

O-211-16

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 3014746
IN THE NAME OF JEREMY HOYE
IN RESPECT OF THE TRADE MARK**

Jeremy Hoye

IN CLASS 14

**AND AN APPLICATION FOR A DECLARATION OF
INVALIDITY THERETO UNDER NO 500299
BY GARY HAMBLYN
(FORMERLY IN THE NAME OF BUXTON AVON LIMITED)**

Background and pleadings

1) On 22 July 2013, Jeremy Hoye (“the proprietor”), under no. 3014746, applied to register the trade mark Jeremy Hoye (“the registration”) in the UK. It was accepted and published in the Trade Marks Journal on 9 August 2013, and subsequently registered on 18 October 2013, in respect of the following:

Class 14: Items of jewellery

2) On 11 February 2014, Buxton Avon Limited (“BAL”) applied to invalidate the registration on the basis of Section 5(4)(a)¹ of the Trade Marks Act 1994 (“the Act”). Whilst the initial invalidation action was filed by BAL, following a Case Management Conference before me, BAL were substituted as the applicant by Mr Gary Hamblyn (“the applicant”). Since the position must be assessed at the relevant date (see paragraphs 25-27 below) the substitution does not impact the applicant’s claim. However, for the sake of completeness, I note that the assigning document shows that Mr Hamblyn has purchased, and is the current owner of, the goodwill in the name Jeremy Hoye for the sale and manufacture of jewellery.

3) In essence, this dispute involves ownership of the goodwill in a business associated with the name JEREMY HOYE trading in the sale and manufacture of jewellery.

4) The applicant claims that Jeremy Hoye was the trading name of Bam Bam Blue Ltd (“BBBL”), a company incorporated and registered by the proprietor for the manufacture and sale of jewellery and related items. BBBL subsequently went into liquidation. In 2009, Jeremy Hoye Ltd (“JHL”) purchased the trading name JEREMY HOYE and the goodwill associated in the name. JHL then went into liquidation and the assets and goodwill were purchased by BAL in 2012. BAL was then liquidated and its assets were purchase by the applicant. Accordingly, the applicant claims that following a clear chain of title, it now owns the goodwill (if there is any) in the name Jeremy Hoye for jewellery and related items.

¹ This section of the Act is relevant to invalidation proceedings by virtue of section 47 of the Act

5) The proprietor filed a counterstatement denying the claims made. He (Mr Hoye) states that he never assigned the goodwill in his name to anyone at any time. The counterstatement was filed by Mr Jeremy Hoye who claims to have designed and sold Jeremy Hoye jewellery for 25 years. There is no reference to BBBL but he does state that in 2011 JHL went into administration and BAL bought its stock, engaging Mr Hoye on a consultancy basis. In 2013 Mr Hoye decided not to work for BAL any longer and restarted as a self-employed jeweller. Accordingly, Mr Hoye argues that he always maintained ownership in the goodwill associated with Jeremy Hoye and it was never sold or passed on to others.

6) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary.

7) A hearing via video-link took place on 17 December 2015, with the applicant represented by Mr David Ivison of Counsel, instructed by Mayo Wynne Baxter LLP, and the proprietor by Mr Nick Kounoupas of Kounoupas IP.

Evidence

Applicant's evidence

Witness statement of Gary Robert Hamblyn and exhibit GRH1

8) At the time of writing the witness statement, Mr Hamblyn was a Director of BAL. Pertinent details of the witness statement are as follows:

9) On 11 November 2011 BAL took over JHL “as a going concern” “and continued trading the business”² through retail premises in Brighton and Kent plus via jeremy-hoye.com (“the website”). Mr Hamblyn states that BAL took over JHL prior to it being placed into liquidation.

² Paragraph 4 of the witness statement

10) On 7 March 2012 Brighton Country Court issued a Company Winding Up Order placing JHL into compulsory liquidation. On this date Ian Malcolm Cadlock and Joanne Kim Rolls of RSM Tenon Recovery were appointed as joint liquidators.

11) On 16 November 2012, BAL entered into an Asset Sale Agreement (“the 2012 Agreement”). A copy of the 2012 Agreement is attached as exhibit GRH1 and will be discussed in detail later in this decision. When I come back to the 2012 Agreement, I shall also take Mr Hamblyn’s additional comments on the 2012 Agreement into consideration.

