

O-079-18

TRADE MARKS ACT 1994

TRADE MARK APPLICATION NOS. 3178148 AND 3178137

BY OPTRONICS LTD

TO REGISTER THE TRADE MARKS



AND



IN CLASSES 6, 9 AND 17

AND

THE OPPOSITION THERETO UNDER NOS. 408335 AND 408378

BY CONSTANTIOS PSALTIS

Background and pleadings

1. Constantios Psaltis opposes the two trade mark applications shown on the front cover of this decision because, he claims, they were applied for in bad faith. Both the trade mark applications were made on 3 August 2016 by Optronics Limited (“the applicant”) for the following goods:

Class 6: Cable ties, cable clips; cable trays and cable management bars; identity plates; brackets, screws, nuts, bolts, wall plugs; grommets, plaster board fixings; cable trunking of metal, connectors; fasteners of metal for trunking; junction boxes for trunking; trunking of metal for cables, networking cables, communication cables; cable boxes of metal, cable clips of metal, cable couplings, cable drums, cable ducts, cable joints, cable junction sleeves, cable straps, cable supports, cable ties, cable trays, cable trunking, clips, covers of metal for use in cable channels, downpoles of metal for the accessing of cables, downpoles of metal for the distribution of cables, flexible ducting of metal, hinges, metal cable-clamps, racking for supporting cables, tension members, trunking; parts and fittings for all the aforesaid goods.

Class 9: Wires; electrical connectors; electrical testing equipment; cables; networking cables; communication cables; glass fibre cables; synthetic glass fibre cables; networking patches; patchcords; data cables, ethernet cables; patch panels; convertors; electric convertors; signal convertors; multiplexers, waveguide division multiplexers; electrical splitters; microscopes; cabinets and enclosures for electrical equipment; splicing apparatus for glass fibres and synthetic glass fibres; protective gloves; cable test and measurement kits; computer software; cable connectors, splice connectors; all of the aforesaid goods other than for use in operating devices for lighting apparatus; parts and fittings for all the aforesaid goods.

Class 17: Packing, stopping and insulating materials; flexible pipes; insulating materials; spacers and plastic cables for use with wire, cables, networking cables, communication cables, glass fibre cables, synthetic glass fibre cables; parts and fittings for all the aforesaid goods.

2. Mr Psaltis claims that the logo element of the marks is highly similar to a logo which he created in 2004:



Mr Psaltis also claims that he adopted the sign OPTRONICS in 1997 in relation to installation and sales of structured cabling, alarm systems, house wiring, computer and telecom data networks, telephone installations, antennae and similar products and, since 2006, has used the following sign:



3. Mr Psaltis states:

“The Opponent [Mr Psaltis] is based in Cyprus and is a Cypriot national. At the time of the launch of the word mark and logo by the Applicant in the UK, the Applicant’s majority shareholder was a Cypriot company, Silbury Investments Ltd, the directors of which were two Cypriot nationals. Furthermore, the former VP and Managing Director of the Applicant, Mr. Koullis Azas, is also a Cypriot national. He is also a former director of FibreFab Limited, the company which owns the Applicant. The Opponent’s marks are well known in the industry in Cyprus, as well as in the Middle East and Africa, being other territories in which the Applicant trades. As the Applicant has Cypriot connections and is involved in the same industry, the Applicant would have been aware of the Opponent’s marks and given that it is not possible to independently adopt the same name and identical stylisation to

another, there can be no other conclusion than that the Applicant adopted its marks and sought to register them in bad faith.”

4. The applicant denies the ground of opposition in full counterstatements. The main points which the applicant makes are:

- The applications are made with the full knowledge and consent of the applicant’s wholly owned subsidiaries FibreFab Limited and Auriga (Europe) Limited, which it calls the “Trading Companies”. The applicant states it has traded under the OPTRONICS brand through these companies since 2002.
- In or around 2002, Warren Niles, Auriga (Europe) Limited’s Marketing Manager, created the stylised word contained in the contested composite mark, in a font called “Saved By Zero”, for all the companies. He created the roundel logo in 2011. This was registered as a UK trade mark in Class 9 (2597048) by FibreFab Ltd.
- The applicant and the Trading Companies have been using the contested marks since at least 2011.
- The marks were applied for to protect the applicant’s position following the discovery of an ‘infringing’ website (which resulted in High Court action against the ‘infringing’ party).
- It is denied that Mr Psaltis created any similar logo and that the applicant deliberately designed a highly similar logo for use with the identical mark OPTRONICS.
- Prior to the opposition, the applicant was only aware of Mr Psaltis because, as a director of a Cypriot company called Polysource IT, he had made purchases from the applicant of OPTRONICS goods, with a sales value of £32,614.89.

