


o/071/18


TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 152 117 BY THOMAS
PRESTON TO REGISTER THE TRADE MARK *spicer*  IN CLASSES 16, 35,
36, 38 AND 45

AND

IN THE MATTER OF OPPOSITION THERETO BY SPICERHAART GROUP
SERVICES LIMITED

Background and pleadings

1. Clann IP Limited applied to register the trade mark *spicer*  under No 3 152 117 in the UK on 28th February 2016. The Trade Marks Registry was subsequently notified of an assignment of the application to Thomas Preston (the applicant). This notification is dated 31st October 2016. It was accepted and published in the Trade Marks Journal on 20th May 2016 in respect of the following goods and services:

Class 16:

Printed matter; stationery; brochures; books; booklets; instruction manuals; training manuals; periodicals; magazines; newspapers; catalogues; advertisement boards of paper and cardboard; leaflets; pamphlets; plans; maps; greeting cards; calendars, posters, pens; mounted and unmounted photographs, display materials, window signs; printed adhesive labels; decals; all of the aforesaid goods being for use in services relating to the sale, purchase or lease of real estate property.

Class 35:

Advertising; business management; business administration; office functions; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via a computer network or the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; data processing; provision of business information.

Class 36:

Insurance; financial services; real estate agency services.

Class 38:

Telecommunications services; internet portal services.

Class 45:

Legal services; conveyancing services.

2. Spicerhaart Group Services Limited (the opponent) opposes the trade mark primarily on the basis of Section 3(6) of the Trade Marks Act 1994 (the Act). It argues that this is on the basis of previous proceedings between the parties, namely Opposition Nos 401957 and 402624. In the previous decision to which these oppositions relate, the IPO found that the applicant (Clann IP Limited at the time of application), acted in bad faith. The opponent claims that the current application is merely a further attempt to disrupt its business activities. In support, it notes that the application was made on 28th February 2016, which was three days following the Hearing in the previous set of proceedings.
3. The applicant filed a counterstatement denying the claims made. In particular, it claims that it is in possession of new evidence which casts doubt on the decision reached in respect of the previous opposition proceedings between the parties.
4. Despite the aforementioned claim by the applicant, only the opponent filed evidence in the present proceedings. A Hearing took place on 5th December 2017, with the opponent represented by Mr Mark Holah of Bird & Bird. The applicant did not attend, nor were any written submissions filed in lieu. The submissions made by Mr Holah during the Hearing have been fully considered in reaching this decision and will be referred to as and when appropriate.

Evidence filed

5. The opponent's evidence in chief was a copy of the decision of Mr Mark Bryant in respect of the previous oppositions already mentioned above and referenced as BL O/140/16. That decision is, strictly speaking, hearsay evidence but the opponent subsequently requested that all of the evidence from the previous dispute (and which is fully summarised in Mr Bryant's decision) be admitted into the current proceedings. I agreed to this request. The decision of Mr Bryant is attached to this decision. As such, I will not therefore summarise the content of this evidence, suffice to say that it has been fully perused and considered in reaching this decision. It is worth highlighting, in order to provide critical context, that Clann IP Limited was the original applicant in the current proceedings and was the applicant in respect of the previous proceedings to which Mr Bryant's decision relates. Clann IP Limited was, at the filing date of the the current application, the company of Mr Joe McGoldrick. Indeed, he was the sole Director and share holder both during the previous applications and in respect of the current application at the date of the application.
6. The opponent also requested additional evidence be admitted into the proceedings. Due to its materiality to the bad faith claim in these proceedings, I agreed to this request. This is a witness statement, dated 17th October 2017, from the aforementioned Mark Holah, the opponent's representative in this matter.
7. The following relevant points are contained therein:
 - Exhibit MIH-2 contains copies of a number of invoices sent under covering letter to the opponent from Mr McGoldrick. These are dated 14th September 2017. According to Mr Holah, this is clear evidence of bad faith on the part of Clann IP Limited in making the current application. This is because many of the invoices mirror those previously sent by Mr McGoldrick (and included in evidence in the aforementioned previous proceedings). Indeed, according to Mr Holah, it

appears that the only difference, at least in respect of some of the invoices, is that the dates have been changed. It is noted that the invoices relate to payment Mr McGoldrick believes he is due in respect of the development, production, registration and use of the opponent's SPICERHAART brand and their domain names spicerhaart.com and spicerhaart.co.uk. Further, some of the invoices relate to (purported) registration fees and annual licence fees relating to various European Union trade mark registrations, UK trade mark registrations and domain names owned by the opponent.