12) Mr Hamblyn states that Mr Hoye “was retained as a consultant by Buxton Avon Limited from November 2011 until 24 October 2013, when, due to irreconcilable differences, Buxton Avon Limited confirmed that the Defendant was no longer required to attend Buxton Avon Limited’s business premises.”³

13) Mr Hamblyn states that BAL were unaware of Jeremy Hoye applying for the registration and would have objected to it at that point. Further, he claims that Mr Hoye was aware of BAL actively trading as “Jeremy Hoye” and it claims that this is an act of bad faith (a bad faith claim was not pleaded or pursued).

Registered proprietor’s evidence

Witness statement of Jeremy Hoye and exhibits Jeremy Hoye 1, 2 & 3

14) Mr Hoye states that he is a jewellery designer and has always designed and sold jewellery under his birth name.

15) Mr Hoye states that the name has only been owned by himself and his wife, and never a company, including JHL. When JHL was placed into liquidation, Mr Hoye states that “the trademark and my designs could not have been sold by the administrators as they were and are not owned by a company.”⁴

³ Paragraph 10 of the witness statement

⁴ Paragraph 1 of the witness statement

16) Attached to Mr Hoye's witness statement, under exhibits Jeremy Hoye 1, 2 and 3 (each page has been filed as a separate exhibit), is a letter from DMH Stallard (Mr Hoye's solicitors) to Mayo Wynne Baxter who are the solicitors acting on behalf of the applicant. The letter is dated 12 March 2014 and headed "Dispute over Name". Mr Hoye claims that the letter "also provides further evidence from our previous company Bam Bam Blue Ltd that the Trademark was not owned by this company either but by my wife and I. Mr Gary Hamblyn and his solicitor have chosen to ignore this letter and have never answered it."

17) Further, paragraph 2 of the letter states:

"The company Jeremy Hoye Limited, to which you refer in your correspondence, acquired whatever rights it had from a company called Bam Bam Blue Limited on 14 October 2009. Presumably you accept that it could not have acquired any greater rights than Bam Bam Blue Limited itself had. We have spoken to the administrators of Bam Bam Blue Limited, Messrs, Chantrey Vellacott, who have confirmed following an examination of their files that Bam Bam Blue Limited did not confer any rights in the name or brand Jeremy Hoye or JSH to Jeremy Hoye Limited. We attach a copy of this agreement for ease of reference."

18) A copy of the agreement was not attached to Mr Hoye's witness statement, but was submitted as evidence by the applicant.⁵

19) Mr Hoye then quotes clauses 7.1, 7.2 and 7.3 of the 2009 Asset Sale Agreement ("the 2009 Agreement") which was filed by the applicant in its evidence. Further details of the 2009 Agreement and the impact it has on these proceedings are set out in paragraph 19 onwards. However, at this stage I should briefly set out that it involved BBBL (in administration) being sold to JHL (purchaser) with Mr Hoye acting as the Guarantor. In Mr Hoye's witness statement he states that Mr Hamblyn has never asked his permission to use his name on jewellery and if he did want to use his name then he would have made enquiries earlier and asked for his permission.

⁵ Exhibit GRH2 (page 52 onwards) of Mr Hamblyn's second witness statement dated 6 May 2015

The details of the aforementioned clauses shall be set out in further detail later in this decision.

Applicant's evidence in reply

Witness statement of Mr Gary Robert Hamlyn and exhibit GRH2

20) Exhibit GRH2 to Mr Hamlyn's witness statement comprises the 2012 Agreement plus another Asset Sale Agreement dated 14 October 2009. As previously stated, the 2009 Agreement shall be discussed in further detail later in this decision, and the comments made by Mr Hamlyn shall be taken into consideration where necessary.

Legislation

21) 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, or

(b) [.....]

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

22) Section 47 of the Act states:

"**47.** - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the

provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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.

.....