The applicant states that Mr Psaltis did not mention his alleged prior use of his signs.

- The applicant was unaware of any alleged prior use by Mr Psaltis when it filed its applications. Even if Mr Psaltis had used his signs, it is denied that the applications were made in bad faith because Mr Psaltis does not have any right or interest in his signs in the UK and has never expressed that he has any intention to use them in the UK.

5. The applicant states that, at the time the applications were filed, its majority shareholders were America Fujikura Limited and AFL IG LLC; it had four directors, three of whom resided in the USA and one of whom resided in the UK.

6. Both sides filed evidence. The applicant also filed written submissions with its evidence. Neither party wished to be heard, but both filed written submissions in lieu of a hearing. Mr Psaltis is represented by Vault IP Ltd, and the applicant is represented by Howes Percival LLP. For reasons which are not apparent to me, these two sets of proceedings were not consolidated. However, for economy of process, I will issue a single decision since the parties are identical, and the pleadings, the evidence and the written submissions are virtually identical in each opposition.

Mr Psaltis' evidence

7. Mr Psaltis has provided a witness statement dated 26 June 2017 for each opposition. He states that he has developed his business of installation and sales of cables, alarm systems and optical fibres under the name OPTRONICS since 1997. He states that he trades in Cyprus, the Middle East and Africa and that the applicant also trades in these countries. Mr Psaltis provides at Exhibit CP1 three declarations from individual customers in these territories, testifying to their knowledge of Mr Psaltis and his trade under OPTRONICS and OPTRONICS PLUS.

8. Mr Psaltis states that, in 1997, the first incarnation of his sign was as follows:

OPTRONICS

He exhibits (Exhibit CP2) a copy of the front and back pages from his 1998 Structured Cabling Catalogue, along with a selection of invoices from 1997, 1998, 1999 and 2000. All of these show the sign depicted above. The customer details in the invoices are redacted.

9. Mr Psaltis states that, in 2002, he received advice from an advertising agency, INC Advertising, following which he changed the stylisation of the mark to:

OPTRONICS
CABLES 

OPTRONICS
FIBRE 

10. Exhibit CP3 comprises front and back pages from his 2002 Infrastructure Solutions Catalogue and 2002 Fibre Optics Catalogue, which show use of the signs depicted above, along with a selection of redacted invoices from 2001, 2002 and 2003, showing use of the sign OPTRONICS FIBRE, depicted above.

11. Mr Psaltis states that, in 2004, INC Advertising suggested that he develop a logo to accompany the OPTRONICS sign. He states that the logo he designed was



and that it was used in conjunction with the OPTRONICS mark, as follows:

BOPTRONICS

12. Exhibit CP4 comprises a copy of the front and back pages from Mr Psaltis' 2004 Infrastructure Solutions Catalogue, along with a selection of redacted invoices from 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016. All of these show the sign depicted above.

13. Mr Psaltis states that, in 2005, he sought further advice from INC Advertising with regard to the logo. He states that, since 2006, he has used the following signs in his business:



14. Exhibit CP5 comprises front and back pages from his 2006 and 2010 Connectivity catalogues, and his 2016 Datacentre Solutions catalogues. All of these show the sign depicted above.

15. Exhibit CP6 consists of a witness statement from Costas Georgallides, the Director of F&C Georgallides (trading as INC Advertising), dated 8 June 2017. He states that he knows Mr Psaltis in his professional capacity and as a customer of INC Advertising, Mr Psaltis having, in the past, consulted INC Advertising and Mr Georgallides for advice in branding and promoting his OPTRONICS products in the area of structured cabling and telecommunication networks.

16. Mr Georgallides states that when his company first met Mr Psaltis in 2002, he informed the company that the logo which he had been using since 1997 was



As Mr Psaltis' budget was limited, Mr Georgallides states that the initial advice given to him was that he should at least change the font to something more modern and he

was shown some examples which INC Advertising had prepared for him. Mr Georgallides states:

“He agreed and he personally chose to revert to one of the fonts designs we had suggested and paid us for our services. However, without our advice, he decide to use two logos as follows:

The logo consists of the word "OPTRONICS" in a bold, sans-serif font with a horizontal line underneath it. Below "OPTRONICS" is the word "CABLES" in a smaller, all-caps, sans-serif font.The logo consists of the word "OPTRONICS" in a bold, sans-serif font with a horizontal line underneath it. Below "OPTRONICS" is the word "FIBRE" in a smaller, all-caps, sans-serif font.

