was subsequently accepted and advertised for opposition. On 21 November 2002 Reckitt Benckiser (UK) Ltd filed a notice of opposition raising grounds of opposition under sections 3(6), 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. In a written decision dated 15 April 2004 (BL O/105/04) Mr David Landau acting for the Registrar dismissed the grounds of opposition under sections 5(2)(b) and 5(4)(a) but upheld the ground of opposition under section 3(6). The applicant now appeals against that decision. There is no cross-appeal by the opponent.

Relevant provisions of the Trade Marks Act 1994, Trade Marks Directive and CTM Regulation

5. Sections 3(6) and 32(3) of the Trade Mark Act 1994 provide:
 - 3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.
 - 32.(3) The application [for registration of a trade mark] shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be so used.
6. Section 3(6) implements Article 3(2)(d) of Council Directive 89/104/EC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, which provides:

3.(2) Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that:

...

(d) the application for registration of the trade mark was made in bad faith by the applicant.

7. Article 51(1)(b) of Council Regulation 40/94/EC of 20 December 1993 on the Community trade mark provides:

51.(1) A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings

...

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

The statements of case

8. In its statement of case the opponent pleaded its ground of objection under section 3(6) in the following terms:

7. The Applicant is the Opponent in opposition No. 90530 to application No. 2287388 and opposition No. 90538 to application No. 2287359. In evidence in these oppositions, Applicant filed a statement by its trade mark agent to which was exhibited an example of a container or dispenser for an air freshener marketed by the Applicant. The Applicant's Mark is a two dimensional representation of the said container which was part of the Exhibits marked 'Exhibit KLH4' of the two Witness Statements of Keith Leonard Hodkinson, both dated 27 September 2002 filed in the said oppositions. In his Witness Statement, Mr Hodkinson refers to the said container as 'a crystal like container'.

11. The Applicant's Mark represents a three-dimensional container or air freshening product sold by the Applicant. Applicant's mark was represented on the application form as a two dimensional drawing or label. The Applicant does not use the Applicant's Mark as a trade mark, either at all or as represented on the application, namely as a two dimensional badge of origin. The Opponent contends that the Applicant has no bona fide intention that the Applicant's Mark should be so used. On the contrary, the Applicant uses the Applicant's Mark in the form of a container and acknowledges it to be so as outlined in

paragraph 7 hereof. In the premises the Opponent contends that the Application has been made in bad faith to the extent that the Applicant acted in bad faith by stating through its agent that the Applicant's Mark is being used in relation to the goods sought to be registered, or that the Applicant has a bona fide intention that it should be so used pursuant to Section 32(3) of the Act. In the premises the Applicant's Mark should be refused under the provisions of Section 3(6) of the Act.

9. In its statement of case the applicant responded in the following terms:
 7. The first, second and fourth sentences of paragraph 7 of the Notice of Opposition are admitted. The third sentence is not admitted.
 11. Paragraph 11 of the statement of grounds of opposition is denied. Without prejudice to the generality of the foregoing, the third sentence of paragraph 11 of the statement of grounds of opposition is denied in that any use made of other marks of the applicant is entirely immaterial to the intentions of the applicant with respect to the present application.

The evidence

10. The opponent's evidence consisted of witness statements of Adonis Souloglou and Rakesh Kapoor. In his statement Mr Souloglou stated as follows:
 7. I have seen a copy of exhibit KLH4 which I am told is part of a Witness Statement of Keith Leonard Hodgkinson in the matter of an opposition No. 90538 to application No. 2287359. The representation of the product illustrated in the bottom half of the Exhibit is not particularly distinct, but I believe it to be a representation of the Applicant's LIQUISCENT product, photographs of a sample of which are exhibited hereto as AS3.
 11. Copies of these photographs are in Annex B to this decision. By way of explanation, the first and third photographs show front and rear views of the product in question as sold: the air freshener is contained in a container, apparently made from a clear plastic and partly filled with a mauve-coloured fluid, which is in turn contained in packaging apparently made from cardboard or the like, the front of which has a transparent "window" through which one face of the container may be seen. The second photograph shows the container once removed from the packaging.

12. The applicant did not file any evidence.

The hearing officer's decision

13. Having cited sections 3(6) and 32(3) of the 1994 Act, *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 167 and *Ferrero SpA's Trade Marks* [2004] RPC 29, the hearing officer upheld the objection for reasons which he expressed as follows:

47. There has been no dispute that the pictures exhibited as AS3 are pictures of the McBride product that is the subject of this application. It is also clear that McBride made a conscious and deliberate decision to apply for the trade mark a two dimensional picture rather than as a three dimensional shape trade mark; the covering letter to the application form specifically refers to a "Hexagon 2D mark".

48. Mr Edenborough submitted that under sections 32(2) and (3) of the Act the application must contain a representation of the trade mark which the applicant uses or intends to use, or is or will be used with the applicant's consent, for the goods or services of the specification. In this case, at the date of the application there was no intention to use the two dimensional trade mark, the evidence of Reckitt showing that in fact any use would be use of the goods themselves. Consequently, the trade mark should have been applied for as a shape mark. Mr Edenborough stated that it would have been easy enough for McBride to rebut this claim with a statement stating that it had such an intention. The writer of the statement could then have been subject to cross-examination. No statement was received from McBride. Mr Edenborough submitted that the two dimensional aspect of the application was important; being a two dimensional trade mark militated against any attack under section 3(2) of the Act, for instance. Mr Edenborough submitted ht a prima facie case had been raised and not answered, as in *Ferrero SpA and Sotemartec SA v Soldan Holding & Bonbonspezialitäten GmbH*. He emphasised that this was not a matter that could be cured afterwards, it was the intention at the time of application that mattered. Consequently, that at some later date McBride decided to use the trade mark as a two dimensional trade mark would not affect the outcome.

49. Mr Edenborough is correct on saying that an act of bad faith cannot be used by a later action; the sinner might repent but his sin does not vanish with his repentance (see *Nonogram Trade Mark* [2001] RPC 355). However, the judgment as to whether there was actually an act of bad faith might be affected by later action. So later action cannot act like money as "the true Fuller's Earth for Reputations" but it can assist in coming to a conclusion as to whether there was an act of bad faith.

