

O/242/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2553346
BY SIMON LAWTHER TO REGISTER THE
TRADE MARK**



IN CLASS 7

AND

**APPLICATION No. 2553366
BY RUBY MASON ENGINEERING TO REGISTER THE
TRADE MARK**

Powerspark

IN CLASS 7

AND:

**CONSOLIDATED OPPOSITIONS THERETO
UNDER NOS. 101135 & 101425 BY THOMAS IBBOTSON**

BACKGROUND

1. On 19 July 2010, Simon Lawther (“SL”) and Ruby Mason Engineering (“RME”) applied to register the two trade marks shown on the cover page of this decision (RME is a trading name of SL). The applications were accepted and published for opposition purposes on 6 August and 22 October 2010 for specifications of goods in class 7 which read:

Ignition devices for internal combustion engines.

2. On 29 October 2010 and 18 January 2011, Thomas Ibbotson (“TI”) filed notices of opposition. These consisted of grounds based upon sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In his statement of grounds in opposition No. 101135 TI said:

“Under section 3(6) we are objecting because Mr Lawther, who we believe was not using the name prior to his application, and we can demonstrate that he was fully aware that we were using it. We object to the use of this name in connection with all of the parts covered by Mr Lawther’s application.

Under section 5(4)(a) we are objecting because we can demonstrate that we were using the name BB Classic Power Spark to sell ignition modules from January 2010...”

3. In his statement of grounds in opposition No. 101425 TI said in relation to the ground based upon section 3(6) of the Act:

“[RME] were fully aware of our extensive use of the name BB Classic Power Spark electronic ignition for the sale of our products on eBay from mid January 2010. In mid July 2010 [RME] made a false, malicious and unsubstantiated accusation of design right infringement relating to the product we were selling via eBay. This resulted in the removal of over 35 advertisements, this action was unrelated to the use of the name although all the ads clearly used the name BB Classic Power Spark. [RME] were unwilling to provide any documentation and subsequently withdrew the accusation under threat of legal action. All the ads were reinstated using the name BB Classic Power Spark.”

4. On 21 April 2011, SL and RME filed counterstatements (both of which were completed by SL). In his counterstatement in opposition No. 101135 SL said:

“I have been using Powerspark™ Electronic Ignition on my website (and eBay). I began using the name initially (since Aug 2008) via my website which is www.simonbbc.com. At this point we had developed a product we named Powerspark. This was a component for combustion engines, specifically the ignition. I began the process to register a design right on...(approved 16 July 2010) and supported this with a technical drawing prepared 17 Sept 2008. I have

since enforced this design right with eBay using a Notice of Infringement form. This resulted in many listings being removed by them from sale i.e. listings by companies I had invested money in. We then sought to legally register the product name as a result of another party selling our design and also using near enough the same name...”

5. In his counterstatement in opposition No. 101425 SL repeats much of what is said above. It also includes the following:

“A design right was applied for in June 2010 when I noticed that BB Classics had started to use our name, in fact Power Spark which we felt is very similar...The design right application was to protect the item/product we individuals (sic) using our design and selling it. BB Classics was one (i.e. TI). A verbal agreement was reached with them that they would not pursue the objection they had submitted to the trade mark application. Shortly after this agreement was reached I received a letter from the IPO that they had gone ahead with an objection...”

6. The proceedings were consolidated, following which both parties filed evidence. I note that at the conclusion of the evidential rounds SL sought leave to have additional evidence admitted into the proceedings. The Trade Marks Registry (“TMR”) indicated that it was minded to admit this evidence on the basis that it was previously unavailable to SL and may assist in the determination of these proceedings. It was admitted and TI was allowed a period of 1 month to file evidence addressing the points raised in SL’s further evidence. In the event, TI did not file any further evidence but did file written submissions.

7. Neither of the parties to these proceedings asked to be heard nor did they file written submissions in lieu of attendance at a hearing.