11. In 2004 Mr Psaltis approached us again and he asked for our advice showing use the two logos he had decided to use. We had suggested to him to drop the two logos, as we believed that they were confusing and did not help in forming brand awareness, and we had suggested that he should only use one single logo. Because Mr Psaltis' logo was very basic and simple (just a name) we had also suggested that he should design a logo to be associated with the name he was using maybe something like a stylised O.

12. As Mr Psaltis' budget was still limited he decided to design a logo himself and add it to his logo as follows:

The logo consists of the word "BOPTRONICS" in a bold, sans-serif font with a horizontal line underneath it.

13. In 2005, Mr Psaltis approached us again. This time his budget allowed him to receive full advice and services. We suggested to him to make amendments to his mark and remove the underline.

14. He asked for our help to design it and we suggested that he would use the word "Plus" in his logo. The reason was that his logo did not seem to consist of a stylised O, but of an O and a P together. Mr Psaltis thought that it referred to the first two letters of the word Optronics which we found not to be a good idea. We suggested that the logo should only look like an O but if he

wanted to continue using it with the P, then he should change the logo into Optronics Plus (suggesting a more robust or advanced product) and at the same time continue to use the O and the P as the first letters of his brand name. We, therefore, helped Mr Psaltis to transform his logo. We did not have much space to manoeuvre, since we had to work on the line of the old logo he was using. The logo we had designed for Mr Psaltis was as follows:




17. Exhibit CP8 is a witness statement, dated 26 June 2010, from Koullis Azas, former Vice President and Managing Director of FibreFab Ltd.

18. Mr Azas states that between September 2008 until the beginning of 2010, he was employed by FibreFab Ltd in the UK as Vice President. He was then promoted to Senior Vice President. In October 2013, he also took on the role of Managing Director of the Optronics brand worldwide for FibreFab Ltd. From 7 October 2011 until 7 May 2015, Mr Azas was also a member of FibreFab Ltd's Board of Directors. After leaving the company, Mr Azas worked for an unrelated company called Raycap, as the President of its Middle Eastern and African operations.

19. Mr Azas states:

"FibreFab had acquired a company called Optronics Ltd in 1994 (No 01215229) but this company was dissolved on 14 April 2002. In 2003, after Optronics Ltd had been dissolved, FibreFab started to display the OPTRONICS brand on its website. However, it did not actively promote the brand until I joined the company in 2008.

9. At the time I joined the company in 2008, the particular Optronics branding

adopted was  which was chosen from a series of examples presented by the FibreFab's marketing team. The same applies to the roundel F logo, which was designed at a later date.

10. At the time the above Optronics branding was launched, I was aware that the name Optronics was used in other countries, such as Cyprus and Greece. I also knew that the particular stylisation of the OPTRONICS part of the mark was highly similar to OPTRONICS branding used in Cyprus, i.e. by Mr Psaltis. When I raised the issue, I was advised by the acting directors of Optronics Ltd, who were at that time Mr Andrew Bishop, Mr Gianfranco Grillo, Mr Christopher Reid and Michael James Downie, that use abroad would not bar use of the OPTRONICS branding by Optronics Ltd in the UK. The Directors were, therefore, aware of the marks used by Mr Psaltis in Cyprus.



11. The logo was chosen in around 2011 by Mr Andrew Bishop



and his son, who were also aware of the logo used by Mr Psaltis in Cyprus, in connection with his OPTRONICS mark. It was obvious that when this mark was used in conjunction with the word OPTRONICS, in the identical stylisation to Mr Psaltis' mark, that the marks were highly similar."

20. In the counterstatement, reference is made by the applicant to infringement proceedings in the High Court, brought by the applicant against three entities, Optronics Plus Limited, Optronics Trading (UK) Limited and Optronics Trading LLC. The applicant states that, during the proceedings, no mention was made of Mr Psaltis. In his evidence, Mr Psaltis explains that there is no reason why his name would have been mentioned, since there was no connection between him and the defendants in the proceedings and no reason why the defendants would have mentioned his prior use of the marks.

