

O-452/12

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2535529

OF THE TRADE MARK:

SCOTT CORNWELL

**IN THE NAME OF MEDICHEM INTERNATIONAL (MANUFACTURING)
LIMITED**

IN CLASS 3

AND

THE APPLICATION FOR INVALIDATION THEREOF

UNDER NO 84132

BY SCOTT CORNWALL LIMITED

1) On 4 January 2010 MediChem International (Manufacturing) Limited (MediChem) filed an application to register the trade mark SCOTT CORNWALL. The trade mark was registered on 30 April 2010 for the following goods:

soaps, perfumery, essential oils, cosmetics, hair lotions, preparations for the cleaning, care, treatment and beautification of the skin, scalp and hair, hair styling products, hair tinting, bleaching, dyeing and colouring preparations.

On 5 August 2011 Scott Cornwall Limited (SC) filed an application for the invalidation of the registration. SC seeks the invalidation of the registration under sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

2) Section 3(6) of the Act states:

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

Section 5(4)(a) of the Act states:

—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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

—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.”

3) SC states that it was incorporated on 11 January 2011 by Mr Scott Cornwall to exploit the goodwill in his name and products. It states that it is authorised to use all intellectual property rights in the Scott Cornwall name and products. SC states that Mr Cornwall is a well-known hairdresser and stylist and the creator of various hair products and colourings. It states that Mr Cornwall has been trading under his own name since 2004 when he began Scott Cornwall's Hair Consultancy in west London. SC states that Mr Cornwall has also been trading from the domain name scottcornwall.com, selling hair products and colourings since 2005.

4) SC claims that MediChem is a former licensee and distributor of Mr Cornwall. SC claims that MediChem was engaged to further exploit and commercialise his name and products. SC claims that the application for registration was made without the knowledge or consent of Mr Cornwall. SC states that Mr Cornwall first challenged MediChem's entitlement to the trade mark in February 2010 and continued to do so until March 2011, while maintaining a commercial relationship with MediChem. SC states that Mr Cornwall first requested that MediChem surrender the trade mark to him in March 2011. SC states that MediChem has refused to co-operate with Mr Cornwall or SC and has proceeded to make applications in other territories.

5) SC states that the application was made in bad faith as MediChem was, or should have been aware, that it was not entitled to register the trade mark in its own name. SC also claims that the application was made in bad faith as the trade mark was not being used by MediChem, or being with its content, in relation to the goods or that there was no intention that it would be used.

6) SC states that it, being exclusively entitled to the goodwill attached to the name Scott Cornwall, is the proprietor of the goodwill in relation to the name Scott Cornwall going back to 2004. SC claims that MediChem, having applied for the trade mark in bad faith, has ~~mis~~represented itself to the office and other third parties and the Registrant's registration and use of the Trade mark which is identical to the Scott Cornwall name is likely to cause confusion in the minds of the public". SC claims that the presence of the trade mark on the register and the use of the trade mark by MediChem is causing damage to SC by diluting the distinctive character of SC's trade mark and by depriving it of the opportunity to undertake quality control over the use of the trade mark.

7) SC, as well as seeking the invalidation of the trade mark, requests ~~and~~ or that the register is rectified so as to substitute the name of the Applicant for the name of the Registrant pursuant to s. 60(3)(b) of the TMA".

8) SC seeks maximum costs having regard to the Registrant's flagrant disregard for the Applicant's rights and its unreasonable actions".

9) MediChem filed a counterstatement. It states that it is not admitted that SC is entitled to use all intellectual property rights in the Scott Cornwall name and products, including all goodwill and unregistered rights and it puts SC to proof of its authorisation so to do. MediChem does not admit that SC is entitled to bring proceedings in respect of Scott Cornwall's name and products. SC is put to strict proof of this.

10) MediChem admits that Scott Cornwall is a hairdresser and stylist, but it is not admitted that he is well-known, or that he is the creator of various hair products and colourings in relation to which he has been trading under the name SCOTT CORNWALL since 2004. SC is put to strict proof that Scott Cornwall is well-known or was well-known at the time of the initial approach to MediChem. SC is put to strict proof of the creation of hair products and colourings and the sale of these products since 2004.

11) It is admitted that Mr Cornwall is the owner of the domain name scottcornwall.com. It is not admitted that hair products and colourings have been sold by him since 2005 and SC is put to strict proof of this. MediChem states that it developed the website content, managed the website design, build and content and managed the website between 2009 and July 2011.

12) MediChem denies that it is a former licensee and distributor of Mr Cornwall. It claims that Mr Cornwall approached it in May 2009 with the suggestion that it create and market a hair care product which became known as COLOUR B4. It claims that a chemist retained by MediChem developed the formula for the product and two consultants, Chris Onslow and Guy Roberts, retained by MediChem, devised the trade mark and the artwork for the packaging respectively.

13) MediChem states that it applied to register the trade mark COLOUR B4 in its name on 15 July 2009, it was registered on 11 December 2009. It claims that it applied to register the trade mark SCOTT CORNWALL on 4 January 2010 with the knowledge and consent of Mr Cornwall. MediChem states that it informed Mr Cornwall of the successful registration on 29 April 2010 by e-mail, attaching a copy of the trade mark certificate which clearly stated the name of the proprietor; it claims that no complaint was received from Mr Cornwall until March 2011. MediChem claims that after Mr Cornwall was aware of the registration he continued to co-operate fully with MediChem in the development of a range of products bearing the trade mark until March 2011 without ever mentioning any objection to the registration.

14) MediChem states that a heads of terms agreement was signed in January 2010 stating that COLOUR B4 is registered in the name of MediChem and that

other trade marks used by the business would be registered in a similar fashion. MediChem states that it has not received a formal termination of the agreement from either Mr Cornwall or SC.

15) MediChem denies that the application was made in bad faith. It states that it behaved in an acceptable manner as it sought to protect its business from third parties; given the investment in the development and marketing of products bearing the trade mark SCOTT CORNWALL. MediChem states that in the absence of an agreement to the contrary, the goodwill generated by the sales of products in the SCOTT CORNWALL range accrued to MediChem as the only party engaged in the development, manufacture, distribution and sale of the products. All financial investment in promoting the trade mark SCOTT CORNWALL, including television advertising, was made by MediChem alone; neither SC nor Mr Cornwall invested any money in promoting the trade mark or the individual brands. MediChem claims that at the time of the filing of the application, products bearing the trade mark were sold exclusively by it.

16) MediChem denies the grounds under section 5(4)(a) of the Act and puts SC to strict proof of the period of use, goodwill and reputation connected with the trade mark SCOTT CORNWALL. MediChem denies that there has been any misrepresentation given that it has been developing, manufacturing and marketing the products sold under the trade mark SCOTT CORNWALL, and for which Mr Cornwall has been paid royalties. MediChem denies that there has been any damage to SC. It claims that, to the contrary, Mr Cornwall has received royalties and an entitlement to one third of any sale proceeds of several trade marks which have significantly increased in value following large financial investment by MediChem.

17) A hearing was held on 18 October 2012. SC was represented by Mr Giles Fernando of counsel, instructed by ip21 Limited. MediChem was represented by Mr Andrew Lykiardopoulos of counsel, instructed by Urquhart-Dykes & Lord LLP.

18) Evidence for SC was supplied by Mr Cornwall and a number of others. Evidence for MediChem was supplied by Mr Thomas Donald Allsworth and Mr Christopher Alan Onslow. Mr Allsworth is the managing director of MediChem. Mr Onslow describes himself as —an independent sales and marketing consultant”. He has been engaged as a consultant for MediChem since 2008.

Mr Cornwall's business prior to MediChem

19) In his submissions Mr Fernando tried to establish that Mr Cornwall was successful and well-known prior to his dealings with MediChem and that he had goodwill in relation to products as well as services. It is accepted by both parties that Mr Cornwall is a hair stylist and hair consultant. Mr Cornwall is not an industrial chemist ie he does not have a basis for formulating products, neither does Mr Cornwall have any production facilities. (Although Mr Cornwall refers to

the patents of others which he hopes can be used for products with which he is involved, eg SCL12). The business address of Mr Cornwall is 60 Woodcroft Crescent, Uxbridge; the home of his parents, with whom he lives (SCL10). Mr Fernando submitted that Mr Cornwall had offered hair colourant products for sale with his —endorsement” prior to his connection with MediChem and had been selling such products from 2005 from his website, scottcornwall.com. Offering products for sale with his —endorsement” is not the same as producing products or having products produced by a third party; it does not establish goodwill in relation to such products. There are no sales figures for such products. There are no examples of the products. To establish goodwill in relation to such products SC should have been able to furnish examples of packaging, contracts with manufacturers, invoices, Cosmetics Directive compliance documents etc. There is nothing. Mr Fernando referred to the reference to —or colourant products” at page 71 of SC2. It is noted that there is at page 58 also reference to —ouOrganic range of permanent shades”. However, there is no identification of any specific products. In client summary reports that Mr Cornwall has exhibited there are references to third party brands eg Natuurtint and L’Oreal (SC1h and SC1a). Mr Cornwall recommending such products does not create goodwill in relation to such products. **Prior to his relationship with MediChem, Mr Cornwall had no goodwill in relation to hair products.**

20) There is a lack of evidence in relation to the finances of Mr Cornwall's business. No copies of accounts are produced for Mr Cornwall or any of the names under which he has traded: Scott Cornwall Hair Consultancy, SC Scott Cornwall Hair Consultancy, SC UK Limited and SC (the applicant). There is no indication of any registration(s) for VAT purposes. In relation to the website, scottcornwall.com, no information is given re the activity. All that is known is that there is a website and that at least one customer contacted Mr Cornwall following visiting the website. Mr Cornwall states that the website comes top on a Google search when Scott Cornwall is entered; nothing useful can be gleaned from this. Websites readily lend themselves to the compilation of data re their access eg number of unique visitors, number of returning visitors, time spent in the website and cause of visit (eg search term used). SC has supplied nothing. All that SC has established is that Mr Cornwall had and has a website. There are a multitude of businesses and individuals with websites.