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

General principles of Section 5(4)(a)

23) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of

the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

24) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant date

25) In *SWORDERS TM*⁶ Mr Allan James, acting for the Registrar, considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded that:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”

26) This analysis was subsequently approved by Mr Daniel Alexander QC as the Appointed Person in *Advanced Perimeter Systems Limited v Multisys Computers Limited*⁷. Kitchen L.J. made similar findings in relation to the relevant date for determining the validity of a Community Trade Mark in analogous circumstances: see *Maier v ASOS*⁸.

⁶ BL O-212-06

⁷ BL O-410-11

⁸ [2015] EWCA Civ 377

27) There has not been any evidence of there being any independent goodwill having been established by Mr Hoye. Further, Mr Hoye filed the application shortly after ending his consultancy work with BAL. Therefore, as generally agreed in the hearing, the position must be assessed, and the relevant date is, the filing date: 22 July 2013.

What is goodwill?

28) *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“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.”

Can there be goodwill in the name Jeremy Hoye and, if so, who owned it?

29) The proprietor argues that: 1) Mr Hoye is able to own the goodwill but is not capable of selling it to another since it is his personal name and use by another would result in deception, and 2) Mr Hoye has always owned the goodwill and has never sold, assigned or otherwise relinquished it to another.

30) During the hearing Mr Ivison, on behalf of the applicant, stated that there is no property in a name *per se*⁹, but there is property in the goodwill attached to a name which is sufficient to support a passing off claim. In support of this view he referred to the judgment of *Newman (IN) Ltd v Richard T Adlem* [2005] EWCA Civ 741, where LJ Jacob stated at paragraph 22:

“It will be noted that I have in several places used the phrase “goodwill attached to the business”. It is trite English law that there is no property in a

⁹ Paragraph 22 of *Newman (IN) Ltd v Richard T Adlem* [2005] EWCA Civ 741

name as such. But there is property in the goodwill attached to a name. That goodwill is a species of property and that it is the right in that property which is protected by the law of passing off. So much was settled long ago. Perhaps the best explanation of the history is that provided by Lord Diplock in *Erven Warnink v Townend* [1980] R.P.C. 31 at p.92. It is not necessary to set it out here.”

31) Mr Kounoupias did not disagree with this principle but did make reference to an exception contained within the same authority. More specifically, he referred to paragraph 26, which states¹⁰:

“There is an exception to the rule that an assignment of a business with goodwill vests the goodwill attaching to the name of the business in the assignee. That is where a “business” is purely personal. A barrister or conductor for instance, although he has business, does not have a business he can assign because the “customers” want him and none other. He cannot therefore assign goodwill (which I thought was a pity when I left the Bar). Mr Sherman suggested that was the case here. But it is clear that the business and goodwill of a funeral director is capable of assignment. The fact that a particular funeral director is very good at his job (as Mr Adlem obviously is) does not mean that he cannot assign his business with goodwill attaching to the name of the business. He did just that.”

32) Mr Kounoupias argues that since Mr Hoyer was the designer and producer of the jewellery, it is a personal service which falls within the exception set out above, and he may license the goodwill but not assign it. Further, he argues that the referred to case is not analogous with these proceedings since the *Newman* case involved two commercial entities whereas the present proceedings involve “a well-known jeweller wanting to use his own name and the name under which he has traded and developed goodwill for the last 30 years, as opposed to the interests of a company now in liquidation but previously owned by Mr. Hamblyn, who was a property

¹⁰ *Newman (IN) Ltd v Richard T Adlem* [2005] EWCA Civ 741

developer with no knowledge, interest, or experience of this sector, and who now claims rights in respect of this company.”

33) Mr Ivison subsequently argued that the reason for the exception set out in *Newman* is that where there is a business which is purely personal, any attempt to assign the person’s name to another will inevitably lead to deception. He did concede that in some limited theoretical circumstances there may be some *haute couture* jewellery designer who may provide a very personal design and manufacture service. However, there is no evidence that this is the case here. In this instance, the goods in question are the manufacturing and sale of jewellery. I agree with Mr Ivison that goodwill in a business which is associated with a particular name in the field of the sale of jewellery etc. is not of a purely personal nature, and therefore does not fall into the exception set out in *Newman*. A manufacturer of jewellery is not a personal service and is therefore not analogous with barristers and conductors. There will be no deception and any goodwill attached to the name for the manufacture and sale of jewellery may be assigned to a third party.