In this case there is complete silence, in the terms of evidence from McBride, as to how it has or intends to use the trade mark and so post filing action cannot assist McBride.

50. Mr Mellor submitted that for bad faith there has to be “a materially false statement”. He submitted that the difference between a two dimensional application for a trade mark and a three dimensional application for the same trade mark depends on what the two versions of the trade mark looked like. In this case, Mr Mellor argued that it was obvious from the contouring of the picture that it represented a three dimensional trade mark. Mr Mellor also argued that the test was for “experienced men in the men in the particular field being examined”. He stated that these men would not see the niceties between applying for a two dimensional version of a trade mark [or] a three dimensional version, he saw this as a lawyer’s argument not one that would take place in commerce. To my direct question Mr Mellor stated that the application was for a two dimensional form of the shape of goods. Mr Mellor also made various comments about the average consumer. I cannot see that in the matter of bad faith the views of the average consumer’s perception is of relevance. The issue turns on the intent and nature of the action of the applicant. Mr Mellor also commented that there was not a rigid compartmentalisation between types of trade marks, what mattered was what was represented on the register. McBride might not have used the trade mark in the form applied for yet but it had five years from the date of the completion of the registration process to make such use. Mr Mellor also submitted that McBride would be entitled to use the mark as a picture on packaging, for instance.

51. Mr Mellor argued that in this case there is no real difference between the application having been for a two dimensional form rather than as a three dimensional form. With the 1994 Act the position in *Philips Electronics NV v Remington Consumer Products Ltd (No.1)* [1998] ETMR 124 where a two dimensional trade mark was treated as a three dimensional one can no longer hold. The registration in question had been registered under the 1938 Act where there was no facility to apply for three dimensional trade marks. There now is such a facility, a facility that allows for difference and divergence between the trade marks. Mr Mellor argues that commercial men would not see the difference between a two dimensional trade mark and a three dimensional trade mark. What he is saying is that they would not see the difference between the goods and a representation of the goods, if that is the case here. I think the commercial man can see the difference between a slice of cake and a picture of a slice of cake, he knows which one he can eat and which he cannot. Equally, I consider that the commercial man can understand the wording in box four of the application form – “If the mark is not a word or picture indicate here (*for example 3-dimensional*)”. In this case these particular commercial men, through their agents, have most specifically spelt this out, a clear and definite choice being made not to apply for a three dimensional

trade mark. If they did not know the difference why spell out that it is for a two dimensional trade mark? Mr Mellor also argues that the trade mark would be seen on the register as representing the goods and that is what matters. I cannot agree with him. My reaction to the trade mark was that it was a device trade mark, it is only from the evidence in this case that I saw it as a two-dimensional representation of the good. Indeed, even then it is a rather poor representation. If it represents the goods where are the views showing the sides and reverse of the produce? Of course, they could not be filed as that would contradict the claim that the application was for a two dimensional trade mark. The argument that what counts is what is on the register and will be seen, in my view, does not assist the case of McBride. In *Sieckmann v Deutsches Patent – Und Markenamt* Case C-273/00 [2003] RPC 38 the European Court of Justice stated:

‘On the one hand, the competent authorities must know with clarity and precision the nature of the signs of which a mark consists in order to be able to fulfil their obligations in relation to the prior examination of registration applications and to the publication and maintenance of an appropriate and precise register of trade marks.

On the other hand, economic operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties.

If the users of that register are to be able to determine the precise nature of a mark on the basis of its registration, its graphic representation in the register must be self-contained, easily accessible and intelligible.

Furthermore, in order to fulfil its role as a registered trade mark a sign must always be perceived unambiguously and in the same way so that the work is guaranteed as an indication of origin. In the light of the duration of a mark’s registration and the fact that, as the Directive provide, it can be renewed for varying periods, the representation must be durable.

Finally, the object of the representation is specifically to avoid any element of subjectivity in the process of identifying and perceiving the sign. Consequently the means of graphic representation must be unequivocal and objective.

In the light of the foregoing observations, the answer to the first question must be that Article 2 of the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by

means of images, lines or characters, and that the representation is clear, precise, self-contained easily accessible, intelligible, durable and objective.’

If this trade mark is supposed to tell the competent authority or other economic operators that it is the goods, it markedly fails so to do. The representation does not do it and more importantly the absence of a claim to three dimensionality tells these persons that it is not the good. As Mr Edenborough submitted there are advantages in applying for a trade mark as a two dimensional form, it militates against objection or opposition under section 3(2) of the Act. I would add that it can also allow a trade mark to pass under the radar and avoid possible challenge under sections 3(1)(b) and/or (c) of the Act.

52. I just don't buy Mr Mellor's argument that there is neither any great difference between applying for the trade mark as a two dimensional trade mark rather than a three dimensional trade mark. Nor do I buy the submission that men of business do not understand the difference between two dimensional and three dimensional. Even if they might have been in a state of ignorance, despite the agency of their trade mark attorneys, they should be able to read box 4 of the form and understand what they are signing up to. In this case the matter goes further, a covering letter being sent specifically described the trade mark as being a two dimensional trade mark.
53. The issue is whether McBride applied for a two dimensional trade mark in the knowledge that it would be using it as a three dimensional trade mark. Mr Mellor rightly says that McBride could use a two dimensional form in packaging. Advertising would invariably use a two dimensional form of the goods, whether it would make use of that particular trade mark is a moot point. Future use might be made of the trade mark as filed but as has been discussed, future use cannot cure an act of bad faith. In this case one is also only talking about potential future use. There is no evidence of use of the trade mark since its filing, although there is evidence of use as the goods themselves.
54. Reckitt lay down the gauntlet. It made its ground of opposition under section 3(6) clear and precise. It also furnished undisputed evidence of use in the market place of the goods. As Mr Edenborough pointed out it was easy enough to rebut the claim. A short witness statement could do the job. No witness statement was filed, no evidence was filed. I consider that Reckitt made a clear and precise prime facie case, one that had to be answered with some form of evidence. Reckitt stated that McBride made this application with no intention to use the trade mark as filed. As I have said above I do not buy the argument that there is no effective difference between a two dimensional 'representation' and a three dimensional trade mark nor that commercial men would not know the difference. McBride, through its agents, was signing up to the whole of the application form, including

box 4. Extensive help is also available from the Patent Office in completing the form including notes which tell the applicant:

‘Section 4. If your mark is not a word, logo or picture, please tell us exactly what it is. For example, it could be a three-dimensional shape.’