21) Mr Fernando submitted that the e-mail from Boots (SCL4) is indicative of the fame of Mr Cornwall as Boots wanted his name to assist sales. The contents of the e-mail do not support this contention. The sender writes:

—Scott established initial contact with me (Boots) and is critical in providing a UK vision for Colour Oops.”

It is not the fame of Mr Cornwall that was critical but the application of his United Kingdom knowledge to an American product (also see paragraph 23).

22) Mr Cornwall states that he first started trading under the name SCOTT CORNWALL in 2003, when he was working full time as a hair and image consultant. He describes himself as an independent hair technician and an independent hair expert. Mr Cornwall states that he created the limited company SC Consultancy in 2008 to allow for larger projects, such as books, classes and “image industry work”. He states that he formed SC UK Limited in 2008. He also describes himself as a personal hairdresser. Exhibited at SC4 is an e-book entitled *An Introduction to Hair* published through Improvability. In the evidence of Ms Kim Patricia Bolsover (see below), it is stated that Improvability offers training, coaching and mentoring. It is not a publishing house, either physical or electronic. The book was available for download, Ms Bolsover refers to one sale being made, to a person in Russia.

23) Mr Cornwall states that Boots wished to collaborate with him owing to his recognition as an expert in non-salon products. The evidence in relation to Boots, prior to the MediChem connection, relates solely to Mr Cornwall being a potential United Kingdom agent for a United States product called Colour Oops, from DeveloPlus, Inc. On 26 May 2009 Boots decided that it was no longer interested in the product (SCL4). Mr Cornwall pitched an idea for colour removal products to Boots (SCL2) but there is no hint that this was solicited by Boots or was of interest to it.

24) Exhibited at SC1a-h are copies of hair consultancy reports carried out by Scott Cornwall Hair Consultancy for 2 March 2007, 13 March 2007, 24 May 2007, 14 June 2007, 17 June 2007, 28 June 2007, 4 August 2007 and 9 August 2007.

25) Exhibited at SC5 is material written by Mr Cornwall. There is no indication as to its distribution. The evidence of Ms Bolsover refers to Mr Cornwall giving written material to persons attending courses and material being available on her website (see below).

Evidence for SC from other than Mr Cornwall

26) Ms Kim Patricia Bolsover is managing director of Kielder Computers Limited. Ms Bolsover set up the Improvability brand, offering training, coaching and mentoring, in 2003. Mr Cornwall trained with Ms Bolsover via “Colour Analysis Training in a Box”, which he purchased on 14 December 2007”. Mr Cornwall contacted her afterwards and she organised hair colour and style training courses for Mr Cornwall to teach her trainees. Mr Cornwall provided three hair training sessions entitled *Introduction to Hair Training for Image Consultants* in June and July 2008. Exhibited at KB1 are extracts from the *Improvability Blog* with references to Mr Cornwall, the advice he has given to her about her hair and his website address. The blog entry was posted on 5 November 2009. At KB2a and KB2b are copies of 2 invoices from SC Consultancy UK Limited to Kielder Computers Ltd. They cover three *Introduction to Hair* workshops which took place on 12 June 2008 and 18 July 2008. The invoices are somewhat odd. The

first invoice is dated 1 July 2008 but includes a workshop for 18 July 2008. The second invoice is dated 19 July 2008 and relates to a workshop on 18 July 2008 also. Mr Cornwall gave copies of *An Introduction to Hair for Image, Colour Consultants and Stylists* to those who attended the courses. Ms Bolsover was one of the attendees at the workshop on 12 June 2008 (page 298). After the deduction of commission the total amount of the invoices is £504. Six persons in all attended the workshops, one at one, two at one and three at one. The invoices state that VAT is not applicable. Exhibited KB8 are pages from the website of Kielder Computers Limited from June 2012 which advertise *Hair Colour & Style Toolkit for Image Consultants*, produced by Mr Cornwall. The “*toolkit*” is for sale at £37. There is also an advertisement for *An Introduction to Hair* by Mr Cornwall. There is no indication of a price in relation to this product. On 18 March 2008 Mr Cornwall sent Ms Bolsover a draft of *Return to Perm*. On 10 April 2008 a version of *Return to Perm* was created for Improvability’s image consultants and a separate version for clients. On 9 June 2008 free copies of *Return to Perm* were given to Improvability trained consultants. On 10 June 2008 a final version of *An Introduction to Hair for Image, Colour Consultants and Stylists* was created. On 11 June 2008 an advertisement for Mr Cornwall’s consultation services was placed on the website *improvability.co.uk*. On 12 September 2008 and 10 October 2008 Mr Cornwall’s services were promoted to those on Improvability’s image consultants’ list. On 13 October 2009 the first digital copy of *An Introduction to Hair for Image, Colour Consultants and Stylists* was sold to a client in Russia. Ms Bolsover states that Mr Cornwall receives commission on a monthly basis in relation to this product but does not give any indication of how much commission has been paid or how many copies have been purchased. She also gives no indication as to web traffic to the website in general and in the parts relating to Mr Cornwall in particular. On 26 October 2009 *Client Hair Analysis Workshops* leaflet was sent out. A copy of this is exhibited at KB7. It is headed *Head of Style* and is on the Improvability website. The first mention of Mr Cornwall is at page 6. There is then reference to “*Scott Cornwall ‘Head of Style’*”. The promotion is aimed at those who will pass business on to Mr Cornwall and receive a consequent commission (page 395). At page 396 there is reference to COLOUR B4. Mr Cornwall writes:

—wanted to tell you my latest news directly rather than you find out second hand. I have been fortunate enough to get my own product range in Boots – the first product Colour B4 (Hair Colour Remover) has just been launched under my new brand “*Scott Cornwall Hair Expert*”....

Colour B4 is a product that I devised based on a lot of my work with colour and with colour consultants.”

27) Ms Helen White describes herself as an image consultant and personal stylist with House of Colour. Mr Cornwall first introduced himself to Ms White in 2006 and she has recommended his services to some of her clients; she identifies two of them.

28) Ms Nicky Hambleton-Jones is the director of NHJ Style Consultancy. She describes herself as a personal styling expert. Ms Hambleton-Jones states that Mr Cornwall worked for NHJ from 2006 to 2008 as a consultant hairdresser. She states that when working for NHJ Mr Cornwall was identified by his name and the services he supplied were identified with him. Mr Fernando submitted that Ms Hambleton-Jones evidence was of particular significance as she is/was a television presenter of the Channel 4 television programme *10 Years Younger*. Ms Hambleton-Jones knows of Mr Cornwall because he worked for NHJ Style Consultancy, not because he had any link with her television programme or appeared upon that programme. Ms Hambleton-Jones' position as a television presenter does not add to the knowledge or recognition of Mr Cornwall.

29) Ms Irit Herzenshtein states that she met Mr Cornwall in 2007 when Mr Cornwall —provided the help in developing options and training for me to achieve a corporate style to create impact in my work life whilst enabling me to retain long hair". She describes him as a hairdresser to her family and a friend.

30) Ms Nicola Lovejoy-Mellonie states that she has known Mr Cornwall since 2007 when a colleague recommended him. She contacted Mr Cornwall through his website. She states that he cuts hair and gives advice. Her family also uses the services of Mr Cornwall.

31) Ms Joan Dolier is a personal style and colour consultant with House of Colour. She first met Mr Cornwall in 2005 or 2006, he has provided her with information and brochures about his hair services under the name SCOTT CORNWALL. She has introduced him and his business to clients as SCOTT CORNWALL.

32) Ms Julia van den Berg is a colour analyst, image consultant, personal stylist and personal brand specialist with House of Colour. Mr Scott has provided his services to her and to her clients. She states that he gave a presentation to —my ladies" at an open day; she does not state when. Payments have been made to Scott Cornwall and his literature is branded SCOTT CORNWALL.

33) Ms Sue Trinder, managing director of Sue Trinder Limited, states that she first met Mr Cornwall in 2007 when he was working as a consultant with Ms Hambleton-Jones and Tramp2Vamp, following a talk that he gave. Ms Trinder states the he provided her with hair consultations in relation to colour and cutting. He came to her home several times. She states that he was clearly operating under the name SCOTT CORNWALL.