EVIDENCE

TI’s evidence-in-chief

8. This consists of two witness statements. The first, dated 8 July 2011, is from TI. TI explains that he is trading as BB Classic Cars. The main points emerging from TI’s statement and the associated exhibits are, in my view, as follows:

- That in December 2009, he took delivery of, and began selling, an electronic ignition module purchased from Zhunshi in China. This is, he says, the same item supplied to and sold by SL. He says “the design patents are held by the vendor”;
- Despite SL claiming to have developed this product the design rights are, he says, held by the supplier in China. Exhibits 3(a), (b) and (c) consist of a copy of a certificate of registration for Community Design No. 000973326-0001 issued by the Office for Harmonisation in the Internal Market (OHIM) and which I note

relates to a design which was registered on 17 July 2008 and which stands in the name of Dahua Shao at an address in China;

- That in January 2010, TI began selling this item from his retail shop and via his eBay shop and website;
- That in mid January 2010 TI decided that the item would benefit from a name and after making searches via the Internet to confirm the availability of any names TI decided upon the name BB Classic Power spark Ignition;
- Exhibits 1(a), (b), (c) and (d) consist of eBay listings for BB classics dated 21 January (1 listing - £29.95), 26 January (2 listings both for £29.95) and 22 June 2010 (1 listing £29.95). Below the description of the item appears the following text: "AccuSpark Ignition SET IT & FORGET IT !!!" At the top of the second page of the listings the following text appears: "This is a BB Classic Power Spark ignition..."
- TI was aware that SL was trading in the same product but had no contact with him. At that time SL was, he says, trading with the name "Simon BBC electronic ignition";
- That on 17 July 2010, SL took action against TI via eBay which resulted in the removal of 35 separate advertisements which SL claimed were in connection with TI's use of the name powerspark; this, says TI, is untrue. Rather, says TI, the action was a design right claim against the product and not against the use of the trading name (a view which appears to be confirmed by the heading which appears in exhibit 2 which is an extract from the eBay website which reads inter alia: "MC019 eBay Listing Removed: Design Right Violation – Unauthorised Item (402150953)". TI adds that under threat from AccuSpark (which he describes as "an associated company who also had action taken against them"), SL was forced to withdraw this action and all of the advertisements were reinstated without any changes;
- SL claims that he has used the name "Powerspark" on his website since 2008, TI explains that using the Internet archive waybackmachine he has obtained copies of the website www.simonbbc.com from May and June 2009. Exhibits 4(a), (b) and (c) consist of what TI states are copies of (a) the home page of the website, and (b) the top and (c) 2nd best selling item in the range. He notes that the name powerspark does not appear in any of these extracts;
- TI says he has been unable to find any reference on any advertisement, website or eBay listing by SL which uses the name Power Spark and to his knowledge it was not used at any time before the action SL took against TI in July 2010.

9. The second statement, dated 6 July 2011, comes from Anthony Ibbotson ("AB") who trades as Watford Classic Cars and Accuspark. AB explains that in July 2010 he

received a notice from eBay that an allegation had been made against him, BB Classics and other non-associated businesses of a “design right breach” which resulted in over 90 of his advertisements being removed from eBay. He says:

“After e-mail exchanges with [SL], [SL] was unable to provide any evidence of his accusations and under legal threat withdrew his complaint to eBay and all the adds were reinstated without any changes or conditions made. The adds of all the other businesses involved were also reinstated without changes.”

SL’s evidence-in-chief

10. This consists of a witness statement, dated 4 October 2011, from SL. SL states:

“I am afraid I cannot agree with the suggestions made or that any of the evidence submitted proves that another business was using the name Powerspark before me or that I deliberately attempted to undermine their business by claiming use of a name I knew they were already using.”