In the absence of an evidential response to a clear and specific ground of opposition, a ground of opposition that demanded an evidential response, I consider that there can be only one outcome. I must come to the conclusion that at the date of application McBride did not intend to use the trade mark for the goods in the specification. So McBride is caught by the finding of Mr Kitchin:

‘Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith.’

55. I find that McBride had no bona fide intention to use the trade mark as filed in relation to the goods for which registration is sought as required by section 32(3) of the Act and consequently that the application was made in bad faith and so the application is to be refused under section 3(6) of the Act.

Standard of review

14. This appeal is a review of the hearing officer’s decision. The decision under challenge is a finding of fact that the applicant made the application in bad faith within the meaning of section 3(6) of the 1994 Act. As explained by May LJ in *DU PONT Trade Mark* [2003] EWCA Civ 1368, [2004] FSR 15 at [94], the appropriate degree of respect to be accorded to a decision of a lower tribunal on such a review depends on the nature of the tribunal, the evidence and the issue. In my judgment, the degree of respect to be applied in the present case is that articulated by Robert Walker LJ in *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28] as follows:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

Grounds of appeal

15. The applicant contends that the hearing officer erred in principle on grounds which I would summarise as follows. First, he wrongly held that the perception of the average consumer was not relevant. Secondly, he failed to consider the applicant's argument that the average consumer would perceive the mark as a two-dimensional representation of a three-dimensional object. Thirdly, he failed to consider the applicant's argument that sale of its product would constitute use of its mark by virtue of section 46(2) of the 1994 Act. Fourthly, he failed to consider whether the applicant's statement of intention to use was materially false. Fifthly, he wrongly found that the applicant had deliberately and consciously decided to designate the mark as a two-dimensional mark in order to avoid objections under sections 3(1) and 3(2) of the 1994 Act when that point was neither foreshadowed by the opponent's statement of case nor supported by any evidence. Sixthly, he took an unrealistic and unduly severe view of the standards of ordinary commercial men and at worst the applicant was guilty of an error of judgment. A point which underlies a number of these grounds is the applicant's contention that the hearing officer was wrong to proceed on the basis that there is a sharp distinction between a two-dimensional mark and a three-dimensional mark, at least in the circumstances of this case.

16. In support of its appeal the applicant applied to adduce evidence which it had not filed below. That application was dealt with as a preliminary issue, and I dismissed it for reasons given in a decision dated 26 July 2004 (BL O/270/04).

The law as to bad faith

17. Before addressing the applicant's contentions, it is necessary to set out the legal context. There are three aspects which require consideration.

Compatibility of section 32(3) with the Directive

18. Section 32(3) of the 1994 Act requires an applicant for registration of a trade mark to state on his application form that the trade mark sought to be registered is either in use by the applicant or with his consent or intended so to be used. Neither the Directive nor the Regulation contains any provision corresponding to section 32(3) of the 1994 Act. Nevertheless, Geoffrey Hobbs QC sitting as the Appointed Person held in *DEMON ALE Trade Mark* [2000] RPC 345 at 356 line 48 – 357 line 5 that there was no reason to doubt that section 32(3) was compatible with Community law. In *Ferrero SpA's Trade Marks* at [24] David Kitchen QC sitting as the Appointed Person rejected a submission that section 32(3) was *ultra vires* since it was incompatible with the Directive. The same view appears to be implicit in the observations of Jacob J in *LABORATOIRE DE LA MER Trade Marks* [2002] FSR 51 at [19], although Neuberger J in *Knoll AG's Trade Mark* [2003] RPC 10 at [34] considered that it was arguable that section 32(3) was not valid at least if it was interpreted as requiring the applicant to verify his intention to use the mark in relation to the full width of the specification of goods or services set out in the application form.
19. Before me no challenge was made to the compatibility of section 32(3) with the Directive.

False statements of intention to use as a ground of bad faith

20. It was held in *DEMON ALE Trade Mark* at 356 lines 42-48 and in *Ferrero SpA's Trade Marks* at [23] that, where an applicant made a statement of intention to use on his application form in compliance with section 32(3) which was materially false, then the application was made in bad faith within section 3(6). This analysis is supported by *LABORATOIRE DE LA MER Trade Marks* at [19], although Pumfrey J cast doubt on it in *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 17 at [29]-[35] and *REEF Trade Mark* [2002] RPC 19 at [8]-[9]. In both *Ferrero SpA's Trade Marks* and *LABORATOIRE DE LA MER Trade Marks* the decision of the First

Cancellation Division of OHIM in *TRILLIUM Trade Mark* (Case C000053447/1, 28 March 2000) that a lack of intention to use a mark across the full width of the specification of goods or services did not constitute bad faith within Article 51(1)(b) of the Regulation was distinguished on the basis that the Regulation did not require any statement of intention to use to be made by an applicant.

21. In the present case counsel for the applicant accepted that a materially false statement of intention to use made on Form TM3 was capable of amounting to bad faith in an appropriate case.

The mental element

22. Mr Hobbs observed in *DEMON ALE Trade Mark* at 356 lines 13-41:

I do not think that section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn Bhd v Tan* [1995] 2 AC 378 (PC) at page 389 do seem to me to provide strong support for the view that a finding of bad faith may be fully justified in a case where the applicant sees nothing wrong in his own behaviour.

In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 Lindsay J said (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’.

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. Quite how far the concept of ‘bad faith’ can or should be taken consistently with its Community origins in Article 3(2)(d) of the Directive is a matter upon which the guidance of the European Court of Justice seems likely to be required: *Road Tech Computer Systems Ltd v Unison Software (UK) Ltd* [1996] FSR 805 at pages 817, 818 *per* Robert Walker J.