34) Mr Jon-Paul Kennedy is the director of BNG Mobile Limited. Mr Kennedy built a website for Mr Cornwall at the domain name scottcornwall.com. He exhibits a page from the website for 2 October 2009, obtained using the Wayback machine. Mr Kennedy states that the website generated traffic via the —contact us" link in two ways: the embedded e-mail address allowed e-mail

contact directly to Mr Cornwall and the inclusion of a telephone number allowed calls to be made directly to Mr Cornwall. Mr Kennedy associates SCOTT CORNWALL with Mr Cornwall in relation to hair related services.

35) Mr Simon Webb, of Salon Ambition Limited, states that his company is a wholesale distributor of products for hairdressing salons and mobile hairdressers. Mr Webb has known Mr Cornwall since 2004 when he was employed as a sales consultant for the company from whom Salon Ambition obtained the majority of its products, Lisap (UK) Ltd. When Mr Cornwall left the employment of Lisap, Salon Ambition called upon him at times to conduct product training within salons in order to market the brands that Salon Ambition and Lisap were distributing. Mr Cornwall acted as a freelance technician for Salon Ambition from 2006 – 2008.

36) Mr Mark Alan Wright is a director of Proclère Professional. Proclère has 30 specialist products, which salons across Europe stock. The products are available at 300 outlets in Europe and also online. Mr Wright has known Mr Cornwall since 2002, when he worked as a hairdressing technical consultant for Proclère; in which rôle he advised on and demonstrated various Proclère products. Mr Wright states that he has seen —~~Scott~~ Cornwall using the SCOTT CORNWALL trade mark since 2002 as an identifier to him and/or in relation to a variety of image and hair consultancy services that he provides”.

37) Ms Alexandra Bennigsen works for Pepper Consultants. Ms Bennigsen met Mr Cornwall in 2007 via Tramp2Vamp and knows him as a colourist, stylist and product advisor. Ms Bennigsen states that since meeting Mr Cornwall —he has operated for Pepper Consultants for several years”. She states that Mr Cornwall ~~was~~ very clear from the outset that the brand was SCOTT CORNWALL”.

38) Ms Asima Bokhari is a consultant anaesthetist. She first heard of Mr Cornwall from her style consultant in 2004/2005. Mr Cornwall gave her professional advice regarding the colour and condition of her hair. She states that she has always known Mr Cornwall as SCOTT CORNWALL.

39) Ms Tina Dallman states that she has known Mr Cornwall since 2007/2008 when a neighbour, Ms Lovejoy-Mellonie, recommended him to her. He has since cut her hair on a number of occasions.

Findings in relation to evidence of others for SC

40) The evidence of the above witnesses primarily shows that they know Mr Cornwall as he provided various hair related services to them and they know him as SCOTT CORNWALL. The witnesses are all clients of Mr Cornwall or Mr Cornwall has worked for them. The evidence of Ms Bolsover refers to one sale of an electronic publication; to someone in Russia and so not something that will assist in showing reputation in the United Kingdom. The invoices supplied show that the number of persons attending the workshops was extremely few. The

invoices also have no reference to VAT, indicating that the business which issued them, SC Consultancy UK Limited, did not have a large enough turnover to be liable for VAT. Owing to the Internet the production of publications is available to anyone who can upload them. What is pertinent is the number of persons who downloaded them; this is information that should be readily available. There is no such information. There are a plethora of publications for hair; there is not one exhibit showing references to Mr Cornwall in any such publication. There are no exhibits referring to Mr Cornwall in any other publications or other media. SC claims that Mr Cornwall is a well-known hairdresser and stylist; Mr Cornwall is known by a limited number of persons, he is not well-known. The evidence shows that he worked as a sales person and a —hair technician”. The customers of Mr Cornwall and those who employed him, not surprisingly, know him as SCOTT CORNWALL and identify the services he supplies with his name; no less than they would identify a plumber or dentist or any peripatetic hairdresser by name. Mr Cornwall has no business premises. He has furnished no accounts. Mr Fernando in relation to endorsement of hair products referred to Vidal Sassoon, John Frieda, Toni & Guy, Andrew Collinge, Charles Worthington. It is assumed that Mr Fernando considers that these are famous in the hairdressing field. Upon the evidence Mr Cornwall is not famous in his field. Mr Cornwall only became exposed to a wider public when his name and appearance appeared on the COLOUR B4 packaging.

The claims of SC

41) The first statement for SC states:

—Exhibit SCL2 shows a proposal made to Boots by Mr Scott Cornwall in the last quarter of 2008 whilst trading as Scott Cornwall Hair Consultancy. The proposal and meeting with Boots pre-dated Mr. Cornwall’s business relationship with the Registrant when Mr Cornwall’s original manufacturer relationship ended. This product subsequently became the COLOUR B4 product that was manufactured and distributed by the Registrant and it was this product created by Mr. Cornwall that Boots stocked as a Premium Product from February 2010.”

The effect of the words is that Mr Cornwall created the product. The earlier product relates to Color Oops, a product of the American undertaking DeveloPlus, Inc. Mr Cornwall was a commission agent for DeveloPlus, Inc (Onslow paragraph 3 and e-mail from DeveloPlus of 14 May 2009 at SCL4). Mr Cornwall was not the creator of the product, nor was he the creator of the COLOUR B4 product (Onslow paragraph 5 and Allsworth paragraph 8). Later in the first statement, Mr Cornwall refers to the —concepts for hair products and colourings have been created by Mr Scott Cornwall”. There is a great difference between the creation of a concept and the creation of a chemical product. In the case of the COLOUR B4 product, if there were any concept to be created, it had been created by DeveloPlus, Inc.

42) Mr Cornwall refers to his formula for another product, subject of the other proceedings, Straight Forward. At SCL11 Mr Cornwall writes:

—his formula is based on the Yuko System product. I was dealing with Yuko last year about bringing their treatment to Boots stores as a stand alone conditioner. It's a long story – but they basically mucked me about (so much) and went then went elsewhere. They did however send me all their formulas for their shampoos and conditioning products beforehand – YIPEE!! The Bella Treatment conditioner (the formula of which I have attached) is probably the best client conditioner I have ever used and is part of their chemical straightening process (Part B as I call it).

This is not the formula of Mr Cornwall but the formula of a third party which he believes that he can use as “YIPEE!!” the undertaking has supplied the details to him. In an email at SCL12 from Mr Cornwall to Mr Bruce Green, who is a chemist working for MediChem, the former writes:

—finding that Goldwell colour formula is a pretty big step – as I have used this product and it works reasonably well. If we can't make headway with the current formula, I'm wondering whether it's worth us even trying to copy that and seeing what happens?”

Earlier in the e-mail Mr Cornwall refers to —the patent formula for the Goldwell product I sent you as a sample a couple of months ago”.

43) Mr Cornwall states that MediChem did not seek his consent to obtain a trade mark registration for his name —no was such an action even implied”. Mr Cornwall states that when Mr Allsworth replied to an e-mail chain on 2 January 2010, he opened it on his Blackberry and the part of the e-mail referring to the application for the trade mark SCOTT CORNWALL was not visible. He states that details of the ownership of the application were not given in the e-mail. Mr Cornwall states that he did not consent to the application being in the name of MediChem. He states that he raised an objection to the registration on 17 February 2010, following a Google alert. Mr Cornwall states that he repeatedly requested that the trade mark be assigned to him and that his objections were raised during the period prior to the end of the business relationship with MediChem in March 2011. The e-mail at SCL10 refers to the registration of the trade mark in the name of MediChem in the following terms:

—I had a Google Alert 2 days ago stating MediChem have now trademarked ‘_Scdt Cornwall’ so I don't even own my name anymore!”

Mr Allsworth states that it had been agreed with Mr Cornwall that the trade mark would be owned by MediChem but that if it was sold the net proceeds would be split between MediChem, Mr Cornwall and Mr Onslow. Mr Allsworth states that Mr Cornwall was advised that the trade mark was being registered and a copy of

the certificate of registration was sent to him by e-mail on 29 April 2010. Mr Allsworth checked his e-mails between 29 April 2010 and 29 March 2011. He states that Mr Cornwall had sent him 36 e-mails during this period but none mentioned his discontent with the trade mark registration. Exhibited at TDA 2 is an e-mail from Mr Allsworth to Mr Onslow and Mr Cornwall dated 29 April 2010. The body of the e-mail is:

—We are pleased to confirm that the Scott Cornwall Trade Mark has now been registered. Please find attached copy certificate.”

44) Mr Onslow states:

—It was always clear to us all that any trade marks used in the project including SCOTT CORNWALL would be registered by MediChem in its name. I was present in various meetings when Mr. Cornwall consented to this, in fact he was happy for MediChem to do it because he had no money to apply himself. Contrary to what he now claims, at no time did Mr. Cornwall ever ask me to ask MediChem to transfer the SCOTT CORNWALL trade mark to him. Nor did he query the fact that MediChem was the registrant. I have checked my emails between April 2010 and March 2011 and in that time Mr. Cornwall sent me over 1,550 emails, I cannot find even one that requests that the trade mark SCOTT CORNWALL be transferred back to him. For Mr. Cornwall to claim that he —repeatedly requested that the Scott Cornwall trade mark be assigned back to him” is simply not true. Mr. Cornwall is not a fan of phone calls or face to face discussions instead he prefers to email frequently. If he had made such repeated requests there would be an email trail.”

