

O-196-14

IN THE MATTER OF THE TRADE MARKS ACT 1994

-and-

IN THE MATTER OF TRADE MARK REGISTRATION NO. 2546233 in the name

of NORTY LIMITED

for the mark

'JUST COOL BY AWDIS' in classes 25 and 26

-and-

IN THE MATTER OF APPLICATION FOR INVALIDITY NO. 84242

BY ROY DALEY-SMOOTHIE

APPEAL TO THE APPOINTED PERSON FROM THE DECISION OF MR OLIVER

MORRIS, HEARING OFFICER, ACTING ON BEHALF OF THE REGISTRAR OF

TRADE MARKS DATED 26 MARCH 2013

DECISION

Introduction

1. This is an appeal by the applicant for invalidity, Mr Roy Daley-Smoothie, from a decision of the Hearing Officer, Mr Oliver Morris, in an application brought by him for a declaration of invalidity in relation to the trade mark 'JUST COOL BY AWDIS' owned by Norty Limited.
2. The trade mark is registered in two classes: class 25 (for clothing, footwear, headgear, leisurewear, sportswear, towelling robes and bathrobes) and class 26 (for retailing of a variety of items including the ones registered in class 25).
3. Norty Limited trades under the name 'Awdis'. It specialises in the production and wholesaling of plain clothing intended for branding

with corporate names and logos. It was represented before me by Mr Geoffrey Pritchard (Mr Malynicz appeared for them below).

4. Mr Roy Daley-Smoothie works in the field of personal development and motivation. He represented himself both before Mr Morris and before me. I should say that I found his submissions, both in writing and given orally, admirably clear and to the point.
5. The issues in this case can be stated in fairly simple terms.
6. The application for the Trade Mark was filed on 30 April 2010. Mr Daley-Smoothie claims that by date he had established a brand and goodwill in the clothing sector under the name 'JUST COOL'. He says that the fact that Norty Limited applied for 'JUST COOL BY AWDIS' as a trade mark in the same field is beyond coincidence – they must have found out about his brand and decided to take the name for themselves. He therefore contends that the application was made in bad faith and should be revoked under s3(6) of the Trade Marks Act 1994. He also contends that his JUST COOL brand had acquired an actionable goodwill by 30 April 2010 and the use of 'JUST COOL BY AWDIS' in relation to any of the goods or services for which it was registered would have amounted to passing off. He therefore contends that the mark should be revoked under s47(1) of the Act because it was prohibited from registration under s5(4)(a).
7. So far as the allegation of bad faith is concerned, Norty Limited denies that it had any knowledge of any Mr Daley-Smoothie's JUST COOL brand at the relevant date. It says that as of early 2010 it had two existing brands: JUST HOODS (for hoodies) and JUST POLOS (for polo shirts). It had decided to bring out a new range of synthetic tops designed to keep the wearer cool by 'wicking' sweat from the body. A number of employees engaged in a brainstorming session to come up

with a name for this range, the result of which was JUST COOL BY AWDIS.

8. So far as the s5(4)(a) opposition is concerned, Norty Limited denies that Mr Daley-Smoothe had any actionable goodwill as of 30 April 2010 in relation to clothing, or that there is any likelihood of confusion.
9. The Hearing Officer dismissed the Opposition under both heads. I shall deal with the bad faith allegation first.

Bad faith

10. The Hearing Officer set out the law on bad faith as it was summarized by Arnold J in Red Bull v Sub [2012] EWHC 1929 and [2012] EWHC 2046 in ¶¶130-138 of that Judgment. There is no need to deal with the law in this Judgment because there was no challenge to the Hearing Officer's adoption of Arnold J's formulation, but in truth the details of the law are of no real concern in this case. The case turned on whether Norty Limited had any knowledge of Mr Daley-Smoothe's use of 'JUST COOL' at the date of the application. If Norty Limited was (as it says, and as the Hearing Officer found) entirely unaware of it, then it cannot possibly have been an act of bad faith on its part to apply for 'JUST COOL BY AWDIS'.
11. Mr Daley-Smoothe did not challenge this self-evident proposition. His case was that the Hearing Officer was simply wrong to find as a fact that Norty Limited was unaware of his use of JUST COOL at the application date.
12. It is of course very well established that an appeal tribunal will require a great deal of persuasion before reversing a decision of an experienced tribunal on a pure question of fact, particularly where the

fact-finding tribunal has had the benefit of hearing the evidence tested in cross-examination. In the present case, the Hearing Officer heard oral evidence from Mr Jumani, the general manager of Norty Limited. Mr Jumani consistently maintained that his company had never come across Mr Daley-Smoother or his trade mark before it was adopted and applied for. The Hearing Officer said this of his evidence:

'Mr Jumani was an excellent witness. He gave direct and clear answers to the lines of questioning put to him, which were often quick-fire in nature. He did not obfuscate. I did not sense in any way shape or form that he was trying to mislead the tribunal.'