11. The main points emerging from SL’s statement and the associated exhibits are, in my view, as follows:

- Exhibit 1ai consists of an invoice for £41.96 dated 26 October 2009 from RME to a named customer in Telford in respect of “25D Powerspark Electronic Conversion Kit”. Exhibit 1aii is said to be a PayPal printout which records a payment from the named customer dated 22 October 2009 (albeit with a partial redaction of the address details);
- Exhibit 1bi consists of an invoice for £58.95 which bears an order date of 13 January 2010 from RME to a named customer in Llandeilo in respect of “25D4 Distributor fitted with Powerspark Ignition Kit”. Exhibit 1bii is said to be a PayPal printout which I note records a payment from the named customer dated 13 January 2010 (redacted as above);
- The above exhibits are, says, SL, “a sample of many more held and both predate the date when [TI] says he first used Power and Spark in an eBay listing”. He adds that the invoices provided relate to sales direct from his website;
- Exhibits 2(a)(i) to 2(e)(i) and 2(a)(ii) to 2(e)(ii) consist respectively of sales notifications from eBay to SL dated 15 January 2010 (£43.99), 6 January 2010 (£21.99), 25 November 2009 (£21.99), 3 January 2010 (£21.99) and 2 February 2010 (£18.99) all of which bear the trade mark the subject of application No. 2553346 (albeit on one occasion accompanied by the words Electronic Ignition) and PayPal notifications of the sales. All of the customers are based in the UK (once again various details including addresses are redacted);

- SL says that although the word Powerspark was included in the body of the listing he has not retained dated copies of the actual text of the listing;
- In relation to TI's use (provided in his exhibits (1)(a), (b), (c) and (d)), SL points out that the words Power and Spark appear as separate elements. He adds that the words do not appear in the title but in the manner I have mentioned above. He points to the title referring to "Accuspark" and states that "Accuspark is a name used by the Ibbotson family when marketing similar items to the ones that [he] markets as Powerspark." After commenting on the manner in which the text appears on TI's eBay listings, he states: "...so I do not think the capitals here suggest a product name anyway. The two words are also in common English usage and I contend that my usage combining the two words to make Powerspark is quite different";
- SL states that his kits are packaged to show the name Powerspark and the logo, adding that considerable amounts have been spent by him on having packaging specifically made to include the words and logo and "also in listing fees for selling through eBay, advertising generally, promotional items etc";
- That prior to March 2011 SL's business was known as RME; after that date it was known as Powerspark Ignition Ltd ("PIL"). That throughout that time his website has been www.simonbbc.com. SL adds that he has also always used the names Simon's Best British Classics and Automotive Ignitions Solutions in connection with these two businesses but they are not separate businesses but names used under the general umbrella of his trading companies;
- SL provides details regarding his complaint to eBay mentioned by TI. As he confirms that it "...was connected to a design right issue rather than the use of a name", there is no need for me to record his comments here;
- SL states that he has used the name Powerspark as a product name since early 2009, adding that in June 2009 he changed his website from one which he had produced himself to one that was professionally produced;
- Having provided technical details on both the nature of the Internet Archive used by TI to review his website (SL states it was a Beta or test version – a view borne out by the inclusion of the word BETA which appears below the words waybackmachine in TI's exhibits 4(a), (b) and (c)) and having explained that his current website includes files to avoid certain parts of the site being searched or archived, SL states:

“On that basis nothing is proved here as a) there are 20 odd pages which are not shown and b) this is very much a partial snapshot during a major re-working of my site and also c) beta sites are notorious for bugs etc being a testing ground for software manufacturers rather than commercially available and guaranteed accurate. I note the random selection of pages from my original website (which was replaced in around June 2009) have been put forward. I have explained the dates during which those pages could have been available to waybackmachine however I have several pages of that same original site bookmarked on my computer.”

Exhibit 3a consists of an undated page taken from www.simonbbc.com which includes a reference to “POWERSPARK – Electronic Ignition Kits” and which SL states was a live page prior to June 2009;

- Finally, SL states that in September 2010 the website www.powerspark.co.uk was registered by Powerspark with an address in Hemel Hempstead. SL states that this website makes no mention of the name Powerspark and is used to sell, inter alia, items using the name Accuspark and re-directs to the website of BB Classics i.e. to TI.