45) In the e-mail at SCL8 Mr Allsworth advises Mr Cornwall and Mr Onslow on 2 January 2010:

—I have now instructed our lawyers to apply for the TM —Scott Cornwall” for hair products.”

On 29 December 2009 Mr Allsworth had sent Mr Cornwall and Mr Onslow a copy of the registration certificate for the trade mark COLOUR B4. Mr Cornwall responded:

—This is great news! It will really allow us to build Colour B4 as a global brand in home hair colour correction and reversal!”

Mr Cornwall states that he had believed that the registration would be in the name of MediChem, Mr Onslow and Mr Cornwall. He states that he was advised that the trade mark was initially in the name of MediChem as the limited company that they would be forming together was not yet formed and that the trade mark would be assigned when the company was formed. Mr Allsworth states that

there was never any discussion about setting up such a company (Allsworth paragraph 10). Mr Allsworth denies that at any time was there any suggestion that MediChem was an agent for Mr Cornwall. The statement by Mr Cornwall in relation to the formation of a company is not foreshadowed in the statement of grounds. In the statement of grounds SC claims that MediChem is a former licensee and distributor of Scott Cornwall. There is no evidence to support the latter claim, not even a suggestion to this effect. The claim does not tally with the contents of the heads of agreement at SLC9. In its statement SC makes one claim and in its evidence it puts forward a different situation; a situation that was not pleaded, is not supported by evidence and is contradicted by Mr Allsworth and Mr Onslow.

46) MediChem is a manufacturer of health and beauty products. It has its own research and development laboratory, bulk manufacturing, filling and packaging, quality control facilities as well as warehousing and distribution. Since 2003 MediChem has been formulating and manufacturing hair care and skin care ranges for international brands (Allsworth paragraph 3). MediChem retained the services of Mr Bruce Green as an independent chemist to develop the formula for COLOUR B4 and other products of the SCOTT CORNWELL range.

47) Mr Allsworth states that Mr Cornwall's rôle was as a technical consultant in terms of testing the product formulations and responding to customer questions.

Claimed consent to registration

48) MediChem prays in aid a Heads of Agreement signed on 21, 25 and 26 January 2010, exhibited at SLC9. It is written in the following terms:

—ITS HEREBY AGREED as follows:-

1. The Trade Mark —Colour B4" is registered in Class 32 in the name of Medichem. Other Trade Marks used by the Business will be similarly registered.
2. Medichem have and will pay all costs in relation to registering and maintaining the Trade Mark —Colour B4" and other Trade Marks used or registered in the business.
3. Medichem will be the exclusive worldwide manufacturer for any product sold under the Trade Mark —Colour B4" and any other Trade Mark used or registered.
4. Chris Onslow will be the exclusive worldwide marketing agent for any product sold under the Trade Mark —Colour B4" (or any other used or registered by the business) and will receive 10% commission on all sales of such products by Medichem.

5. Scott Cornwall will act as technical consultant to the Business and will receive 10% commission on all sales by Medichem.

6. If at any time in the future the Trade Mark 'Colour B4' (and any other mark used or registered by Medichem) is sold to a third party, the net proceeds of any sale will be split equally between Medichem, Chris Onslow and Scott Cornwall.

7. The Business is defined as being the sale of any product sold under the Trade Mark "Colour B4" or any associated Mark."

(It was accepted by both counsel that class 32 was written in error and should be read as class 3).

49) It is MediChem's claim that "an associated Mark" of clause 7 relates, inter alia, to the SCOTT CORNWALL trade mark. The signing of the agreement postdates the filing of the application, 4 January 2010, however, it could be indicative of the position in relation to ownership of the parties.

50) In *Investors Compensation Scheme Ltd v West Bromwich Building Society* [1998] 1 WLR 896 Lord Hoffman stated:

—My Lords, I will say at once that I prefer the approach of the learned judge. But I think I should preface my explanation of my reasons with some general remarks about the principles by which contractual documents are nowadays construed. I do not think that the fundamental change which has overtaken this branch of the law, particularly as a result of the speeches of Lord Wilberforce in *Prenn v. Simmonds* [1971] 1 W.L.R. 1381, 1384-1386 and *Reardon Smith Line Ltd. v. Yngvar Hansen-Tangen* [1976] 1 W.L.R. 989, is always sufficiently appreciated. The result has been, subject to one important exception, to assimilate the way in which such documents are interpreted by judges to the common sense principles by which any serious utterance would be interpreted in ordinary life. Almost all the old intellectual baggage of "legal" interpretation has been discarded. The principles may be summarised as follows:

(1) Interpretation is the ascertainment of the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract.

(2) The background was famously referred to by Lord Wilberforce as the "matrix of fact," but this phrase is, if anything, an understated description of what the background may include. Subject to the requirement that it should have been reasonably available to the parties and to the exception to be mentioned next, it includes absolutely anything which would have

affected the way in which the language of the document would have been understood by a reasonable man.

(3) The law excludes from the admissible background the previous negotiations of the parties and their declarations of subjective intent. They are admissible only in an action for rectification. The law makes this distinction for reasons of practical policy and, in this respect only, legal interpretation differs from the way we would interpret utterances in ordinary life. The boundaries of this exception are in some respects unclear. But this is not the occasion on which to explore them.

(4) The meaning which a document (or any other utterance) would convey to a reasonable man is not the same thing as the meaning of its words. The meaning of words is a matter of dictionaries and grammars; the meaning of the document is what the parties using those words against the relevant background would reasonably have been understood to mean. The background may not merely enable the reasonable man to choose between the possible meanings of words which are ambiguous but even (as occasionally happens in ordinary life) to conclude that the parties must, for whatever reason, have used the wrong words or syntax. (see *Mannai Investments Co. Ltd. v. Eagle Star Life Assurance Co. Ltd.* [1997] 2 W.L.R. 945

(5) The "rule" that words should be given their "natural and ordinary meaning" reflects the common sense proposition that we do not easily accept that people have made linguistic mistakes, particularly in formal documents. On the other hand, if one would nevertheless conclude from the background that something must have gone wrong with the language, the law does not require judges to attribute to the parties an intention which they plainly could not have had. Lord Diplock made this point more vigorously when he said in *The Antaios Compania Neviera S.A. v. Salen Rederierna A.B.* 19851 A.C. 191, 201:

" . . . if detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business commonsense, it must be made to yield to business commonsense."

In *Bank of Credit and Commerce International SA (in liquidation) v Ali* [2001] UKHL/8, [2001] 1 All ER 961 Lord Bingham of Cornhill stated (at paragraph 8):

—In construing this provision, as any other contractual provision, the object of the court is to give effect to what the parties intended. To ascertain the intention of the parties the court reads the terms of the contract as a whole, giving the words used their natural and ordinary meaning in the context of the agreement, the parties' relationship and all the relevant facts

surrounding the transaction so far as known to the parties. To ascertain the parties' intentions the court does not of course inquire into the parties' subjective states of mind but makes an objective judgment based on the materials supplied."

Lord Hoffmann stated (at paragraph 37):

"What would a reasonable person have understood the parties to mean by using the language of the document against all the background which would reasonably have been available to them at the time?"

In *Roche Products Limited, Roche Diagnostics GmbH v Kent Pharmaceuticals Limited* [2006] EWCA Civ 1775 Neuberger LJ stated

—At least in English law, it is well established that, in the context of commercial contracts, although an expression will normally be given its ordinary English meaning, it has to be construed in its verbal and commercial context. Further, where it is demonstrated by satisfactory evidence that an expression is understood to have a special meaning by virtue of what has been called the "custom of the trade", then effect will be given to the custom of the trade, unless it is inconsistent with the express terms of the contract - see for instance *Smith Hogg Co. -v- Louis Bamberger & Sons* [1929] 1 KB 150 and the cases cited therein. In *Yangtze Insurance Association -v- Indemnity Mutual Marine Assurance Co* [1908] 2 KB 504 at 509, Farwell LJ said this:

"The general rule of construction is that words used in documents must receive their primary signification, unless the context of the instrument read as a whole, or surrounding contemporaneous circumstances, shew that the secondary meaning expresses the real intention of the parties, or unless the words are used in connection with some place, trade or the like, in which they have acquired the secondary meaning as their customary meaning *quoad hoc*".

28. Thus, when interpreting a contract, an English court is prepared to recognise that a particular expression, which may have a different or more limited meaning to an ordinary speaker of English, can nonetheless come to have a different or wider meaning in a particular trade. By parallel reasoning, it seems to me that the court should, in principle, be prepared to recognise that a mark may have a different or wider meaning, in a particular trade, from that which would be derived from the reason (whether in law or otherwise) for the affixing of the mark. Despite the strict approach to the meaning of "consent" in the context of Article 7, I doubt that what the ECJ said in the *Zino Davidoff* case would rule out the

possibility of such an argument on the part of Kent succeeding, at least in principle, in the present case.”