13. Mr Daley-Smoother invited me to find that the Hearing Officer was wrong in his assessment of Mr Jumani and wrong to find that Norty Limited was not aware of his mark. I summarise below the main planks of his argument, and give my conclusions on each one in turn.
14. First Mr Daley-Smoother contends that Mr Jumani was in fact an unreliable witness, on the basis of certain implausibilities in his evidence. His main point here was that Mr Jumani stated under cross-examination that he could not remember exactly which of himself or his staff had first suggested the mark JUST COOL BY AWDIS at the brainstorming meeting I have referred to above. The Hearing Officer dealt with this in ¶13 of his Decision where he said this:

'Whilst I agree that it is surprising that Mr Jumani could not even say whether he coined the mark, there is nothing implausible in not knowing which member of staff came up with the initial idea.'

Referring to the same point (about not being able to remember whether he came up with the idea himself), in ¶6, the Hearing Officer concluded that *'this did not undermine my opinion of him as a witness'*.

15. I personally do not find it very surprising that someone cannot remember which particular person first suggested a name during a brain-storming session, including whether it was himself personally. It is in the very nature of such meetings that multiple ideas are thrown around, with people interrupting and amending the suggestions of others. Under oath, one would expect a good witness to be cautious before committing himself to who exactly was responsible for any given idea.
16. I can therefore see no reason on the basis of this evidence for not accepting the conclusion of the Hearing Officer about the credibility of Mr Jumani.
17. Secondly, Mr Daley-Smoothie contends that it is completely implausible that Norty Limited would not have discovered in the course of internet and/or trade mark searches which it carried out in 2010 in relation to JUST COOL BY AWDIS either (i) Mr Daley-Smoothie's business presence, visible on the internet; (ii) Mr Daley-Smoothie's domain names www.just-cool.org and www.just-cool.com; (iii) Mr Daley's Smoothie's application for a trade mark in the United States. Both his domain names and his US trade mark were filed long before mid-2010.
18. So far as (i) is concerned, the evidence before the Hearing Officer was that Mr Jumani had done some kind of informal internet search to check that the name was not in use (involving typing the name into Google). Mr Daley-Smoothie contended that this would inevitably have thrown up some reference to his business activities at the time. The Hearing Officer rejected this suggestion, saying:

'As I will come onto, the nature of Mr Daley-Smoothie's business at the relevant date must have been small at best. The nature of the evidence is not indicative that Mr Jumani was bound to have seen hits for Mr Daley-

Smoothe's business. There is nothing implausible in Mr Jumani's explanation.'

As I will discuss below, I have reviewed the evidence of the extent of Mr Jumani's business at the relevant date. I agree with the Hearing Officer that there is nothing to suggest that it was of such size or prominence that it was bound to have appeared on a Google search for JUST COOL, at least sufficiently prominently that Mr Jumani would have been bound to see it.

19. As for (ii), there is no doubt that these domain names existed and were registered in the name of Mr Daley-Smoothe. It further emerged in cross-examination of Mr Jumani that he had asked a Ms Kane to register the domain name www.justcoolbyawdis.co.uk on 26 March 2010. However, there was no evidence that she was asked to perform domain name searches, nor is it at all clear that these would have thrown up Mr Daley-Smoothe's domains even if she had, nor that she should have told Mr Jumani if she had found them. I do not therefore consider that this impacts on the plausibility of Norty Limited's case.

20. As for (iii), the evidence was that Mr Jumani had instructed Mathys & Squire to perform a trade mark search prior to making the application in the UK on 30 April 2010. Since Mr Daley-Smoothe had no application in the UK at this time for JUST COOL, there is no reason that this would have revealed anything relevant to this case. Mr Daley-Smoothe had made an application for a registered trade mark in the United States, but Norty Limited did not file a US application until 2011, and the evidence was to the effect that Mr Jumani left that entirely to his US trade mark attorneys. There is no reason to suppose that any US searches were done prior to the relevant date of 30 April 2010. Once again, I cannot see anything in this point which casts doubt on the credibility of Norty Limited's case or the decision of the Hearing Officer.

21. Thirdly, Mr Daley-Smoother submits that it is utterly unbelievable that Norty Limited could have come up with its strapline LOOK COOL, FEEL COOL, STAY COOL without knowledge of his strapline LOOK COOL, FEEL COOL, BE COOL. The Hearing Officer considered this point in ¶12 of his Decision and concluded that the phrase was

'pretty unremarkable, particularly when it is clear from Norty's evidence that the garments it produces under its mark are designed to wick sweat away from the body'.