TI's evidence-in reply

12. This consists of a further witness statement from TI dated 28 November 2011. The main points emerging from which are shown below. Given the nature of the submissions made within the witness statement, I have reproduced them below in TI's own words:

“1... I carried out extensive research into this product via the Internet and eBay in late 2009 and early 2010. [SL] trading as Simon BBC was not using the name Powerspark in written or logo form anywhere in public view at that time.

2. With regard to his evidence, it is my belief that it is irrelevant and/or fabricated. SL has produced 2 invoices (1ai and 1a ii) with the name Powerspark. These are not evidence of public use and in any case can be easily changed. My copies have the buyers details removed so I am unable to contact the buyer with the possibility of producing the original...SL has also produced a number of eBay listings and PayPal statements; these do not show the name in written form. [SL] has not produced one piece of paper with the word Powerspark, the only mention is a small LOGO. It is my contention that this has been fabricated and was not used until July 2010.

It should be noted that with eBay listings where multiple units are available that the title cannot be amended once the first item has been sold, this does not apply to the photo and other aspects of the item. Exhibit D is a printout from eBay of one of [SL's] listed items (and the only item forming part of [SL's] evidence which is still current and still listed on eBay) showing the revisions that have been made

to the item during the time it was listed on eBay – there are 40 revisions including 7 specific to adding/deleting pictures. Just because the logo appears at the time the document was printed does not mean that it was there from the start – it could have been added at any time. I do not accept that this Logo was in use prior to July 2010.

5. [SL] quite clearly stated in his original submission that he was using the name powerspark on his website in 2008. I have already provided a printed copy of his website during 2009 showing this to be untrue. [SL] has implied that I have been selective in what I have submitted, it is true I did not print every page, but submitted the home page and a number of best selling item pages. However, I viewed every page and there was no mention of the name powerspark on any of them. At the time I did not think it was necessary to print every page. I would now submit the whole website but this feature is no longer available to me. I would also point out that [SL] could have also provided verifiable dated pages if they existed but has chosen to provide an undated page from his own computer, this really is not evidence. In addition [SL] has provided some technical jargon in his statement but the fact remains that this was the website in public view at that time and well into 2010.”

13. TI provides three exhibits which, in his view, demonstrate the nature of SL’s business practices and character. These are as follows:

- Exhibit A consists of a page TI states was downloaded in July 2011. The top of the page contains a reference to Simon’s Best British Classics and www.simon.bbc.com. TI notes that the page includes a reference to “Accuspark Electronic Ignition Kit 45D Distributor”. The word AccuSpark is, says TI, being used by SL without permission;
- Exhibit B consists of two pages TI states were downloaded in November 2011. The pages are from the same website mentioned above and include references to Accuspark, Hotspark and Ultraspark which TI says are the registered and un-registered trade marks of three companies other than SL’s own;
- Exhibit C consists of a page taken from a Google search which it appears was downloaded in October 2011. TI notes that the page includes the following text: “Inductive timing light Powerspark Accuspark – www.simonbbc.com/tools - Our Powerspark timing light Accuspark timing light inductive timing lamp...”;

14. In response to SL’s reference to the website wwwpowerspark.co.uk, TI says:

“7. In response to [SL’s] final point, I have registered the web name powerspark and it points to a website clearly marked as BB Classics and sells only electronic

ignition parts. I would point out that as far as I am concerned the name is mine to use as I wish...”

SL’s further evidence

15. This consists of a further witness statement dated 12 January 2012. SL responds to the allegations in TI’s statement in the following terms:

“1. I believe the suggestion that evidence presented is fabricated must be seen as at least mildly libellous...”

16. SL indicates that the various names and addresses were blanked out not because the evidence was fabricated but to comply with the requirements of the Data Protection Act. SL states:

“1...However I have to say these extracts are genuine and were pulled directly from business records.”

17. Exhibit 3 consists of an invoice dated 16 July 2009 in the amount of £340 from Logo-Vend based in Hackney, London to SL. Under the heading “Work” the following appears:

“Powerspark logo & Powermax Logo Work for Best British Classics.”