In *Anglo Continental Educational Group (GB) Limited v Capital Homes (Southern) Limited* [2009] EWCA Civ 218 at paragraph 13, Arden LJ stated:

—“The court will also prefer an interpretation which produces a result which the parties are likely to have agreed over an improbable result.”

51) Mr Fernando submitted that if the interpretation of MediChem was adopted it would be grossly unfair to SC and Mr Cornwall. He prayed in aid the judgment of Lord Greene MR in *Clifton v Palumbo* [1944] 2 All ER 497. That case turned upon the particular facts of the case and involved a significant sum of money (£600,000 in 1943). However, even in that case Lord Greene MR stated:

—“If they have done it, they have done it, however unwise or however unbusiness-like, it may be. The question is: Have they done it?”

52) The heads of agreement was not drawn up by lawyers. Mr Allsworth states that the heads of agreement was drawn up in relation to “registering and maintaining trade marks used or registered for the business venture between Mr. Cornwall and MediChem”. Clauses 1-3 state:

—“1. The Trade Mark “Colour B4” is registered in Class 32 in the name of Medichem. Other Trade Marks used by the Business will be similarly registered.

2. Medichem have and will pay all costs in relation to registering and maintaining the Trade Mark “Colour B4” and other Trade Marks used or registered in the business.

3. Medichem will be the exclusive worldwide manufacturer for any product sold under the Trade Mark “Colour B4” and any other Trade Mark used or registered.”

The references to “other” and “any other” trade mark(s) are very general, far more general than the interpretation of the final clause by SC would allow. It is necessary to consider the heads of agreement in its totality and also the background of the relationship between the parties.

53) Stripped away, Mr Cornwall was a hair stylist/technician with a limited customer base and known to only a few persons. His name would not be an attractive force to the average customers of Boots, who would never have heard of him; even if they were prolific readers of hair and fashion magazines. Mr Cornwall had tried to sell the Color Oops product to Boots, this had fallen through. He thought the purpose of the product, removing dye from hair, was a

good idea and one that could have commercial success. Mr Onslow was introduced to Mr Cornwall by a Mr Mark Killingworth on 18 May 2009 at Brand Nation PR consultancy (Onslow paragraph 3). Mr Onslow suggested that MediChem could manufacture a hair colour remover product. Mr Onslow states that Mr Cornwall did not have any money to invest and so did not want such a relationship. The absence of money of Mr Cornwall is not in doubt (see SCL10). Mr Onslow states that Mr Cornwall said that he wanted a similar commission deal from MediChem as he had with DeveloPlus. Mr Onslow had already been working with MediChem on other products and approached it. He states that like Mr Cornwall he had no money to invest. Mr Onslow states that they agreed a deal with MediChem which gave him a 10% income to act as a sales consultant whilst Mr Cornwall was to receive the same for acting as a technical consultant. Mr Cornwall was in contact with Mr Green. He was making suggestions for patents that might be of use in producing the product that MediChem was to manufacture (SCL12); including suggesting possibly copying a patent of Goldwell.

54) All of the costs of the COLOUR B4 product in relation to marketing, design, production and development of the product were born by MediChem. Mr Cornwall brought the idea of producing a product similar to that of DeveloPlus to MediChem, he also made suggestions to Mr Green; primarily it would appear by trawling the Internet for information about other products, including their patents.

55) The galleys for the packaging for COLOUR B4 can be seen at SC6a and SC6b. COLOUR B4 is identified as being by Scott Cornwall Hair Expert. On the side of the pack there is a picture of Mr Cornwall and SC by Scott Cornwall appears. There is a description of Mr Cornwall's hair consultancy and his web address is given. The association of COLOUR B4 with Scott Cornwall is clear. The product is identified as being produced by MediChem.

56) Taking into account the whole of the relationship between Mr Cornwall and MediChem and what they bought to the relationship in terms of resources and money, the Heads of Agreement is interpreted as encompassing all of the products that MediChem produced which had an association with Mr Cornwall. The presence on the pack of —by Scott Cornwall Hair Expert” on the packaging brings the trade mark SCOTT CORNWALL into the parameters of the agreement.

57) Mr Fernando submitted that Mr Cornwall would hardly agree to such a position. This is not a case on a par with *Clifton v Palumbo*. Prior to his name and likeness appearing on the packaging, Mr Cornwall was known to only a very limited number of persons. He certainly was not known to the customers of Boots who would be colouring and removing colour from their hair at home. This is not the case of a famous person endorsing a product. This is not the case of a Lionel Messi selling his birth right for a mess of pottage. Mr Cornwall was benefitting from a 10% generous commission rate. He has done it, however unwise or however unbusiness-like he may now consider the matter. Any

general public recognition only came out about because of his name appearing upon the COLOUR B4 product. Now that he has been exposed to a wider public and MediChem have discontinued paying him royalties, he regrets his decision.

58) The heads of agreement was signed after the date of the filing of the application. However, it is there to regularise the position between MediChem, Mr Onslow and Mr Cornwall and so gives light onto their relationship, including the ownership of trade marks.

59) The case for MediChem and the claimed consent of Mr Cornwall for registering his name is based on more than this. Mr Ashworth and Mr Onslow clearly state that Mr Cornwall gave his consent to the registration of SCOTT CORNWALL in the name of MediChem; which Mr Cornwall denies. Mr Allsworth sent an e-mail on 2 January 2010 advising that an application for the trade mark SCOTT CORNWALL was being made. Mr Cornwall states that he did not notice this as it did not appear in view on his Blackberry. In the e-mail there was no indication as to the name of the applicant. However, Mr Allsworth did not state that it was in the name of Mr Cornwall. Why would Mr Cornwall think that MediChem would apply for a trade mark in his name? Mr Cornwall states that he objected to the registration of the trade mark in the name of MediChem in his e-mail of 17 February 2010. The e-mail is not addressed to Mr Allsworth, who is a director of MediChem. The part of the e-mail upon which Mr Cornwall relies states:

—I had a Google Alert 2 days ago stating MediChem have now trademarked ‘_Scdt Cornwall’ so I don’t even own my name anymore!”

This is not an objection, it is an observation and the exclamation mark appears to indicate amusement rather than anger. Mr Fernando submitted that the contents of the e-mail are inexplicable if Mr Cornwall had agreed to the registration of the trade mark by MediChem. Mr Cornwall has just made a passing comment in an e-mail that deals with other matters. It is not a challenge, it is a statement. There is no hint of indignation or surprise. So, contrary to Mr Fernando’s submission, it is not inexplicable that there was no response from Mr Onslow; it is completely understandable. There was no question in the e-mail, there was no challenge. Indeed, the absence of a response would indicate that Mr Onslow just considered it a passing statement. Mr Cornwall states that he repeatedly requested the assignment of the trade mark to himself. He has furnished no evidence to this effect. Mr Cornwall sent 36 e-mails to Mr Allsworth between 29 April 2010 (when a copy of the registration certificate was sent to Mr Cornwall) and 29 March 2011. He did not mention the transfer of the trade mark in any of them. Between April 2010 and March 2011 Mr Cornwall sent Mr Onslow 1,550 e-mails, in none of them did he complain about the registration of the trade mark in the name of MediChem. If Mr Cornwall was upset by the registration of the trade mark in the name of MediChem there should be some evidence of this. Mr Onslow states,

and it is not denied, that Mr Cornwall's preferred method of communication is e-mail; the 1,550 e-mails to Mr Onslow indicate that this is very much the case.

60) Mr Fernando submitted that there was no evidence that the registration certificate had been received by Mr Cornwall. It has been stated that it was sent. Mr Fernando referred to a claim by Mr Cornwall that Mr Onslow had hacked into his e-mails and was reading them and tampering with them. This claim was put in a letter to the Intellectual Property Office; it has not been put into evidence. SC could have sought the disclosure of the e-mails from Mr Allsworth and Mr Cornwall, if they were concerned about the contents. They did not so do.

61) On 29 December 2009 Mr Allsworth had sent Mr Cornwall and Mr Onslow a copy of the registration certificate for the trade mark COLOUR B4. Mr Cornwall responded:

—This is great news! It will really allow us to build Colour B4 as a global brand in home hair colour correction and reversal!”

Mr Cornwall states that he queried the registration of the trade mark in the name of MediChem but was told that it would be transferred to the new company that he claims he was told would be set up. This statement is hardly in keeping with the tenor of the e-mail. There is no query of the ownership of the trade mark.