I agree that the strapline is fairly unremarkable, and of course it is not the same as Mr Daley-Smoother's strapline. I do not think that this is a 'smoking gun' undermining Norty Limited's case.

22. Finally, Mr Daley-Smoother suggested that I apply what he called (apparently borrowing a phrase used orally by Mr Geoffrey Hobbs QC, when sitting as an Appointed Person) the 'come off it' test. He said when the evidence was taken together, the reaction of a reasonable tribunal to the evidence of Mr Jumani would have been to say 'come off it, you cannot expect me to believe your story'. The Hearing Officer considered this argument at ¶17 of his Judgment. He rejected it in the following terms:

'I found Mr Jumani to be an excellent witness. His written evidence stacks up well with the answers he gave during cross-examination. He has put forward a very reasonable explanation for the coining of the mark. He has stated and maintained under cross-examination, that he knew nothing of Mr Daley-Smoother's business at the relevant date. There is nothing implausible in his evidence. His evidence is to be believed. I come to the clear view that Mr Jumani, the controlling mind of Norty, knew nothing of Mr Daley-Smoother's business at the relevant

date. Given this, no question of bad faith arises as Norty had no relevant knowledge’.

23. Having reviewed the evidence myself and carefully considered the points made by Mr Daley-Smoothe, I have come to the conclusion that the decision of the Hearing Officer on the question of good faith must stand. First, he was in a better position than me (having observed the cross-examination of Mr Jumani) to assess the credibility of Norty Limited’s case that it was not aware of Mr Daley-Smoothe’s mark at the relevant date. Second, he clearly considered all the evidence very carefully in coming to his decision which was extremely thorough and clearly and carefully expressed. Third, I cannot see any material error of principle or mistake of fact which could be used to vitiate his conclusion. Fourth, I believe that, confronted with the same evidence (whether applying the ‘come off it’ test or not) I would have come to the same conclusion.

Section 5(4)(a)

24. I now turn to the issue of s5(4)(a). The first issue was whether Mr Daley-Smoothe had demonstrated the existence of an actionable goodwill in the United Kingdom as of 30 April 2010. Hearing Officer was confronted with various statements in Mr Daley-Smoothe’s evidence about his activities under the brand JUST COOL ‘*since Q1 2009*’. Unfortunately, there was very little evidence dating many of the activities referred to. Insofar as activities were dated as having taken place before 30 April 2010, there was very little documentary evidence to back them up.
25. In the end, the Hearing Officer, having gone through the evidence carefully, was able to identify the following as the only instances of use of the JUST COOL mark before 30 April 2010 for which there was reliable evidence. I quote from ¶34 of his Decision:

'(i) The launch event in Westfield Shopping Centre which is stated to have launched the first concessions;

(ii) That some publicity followed the above in the Voice magazine and the Keep the Faith magazine. The former is dated before the relevant date. The latter carried no date, but as the article refers to the 'recent launch'. I am prepared to accept that this was also published before the relevant date.

(iii) A charitable partnership with World Vision – a press release in Exhibit RS2 dated 5 April 2010 is provided in support.

(iv) That some form of regional tour took place – this is stated by Mr Daley-Smoother and the JUST COOL website indicates that this took place in March 2009.

(v) That a website may have been in operation (I accept this on the basis of Mr Daley-Smoother's cross-examination) but it is not the one depicted in the evidence as it was explained that the documented website was a later version.'

26. The Hearing Officer then looked in some detail at what the evidence about these instances of use actually established. In most cases it was not very much. To summarise his findings:

(i) There was little evidence about the Westfield 'launch', save that it was in July 2009 and the boxer Nigel Benn was there. Apparently a 'concession' was opened in Charlie Brown's retail store, but there was no evidence of any sales from that concession or how long it was there for. The later evidence from the magazines suggested that it was not really a 'launch'

of the brand at all, since they refer to the brand being launched 'next year' (that is to say 2010).

- (ii) There was no evidence of the circulation of the magazines or the impact of the articles, but (as mentioned above), the articles suggested that the brand had not in fact been launched.
- (iii) The charitable 'partnership' was only just before the relevant date and there was no evidence as to its 'public facing impact'.
- (iv) As for the 'tour', there was no evidence of the locations visited, the signage used, whether any clothes were present bearing the brand, the number of attendees or the nature of the events.
- (v) There was no evidence as to the website in terms of what it looked like, the number of 'hits' or anything else, even though it would have been reasonably easy to provide this information.