23. Subsequently in *DAAWAT Trade Mark* [2003] RPC 11 Mr Hobbs said, after referring to the observations in *DEMON ALE Trade Mark* which I have quoted above:

80. The passage to which I was referring in the judgment of Lord Nicholls in *Royal Brunei Airlines* was as follows:

‘Honesty, indeed, does have a strong subjective element in that it is a description of a type of conduct assessed in the light of what a person actually knew at the time, as distinct from what a reasonable person would have known or appreciated. Further, honesty and its counterpart dishonesty are mostly concerned with advertent conduct, not inadvertent conduct. Carelessness is not dishonesty. Thus for the most part dishonesty is to be equated with conscious impropriety. However, these subjective characteristics of honesty do not mean that individuals are free to set their own standards of honesty in particular circumstances. The standard of what constitutes honest conduct is not subjective. Honesty is not an optional scale, with higher or lower values according to the moral standards of each individual. If a person knowingly appropriates another’s property, he will not escape a finding of dishonesty simply because he sees nothing wrong in such behaviour.’

81. In *Twinsectra Ltd v Yardley* [2002] UKHL 12; [2002] 2 AC 164, the House of Lords considered the requirements for liability for acting as an accessory to a breach of trust in the light of Lord Nicholls’ judgment in *Royal Brunei Airlines*.

82. In para. 27 of his Opinion, Lord Hutton (with whom Lord Slynn, Lord Steyn and Lord Hoffmann agreed) said:

‘Whilst in discussing the term “dishonesty” the courts often draw a distinction between subjective dishonesty and objective dishonesty, there are three possible standards which can be applied to determine whether a person has acted dishonestly. There is a purely subjective standard, whereby a person is only regarded as dishonest if he transgresses his own standard of honesty, even if that standard is contrary to that of reasonable

and honest people. This has been termed the “Robin Hood test” and has been rejected by the courts. As Sir Christopher Slade stated in *Walker v Stones* [2000] Lloyds Rep. P.N. 864, 877 para. 164:

“A person may in some cases act dishonestly, according to the ordinary use of language, even though he genuinely believes that his action is morally justified. The penniless thief, for example, who picks the pocket of the multi-millionaire is dishonest even though he genuinely considers the theft is morally justified as a fair redistribution of wealth and that he is not therefore being dishonest.”

Secondly, there is a purely objective standard whereby a person acts dishonestly if his conduct is dishonest by the ordinary standards of reasonable and honest people, even if he does not realise this. Thirdly, there is a standard which combines an objective test and a subjective test, and which requires that before there can be a finding of dishonesty it must be established that the defendant’s conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest. I will term this “the combined test”.

83. The House of Lords held (Lord Millett dissenting on this point) that dishonesty for the purposes of the law relating to accessory liability 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 dishonesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.
84. Lord Millett considered that the law expected the defendant to attain the standard which would be observed by an honest person placed in similar circumstances; it is not necessary that he should actually have appreciated that he was acting dishonestly; it is sufficient that he was.
85. The approach adopted by Lindsay J in *Gromax* (see para. 77 above) does not necessarily require the ‘combined test’ of dishonesty laid down by the majority of the House of Lords in *Twinsectra* to be satisfied. On the other hand, the proposition that a person can only be regarded as dishonest if he transgressed his own subjective standard of dishonesty, even if that standard is contrary to that of reasonable and honest people, seems to be unacceptable on any view of the matter: see para. 82 above.
86. The question for consideration is whether the ‘combined test’ for determining whether a person is liable for acting dishonestly as an accessory to a breach of trust also represents the test for determining

whether an application for registration has been made in breach of s.3(6) of the 1994 Act.

87. The question arises in the present case because the principal hearing officer said in para. 33 of his decision:

‘I do not doubt that Mr Mann and the other directors of A1 Trading Ltd believed that the conduct they were engaged in was acceptable commercial behaviour. However, as I noted earlier, it is possible for persons to believe they are acting reasonably when most independent observers would disagree. I believe that this is the case here.’

Having described the respondent’s conduct in the terms I have quoted in para. 35 above, he went on to say:

‘Viewed objectively, I believe that this course of action, although falling short of outright dishonesty, was unacceptable commercial behaviour. In short, it is unfair to the point of bad faith.’

In this respect his decision was based upon the observations in *Gromax* and *DEMON ALE* that I have quoted in paras. 77 to 79 above.

88. The second respondent is entitled on the basis of these findings to say that the respondent’s conduct in applying for registration of the trade mark DAAWAT under the 1994 Act was not consciously dishonest. However, that does not appear to me to be an answer to the objection raised against the relevant application under s.3(6).
89. I say that, because I do not consider that Art.3(2)(d) of the Directive and its counterpart, Art. 51(1)(b) of the Community Trade Regulation, exist for the purpose of rendering applications for registration acceptable if they are not consciously dishonest. In my view, they exist for the purpose of ensuring that the opportunity to apply for registration is not abused by applicants claiming protection which they could not in good faith request or invoke, in relation to the relevant mark and specification of goods or services, in the circumstances existing at the date of application for registration. I do not believe that the ‘combined test’ of dishonesty must necessarily be satisfied before an objection under s.3(6) can be taken to have been made out.
90. I find support for that view in the approach that has been adopted in relation to the abuse of company name and domain name registration procedures. The case law in this area was considered by the Court of Appeal in *British Telecommunications Plc v One In A Million Ltd* [1999] FSR 1. At p.12 Aldous L.J. observed that it could be misleading to draw an analogy with the law relating to ‘knowing assistance’ in a breach of trust as explained by Lord Nicholls in the *Royal Brunei Airlines* case. The approach to liability in cases of the kind considered

by the Court of Appeal in the *One In A Million* case does not appear to require the ‘combined test’ for dishonesty to be satisfied.

91. The same appears to be true of the approach adopted in the Community Trade Marks Office under Art. 51(1)(b) of the Community Trade Mark Regulation.

92. In the case of *Interkrenn Maschinen Vertriebes GmbH’s Trade Mark* [2002] ETMR 27, p.312, the First Cancellation Division of the Community Office ruled as follows:

‘15. In this specific case, the applicant has shown conclusively that a person linked to the trade mark proprietor obtained knowledge of a planned trade mark of the applicant during a business meeting. The name of this person is contained in the company name of the trade mark proprietor (Krenn/Interkrenn GmbH). In that regard two witnesses were named. The trade mark applicant has not refuted this contention and in this case that may be regarded as an admission. Therefore, what we are dealing with here is a classic case of “trade mark theft”.

...