21. Mr Psaltis refers to complaints filed by FibreFab Limited to WIPO, in November 2016, in connection with the domain names optronics.net and optronicsplus.net,

which the defendants in the High Court proceedings had originally registered. Mr Psaltis states that he had legitimately acquired the domain names two months earlier and he successfully defended the complaints. He had been offered the domain names by Mr Charalambous of Code Eleven, a Cypriot domain names agency, who had been aware that Mr Psaltis had a long interest in the sign OPTRONICS. Mr Psaltis states that, at that point, he knew nothing about the High Court proceedings, or of the link between the companies involved and the domain names which he had just purchased. Exhibit CP9 comprises an affidavit from Mr Charalambous, dated 16 December 2016 and submitted in the WIPO proceedings, showing how Mr Psaltis came to purchase the domain names. Exhibit CP10 comprises copies of the WIPO decisions, which Mr Psaltis states show that there was no connection with the defendants in the High Court proceedings and that the applicant knows there was no connection.

22. Mr Psaltis states that when the domain names were originally registered by the High Court defendants, the directors of the businesses were Andrew Grillo, Mr Gianfranco and Christopher Reid. Mr Psaltis states that these three were all former directors of the applicant and also of FibreFab Ltd. Exhibit CP11 comprises copies of the 2007, 2008, 2009 and 2010 Annual Returns for FibreFab Ltd and Optronics Ltd. The documents show that Messrs Grillo and Bishop were directors and shareholders of the companies and that Mr Reid was a director.

23. Mr Psaltis explains why he, as director of Cypriot company Polysource IT, bought OPTRONICS branded goods from the applicant:

“It is not denied that I made a purchase from the Applicant, but the purchase was made sometime during 2015, after I had become aware of the existence of a business using Optronics branding which resembled my own, in the UK. I made investigations and placed a single group of product orders from FibreFab Ltd as a ‘test purchase’ in order to obtain evidence for future litigation, if required. The fact that I was obtaining evidence of use of similar marks to my own explains why I did not make reference to prior use of

confusing similar marks by My Business, at the time of the transaction. There have been no further purchases, since this initial ‘test’ purchase.”

The applicant’s evidence

24. Kheng Hwa Seng, a director of the applicant since 2 April 2015, has provided a witness statement dated 25 August 2017. He is also a director of FibreFab Limited, having been appointed on 30 September 2013.

25. Mr Seng states that he is the director who gave the instructions for the contested trade mark applications to be filed. He states:

“3. As indicated in the Applicant’s Counterstatement, this application was filed after the Applicant had become aware of the Infringing Website (as defined in the Counterstatement) but prior to formal High Court proceedings been commenced in order to protect the Applicant’s ‘Optronics’ brand and to bolster its position in the High Court litigation.

4. I gave the instructions for this application to be filed and can categorically confirm that at the time those instructions were given I was completely unaware of Mr Psaltis’ alleged trade under the sign ‘optronics’ and/or using the branding set out in his Statement of Grounds.

5. Whilst I had previously become aware of Mr Psaltis when he purchased ‘Optronics’ branded goods on behalf of a company called PolysourceIT, from FibreFab bearing the Applied for Mark, at no time did he make me, or any of my colleagues aware that he was trading under a similar brand and/or that he was using the sign ‘optronics’ in any other jurisdictions.

6. I should mention in addition to this, that as far as I am aware Mr Psaltis has never traded in the UK and his Opposition and evidence in support does not indicate any intention to do so at any point in the future.”

26. Mr Seng states that the applicant's turnover under the marks have been in excess of £15 million since 2011.

27. Mr Seng concludes:

"8. Finally, I note that Mr Koullis Azas has provided a declaration in support of the Opponent's position. Mr Azas is a former employee of FibreFab Limited. However, he left the company on acrimonious terms. I find Mr Azas' evidence somewhat hard to believe. I was certainly not aware that the name 'optronics' was being used by Mr Psaltis in Cyprus, Greece or any other country at the time this application was filed".

28. Warren Niles, Marketing and Communications Manager in FibreFab Limited's marketing department, has provided a witness statement dated 25 August 2018. Mr Niles states that shortly after he joined the marketing team, in or around 2002, he created the following mark:



29. Mr Niles states that the font is called "Saved by Zero", and:

"I cannot recall exactly what inspired me to create this logo but believe that it probably flowed from my being in a new job and being asked to create a logo using the word Optronics."