34) In view of the above, I do not accept that the goods offered are of a personal nature subject to the exception set out by *LJ Jacob* in *Newman* and this line of argument is dismissed.

35) Now that I have established that it is possible for goodwill to exist in JEREMY HOYE for jewellery, and it may be assigned to third parties, I shall now turn to the argument that Mr Hoye has never sold, assigned or relinquished the goodwill in his name to any third party, including BBBL, JHL and BAL.

Who owns the goodwill?

36) The proprietor claims that any goodwill in the name Jeremy Hoye for the manufacture and sale of jewellery has always been owned by him. He claims that despite being a director of various limited companies who sold Jeremy Hoye goods, the goodwill was never assigned or sold to these companies.

37) BAL's position is that it bought the goodwill from JHL, who had previously purchased it from BBBL. To support this contention it has submitted the two Asset Sale Agreements. These are assessed as follows:

Asset Sale Agreement dated 14 October 2009 (“the 2009 Agreement”)

38) The 2009 Agreement includes the following parties:

- Bam Bam Blue Limited (Vendor who was in administration)
- Kenneth William Touhey and David John Oprey (Administrators)
- Jeremy Hoye Limited (Purchaser)
- Jeremy Scott Hoye (Guarantor)
- Mary Therese Watkins (Secretary)

39) On the front cover of the 2009 Agreement it states “AGREEMENT for the sale and purchase of certain [sic] of the business and assets (but excluding the sale of real Business Premises) of BAM BAM BLUE LIMITED”.

40) The applicant claims that the terms of the 2009 Agreement are plain and unambiguous. In particular, it sets out the following clauses which it claims to be evidence of JHL purchasing BBBL, which includes the goodwill associated in the name “Jeremy Hoye”. For the avoidance of doubt the Vendor is BBBL and the relied upon sections of the 2009 Agreement are:

“the Assets” means all or any of the Contracts, the Goodwill, the Equipment, the Stock and the WIP as defined in the First Schedule”

“the Goodwill” means the Intellectual Property (if any), custom and connections of the Business (including the use of the Commercial Information, subject always to clause 15.1.2) and the goodwill of the Vendor relating to the Business together with the exclusive right (insofar as the Vendor has the right to grant the same) for the Purchaser to represent itself as carrying on the Business in succession to the Vendor and whatever right the Vendor has to

use the Name in an exclusive capacity but only so far as such right can lawfully be given by the Vendor”

“**the Name**” means “Jeremy Hoye” and any derivative thereof

“SALE

2.1 Subject to the terms of this Agreement and with the intent that the Business is transferred as a going concern, the Vendor acting by the Administrators shall sell and the Purchaser shall purchase for the Purchase Price such right title and interest as the Vendor may have in the Business and the Assets.”

“APPORTIONMENT OF PURCHASE PRICE

The Purchase Price shall be apportioned as follows:

The Goodwill	£20,000.00”
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41) During the hearing Mr Kounoupas argued that even if Mr Hoye was capable of selling the goodwill in his name (which I have held that he was), then there is no evidence to support that goodwill existed at the relevant date. He subsequently detailed all of the evidence one would expect to see in support of a passing off claim. Further, he highlighted that the web page screen shots which show the mark JEREMY HOYE are not dated.

42) Mr Ivison referred to paragraph 9 of Mr Hamblyn’s first witness statement which states “Since 11 November 2011 Buxton Avon Ltd has continued to trade as JEREMY HOYE with retail outlets in Brighton and Royal Tunbridge Wells, as well as continuing to trade online.” Mr Ivison claims that since this statement has not been challenged and the proprietor has not requested cross-examination then it should be accepted that goodwill exists and it is not credible to suggest that no trade has been carried on at all.

43) I agree with Mr Kounoupas that the evidence is left wanting insofar as there are no turnover figures, advertising materials, etc. and that the screen prints do not assist it since they are not dated. However, I am satisfied that when the 2009 Agreement was executed there was a protectable goodwill in the name Jeremy Hoye. I agree with Mr Ivison's assessment of the 2009 Agreement that it is sufficiently clear in that the purchase price of the goodwill was £20,000, which included goodwill for the same and manufacture of jewellery under the name "Jeremy Hoye". Further, since the proprietor argues that it owns the goodwill in the name, by inference, goodwill must have existed (even though it did not own it).