17. Anyone who misappropriates the trade mark of a third party in a manner such as that described above, acts in bad faith within the meaning of Art. 51(1)(b) CTMR (cf. in that respect, also the Decision of *BE NATURAL* of October 25, 2000, C000479899/1; now final). Therefore, the registration of Community trade mark No 382,325 had to be declared invalid.’

93. As noted in para. 14 of the principal hearing officer’s decision in the present case, the First Cancellation Division in its Decision in the *BE NATURAL* case (October 25, 2000) adopted the view of UK Trade Marks Registry that a finding of bad faith could properly be made:

‘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.’

94. Similarly, in para. 33 of its decision, in *Lancome Parfums et Beauté et Cie’s Trade Mark* [2002] ETMR 89, p. 281, the First Cancellation Division observed that a finding of bad faith could properly be made where an applicant attempts, by means of registration, to seize the trade mark of a third party with whom he had a contractual or pre-contractual relationship.

95. It is true that in para. 32 of its Decision in the *Lancome* case the First Cancellation Division reiterated the view it had expressed in earlier cases to the effect that bad faith is a narrow legal concept in the Community trade mark system and that it generally involves and brings into play (without being restricted to) fraudulent or other injurious intent. However, it went on to say that:

‘This means that it can also be interpreted as an underhand practice involving an absence of honest intent on the part of the Community trade mark applicant at the time of filing of the application.... Bad faith can be understood as being an underhand practice involving an absence of good faith *vis-à-vis* the Office on the part of the applicant at the time of filing or a an underhand practice based on actions infringing the rights of third parties.’

96. The approach of the Community Office appears to be consonant with the approach adopted by Lindsay J in the *Gromax* case and seems clearly to extend to behaviour of the kind that the courts in the United Kingdom have been prepared to regard as reprehensible, but not necessarily dishonest: see para. 9 of the judgment of Pumfrey J in *REEF Trade Mark* [2002] RPC 19 p. 387. It does not appear to require conscious dishonesty of the kind envisaged by the House of Lords in *Twinsectra*.

24. In *Harrison v Teton Valley Trading Co Ltd* [2004] EWCA Civ, [2004] 1 WLR 2577, which was decided after the decision of the hearing officer in the present case, the Court of Appeal considered the meaning of “bad faith” in section 3(6) for the first time, and in particular the nature and extent of the mental element required for a finding of bad faith. Sir William Aldous said:

20. Mr Silverleaf who appeared for the applicant submitted that the words ‘made in bad faith’ required that the application should be made ‘dishonestly’. I reject that submission. If dishonesty was the test then that word would have been used in the 1994 Act and in the Directive. No doubt an application made dishonestly will be made in bad faith, but it does not follow that if dishonesty is not established, bad faith cannot have existed.

21. Mr Silverleaf’s main submission was that upon the findings of fact made by the hearing officer ... the hearing officer and the judge should have held that the application was made in good faith. In essence the state of mind of the applicant was the only consideration. The test was, he said, subjective. If it was established that the applicant believed that he was entitled to make the application then there was no bad faith. It followed that as the applicant believed that he was entitled to make the application, the objective under section 3(6) of the 1994 Act could not

succeed. To support that submission Mr Silverleaf referred us to the speeches of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 AC 164.

22. Mr Vanhegan who appeared for the opponents submitted that the test of bad faith was objective... To decide whether the applications were made in bad faith, the court had to look at all the facts and then decide objectively whether bad faith had been established. He also relied on passages in the speeches in the *Twinsectra* case [2002] 2 AC 164.

23. In the *Twinsectra* case the courts had had to consider whether a solicitor had acted dishonestly. Although the question for decision in that case was different, the reasoning in the speeches is relevant. The leading speech was made by Lord Hutton. He said at pp 171-172, para 27:

‘27. ... there are three possible standards which can be applied to determine whether a person had acted dishonestly. There is a purely subjective standard, whereby a person is only regarded as dishonest if he transgresses his own standard of honesty, even if that standard is contrary to that of reasonable and honest people. This has been termed the ‘Robin Hood test’ and has been rejected by the courts. As Sir Christopher Slade stated in *Walker v Stones* [2001] QB 939: “A person may in some cases act dishonestly, according to the ordinary use of language, even though he genuinely believes that his action is morally justified. The penniless thief, for example, who picks the pocket of the multi-millionaire is dishonest even though he genuinely considers the theft is morally justified as a fair redistribution of wealth and that he is not therefore being dishonest.’ Secondly, there is a purely objective standard whereby a person acts dishonestly if his conduct is dishonest by the ordinary standards of reasonable and honest people, even if he does not realise this. Thirdly, there is a standard which combines an objective test and a subjective test, and which requires that before there can be a finding of dishonesty it must be established that the defendant’s conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest. I will term this “the combined test”.’

24. Clearly the court, when considering bad faith, cannot apply a purely subjective test, called by Lord Hutton ‘the Robin Hood test’. The dishonest person or one with low standards cannot be permitted to obtain trade mark registrations in circumstances where a person abiding by a reasonable standard would not. The registration of a trade mark is designed to enable bona fide proprietors to protect their proprietary rights without having to prove unfair trading. Registration is not provided to help those with low moral standards.

25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said, at p 174:

'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.

...

28. The parties have not made a complete search of all the decisions of the First Cancellation Division. It may be that we were referred to the ones which were of most significance to this appeal. None of them dealt in detail with the issue in this case, but the judgments appear consistent with the test I have proposed.

29. In *Surene Pty Ltd v Multiple Marketing Ltd* (Case C-4798998/1) (unreported) 25 October 2000 the proprietor, Multiple Marketing, distributed the applicant for revocation's products under the trade mark BE NATURAL. The Cancellation Division held that the application had been made in bad faith. It said:

'10. Bad faith is a narrow legal concept in the CTMR [Community Trade Mark Regulation] system. Bad faith is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually bad faith can be understood as a 'dishonest intention'. This means that bad faith may be interpreted as unfair practices involving lack of any honest intention on the part of the applicant of the CTM at the time of filing.

