

**O-215-16**

**TRADE MARKS ACT 1994  
IN THE MATTER OF REGISTRATION 3063499  
FOR THE TRADE MARK:**

**steel steam & stars**

**STANDING IN THE NAME OF  
WILLIAM MARK NAYLOR  
AND  
APPLICATION 500758  
BY 6880 BETTON GRANGE (SOCIETY) LIMITED  
FOR A DECLARATION THAT THE TRADE MARK IS  
INVALID**

## Background and pleadings

1) This is an application by 6880 Betton Grange (Society) Limited (“the Applicant”) to have registration 3063499 for the following mark declared invalid:

### **steel steam & stars**

2) The application to register the trade mark was filed on 9 July 2014 by Mr William Mark Naylor. It was registered on 17 October 2014 for the following services in classes 35 and 41:

**Class 35:** Organisation of events for commercial and advertising purposes.

**Class 41:** Organising events for entertainment purposes; Organising of recreational events.

3) The application to invalidate the registration was filed on 10 February 2015. Invalidation is sought in respect of all the goods and services of the registration. The grounds for invalidation asserted by the Applicant are that registration of the trade mark was contrary to sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”) because:

- The Applicant has used the sign STEEL STEAM & STARS for identical services to those protected by UK Registration No. 3063499 since 2007 and has acquired goodwill and reputation in connection with it.
- At the time of filing of the application Mr Naylor’s use of STEEL STEAM & STARS for the services claimed would be likely to lead the public to believe that Mr Naylor’s services were offered by the Applicant, as a result of which misrepresentation the Applicant would be likely to suffer damage to its goodwill.
- At the time Mr Naylor filed the application he acted in bad faith according to the objective standard of acceptable commercial behaviour by reasonable and experienced persons, in that he was aware of the Applicant’s use since 2007 of STEEL STEAM & STARS for identical and highly similar services to those claimed in UK Registration No 3063499.

4) Mr Naylor filed a counterstatement denying the applicant’s claims because:

- Although he was aware that the mark had been used while he was not “in ownership of it”, he had been the person who came up with the name/trade mark in 2006; on finding it had not been registered he had registered it with no intention of malice or bad faith.
- He was a founder member and former director of the Applicant. During his time as a Director of the Applicant he created the name STEEL STEAM & STARS with the intention of promoting and assisting with the fundraising for the construction of the new steam locomotive 6880 Betton Grange.

- As the Applicant's board had chosen not to protect the name "by acquiring the legal copyright", he decided to do this himself with the intention of preventing other organisations from acquiring and using the name.
- Since acquiring the trademark, he has advised the Applicant's board that he is more than happy for them to use the trade mark in connection with fundraising and publicity for their project at no cost to them, on condition only that his life membership in the Applicant should be reinstated.
- He is aware that an event has been run using the name since he acquired the trade mark and can confirm that no request for its use was made by the Applicant. At no time since acquiring ownership of the trademark has he ever sought to gain financially or for any reason other than the reinstatement of his membership. The suggestion that the acquisition of the trademark was in bad faith is strenuously denied

5) The applicant is represented by W P Thompson. Mr Naylor is not professionally represented and, as will be seen in this decision, it is apparent that his grasp of the legal issues arising, and the procedure to be followed, in these proceedings is imperfect. During the evidence rounds the Applicant filed submissions and evidence in the form of a witness statement of Mr Quentin McGuinness, dated 8 November 2015. Mr Naylor failed to submit evidence in the required form, but filed an email on 10 November 2015 giving his account of the issues as he saw them, and he was informed in a letter of 24 November from the Registry that this would be treated as constituting submissions in support of his registration.

6) He also filed two further emails dated 10 November 2015, which contained correspondence between the parties. Mr Naylor was informed that if he wished these documents to be admitted into proceedings, he would be required to file them in proper evidential format (i.e. as exhibits to a witness statement). It was also noted that some of the documents were marked "without prejudice". He was informed that the Registry would not normally expect such correspondence to be filed in proceedings, that the Registry's practice with regard to "without prejudice" correspondence is not to retain these documents on the public file, and that, in view of this, his emails timed 16:24 on 10 November 2015 would not be kept on file. Mr Naylor did not subsequently file any documents in proper evidential format.