18. Of this document SL says:

“3. Once the logo was designed and the artwork received from the designer it was used immediately. Current advertising was updated and all new advertising showed the symbol. I believe I have proved beyond all doubt and argument that I commissioned logos for the name Powerspark in summer of 2009 and have used the name and logo continuously since at least December 2009 (and in some cases prior to that date) in advertising, on my website, on packaging, letter heads and invoices.”

19. In response to TI’s allegation that SL’s evidence was fabricated SL says:

“4. In view of suggestions of “fabrication” I e-mailed eBay to discuss date of listings, alterations etc...”

20. Exhibit 4 consists of an e-mail dated 23 December 2011 from Nina Smith at eBay Customer Support to SL at sales@simonbbc.com. The e-mail reads:

“Hi Simon,

Thank you for your call today.

I wish to confirm that item no 120503227495 – Electronic Kit 45D Lucas Distributor Mini Austin MGB was listed on eBay.co.uk on the 7th of December 2009, this listing is no longer live on site and ended on the 31st of December 2009. The listing was on site for 24 days and was due to finish on the 7th January 2010 but was ended early.

I hope this is to your satisfaction....”

21. Of this e-mail SL says:

“4...This demonstrates quite clearly that for the listing discussed with them it must have shown the Powerspark logo during its brief period live i.e. from 7th to 31st December 2009, and as explained and demonstrated had the word Powerspark in the text plus the logo on the main picture, although not the title. As the listing ended on 31 December 2009 there would have been no opportunity to alter the listing pictures in any way after that date. Following on from that clear evidence that nothing was added later, Accuspark’s suggestion that I would have altered the other listings in connection with the ongoing trade mark dispute is risible. Once again this proves the use of the name Powerspark by me prior to any use of the words power and spark by Accuspark.”

TI’s submissions in response to SL’s further evidence

22. The main points arising from these submissions are, in my view, as follows:

- That, in TI’s view, SL did not use the Powerspark name in public until Summer 2010;
- Having objected to the lateness of exhibit 3 to SL’s further evidence, TI notes that the invoice does not contain any reference to a VAT number, company registration number or tax point, and as a consequence, he questions the validity of the invoice;
- In relation to exhibit 4 TI says: “...the letter from eBay: this is of no relevance. We don’t deny that [SL] had a product listed.”

23. That concludes my summary of the evidence filed in these proceedings to the extent that I consider it necessary.

Decision in relation to both applications

24. The first ground of opposition is based upon section 3(6) of the Act which reads as follows:

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

25. The material date for assessing this ground is the date of the filing of the applications for registration i.e. 19 July 2010; bad faith cannot be cured by action after the date of application. TI's claim is that the applications for registration were made in the knowledge that he was already using a similar name for the same goods. In order to decide whether the applications were made in bad faith, it is necessary for me to decide what SL knew on 19 July 2010 and then to decide whether filing the applications fell short of acceptable commercial behaviour – the comments in (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton* and (3) *Michael Anthony Jordan v (1) Eurotrust International Limited* (2) *Peter Stephen William Henwood* and (3) *Andrew George Sebastian* [2005] UKPC 37 and *Ajit Weekly Trade Mark* BL O/0363/01 refer.

26. Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined” – *Gromax Plasticulture Limited v Don and Low Nonwovens Ltd* [1999] RPC 367. Certain behaviour might have become prevalent but this does not mean that it is acceptable - *Harrison v Teton Valley Trading Co* [2005] FSR 10.

27. Bad faith is a serious allegation because it impugns the character of an individual or the collective character of a business - See *Royal Enfield Trade Marks* (BL O/363/01) which requires cogent evidence from the party making the accusation - *Re H (minors)* [1996] AC 563.

28. Firstly, as it is clear from the evidence provided that RME is simply a trading name of SL, it is SL's state of knowledge at the material date that I need to consider. In reaching a conclusion on this point, I must also keep in mind that in his evidence TI indicates that he did not adopt the name BB Classic Power Spark until mid January 2010. While I note that in his counterstatement SL states that he first used the name Powerspark on his website www.simonbbc.com in August 2008, in his evidence SL states that he first used the name Powerspark as a product name in early 2009.