11. Bad faith can be understood either as unfair practices involving lack of good faith on the part of the applicant towards the office at the time of filing, or unfair practices based on acts infringing a third person's rights. There is bad faith not only in cases where the applicant intentionally submits wrong or misleading by insufficient information to the office, but also in circumstances where he intends, through registration, to lay his

hands on the trade mark of a third party with whom he had contractual or pre-contractual relations.’

30. In *In re Senso di Donna's Trade Mark* [2001] ETMR 38, 44 the First Cancellation Division said:

‘17. Bad faith is a narrow legal concept in the CTMR system. Bad faith is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually bad faith can be understood as a ‘dishonest intention’. This means that bad faith may be interpreted as unfair practices involving lack of any honest intention on the part of the applicant of the CTM at the time of filing. Example: if it can be shown that the parties concerned had been in contact, for instance at an exhibition on the respective trade, and where then one party filed an application for a CTM consisting of the other party’s brand, there would be reason to conclude bad faith. In this case, however, according to the meaning of the term ‘bad faith’ there is no evidence that Senso di Donna Vertribes-GmbH was acting dishonestly, or that they intended any similar act, or were involved in unfair practices or the like’.

31. To similar effect was the decision in *In re Lancome Parfums et Beauté and Cie's Trade Mark* [2001] ETMR 981.

32. We were also referred to the decision of Mr Geoffrey Hobbs QC acting as the appointed person in *In re Daawat Trade Mark* [2003] RPC 187. I am not certain from the language that he used that he was of the view that the words ‘bad faith’ required consideration of the mental state of the applicant. However his decision was clearly right on the facts but care should be taken if his reasoning is applied.

33. The judge applied the statement of Lindsay J in the *Gromax* case [1999] RPC 367 which is cited above in paragraph 18. He was right to do so. The words ‘bad faith’ are not apt for definition. They have to be applied to the relevant facts of each case. The test is the combined test and the standard must be that of acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined. I stress ‘acceptable commercial behaviour’ to exclude behaviour that may have become prevalent, but which would not upon examination be deemed to be acceptable.

34. It appears from the report ‘Bad faith Provisions in the European Union and in EU Candidate Countries’ prepared by the Europe Legislation Analysis Subcommittee (8 April 2002) of the International Trademark Association, that the standard of bad faith applied differs slightly in some of the states to which the Directive now applies. That was also

the view expressed by Professor Philips in his book *Trade Mark Law, A Practical Anatomy* (2003). He said at p. 447:

‘The fact that “bad faith” has been considered in a number of cases involving CTMs means that a body of coherent doctrine is building up. In contrast the doctrine on “bad faith” under the Directive is inevitably going to be, at least initially, less coherent since it is derived from a variety of different tribunals in different countries.’

Even so there appears to be a consensus that seeking to monopolise another’s trade mark and other unfair practices would render an application invalid for bad faith.

25. Arden LJ said:

40. I agree. I am grateful to Sir William Aldous for setting out the relevant law and facts in this case. The concept of ‘bad faith’ for the purposes of section 3(6) of the Trade Marks Act 1994 is an autonomous concept of European Union law. It is not defined in the Council Directive which section 3(6) seeks to implement. Indeed it would be difficult to define exhaustively. Its meaning must be sought in the language, scheme and purpose of the Directive. As to these matters I note that the relevant provision in the Directive confers an option on member states to refuse applications for registration made in bad faith and the Directive is a harmonising measure to assist (among other objects) freedom of movement in the European Union.

41. We should therefore, seek a meaning which is consistent with the meaning given to bad faith in this context by other member states and (more importantly) by the courts of the European Union. The *Surine* (unreported) and *Senso di Donna* [2001] ETMR 38 cases, which Sir William Aldous has cited, provide helpful guidance to the meaning of bad faith, and the meaning so given differs little if at all from that given to this expression by Lindsay J in the *Gromax* case [1999] RPC 367. On this basis I have less concern about the reasoning of Mr Geoffrey Hobbs QC in the *Daawat* case [2003] RPC 187; for my part, I would have agreed with his judgment at pp. 202 and 204, paras. 85 and 96.

42. In the circumstances of this case, however, I too agree, for the reasons given by Sir William Aldous and Pill LJ, that Mr Harrison made his application in bad faith for the purposes of the Directive.

26. Pill LJ said:

43. I agree that the appeal should be dismissed for the reasons given by Sir William Aldous.
44. I agree that the combined test stated by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164 is appropriate to apply in the present case. Before stating it Lord Hutton considered the judgment of Lord Lane CJ in *R v Ghosh* [1982] QB 1053 and the speech of Lord Nicholls of Birkenhead in *Royal Brunei Airlines Sdn Bhd v Tan* [1995] 2 AC 378.
- ...
46. I agree with the reservation expressed by Sir William Aldous about the reasoning of Mr Geoffrey Hobbs QC in the *Daawat* case in so far as it may be read, in the last sentence of p. 204, para. 96, as casting doubt upon the combined test expressed in the *Twinsectra* case.
27. I have to say that I do not find this exposition of the law easy to understand, for the following reasons.
28. First, Sir William Aldous (with whom both Arden and Pill LJ agreed) rejected the submission that bad faith required dishonesty, yet he (a) held that the combined test for dishonesty laid down in *Twinsectra* applied to a finding of bad faith and (b) apparently regarded the combined test as consistent with decisions of the First Cancellation Division stating that conceptually bad faith can be understood as a “dishonest intention”.
29. Secondly, Sir William Aldous said that the judge below (Pumfrey J) had been right to apply Lindsay J’s statement of the law in *Gromax*, yet that statement of the law does not include reference to the combined test or indeed any consideration of the applicant’s subjective state of mind, but rather appears to represent an objective test. Furthermore, Sir William Aldous and Pill LJ both disagreed with Mr Hobbs’ conclusion in *DAAWAT Trade Mark* based upon *Gromax* that subjective dishonesty was not required, although Arden LJ agreed with it.
30. Thirdly, I consider that Arden LJ was plainly right to say at [40] that “bad faith” is an autonomous concept of European Union law whose meaning must be sought in the language (or rather languages plural), scheme and purpose of the Directive. That being so, I find it difficult to see how the test for bad faith

can depend upon domestic English jurisprudence in a different field of law, viz. *Twinsectra*.