7) Neither side requested a hearing, but on 17 March 2016 Mr Naylor sent an email to the Registry to the effect that the proceedings were causing him serious distress, that he could "no longer deal with correspondence on this issue", and that "all correspondence will be deleted". On 30 March 2016 the Applicant's representatives informed the Registry that they had no comment to make on this. Thereupon the Registry informed both sides in a letter of 6 April 2016 that the proceedings would now continue to determination by a hearing officer. I therefore give this decision after a careful consideration of the papers before me.

## The applicant's evidence

8) In a witness statement of 8 November 2015 Mr Quentin McGuinness, a director of the Applicant, states that the Applicant and the associated charity, the 6880 Society (registered charity no. 10537) ("the Charity") were established in 2003, their purpose being to develop a Grange Steam Engine, the funding of which is derived from members of the Charity and from events which are organised by the Applicant. Mr Naylor was a director of the Applicant and a member of the Charity at that time.

9) Before 2007, Mr McGuinness explains, the proprietors of Llangollen Railway put on their own gala events twice a year. However, in 2006 their event was unsuccessful and, as a result, Mr Naylor and Mr McGuinness, acting as directors of the Applicant and the Charity formed the idea of organising an event themselves which would be held at the Llangollen Railway. They developed a plan and took it to the proprietors of the railway. The basis of the arrangement would be that all profits would be retained to assist with the charitable enterprise. They approached the proprietors of the railway in their capacity as directors of the Applicant. *"During this time I [i.e. Mr McGuinness] created the Steel Steam & Stars brand for the event and we agreed that this would be the name of the event."*

10) Mr McGuinness states that the first *Steel Steam & Stars* event was held in Spring 2007 as a three-day event, subsequent events being held in 2009 (a nine-day event), 2012 (a nine-day event) and 2015 (a six-day event). He states that he has been able to obtain turnover figures in respect of the events as follows:

| <u>Year</u> | <u>£ (Sterling)</u> |
|-------------|---------------------|
| 2010        | £3,990.00           |
| 2011        | £550.00             |
| 2012        | £186,039.88         |
| 2013        | £1,234.00           |
| 2014        | £966.00             |

He also states that the Applicant has spent money in promoting each of the events, but has only been able to identify figures for 2012 as follows:

| <u>Year</u> | <u>£ (Sterling)</u> |
|-------------|---------------------|
| 2012        | £5,000.96           |

11) He states that the events are attended by around 1,000 people per day and that the Applicant markets the events through distribution of leaflets and brochures throughout the North West and North Wales region. The events are also advertised in various railway publications which Mr McGuinness says have *"an approximate publication of 40,000 per edition"*. The Applicant also sends out direct mailshots to customers who have provided their details from previous events, having over 1000 names and addresses in its database. The events are also promoted on the website <http://www.6380.co.uk>. As well as individuals from the North West and North Wales

the events are attended by individuals from across the UK, given the very niche area of interest.

12) Mr McGuinness appends the following annexes to his witness statement:

- **Exhibit QM1:** evidence taken from WaybackMachlne to show use of “Steel Steam & Stars” on the Applicant’s website between 2011 and 2014;
- **Exhibit QM2:** promotional brochures relating to each of the Steel Steam & Stars events to date, and a review of the recent 2015 event taken from the Applicant’s website;
- **Exhibit QM3:** invoices relating to an advertisement in *Steam World* magazine in 2009 and the printing of 5,000 programmes in 2009;
- **Exhibit QM4:** advertisements in publications of interest to steam railway enthusiasts;
- **Exhibit QM5:** the promotional leaflet used in respect of a DVD produced at the 2007 event.