29. In support of his claims SL has provided a range of documentation. Exhibits 1ai, 1aii 1bi and 1bii consist of invoices issued by RME and dated 26 October 2009 and 13 January 2010 respectively in relation to an Electronic Conversion Kit and an Ignition Kit identified by the name Powerspark which SL states were sales direct from his website. The PayPal printouts which accompany these invoices appear to show payments dated 22 October 2009 and 13 January 2010 and are from the same individuals named in the invoices.

30. Turning to the sales notifications from eBay (exhibits 2ai to 2ei), these all contain references to “Dear simonbbc” and bear “end times” of 15 January 2010, 6 January 2010, 25 November 2009, 3 January 2010 and 2 February 2010. The PayPal notifications which accompany the eBay sales notifications (exhibits 2aii to 2eii) all contain references to “Hello simon lawther” and refer to the same named buyer and

prices mentioned in the sales notifications, and refer either to “Distributor”, “Electronic Kit” or “electronic ignition kit”; all bear the trade mark the subject of application No. 2553346. The dates of the PayPal notifications are: 23 December 2009, 21 December 2009, 27 October 2009, 1 December 2009 and 19 January 2010.

31. Exhibit 3 to SL’s second witness statement consists of an invoice from Logo-Vend dated 16 July 2009 for £340 made out to SL in respect of “Powerspark logo and Powermax Logo Work for Best British Classics” (Best British Classics being a reference to Simon’s Best British Classics) which is another of SL’s trading styles. Finally, I have the e-mail from eBay to SL dated 23 December 2011 which indicates that item No. 120503227495 i.e. “Electronic Kit 45D Lucas Distributor Mini Austin MGB” was listed on eBay from 7 December 2009 to 31 December 2009. SL says this e-mail:

“...demonstrates quite clearly that for the listing discussed with them it must have shown the Powerspark logo during its brief period live i.e. from 7th to 31st December 2009, and as explained and demonstrated had the word Powerspark in the text plus the logo on the main picture, although not the title. As the listing ended on 31 December 2009 there would have been no opportunity to alter the listing pictures in any way after that date.”

32. TI has raised a number of criticisms of SL’s evidence (including “that it is irrelevant and/or fabricated”) all of which I note. However, in the absence of cross examination, I am, in the end, left to decide the matter on the basis of the evidence before me. Having become aware in June 2010 that BB Classics i.e. TI were using the Power Spark name, SL raised an objection with eBay (on either 17 or 18 July 2010) regarding a design right issue (which TI states resulted in the removal of 35 of his advertisements); SL filed the applications in suit on 19 July 2010. It is clear that at the material date in these proceedings SL was aware of TI and his business.

33. However, SL’s evidence appears to indicate that the Powerspark logo (which I infer to be a reference to the trade mark the subject of application No. 2553346) was the subject of final design work by Logo-Vend in July 2009. Of this artwork SL says, *inter alia*:

“3. Once the logo was designed and the artwork received from the designer it was used immediately. Current advertising was updated and all new advertising showed the symbol...”

34. This would appear to be borne out by the e-Bay notifications at exhibits 2ai to 2ei all of which bear images of a word and device trade mark all of which contain the word POWERSPARK presented in a stylised manner in upper case. Although I have only a very limited understanding of the eBay system, whilst keeping in mind TI’s comments to the effect that eBay listings can be easily altered, it appears to me that all the buyers mentioned in the various eBay notifications responded to a listing which included a reference to the name POWERSPARK, albeit where the word was presented in a stylised format in upper case and accompanied by a device. All but one of the five eBay

related PayPal notifications are dated before the time in mid January 2010 when TI says he adopted the name BB Classic Power Spark, with the earliest notification dating from 27 October 2009 (exhibit 2cii). Insofar as the e-mail from eBay is concerned (exhibit 3), while the e-mail does not, in my view, indicate that the listing included the POWERSPARK and device trade mark from the outset, it does, if my understanding of the eBay system is correct and listings cannot be altered once they have ended, indicate (at the very least) that on 31 December 2009 SL's listing did include the word POWERSPARK and device trade mark.