31. Fourthly, I doubt whether Article 51(1)(b) of the Regulation can involve consideration of the applicant's subjective state of mind since (a) evidence in OHIM proceedings is written and there is generally no cross-examination and (b) the applicant will frequently be a body corporate. In common with Mr Hobbs, I believe that OHIM's case law shows that it applies an objective approach to the assessment of bad faith. In *DAAWAT Trade Mark* (Case C000659037/1, 28 June 2004), a parallel case to that heard by Mr Hobbs in which it arrived at the same result, the First Cancellation Division stated:

8. Neither the CTMR nor the IR provide any guidance on what acts constitute bad faith. The term bad faith is not defined in Community trade mark law. OHIM has published some guidance on its interpretation of bad faith in view of the EU enlargement and has stated among others that bad faith can be considered to mean 'dishonesty which would fall short of the standards of acceptable behaviour'. This definition for bad faith was used in the United Kingdom (*Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367) (see OHIM Bad Faith Case Study 31/01/2003...). In its case law the Cancellation Division has held that bad faith is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually bad faith can be understood as a 'dishonest intention'. This means that bad faith may be interpreted as unfair practices involving lack of any honest intention on the part of the applicant of the CTM at the time of filing. Bad faith can be understood either as unfair practices involving lack of good faith on the part of the applicant towards the office at the time of filing, or unfair practices based on acts infringing a third person's rights. There is bad faith not only in cases where the applicant intentionally submits wrong or misleading by insufficient information to the office, but also in circumstances where he intends, through registration, to lay his hands on the trade mark of a third party with whom he had contractual or pre-contractual relations (see the Cancellation Division's decision in *BE NATURAL* of 25/10/2000, C000479899/1, at Nos. 10-11).

The same statement of the law is to be found in *GERSON Trade Mark* (Case C00066563/1, 29 July 2004) at [13].

32. Notwithstanding these reservations, I am bound by *Harrison*. Neither counsel suggested to the contrary, and both agreed that *Harrison* required the tribunal to apply the combined test.

The present case

33. As the hearing officer rightly held, there is no dispute as to the primary facts of the present case. The dispute is as to the correct inferences to be drawn from those primary facts and whether such inferences establish bad faith.
34. Counsel for the applicant accepted that (a) the applicant applied to register a two-dimensional trade mark consisting of a device or picture, (b) what the applicant intended to do (and shortly after the application date did do) was to sell air freshener in a packaged container as shown in the photographs in Annex B and (c) the container is a three-dimensional object.
35. The opponent contends that the hearing officer was correct to infer from these primary facts that the applicant did not have any bona fide intention to use the two-dimensional trade mark applied for, particularly given that the applicant filed no evidence to explain itself, and accordingly to conclude that its statement to the contrary on the Form TM3 was materially false and therefore the application was made in bad faith. The applicant disputes this for the reasons summarised above.
36. So far as the applicant's first ground of appeal is concerned, I agree with the hearing officer that what matters is the applicant's intention at the date of application. It does not follow, however, that the perception of the average consumer is entirely irrelevant to the issues in this case, and I do not believe that the hearing officer meant to say that it was.
37. As for the argument that the average consumer would perceive the mark applied for as a two-dimensional representation of a three-dimensional product, it is clear from paragraph 51 of the hearing officer's decision that he did not accept that the mark would be perceived in this way. Even though it is

supported by the first sentence of paragraph 11 of the opponent's own statement of case, I see no reason to differ from the hearing officer's assessment. The mark applied is rather different to the picture of the face of the three-headed shaver which featured in *Philips Electronics NV v Remington Consumer Ltd* [1998] RPC 283. Unless the average consumer knew what the source of the image was, I consider that the average consumer would be likely to interpret the mark as an abstract image.

38. As to the applicant's fourth ground, it is not correct to say that the hearing officer did not consider whether the statement in question was materially false: he considered this in paragraph 54 of his decision and found that it was.
39. As to the fifth ground, I consider that the hearing officer was right to reject the applicant's argument that there is no real difference between a two-dimensional mark and a three-dimensional mark. As he pointed out, an application to register a three-dimensional mark must overcome hurdles in terms of the approach under section 3(1)(b) and in terms of potential objections under section 3(2) that a two-dimensional mark does not have to. I do not interpret the hearing officer as having found that the applicant deliberately and consciously decided to designate the mark as a two-dimensional mark in order to avoid such problems, however. If he had made such a finding, it would have been unsupported by the evidence. Rather, I consider that in making these observations the hearing officer was addressing the question of the materiality of the false statement. Furthermore, I agree with the hearing officer that a false statement that an applicant intended to use a two-dimensional mark when in reality the applicant only intended to use a three-dimensional one would be material for the reasons he gave.
40. The applicant's third ground has more substance. The applicant argues that sale of the product in the form shown in Annex B is use of the mark applied for "in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered" within section 46(2) of the 1994 Act. The basis for this argument is that, as can be seen from the first photograph, the packaging contains a window through which one face of the

container (or rather the greater part of it: much of the exterior “ring” is hidden by the surrounding cardboard) can be seen. Thus it is said that what the average consumer would see *before removing the container from its packaging* is a substantially two-dimensional image which corresponds quite closely to the mark applied for. The applicant says that this is little different to putting a picture on the exterior of the packaging, which the opponent accepts would constitute use of the mark applied for (although the opponent argues that the correct inference to be drawn from the evidence is that at the application date the applicant did not intend to use the mark in that way, and the hearing officer clearly accepted this).

41. At this point I should note that I did not receive full argument from either party with regard to section 46(2). In particular, neither counsel cited any authority as to the interpretation and application of section 46(2). Indeed, counsel for the opponent argued that section 46(2) was irrelevant since it was concerned with what happened after the application date, whereas section 3(6) was concerned with the position at the application date.
42. Without the benefit of full argument, I am reluctant to come to a final conclusion as to whether or not sale of the product in the form shown in Annex B constitutes use of the mark applied for “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered” within section 46(2). It is not necessary to reach such a conclusion in order to dispose of this appeal, however. It is sufficient that I am satisfied that it is at least arguable that sale of the product in the form shown in Annex B would be use within section 46(2). The significance of this conclusion is that it means that what the applicant intended to do as at the date of filing the Form TM3 may constitute use of the two-dimensional trade mark applied for, and hence its statement that it intended to use the mark may be a true statement. Contrary to the opponent’s argument, I consider that this is highly relevant to the issue of bad faith.
43. This ties in with the applicant’s sixth ground and with the requirement laid down in *Harrison* to consider the applicant’s subjective state of mind. The

applicant's argument is that at worst the applicant made an error of judgment: if it turns out that sale of the product does not constitute use of the mark applied for, then the applicant may suffer the consequence of revocation under section 46(1)(a) or (b) of the 1994 Act, but this does not mean that it knowingly made a materially false statement on the Form TM3 or otherwise acted in a manner falling short of the standards of acceptable commercial behaviour.