13) Mr McGuinness states that in September 2009, after a falling-out with Llangollen railway where the project is based, Mr Naylor resigned as a director of the Applicant, his resignation being accepted at the Applicant’s AGM in October 2009. In a letter sent to Mr Naylor on 12 April 2010, and attached at **Exhibit QM6**, he is informed *“The board wishes to advise you of their position. Your email dated 15 September 2009 stated that you wished to part company with the project. This resignation as a Director was accepted by the board and recorded at the Annual General Meeting on 10 October 2009 .... The Board understands and accepts, that you do not propose to take an active involvement in the project in the future.”*

14) Mr McGuinness states that Mr Naylor remained a member of the associated Charity, and continued to attend AGM meetings in his capacity as a member between 2009 and 2014. After what Mr McGuinness describes as ongoing disputes between the Charity, the Applicant and Mr Naylor, a letter, attached as **Exhibit QM7**, was sent to Mr Naylor on 19 August 2014, advising him that his membership of the Society was revoked with immediate effect. On 2 February 2015 the Applicant received a letter from Mr Naylor, attached as **Exhibit QM8**, advising that it had come to his attention that the Applicant was using the words “Steel Steam & Stars” for its forthcoming event in March 2015; that Mr Naylor owned this trade mark, its use not being permitted without his express permission; that he was prepared to allow its use, without charge, on condition that his life membership in the Applicant and the Charity were reinstated; and that he was in a position to take legal action if these terms were not agreed to.

### **Mr Naylor’s submissions**

15) Mr Naylor filed no evidence and no further submissions after his email of 10 November 2015, which basically reiterates the points made in his counterstatement.

He concludes: *“I would point out that no member of the Board of the Betton Grange Society has ever contacted me regarding ownership of the Trademark or the reasoning behind my acquisition of it, despite two prominent members of the Betton Grange Society making contact with a Board Member to try and resolve matters amicably. On hearing that I had acquired the Trademark they immediately took legal advice without considering a personal approach or the possibility of some form of arbitration”.*

## **Section 47**

16) Application for invalidation is made under the provisions of section 47 of the Act, the relevant parts of which provide as follows:

“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).

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

(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) ...

(4) ...

(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.”

## **The claim under section 3(6)**

17) Section 3(6) of the Act provides:

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

18) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. 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 *CHOOS/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)."

19) Mr Naylor's insistence on having originally thought up the phrase STEEL STEAM & STARS appears to be based on the idea that this may give him proprietorial rights in the sign which he can assert to resist the Applicant's claims under section 3(6) and/or section 5(4)(a). It is appropriate, therefore, that I should explain why I consider that this idea is misconceived, before I look in more detail at what is required to sustain a claim under section 3(6).

20) It is not completely clear who originally thought up the phrase STEEL STEAM & STARS. Mr Naylor states in his counterstatement that "*During my time as a Director of the company I created the name "Steel Steam and Stars" with the intention of promoting and assisting with the fundraising for the construction of the 6880 Betton*



*Grange*". In his email of 10 November 2015 he writes "*The name "Steel Steam & Stars" was devised by me without input from any other individual*". I have no evidence in proper format from Mr Naylor on this point, however. Mr McGuinness, describing in his witness statement (which does constitute evidence) the development of the plan to organise an event at the Llangollen Railway, states "*During this time I created the Steel Steam & Stars Brand for the event and we agreed that this would be the name of the event*". Creating a brand need not necessarily equate to composing the phrase on which the brand is based. In any case, several years after the discussions in which the plans for the first event were formulated the recollections of the parties may honestly differ as to who originally came up with the phrase. I do not consider that either Mr Naylor or Mr McGuinness are being anything other than honest on this point.

21) Whoever originally thought up the phrase STEEL STEAM & STARS, however, the idea that this would in itself entitle that person to resist the Applicant's claims is misconceived. Such a claim would need to be based on an intellectual property right, including the common law concept of goodwill. Mr Naylor has made no claim that he has used the sign in trade and therefore cannot rely on a defence of possessing an earlier goodwill. I shall discuss goodwill and passing-off in more detail later. With regard to copyright, since the sign consists exclusively of words, the category of protected work under which it would need to fall for protection would be a literary work within the meaning of section 3(1) of the Copyright, Designs and Patents Act 1988. However, I consider the phrase must be seen as too insubstantial and too short to attract copyright in itself<sup>1</sup>.

22) Keeping the above points in mind, I now turn to the requirements of section 3(6). I fully accept that Mr Naylor does not wish either the Applicant or its associated Charity harm but, on the contrary, wishes them well. I accept that he has no intention of financial gain. I also accept that he feels he has done nothing which could fairly be regarded as dishonest or dishonourable or mercenary. I can therefore understand his strenuous denial that he acted in bad faith when registering the challenged mark. It is clear that his denial is based on his view that his actions could only be described as being in bad faith if they had been dishonest, dishonourable or mercenary. In his own view, his actions have been fair and reasonable.