61) In his statement of grounds Mr Cornwall states that MediChem was an agent for him. In his evidence this position has been abandoned and he puts forward the claim that a company was to be formed by the three parties. No evidence is adduced to this effect and it is flatly denied by Mr Onslow and Mr Allsworth. Mr Fernando submitted that MediChem, Mr Onslow and Mr Cornwall were a partnership. This was the first time this claim had been made. There is no documentation of the existence of a partnership and so it would be a partnership by parol. *Lindley & Banks on Partnership* (eighteenth edition) at 7-23 states:

—It has already been seen that partnerships can be, and frequently are, created by parol. It follows that the absence of direct documentary evidence of an agreement for partnership is not of itself fatal to the case of a claimant who seeks to establish a partnership between himself and the defendant. In addition to the claimant's oral testimony, the existence of such a partnership will have to be proved by reference to the parties' conduct and, in particular, to the way in which they have dealt with each other and with third parties. However, dealings of the latter type will only be of real evidential value if they were known to and, thus, conducted with any express or implied authority of the other alleged partner(s). Such knowledge may, *inter alia*, be proved by reference to books of account, letters, admissions and the oral evidence of employees, agents and other persons.”

There is nothing to support this late claim by Mr Fernando of an existence of a partnership.

62) The shifting position of Mr Cornwall leaves doubts as to his statements, doubts which are reinforced by the material that is exhibited or not exhibited.

63) Mr Onslow's statement at paragraph 5 states that Boots did not stock the COLOUR B4 product in store until February 2010. In an e-mail from Mr Allsworth (SCL8) of 2 January 2010 he states that the product is selling out in Boots again. Mr Lykiardopoulos explained the discrepancy as the earlier sales being Internet sales, the products not being in stores until February 2010. In an e-mail of 18 May 2009 (SCL7) Mr Onslow refers to —100 store trial order in August". It is difficult to read the statement of Mr Onslow in the manner suggested by Mr Lykiardopoulos, even more difficult taking into account the e-mail of 18 May 2009. This e-mail also refers to Mr Allsworth as the partner of Mr Onslow. There is no suggestion from Mr Allsworth and Mr Onslow in their statements that they are partners; indeed, the very opposite is the case. The e-mail is from onslow.com and Mr Onslow is described as managing director. There is also reference to —Onslow – in assoc. with Medichem Int." In an e-mail dated 15 February 2010 (SCL10) Mr Onslow is @medichem-int.co.uk, in an e-mail dated 27 July 2010 ((SCL18) Mr Onslow is described as the sales and marketing director of MediChem. The relationship between Mr Onslow, Mr Allsworth and Medi-Chem is opaque.

64) E-mails have been sent by Mr Cornwall in relation to patents and possible trade secrets (SCL11 and SCL12). On the surface this demonstrates a somewhat cavalier attitude to the intellectual property of others.

65) Mr Fernando referred to the matter at SCL18 which relates to the trade mark STR8FORWARD. E-mails between Mr Onslow and Mr Cornwall from 27 July 2010 relate to the compliance with the Cosmetic Directive. Mr Cornwall asks the following question:

—I am completing all the compliance forms for the new products and signing the necessary areas but they ask for my 'position', would I be a 'brand owner'? I am not quite sure what to put there?

Also, do I need to sign those forms I completed when we launched Colour B4? It was a one page document and it gave yourself, myself and Tom a third of the brand and percentage of royalties. I am not sure if we need to sign separate ones for each of the new products?"

Mr Onslow responded:

—So you can leave the position free it's pretty obvious who you are you're on the side of the box! If you want to put Shareholder you can too.

You raise a good question about the NPD and I will ask Tom when he calls from Spain.”

66) Mr Cornwall appears to be referring to the heads of agreement. Mr Cornwell views the heads of agreement as relating to COLOUR B4 and wonders if it applies to new product. Mr Cornwall does not know, however, if he is the brand owner of STR8FORWARD. The response by Mr Onslow is somewhat surprising. Of what is Mr Cornwall a shareholder? Mr Allsworth states that the compliance forms are internal MediChem documents and that they —donot have any relevance outside of MediChem’s business processes”. The forms state:

—We hereby confirm that the above product sample is approved for bulk manufacture by Medichem International (Manufacturing) Limited. We acknowledge that as brand owners it is our responsibility to ensure compliance with the Cosmetic Directive.”

The customer is identified as Mr Cornwall. Mr Cornwall is taking responsibility for aspects of compliance with the Directive; whether the documents are internal or not. This must be viewed as a serious undertaking to be made.

67) However, this is nothing in the heads of agreement that suggests that STR8FORWARD would be viewed as an associated trade mark. The only link is the presence of SCOTT CORNWALL on the box, presumably in name and image.

68) Consequently, not a great deal can be extrapolated from SCL18. What can be seen from the exhibit is that Mr Onslow, acting as sales and marketing director of MediChem, appears to have a somewhat laissez faire attitude to matters of ownership and responsibility for the Cosmetics Directive.

69) A later agreement was drawn up on the instruction of MediChem (SCL19). This agreement, which was not signed, was to be between MediChem and Mr Cornwall. It was sent to him in December 2010. The agreement allows for the payment of one third of the proceeds of sales of trade marks. The commission that Mr Cornwell is to get reduces progressively as sales increase. A schedule lists the registered trade marks COLOUR B4, SCOTT CORNWALL and BRINGING THE SALON HOME! The last trade mark appears on the packaging in the form —Scot Cornwall – Bringing the salon Home!”. The agreement was sent under cover of a letter dated 23 December 2010 in which Mr Allsworth writes:

—Further to our various discussions and communication, I have had our solicitors draft a more formal agreement with you covering all the NPD.”

As the agreement covers COLOUR B4, it does not just cover new products (NPD).

70) The agreement does not throw any light upon the issue of the ownership of the trade mark. SC refers to section 8 relating to intellectual property rights, however, this is simply a section that attempts to clarify those right; vesting them all in MediChem.

71) There is no evidence of Mr Cornwall objecting to the registration of the trade mark until the breakdown of his relationship with MediChem. On 28 April 2011 Mr Allsworth wrote to Mr Cornwall:

—Please accept this letter as formal notification of termination of your Technical Consultant Agreement with MediChem International (Mfg) Ltd in respect of Colour B4 and associated brands for material breach.”

Mr Allsworth then lists the claimed breaches. In the light of this letter, it is at the best disingenuous that in its counterstatement MediChem states that it has not received a formal termination of the agreement from either Mr Cornwall or SC.

72) The absence of objection to the registration of the trade mark might be put down to acquiescence rather than consent. Whilst in a business relationship with MediChem, Mr Cornwall might not have wished to create waves. However, Mr Cornwall states that he did make objections prior to the end of the relationship but does not support this with exhibits. Consequently, his version of events is in question. Equally, Mr Cornwall might have consented to the registration and raised objection when his agreement with MediChem had been terminated and he was no longer receiving any royalties. The latter scenario would be in line with the case of MediChem.

73) Mr Fernando considers that if MediChem’s position is correct, it is surprising that it has not objected to the sale of colorant products on Mr Cornwell’s website. However, there is no evidence that Mr Cornwell or SC have ever sold any colorant products. There is nothing to suggest that they have. The presence on a drop down menu from the website (JK1) of the word colorant is not indicative that colorants were available from the website. The claim in relation to goodwill in relation to products has already been dismissed above.

74) Mr Fernando submitted that Mr Cornwell’s use of his name for hair consultancy services and the like would infringe the trade mark of MediChem if no licence has been granted. The premise behind Mr Fernando’s submission appears to be that Mr Cornwall would not have given consent as such consent could lead to an infringement action against him for using his name in relation to hair styling services. As MediChem has not brought any action for trade mark infringement, Mr Fernando’s submission is pure speculation. It is also premised on the basis that Mr Cornwall would be aware of all the ramifications of a trade mark registration and of the issues relating to infringement; there is nothing to suggest that this is the case. This submission of Mr Fernando does not further the case of SC.

75) Mr Lykiardopoulos referred on several occasions to the breakdown of the relationship between Medichem and Mr Cornwall and seeing this as the basis for his application. There will often be a catalyst for an application for invalidation. That Mr Cornwall took action after the breakdown of the relationship is not of itself indicative that he was trying to recover a position from which he had put himself owing to his consenting to the registration of the trade mark, as Medichem claim. It could also be seen as indicating that having acquiesced with Medichem's actions when there was a working (and profitable) relationship, there was no longer any need to acquiesce.

76) Mr Cornwall states that he was involved with the packaging; he refers to SCL6 and SCL 13(a), (b) and (c). SCL6 relates to ideas he had for STRAIGHT FORWARD, which was to become STR8FORWARD with very different packaging. SCL13 is an e-mail from the designer, Mr Guy Roberts, employed by MediChem. This e-mail was sent to Mr Onslow; Mr Cornwall was a copy recipient. The e-mail from Boots was sent on a similar basis. SCL13(c) is an e-mail from Mr Roberts sending a copy of the final packaging to a number of recipients, including Mr Cornwall. Attached to the e-mail is a galley proof of packaging for COLOUR B4, which does not appear actually to be the final packaging. Copies of the final packaging can be seen at SC6a.