44) The purchaser, i.e. JHL, of which Mr Hoye was a director, was purchasing "the goodwill". This includes "the name" which is defined as "Jeremy Hoye" at a cost of £20,000. If Mr Hoye believed that he owned the goodwill in his name for the sale and manufacture of jewellery then it seems illogical to pay £20,000 for it. Further, if he was unable to sell the goodwill in his name, as argued by Mr Kounoupas, then why would he purchase it for £20,000. Upon drafting the 2009 Agreement it was clearly agreed that there was goodwill in the name since the respective parties set and paid a purchase price of £20,000. By paying this amount, Mr Hoye clearly agreed that there was goodwill.

45) Based on the above, I find that BBBL did own the goodwill in the name Jeremy Hoye for the manufacture and sale of jewellery and that this goodwill was subsequently sold to JHL under the 2009 Agreement.

46) In view of the above, my findings so far are that:

- The 2009 Agreement is evidence that BBBL purchased and owned a protectable goodwill in the name Jeremy Hoye for the manufacture and sale of jewellery.
- When BBBL was trading it owned the goodwill in the name Jeremy Hoye rather than Mr Hoye personally. Indeed the purpose of setting up a business is to place assets in the business in order to limit the liability of the individual directors.

- Upon signing the 2009 Agreement there was a protectable goodwill in the Jeremy Hoye.
- The goodwill was assigned from BBBL to JHL for the consideration of £20,000.

Asset Sale Agreement (“the 2012 Agreement”)

47) The “Asset Sale Agreement” is dated 16 November 2012 and is between “Jeremy Hoye Limited (in liquidation)”, “Ian Malcolm Cadlock and Joanne Kim Rolls as Joint liquidators of Jeremy Hoye Limited (in liquidation)” and “Buxton Avon Limited”. The applicant and proprietor each refer to different sections which they believe support their case.

48) Mr Ivison referred to clause 2.1 of the Agreement which states:

“2.1 Subject to the terms of this agreement the Seller shall sell and the Buyer shall buy as a going concern such right title and interest as the Seller may have at the effective date of this agreement to and in the following assets subject to all reservations of title liens obligations and incumbrances relating to them:

- (a) The goodwill of the Business including (so far only as the Seller has any such right) the right for the Buyer to represent itself carrying on the Business in succession to the Seller and (so far as the Seller can transfer the same) the exclusive right to use the name “*Jeremy Hoye*”; *and all customer lists and records of the business* provided that nothing contained in this agreement shall impose any obligations whatever on the Seller or the Liquidators to discharge any outstanding payment liabilities or arrears of fees in connection therewith
- (b) the Intellectual Property Rights as specified in Schedule 2 provided that nothing contained in this agreement shall impose any obligations whatever on the Seller or the liquidators to discharge any outstanding payment liabilities or arrears of fees in connection therewith

(c) the stock and assets as specified in Schedule 1 provided that nothing contained in this agreement shall impose any obligations whatever on the Seller or the Liquidators to discharge any outstanding payment liabilities or arrears of fees in connection therewith”

49) He then referred to clause 3.1 which states:

“3.1 The consideration for the sale and purchase of the Business and the Assets shall be the sum of £20,000 attributed to the Assets (**Purchase Price**).”

50) Mr Ivison argues that it is clear from the above that the administrators of BBBL and JHL both believed that there was a valuable goodwill associated with the name JEREMY HOYE. He states that the Agreement is plain and unambiguous.

51) Mr Kounoupas referred to clauses 7.1 and 7.2, headed “Intellectual Property”, which state:

“7.1 The Buyer acknowledges that the Intellectual Property may be subject to restrictions or deficiencies which have not been disclosed to the seller, and that it may or may not be transferrable to the Buyer. The Buyer undertakes to make its own enquiries into such matters”

“7.2 The Buyer undertakes not to use or exploit the Intellectual Property Rights or the Business Name without first obtaining any necessary third party licences, consents and permissions (Permissions) to use or exploit the Intellectual Property Rights and the Business Name. For the avoidance of doubt, the Seller does not authorise or purport to authorise the Buyer to use or exploit any Intellectual Property Rights before the Buyer obtains any such Permissions.”