35. SL's evidence indicates that he had been using a trade mark consisting of (at least the word POWERSPARK and device since at least 31 December 2009 (and probably from at least as early as October 2009) which is before the date in mid January 2010 that TI states he coined the trade mark BB Classic Power Spark for use on his own goods. In those circumstances, the applications were not, in my view, made in bad faith. The consequence of that conclusion is that TI's objections based upon section 3(6) of the Act are dismissed. If further support were needed for the approach I have adopted, I note that in *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] RPC 9 Arnold J said:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system. “

Section 5(4)(a) – passing off

36. The remaining ground of opposition is based upon section 5(4)(a) of the Act which reads as follows:

“5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

37. The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position and stated:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

38. First I must determine the date at which TI's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community

trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

39. The date of filing of the applications i.e. 19 July 2010 is, therefore, the material date. I have already concluded above that SL was the first to use a trade mark consisting of the word POWERSPARK. In *Croom’s Trade Mark Application* [2005] RPC 2 the Appointed Person said:

“44. In support of his objection under s.5(4)(a), the opponent alleged that he was entitled in February 1998 to prevent the applicant from making normal and fair use of the name and mark McQUEEN CLOTHING CO in relation to goods of the kind specified in the opposed application for registration. He claimed to have acquired that right through use of the trade mark ALEXANDER McQUEEN in relation *inter alia* to clothing and fashion accessories since about 1990 (see [7] above). His claim was based on use which post-dated the applicant’s use of the name and mark McQUEEN CLOTHING CO. It was therefore necessary to consider the way in which the rights of the parties would have been resolved in the context of an action for passing off brought by the opponent against the applicant in February 1998.

45 I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

40. Applying the guidance above to these proceedings, SL is the senior user. In those circumstances, TI cannot deny SL’s rights and his objection based upon section 5(4)(a) of the Act cannot succeed and is dismissed accordingly.

Costs

41. SL has been successful and is entitled to a contribution towards the cost of the time he has spent on these proceedings. The Registrar usually operates on a published scale of costs – Tribunal Practice Notice 4 of 2007 refers. However, since SL has not been professionally represented during the proceedings, an award made from the published scale might be larger than his actual expenditure. In BL O/160/08 *South Beck*, Mr Richard Arnold QC, sitting as the appointed person, stated:

“32. Secondly, counsel for the opponent submitted that, if CPR r. 48.6 was applicable, the hearing officer had misapplied it. In support of this submission he pointed out that CPR r. 48.6(4) provides:

The amount of costs to be allowed to the litigant in person for any item of work claimed shall be-

(a) where the litigant can prove financial loss, the amount that he can prove he has lost for time reasonably spent on doing the work; or

(b) where the litigant cannot prove financial loss, an amount for the time reasonably spent on doing the work at the rate set out in the practice direction. The Part 48 Practice Direction provides at paragraph 52.4 that the amount which may be allowed to a litigant in person under rule 46.8(4) is £9.25 per hour. Counsel submitted that the hearing officer appeared to have awarded the applicant two-thirds of the scale figure which he would have awarded a represented party, and that this could not be justified since the opponent had not proved any financial loss and was very unlikely to have spent over 160 hours on the matter.....

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.”

42. Under the current practice direction, the amount allowed to a litigant in person is £18 per hour.

43. Consequently, SL should produce an estimate of his costs, including the number of hours that he has spent on these proceedings, broken down by category of activity, i.e. reviewing the notices of opposition and completing the counterstatements, preparing his evidence and reviewing TI's evidence and written submissions. This should be filed within 21 days of the date of this decision and should be copied to TI who will have 10 days from receipt of the estimate to provide written submissions on costs (and only on costs). I will then issue a supplementary decision covering the costs of these proceedings.

44. The period for any appeal against this decision will run concurrently with the appeal period for the supplementary decision on costs and so will not commence until the supplementary decision is issued.

Dated this 22nd day of June 2012

**C J BOWEN
For the Registrar
The Comptroller-General**