77) In *Williams and Williams v Canaries Seaschool SLU* [2010] RPC 32, Mr Geoffrey Hobbs QC, sitting as the appointed person considered the position where there was conflicting evidence and no cross-examination of the witnesses:

—32The opponents' objections under ss.5(4)(a) and 3(6) are premised upon the allegation that the applicant is engaged in a process of misappropriating the goodwill of their CLUB SAIL SEA SCHOOL business. The applicant's defence to both objections is premised upon its claim to have become independently entitled to the goodwill of that business as a result of Andrew Williams having resurrected the business of Club Sail Ltd (Company No. 2217578) for his own benefit with the full agreement of the opponents. The conflict between the written evidence of the parties leads unavoidably to the conclusion that it is not possible for both sides to be giving a truthful account of events.

33 The applicant maintains, correctly, that the opponents' objections to registration must be considered with due regard for: (1) the seriousness of the allegation of misappropriation; (2) the rebuttable presumption of innocence of wrongdoing; (3) the fact that none of the witnesses were cross-examined on their witness statements.

34 These considerations relate to the well-understood requirement for allegations of wrongdoing to be substantiated by evidence sufficient to satisfy the applicable standard of proof. As to that, it must be remembered that the purpose of Registry proceedings is not to punish or deter, but to

deal with issues arising in relation to the registration of trade marks. Such proceedings are civil proceedings. And in civil proceedings the standard of proof with regard to things which are alleged to have been said and done is proof on the balance of probabilities. The balance of probability standard means that a court is satisfied an event occurred if the court considers that, on the evidence, the occurrence of the event was more likely than not': *In re H (Minors) (Sexual Abuse: Standard of Proof)* [1996] AC 563 (HL) at p. 586 per Lord Nicholls of Birkenhead.

35 The standard of proof in civil proceedings does not vary according to the seriousness of the allegations that may have been made. The practical operation of that principle was considered in two decisions of the House of Lords from which the following observations are drawn:

(1) "...the inherent probability or improbability of an event is itself a matter to be taken into account when weighing the probabilities and deciding whether, on balance, the event occurred.": *In re H (Minors)* (above) at p.586 per Lord Nicholls of Birkenhead.

(2) "I think the time has come to say, once and for all, that there is only one civil standard of proof and that is proof that the fact in issue more probably occurred than not ... There is only one rule of law, namely that the occurrence of the fact in issue must be proved to have been more probable than not. Common sense, not law, requires that in deciding this question, regard should be had, to whatever extent appropriate, to inherent probabilities ... It would be absurd to suggest that the tribunal must in all cases assume that serious conduct is unlikely to have occurred. In many cases, the other evidence will show that it was all too likely ...": *In re B (Children) (Care Proceedings: Standard of Proof)* [2008] UKHL 35; [2009] 1 AC 11 (HL) at paras.[13] and [15] per Lord Hoffmann.

(3) "Neither the seriousness of the allegation nor the seriousness of the consequences should make any difference to the standard of proof to be applied in determining the facts. The inherent probabilities are simply something to be taken into account, where relevant, in deciding where the truth lies. ... As to the seriousness of the allegation, there is no logical or necessary connection between seriousness and probability. Some seriously harmful behaviour, such as murder, is sufficiently rare to be inherently improbable in most circumstances. Even then there are circumstances, such as a body with its throat cut and no weapon to hand, where it is not at all improbable. Other seriously harmful behaviour, such as alcohol or drug abuse, is regrettably all too common and not at all improbable. Nor are serious allegations made in a vacuum. Consider the famous example of the animal

seen in Regent's Park. If it is seen outside the zoo on a stretch of greensward regularly used for walking dogs, then of course it is more likely to be a dog than a lion. If it is seen in the zoo next to the lions' enclosure when the door is open, then it may well be more likely to be a lion than a dog': In *re B (Children) (Care Proceedings: Standard of Proof)* (above) at paras.[70] and [72] per Baroness Hale of Richmond.

These principles were recently re-affirmed by the Supreme Court in *Re S-B (Children) (non-accidental injury)* [2009] UKSC 17 at paras.[8] to [14] per Lady Hale SCJ. They are the basis on which I must assess the evidence when dealing with the applicant's appeal under ss.5(4)(a) and s.3(6) .

36 In this case (as in too many other proceedings in the Registry where the conflict between the written evidence of the parties leads unavoidably to the conclusion that they cannot both be giving a truthful account of events) there was, as I have said, no cross-examination of any of the witnesses on their witness statements. Cross-examination might well have provided the hearing officer with the benefit of a better understanding of the reliability of the witness statements. So might a focused order for disclosure of financial records (see para.31 above). Although the parties must be taken to have accepted the consequences of proceeding without cross-examination or disclosure, it remains to be specified what those consequences are for the purposes of the present appeal.

37 Firstly, the contested objections to registration cannot be rejected automatically upon the basis that the witness who sought to refute them was not cross-examined upon his witness statement. It would be unjudicial to adopt such a mechanical approach to the evidence on file. It would also be incongruous to do so in circumstances where the absence of cross-examination is an established or even inescapable feature of proceedings for the determination of objections to registration under the Trade Marks Directive and the Community Trade mark Regulation elsewhere in the European Union.

38 Secondly, it is not obligatory to regard the written evidence of any particular witness as sufficient, in the absence of cross-examination, to establish the fact or matter (s)he was seeking to establish. That is brought out by the following observations of Mann J. in *Matsushita Electric Industrial Co. v Comptroller-General of Patents* [2008] EWHC 2071, [2008] R.P.C. 35 (Pat).

24. As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the

nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

39 Thirdly, when assessing the evidence in the witness statements it is appropriate to do so from the perspective identified by Lord Bingham of Cornhill in *Fairchild v Glenhaven Funeral Services Ltd* [2002] UKHL 22; [2003] 1 AC 32 (HL) at para.[13]:

—...And I think it is salutary to bear in mind Lord Mansfield's aphorism in *Blatch v Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v Farrell* :

It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted”

40 Fourthly, by proceeding as they did the parties effectively required the decision taker to consider the plausibility of the positions they had adopted in the context of the evidence as a whole and thus accepted that the evidence of one witness might be found to have been disproved or displaced by the evidence of another, even though neither of the witnesses concerned were cross-examined on their witness statements. As happened in *DAAWAT Trade Mark* [2003] R.P.C. 11 (see paras.30 to 32 and 60 to 69).

41 Fifthly, the veracity of the evidence in the witness statements could not be taken to have been challenged on the basis of any contention which the witness had not had a fair opportunity to consider and address as best (s)he could: *Pan World Brands Ltd v Tripp Ltd (EXTREME Trade Mark)* [2008] R.P.C. 2 at paras.[33] to [37] (Appointed Person , Mr. Richard Arnold Q.C.).

78) In relation to claims in the statement of grounds made by SC the following findings are made:

- Prior to the sale of products by MediChem, Mr Cornwall was not a well-known hair-dresser. He was certainly not known to the public at large or the hair dressing trade at large. Any greater recognition that he achieved was because of his name and image on the COLOUR B4 product. This product was only on sale at Boots. Prior to the date of the filing of the application it had only been sold for three months. It was a single product. The sales of this product in this period of time would not have made Mr Cornwall a well-known hairdresser.
- Neither SC nor Mr Cornwall have produced any hair products or had any hair products produced for them bearing SCOTT CORNWALL.
- MediChem was not a licensee and distributor for Mr Cornwall.
- Mr Cornwall did not challenge the registration of the trade mark in the name of MediChem in February 2010. Neither did Mr Cornwall continue to challenge the registration of the trade mark until March 2011. It is not only that, despite being a prolific user of e-mail, he has produced no documentary evidence in relation to this claim; he has also produced no evidence from others to whom he might have complained and commented eg friends, family or clients. It was in the power SC to have produced evidence in the form of e-mails. It was in its power to challenge Mr Onslow and Mr Ashworth on their claims not to have received any complaints by seeking disclosure of the emails between them and Mr Cornwall. Mr Cornwall accuses Mr Onslow, in a letter to the Intellectual Property Office, of hacking his e-mail account. He has not put this claim in evidential form. There is no evidence that Mr Onslow has done this. It is a convenient claim, as is the claim that he did not notice Mr Allsworth telling him in an e-mail that he had applied for the registration of the trade mark.
- MediChem has used the trade mark and did use the trade mark after the date of application for registration. The claim that it had not used or had no intention to use the trade mark is completely without merit.

79) Outwith the statement of grounds SC has made various other claims.

80) It has claimed that MediChem told him that the trade mark would be transferred into a new company with MediChem, Mr Onslow and Mr Cornwall as the owners. (This claim sits ill with the claim that MediChem was an agent and acting upon the instruction of Mr Cornwall; effectively doing his bidding.) This claim is rejected. It is also claimed that there was a partnership by parol between these parties, effectively an alternative version of the claim that a company was to be formed. There is not the slightest shred of evidence that the relationship between the three parties would be seen as or did form a partnership by parol. This claim is rejected.

81) SC claims that Mr Cornwall created the product. Mr Cornwall suggested that a product similar to the Color Oops product should be produced. He made some suggestions to the chemist employed by MediChem, such as referring him to various patents. Mr Cornwall clearly has knowledge of hair products; a knowledge that would have arisen from his period as a sales person and demonstrator of the products of others. He, working from the home of his parent, neither has the facilities nor the knowledge to create a hair product that is to be sold to the public.