52) During the hearing I asked Mr Ivison his understanding of clauses 7.1 and 7.2, and any effect they may have on clause 2.1. He described them as a “boilerplate

clause which is routinely included in these kinds of assignments". He went on to state that:

"It is a standard form legal contractual term. It is there to protect the seller, or perhaps the seller's lawyers, from liability arising from a purported assignment of rights that was subject to other third party rights. It is just there in case somebody later comes along of whom the parties are unaware and asserts that they own some rights in the name. In the absence of any express provision stating that the seller retains any rights, it is most emphatically not an acknowledgement that the seller is keeping any assets for himself. It is a safety feature, as it were."

53) Clause 7.2 of the 2012 Agreement states:

"For the avoidance of doubt the seller does not authorise or purport to authorise the buyer to use or exploit any intellectual property rights before the buyer obtains any such permissions."

54) Mr Ivison argues that they are "clearly permissions from third parties who may own intellectual property...perhaps trade mark owners. It may be an offence to authorise trade mark infringement, for example". He goes on to state that the clause is "there to protect the seller from liability that may arise if somebody later comes along and asserts a property right against the buyer, and the buyer then seeks relief from the seller on the basis that they entered the contract on the basis of a misrepresentation, for example." And "It is to relieve the seller from liability for misrepresentation, effectively."

55) Mr Kounoupas argued that it is obvious that the third party is Mr Hoye, who is not a party to the agreement and, therefore, a third party. He claims that the clause is there because "Mr Hoye's permission was needed for anyone to use his business name and the buyer, Buxton Avon, undertook to obtain his permission before using these rights."

56) I do not accept Mr Kounoupias' interpretation of the Agreement. If Mr Hoye was the "third party" from whom permission must be sought, then his name would have been in the 2012 Agreement. I agree with Mr Ivison that the clause is intended to protect the parties to the agreement from liabilities which they would not be aware of. Therefore, I dismiss Mr Kounoupias' reliance on clauses 7.1 and 7.2 insofar as the applicant should have sought permission from Mr Hoye to use the mark.

57) Finally, the evidence and submissions make reference to Mr Hoye being engaged as a consultant by BAL from November 2011 until 24 October 2013. It is agreed by both parties that Mr Hoye was no longer employed (as a consultant or otherwise) by BAL from 2013, which is after the date of the 2012 Agreement. Therefore, his employment history with BAL has no bearing on these proceedings. I have established that in 2009 BBBL assigned the goodwill in the name Jeremy Hoye to JHL, which was then assigned to BAL as part of the 2012 Agreement during which time Mr Hoye was an employee of BAL. Therefore, at the relevant date the goodwill had been assigned prior to him leaving BAL and he was not entitled to have taken such goodwill with him when he had left.

58) Having established that at the relevant date the proprietor did not own the goodwill in the name Jeremy Hoye I must then determine whether there was misrepresentation and damage. I shall deal with these in turn:

Misrepresentation

59) In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis* " and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

60) The registration is for the name Jeremy Hoyer and covers class 14 "items of jewellery". There is no doubt that at the relevant date, use of the registration for the class 14 goods would result in a substantial number of members of the public being misled into purchasing the goods in the belief that they are those of BAL. Misrepresentation is likely to occur.

Damage

61) In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

"In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the

defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

62) Having established that there is a likelihood of misrepresentation it is clear that there is an obvious risk that there will be a loss of sales and damage incurred.

OVERALL OUTCOME

63) The application for cancellation under section 5(4)(a) succeeds. Subject to appeal, the trade mark registration shall be declared invalid.

COSTS

64) The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1900 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Official fee	£200
Preparing a statement and considering the other side's statement	£400
Preparing evidence and considering and commenting on the other side's evidence	£900
Preparing for and attending a hearing	£400

Total

£1900

65) I therefore order Jeremy Hoye to pay Gary Hamblyn the sum of £1900. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25th day of April 2016

MARK KING

For the Registrar,

The Comptroller-General