23) Mr Naylor's understanding of the legal concept of bad faith in this context is, however, too narrow. For the purposes of section 3(6) bad faith is not confined to dishonesty as such, but also includes the broader category of actions which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Mr Naylor's own standards of acceptable commercial behaviour are irrelevant to the assessment I have to make. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable

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<sup>1</sup>Cf. the position with regard to titles of books, films, etc considered in *Francis Day v Twentieth Century Fox* [1940] AC 112 and *Ladbroke v William Hill* [1964] 1 WLR 273 and the consideration of a trade mark in *Exxon v Exxon Insurance* [1982] RPC 69.

and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

24) As a director of the Applicant Mr Naylor was one of those who originally planned that the sign STEEL STEAM & STARS should be used by the Applicant in promoting and assisting the work of the Charity. At the time he applied for his mark he was aware that the Applicant had, as planned, used the sign in connection with the organisation of entertainment and recreational events intended to advertise, and raise money for, this purpose. He states that, the Applicant not having done so, he registered his mark with the intention of preventing other organisations from acquiring it, and I accept that this was one of his motives. However, he also candidly and openly states in his counterstatement that he would be “more than happy” for the Applicant to use the trade mark in connection with fundraising and publicity for their project at no cost to them – on condition, however, that his life membership of the Applicant should be reinstated. Thus, I find that a predominant motive in Mr Naylor’s application for the challenged mark was his intention that his ownership of the mark could be used as a bargaining counter to facilitate the restoration of his membership. I do not believe that it was, or is, actually his intention to use the mark to the detriment of the Applicant; but he hoped that his very ownership of the mark would give him some leverage with the Applicant’s board. Irrespective of Mr Naylor’s intentions in this regard, the potential for interference would in any case inhibit the efficient management of the Applicant.

25) Whatever the rights and wrongs of Mr Naylor’s differences with the Applicant and those representing it, by registering his mark for services in classes 35 and 41 identical or highly similar to those provided by the Applicant under the identical sign he has sought to compel the resolution of those differences by inappropriate and unwarranted means. I consider that reasonable and experienced persons in this area would view this as a dealing which falls short of the standards of acceptable commercial behaviour observed by them. Mr Naylor’s own view of acceptable commercial behaviour is irrelevant in this connection. I therefore find that Mr Naylor’s registration of his mark falls foul of the prohibition in section 3(6).

**26) Accordingly, the application for a declaration of invalidity under section 3(6) succeeds in respect of all the services of Mr Naylor’s specification in classes 35 and 41.**

27) In view of my finding under section 3(6) it is, strictly speaking, not necessary for me to consider the Applicant’s claim under section 5(4)(a). In case I should be considered to have erred in my assessment under section 3(6), however, I think it appropriate also to consider the Applicant’s claim under section 5(4)(a).

**The claim under section 5(4)(a)**

28) Section 5(4)(a) of the Act provides:

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

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

29) In the present proceedings there is no evidence that Mr Naylor used the opposed mark on his own account prior to the application for its registration. The date by which the Applicant must show that it had acquired a right under the law of passing-off to oppose registration of the mark will therefore be the date of application for its registration (*Last Minute Network Ltd v OHIM*, Joined Cases T-114/07 and T-115). In this case the relevant date is 9 July 2014.

30) *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.”

31) Mr Naylor has made no explicit concession regarding the Applicant's ownership of goodwill in connection with the mark, so it is appropriate that I should make a finding on the issue. The nature of goodwill was explained in *Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as follows:

“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.”

32) To qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature (*Hart v Relentless Records* [2002] E.W.H.C. 1984; see also *Sutherland v V2 Music Ltd* [2002] EWHC 14 (“LIBERTY”)) – but being a small player does not prevent the law of passing-off from being relied upon, as it can be used to protect a more limited goodwill (see *Stannard v Reay* [1967] F.S.R. 140, *Teleworks v Telework Group* [2002] R.P.C. and *Stacey v 2020 Communications* [1991] F.S.R. 49). The Applicant serves a very niche area of interest. In *Starbucks v. British Sky Broadcasting* [2012] EWHC 3074 (Ch) the legal question posed by Arnold J (at paragraph 130) was: “... can there be protectable goodwill in the UK as result of a reputation which only exists amongst a minority section of the population...?” The answer (at paragraph 34) was in the affirmative and, on the evidence, a reputation among even a small proportion of this minority group was enough to be protected (see paragraphs 60 and 146).