82) SC claims that Mr Cornwall was involved in the design of the packaging for the COLOUR B4 product. The packaging was designed by Mr Roberts on the instruction and payment of MediChem.

83) Mr Cornwall, through his connection with Mr Onslow, suggested that MediChem should produce a product that removes dye from hair, following DeveloPlus withdrawing from its relationship with him. He gave advice as to the product, and other products. He made suggestions to Mr Green. It was Mr Green who devised the product, at the charge of MediChem. It was MediChem that produced the product, packaged the product, marketed the product, distributed the product and paid for all the costs of the product.

84) The fundamental defence of MediChem is that the application was filed with the knowledge and consent of Mr Cornwall. Mr Fernando submitted, effectively, that consent would not have been given as it would have been unfair to Mr Cornwall and it would have been foolish for him to give consent. Part of his argument was predicated on the basis that Mr Cornwall was well-known, he was not. Mr Cornwall was not in a position to create products or to instruct others to create products in his name. In giving consent for the registration of the product he was not cutting off a line of trade in which he was already involved; hair care products, despite the submissions of Mr Fernando.

85) Part of Mr Onslow's evidence, in relation to the COLOUR B4 product, is at best disingenuous. On the other side SC has made a number of claims that have not been substantiated or have been rejected. Its position has shifted in relation to the relationship between Mr Cornwall and MediChem.

86) The issue of whether Mr Cornwall gave consent to the registration of the trade mark does not hinge upon the disputed import of the heads of agreement. The other evidence, both what is present and what is absent, leads to the finding that Mr Cornwall gave consent to MediChem to register the trade mark in its own name. (It is not unheard of for the name of an individual to be properly registered as a trade mark by a third party, if in other circumstances eg *Emanuel v Continental Shelf 128 Ltd* Case C-259/04 and *Asprey & Garrard Ltd v WRA (Guns) Ltd (t/a William R Asprey Esquire)* [2002] FSR 31.)

87) In *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) Arnold J considered the general principles relating to filing an application in bad faith:

—10. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but 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": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there

are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P

and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

88) At the time of the filing of the application, with the knowledge of Mr Cornwall, MediChem had heavily invested in the product. Mr Cornwall was unknown to the customers who would purchase the product. His presence and name and identification on the packaging might give credibility to the product, as he was identified as a hair consultant. That promotional puff, however, would have been based on his identification as a hair consultant; for the general public it could have been anyone. Mr Cornwall could have been an invented person. In registering the trade mark, MediChem was protecting its position having made an investment, prudent commercial behaviour. Mr Cornwall had given consent to the registration of the trade mark in the name of MediChem. The behaviour of MediChem was neither dishonest nor did it fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. **The grounds of invalidation under section 3(6) of the Act are dismissed.**

89) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the General Court (GC) 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 which the GC stated:

—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.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act; so SC must establish a protectable goodwill as of the date of application for registration, 4 January 2010, if it does not establish this its case will fall at the first hurdle.

90) Goodwill was described by Lord Macnaghten in *IRC v Muller & Co's Margarine Ltd* [1901] AC 217 in the following terms:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates. Goodwill is composed of a variety of elements. It differs in its composition in different trades and in different businesses in the same trade. One element may preponderate here and another element there. To analyse goodwill and split it up into its component parts, to pare it down as the Commissioners desire to do until nothing is left but a dry residuum ingrained in the actual place where the business is carried on while everything else is in the air, seem to me to be as useful for practical purposes as it would be to resolve the human body into the various substances of which it is said to be composed. The goodwill of a business is one whole, and in a case like this it must be dealt with as such. For my part, I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business, and the goodwill perishes with it, though elements remain which may perhaps be gathered up and be revived again."

91) Mr Lykiardopoulos submitted that the claim under section 5(4)(a) of the Act must fail as SC has not established that it had goodwill in relation to the sign SCOTT CORNWALL and so did not have the requisite locus standi as per The Trade Marks (Relative Grounds) Order 2007. He noted that the applicant was neither SC Hair Consultancy Ltd nor Mr Cornwall. Mr Lykiardopoulos referred to SC being formed after the date of application and that there was no evidence that either SC Hair Consultancy Ltd or Mr Cornwall had assigned their businesses with their associated goodwill to SC.

92) There are examples of use where SC Hair Consultancy Ltd is used in relation to the hair consultancy business of Mr Cornwall, invoices have been issued by this undertaking. However, there are also examples where there is no reference to this company. SC1a – h (hair consultancy reports), inter alia make no reference to this undertaking. The heading of the reports is Scott Cornwall Hair Consultancy. Other material, including from the website (SC2), makes no reference to the undertaking. The witness statements from the customers of Mr Cornwall clearly identify the services provided by him with him as individual. Mr Lykiardopoulos submitted that Mr Cornwall could not benefit from the advantages of a limited company and at the same time claim goodwill for himself; that is a matter that depends upon the facts. Mr Lykiardopoulos commented on the absence of any evidence of assignment of goodwill to SC. Equally, there is no evidence to show that Mr Cornwall assigned any goodwill that he acquired

through his activities as a sole trader to SC Hair Consultancy Ltd. Company law does not stop the fact that Mr Cornwall may have goodwill as a sole trader and that SC Hair Consultancy Ltd also has goodwill. The sole attractive force of Mr Cornwall's business was himself, as sole trader. Scott Cornwall Hair Consultancy is not a legal entity; it is a trading style of Mr Cornwall. At the date of the filing of the application Mr Cornwall had been working as a sole trader in relation to various hair related services, primarily that of a consultant. He was the attractive force and the sign that was associated with the business was SCOTT CORNWALL.

93) Mr Cornwall's business was on a small scale. The law of passing-off does not protect trivial goodwill but it does protect small goodwill¹. Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19:

—27 There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See Smith Hayden (OVAX) (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

However, the judgments in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) show that the question of goodwill cannot be established by the application of a formula. In the latter judgment Floyd J stated:

—8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least

prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

94) In this case SC has provided evidence from the trade and the public. Ideally SC would have fleshed out its evidence with details of turnover. However, it is clear that prior to the launch of COLOUR B4, Mr Cornwall had goodwill as a sole trader in relation to hair consultancy and related services. With the launch of the product, three months prior to the filing of the application, the knowledge of Mr Cornwall would have increased amongst the public at large owing to his presence with his domain name address upon the packaging of the product; there is, however, no indication as to how this was translated into actual business. Mr Cornwall states that:

—The Applicant, established by Mr. Scott Cornwall, has Mr Scott Cornwall's implicit authority to commercially use, exploit and defend all intellectual property rights ("IPs") originating from him including any and all associated goodwill and unregistered rights therein, and is therefore entitled to bring all proceedings in respect of Mr. Scott Cornwall's name and the brands and products for which he is the IPR holder. Use herein of references to Mr. Cornwall and the Applicant should be interpreted as being one and the same.

95) Mr Cornwall cannot decide if SC has the requisite locus standi to bring proceedings on his behalf; that is for decision maker to decide. **As Mr Cornwall states that he and SC are to be treated as one and the same, that is the position that is accepted. SC is a privy of Mr Cornwall. If this were not accepted Mr Cornwall would be allowed to join the proceedings; it would be captious not to allow this.**

96) Section 5(5) of the Act states:

—5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration."

Section 47(2) of the Act states:

—2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

Mr Cornwall has stated he is one and the same as SC. **Mr Cornwall gave consent to the registration of the trade mark, consequently, his claim under section 5(4)(a) of the Act must be dismissed as per sections 5(4) and 47(2) of the Act.**

Rectification

97) In its statement of grounds, and in the submissions of Mr Fernando, SC requested, in the alternative, that the registration should be transferred into its name under section 60(3)(b) of the Act. The relevant part of the Act states:

—60 - (1) The following provisions apply where an application for registration of a trade mark is made by a person who is an agent or representative of a person who is the proprietor of the mark in a Convention country.

(2) If the proprietor opposes the application, registration shall be refused.

(3) If the application (not being so opposed) is granted, the proprietor may-

(a) apply for a declaration of the invalidity of the registration, or (b) apply for the rectification of the register so as to substitute his name as the proprietor of the registered trade mark.”

Section 55(1)(b) of the Act states:

—~~b~~) a —~~o~~nvention country” means a country, other than the United Kingdom, which is a party to that Convention or to that Agreement.”

It has been decided that MediChem is not an agent of SC. There is no evidence that SC is the owner of the trade mark in a convention country. **Consequently, the claim in the alternative is dismissed.**

Costs

98) MediChem having been successful is entitled to a contribution towards its costs. Costs are awarded upon the following basis:

Preparing a statement and considering the statement of SC:	£300
Preparing evidence and considering evidence of SC:	£1,000
Preparation for and attendance at a hearing:	£1,000
Total	£2,300

Scott Cornwall Limited is ordered to pay MediChem International (Manufacturing) Limited the sum of £2,300. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of November 2012

David Landau
For the Registrar
the Comptroller-General

ⁱ *Hart v Relentless Records* [2002] EWHC 1984, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49.