44. I accept this argument. Even it was not clear beforehand, I consider that *Harrison* makes it clear that, to constitute bad faith within section 3(6), it is not enough for the applicant to have made a statement of intention to use the mark applied for that turns out to have been incorrect: it must be shown that the applicant knowingly made a false statement (or, possibly, made a statement with reckless disregard for whether it was true or false). An honest, but mistaken, statement that the applicant intends to use the mark is not bad faith.
45. In my judgment there is no evidence in the present case from which it may properly be inferred that the applicant knew that sale of the product would not constitute use of the mark applied for and therefore knew that it was making a false statement on the Form TM3. Nor may such an inference properly be drawn from the applicant's failure to file any evidence in response to the opponent's statement of case and evidence. The opponent's statement of case merely asserts that the applicant's intention was to sell the product and *therefore* it did not intend to use the mark applied for. The opponent's evidence does not even go that far, but merely shows how the applicant marketed its product after the application date. (By contrast, the opponent's evidence in *Ferrero SpA's Trade Marks* went somewhat further than this.)
46. The hearing officer did not deal with the argument based on section 46(2), although it was raised before him, perhaps because it was not as clearly presented to him as it was to me. Nor did he have the advantage of the Court of Appeal's decision in *Harrison*. In these circumstances I consider that I am

entitled and obliged to reach my own conclusion. My conclusion is that the opponent has not demonstrated that the application was made in bad faith.

Conclusion

47. Accordingly the appeal will be allowed and the opposition dismissed.

Costs

48. The hearing officer ordered the applicant to pay the opponent the sum of £2,200 as a contribution to its costs. I shall reverse that order. So far as the costs of the appeal are concerned, the applicant has succeeded on the substantive appeal; but it failed on its application to adduce further evidence which occasioned an additional hearing of approximately the same length. Accordingly I will make no order as to the costs of the appeal.

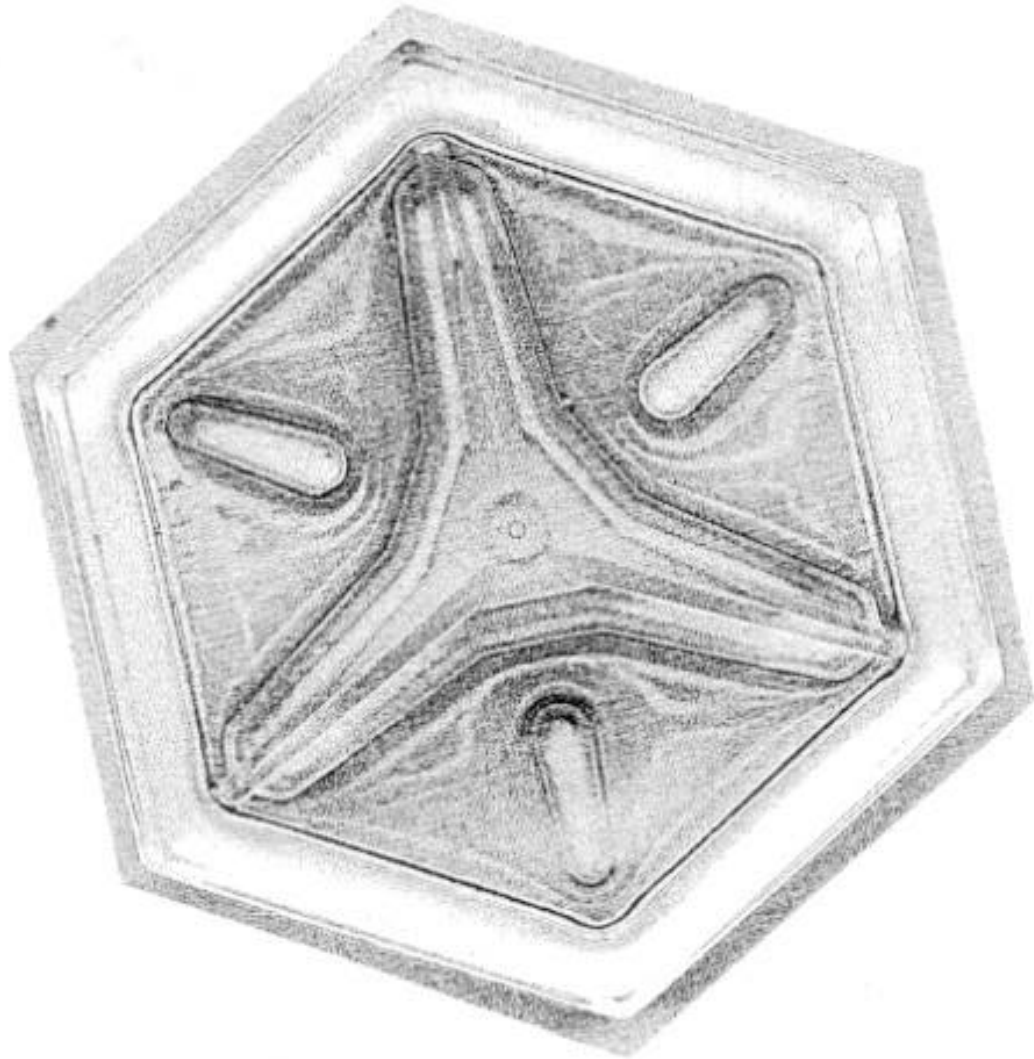
22 November 2004

RICHARD ARNOLD QC

James Mellor, instructed by Marks & Clerk, appeared for the applicant.

Michael Edenborough, instructed by Alexander Ramage Associates, appeared for the opponent.

Annex A



Annex B