- Mr Holah explains that the application was filed by Clann IP Limited, a company set up by Mr McGoldrick, which was subsequently dissolved on 19th July 2016. Exhibit MIH-3 is a copy of the Final Gazette notice in respect of this dissolution. Exhibit MIH-4 are incorporation papers for Clann IP Limited showing its postal address and that of Mr Joe McGoldrick are the same.
- Mr Holah goes on to explain that on 13th April 2016 Mr McGoldrick established a further company, this time named Spicerhaart Limited. Exhibit MIH-5 contains the incorporation documents showing the same postal address as aforementioned. The opponent subsequently filed a Company Names Tribunal action requiring the name to be changed. This was decided in the opponent's favour and a copy of the decision is attached at Exhibit MIH-6. Following the filing of the action, Thomas Preston became a director of Spicerhaart Limited and following the decision by the Company Names Tribunal, Mr McGoldrick resigned as a director. Supporting documents are provided in Exhibit MIH-7. After receiving the decision of the Company Names Tribunal, the company name changed to SHMove Limited, effective 27th September 2017. Confirmation of the name change is attached at Exhibit MIH-8. On 28th September 2017, a new company was incorporated under the name of Spicerhaart Limited. The address for this is the same postal address as already mentioned, that is, the same address as Mr McGoldrick and Clann IP Limited. The sole director of the latest Spicerhaart Limited is Ms Jane Davidson Hare, who is of the same address and, according to Mr Holah, married to Mr McGoldrick.

Legislation

8. Section 3(6) of the Act states:

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

The Relevant Case Law

9. 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 *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

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

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary

standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

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

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

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

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

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

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

Conclusion – Bad Faith

10. There are a number of relevant factors in these proceedings when considering whether or not this application was made in bad faith. It was established in the previous proceedings, that the sole director of Clann IP Limited was Mr Joe McGoldrick and that its activities and any decision making was under his control. Further, at the date of application, the applicant was Clann IP Limited. This is important as the issue of bad faith must be judged at the date of application. It is also notable that the application date was a mere three days following the Hearing in respect of the previous proceedings. I consider this to be highly relevant in terms of context. Clann IP Limited (and so, Mr Joe McGoldrick) clearly has a somewhat acrimonious history with the opponent and indeed the previous decision concluded that Clann IP Limited had clearly acted in bad faith in respect of the previous trade mark applications.

11. Bearing in mind this background to the current application, there is also the additional evidence to consider, in particular the invoices sent to the opponent from Mr McGoldrick and the various companies incorporated from April 2016 onwards. It is true that this evidence post-dates the application. However, it is still relevant if (as stated above) it casts light on the position at the relevant date. The invoices sent by Mr McGoldrick to the opponent are clearly an attempt at financial gain in respect of the Spicerhaart name. Further, that some of these invoices have merely been redated from previous identical invoices in respect of a name he has already been found to have no rights in (see the previous decision of Mr Byant). Further, the incorporation of further companies named Spicerhaart Limited leads me to the conclusion that all of these activities, including the current trade mark application, are part of a pattern of behaviour by Mr McGoldrick and his successors, the aim being to disrupt the legitimate business activities of the opponent. It is also notable that both Clann IP Limited and its assignee, Thomas Preston, have been entirely silent during these proceedings and that the new evidence alluded to at the start of the proceedings has not been forthcoming. I have little hesitation in

concluding that this application has clearly been made in bad faith. The opposition therefore succeeds in its entirety.

Final Remarks

12. As the opposition is successful in its entirety based upon this ground, there is no need to consider the remaining ground, namely Section 5(2)(b) as it does not materially improve the opponent's position.

COSTS

13. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1750 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and accompanying statement (and official fee) - £500

Filing evidence - £500

Preparation for and attendance at Hearing - £750

TOTAL - £1750

14. I therefore order Thomas Preston to pay Spicerhaart Group Services Limited the sum of £1750. 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 1st day of February 2018

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Louise White

**For the Registrar,
The Comptroller-General**