33) I have considered the holding of the three “Steel Steam & Stars” events over the period between 2007 and the filing of Mr Naylor’s mark, the attendance figure estimate, the evidence of turnover and advertising spend relating to these events, the marketing of the events in the Northwest and North Wales, the availability of the information on the events and promotion of the DVD of the 2007 event on the Applicant’s website, the holding of the 2015 event (which, though taking place after the relevant date, establishes the continuing nature of the events and their promotion), the mailshots sent on the basis of the database of 1,000 names and addresses provided by customers from previous events, and the circulation of information among steam railway enthusiasts in the UK through advertisements in relevant UK publications, in particular in connection with the 2009 event. I have borne in mind that the goods and services provided by the Applicant serve a niche area of interest.

34) Taking all the above factors into account, I find that, in connection with the organisation of entertainment and recreational events intended to advertise, and raise money for, the work of its associated charity, the Applicant had, by the relevant date, acquired protectable goodwill under the sign STEEL STEAM & STARS among members of the general public interested in steam railways and locomotives. It therefore remains for me to consider the issues of misrepresentation and damage.

35) It would appear from Mr Naylor’s counterstatement and submissions that he has no intention of using the mark himself, his idea being that he should make the mark available to the Applicant to use free of charge – subject to the reinstatement of his membership. An absence of intention on the part of Mr Naylor to use the mark himself, however, is no defence to the Applicant’s claim under section 5(4)(a). Mr Naylor’s *current intention* with regard to use of the challenged mark is irrelevant. What I must consider is the extent to which his registration *entitles* him – or any successor of his into whose hands the mark may come by assignment or operation

of law – to use the mark. In other words, it is *notional* use of the mark that I must consider. In view of the finding I have made above regarding the goodwill owned by the Applicant at the relevant date in connection with the sign STEEL STEAM AND STARS, it is perfectly clear that the use of Mr Naylor’s identical mark in connection with any of the services covered by his specification in classes 35 and 41 would lead of customers and potential customers of the Applicant to infer mistakenly that the Applicant, or a source authorised by the Applicant, was the actual source of these services<sup>2</sup>. This constitutes misrepresentation for the purposes of section 5(4)(a). No actual intentional misrepresentation on Mr Naylor’s part is required.

36) Similarly, my assessment of the issue of damage must also be a notional one. Clearly, customers and potential customers would be lost to the Applicant if they transferred their custom to another party in the belief that they were dealing with the Applicant<sup>3</sup>. Moreover, they would mistakenly believe in such case that the Applicant had made itself responsible for the quality of the services supplied. In this way the Applicant would lose control of its own reputation. The requirement of damage is thus fulfilled in this case.

**37) Accordingly, the application for a declaration of invalidity under section 5(4)(a) succeeds in respect of all the services of Mr Naylor’s specification in classes 35 and 41.**

## **Outcome**

**38) The application for a declaration of invalidity succeeds and, accordingly, the registration is deemed invalid and never to have been made.**

## **Costs**

39) The Applicant has been successful and is entitled to a contribution towards its costs. The evidence was light in this case, and the submissions and pleadings were short and straightforward. In the circumstances I hereby order Mr William Mark Naylor to pay 6880 Betton Grange (Society) Limited the sum of £1,000. This sum is calculated as follows:

|   |      |
|---|------|
| <i>Invalidation application fee</i>   | £200 |
| <i>Preparing a statement and considering the other side’s statement</i>                 | £200 |
| <i>Preparing evidence and considering and commenting on the other side’s evidence –</i> | £400 |
| <i>Submissions in lieu of a hearing –</i>   | £200 |

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<sup>2</sup> See the observations of Morrit LJ in *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473

<sup>3</sup> See the observations of Millet LJ in *Harrods Limited v Harrodian School Limited* [1996] RPC 697.

The above sum should be paid within fourteen 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 27<sup>th</sup> day of April 2016**

**Martin Boyle  
For the Registrar  
The Comptroller General**