27. Having analysed the evidence in this way, the Hearing Officer concluded as follows at ¶39:

'I cannot infer from the evidence that Mr Daley-Smoother's business has made sales sufficient to establish the existence of goodwill. Such inference is a leap too far when the totality of the evidence is considered. Bearing in mind my criticisms of the evidence, I am not satisfied that the other promotional activities demonstrate goodwill of more than a trivial level.'

28. It is not suggested that the Hearing Officer made any error of law in coming to his conclusion. He had in ¶26 reminded himself (i) that 'trivial' goodwill is not enough (citing Hart v Relentless Records [2002] EWHC 1984) but (ii) that being a small player does not necessarily prevent someone from relying on the law of passing off

(citing Stannard v Reay [1967] FSR 140, Teleworks v Telework Group [2002] RPC 27 and Stacey v 2020 Communications [1991] FSR 49). I consider that his summary of the law in these two propositions was entirely correct.

29. Mr Daley-Smoothe had a number of complaints about the approach of the Hearing Officer to the question of goodwill. I will attempt to summarise them below and give the basis for my conclusions.
30. First he said that the Hearing Officer had placed too much emphasis on the need to show sales. He said that in the fashion industry the most important thing was for your name to become known – to create a ‘buzz’ – and this is what he had been doing in 2009 and early 2010.
31. So far as passing off is concerned, goodwill must be associated with a ‘business’ or something akin to a business. The important thing about sales figures is that they provide concrete evidence both of the existence of a real business and of the scale of that business. I accept that it may be possible to generate goodwill in a business even before sales are actually made, but it is likely to be transient and weak (even in the fashion industry). Goodwill is the ‘attractive force that brings in custom’. If there is no custom because there is nothing to buy, it will soon wither and die.
32. I therefore consider that the Hearing Officer was right to consider the lack of evidence of any sales as a very important factor in the decision as to whether there was more than trivial goodwill in this case. It should be noted that he did not exclude the non-sales evidence – see ¶39 of his Decision quoted above.
33. Second, Mr Daley-Smoothe argued that the Hearing Officer should have been more prepared to draw inferences as to the strength of his goodwill from the quality of the people and institutions which on the

evidence were associated with his brand. In particular he relied on the association with Nigel Benn who was of course a very well-known boxer and maintains some celebrity today, and the fact that both the promotional event involving Mr Benn and the 'concession' were in Westfield, a very prominent shopping centre. I agree that one would expect an association with Nigel Benn to attract some interest, and that the footfall in Westfield can be expected to be greater than in a smaller shopping centre. However, I am not sure where this takes matters. The evidence about the Nigel Benn event was vague. Even if a few hundred people had been attracted to see the event, it is entirely unclear how this could have created an actionable goodwill in the JUST COOL brand, let alone how that goodwill would still exist in April 2010, a year later, without any sales having occurred in the meantime. Similarly with the concession – without evidence of how long it was open, what it looked like, and whether sales were actually made, its mere existence is meaningless.

34. He made a similar point about the association with the World Vision charity, arguing that such a prominent and respectable organisation would not have agreed to be associated with his brand unless it was known to the public. Thus, he said, the fact that the association was only a few days before the relevant date was irrelevant. It was evidence of goodwill established beforehand. Whilst it is possible that the agreement of the charity to enter into an association with Mr Daley-Smoothie might have been supporting evidence that the brand had some goodwill at the time, I do not see how that conclusion can be drawn without evidence from the charity as to its motives or other objective evidence from which its motives could be discerned.
35. I should also add that at various stages in his oral argument Mr Daley-Smoothie expanded on the actual evidence which had been given on the issue of goodwill, in particular about the Nigel Benn event, the magazines in which the articles referring to Just Cool had appeared

and his website. As I made clear at the hearing, although this is perfectly understandable from a litigant in person, I cannot of course take any of those matters into account in my Decision.

36. Having reviewed the evidence and carefully considered Mr Daley-Smoother's points, I have concluded that the Hearing Officer's decision on the question of goodwill should stand. His approach to the evidence was extremely thorough and properly structured. Confronted with a mass of disorganised material, he identified the events which were shown on the evidence to have taken place before the relevant date, considered the impact of the evidence about those events, and drew his conclusion accordingly. I cannot identify any error of principle in his approach and I believe that I would have come to the same conclusion given the evidence which was before him.
37. In the circumstances it is not necessary to consider the appeal against the Hearing Officer's further finding that there was no likelihood of confusion even if there was sufficient goodwill to support a passing off action.

Conclusion

38. For the reasons I have given above, I uphold the decision of the Hearing Officer dismissing Mr Daley-Smoother's application. I shall award costs to Norty Limited of this appeal in the amount of £750.

IAIN PURVIS QC

THE APPOINTED PERSON

3 MARCH 2014