30. Mr Niles states that the branding was under constant review and in 2003 and, again, in 2004 it was amended to, respectively:



and



31. Mr Niles states:

5. “A few years later, in or around 2011, I developed a roundel logo. This was at the request of the then directors of FibreFab who were concerned that the sign ‘Optronics’ alone may not be sufficiently distinctive. They considered using the sign ‘Optronics by FireFab’ but decided the addition of a logo would be preferable. It was suggested to me that we could use a symbol which included a letter F inside an O and I therefore worked with this suggestion to develop the roundel logo. The addition of the roundel brought the Optronics branding used by the Applicant to the Applied for Mark which has been used ever since 2011.

32. Mr Niles states:

“I understand that it has been claimed that the above branding has been copied from a third party. This is certainly not the case. I created this branding entirely independently and using my own skill and effort.

...

8. To confirm, I was not aware of Mr Psaltis or the above sign at the time I created the Applied for Mark, and at no time between then and 2016 has anyone notified me of Mr Psaltis’ alleged trade under the sign above or using the sign ‘optronics’.”

Decision

33. 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.”

34. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“Sun Mark”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

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* [2009] 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).”

35. The relevant date for both trade mark applications is 3 August 2016, the date on which they were both filed.

36. Mr Psaltis' claim is based upon the fact that the marks are so similar to his that the applicant must have known of them, having Cypriot connections, and therefore the applications were made in bad faith.

37. Mr Psaltis' evidence shows that he was using the composite sign well before the applicant. His catalogues and invoices show use of it in 2004, a date which matches Mr Georgallides' evidence that Mr Psaltis designed his logo in 2004. His use was in relation to goods and services in the same market as those for which the applications have been made. The applicant has not denied Mr Psaltis' statement that the applicant trades in the same countries as he does (Cyprus, the Middle East and Africa). For the applicant, Mr Seng, who gave instructions to file the applications, states that he "was completely unaware" of Mr Psaltis' use. Since Mr Seng did not become a director of the applicant until 2015, four years after Mr Niles states he created the logo for the applicant, this is a reasonable statement. Some of Mr Niles' evidence, however, carries little weight because it does not attest to any facts (my emphasis):

"I cannot recall exactly what inspired me to create this logo [the word mark] but believe that it probably flowed from my being in a new job and being asked to create a logo using the word Optronics."

38. Mr Niles states that in 2011 he developed the roundel logo "entirely independently using [his] own skill and effort. It may be literally true that Mr Niles worked independently using his own skill and effort to refine the mark, since it is slightly different to Mr Psaltis' logo. I bear in mind that there have been no requests for cross-examination. However, the combination of the trade in identical markets, both using OPTRONICS with highly similar roundels, Mr Psaltis having first used the roundel in 2004, means that it is highly improbable that the applicant's roundel was arrived at without anyone having had sight of Mr Psaltis' logo.

39. Whether the applicant copied Mr Psaltis' signs is the beginning of the enquiry into the bad faith claim but, even assuming (for argument's sake) that the applicant did copy Mr Psaltis' signs, is not the end of the enquiry, as I now go on to explain.

40. The single ground of opposition has been raised under section 3(6) of the Act. There is no claim under section 5(4)(b), that the applicant has breached Mr Psaltis' copyright. This is important because unlike copyright, which is a global right, trade mark rights are limited territorially. A finding of copying might not necessarily lead to a finding of bad faith, depending upon the territorial aspects of the case and bearing in mind all the relevant factors. Furthermore, in *Gourmet Trade Marks*, BL O/226/17, Professor Ruth Annand, sitting as the Appointed Person, stated:

“In my judgment, the findings of the Hearing Officer in connection with the copyright claims could not be extrapolated safely to infer at the relevant times (or any of them) an intention to mislead UK consumers by London [the registrant] contrary to Section 3(6), in situations where GF [the claimant] had failed to establish on the evidence: (1) any customers in the UK for GF's products under its marks; (2) the degree of recognition, if any, amongst the UK public of GF's stylised gourmet mark (or any other of GF's marks relied on).⁷

⁷ Intention is just one factor in the global assessment of bad faith (Case C-529/07, *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] I-04893. Other factors include the degree of legal protection of the claimant's mark in the jurisdiction concerned.”

That case involved highly similar marks applied for in the UK to marks which were in use in Pakistan, in the same area of trade, a situation analogous to the present cases.

41. In *DAAWAT Trade Mark* [2003] RPC 11, Mr Geoffrey Hobbs QC said:

“107 The domestic perspective of the objection under s.3(6) was correctly recognised in para.17 of the principal hearing officer's decision:

“In my view a vague suspicion that a foreign proprietor may wish to extend its trade to the UK is insufficient to found an objection under s.3(6).”

42. In that case, the objection under section 3(6) succeeded because not only was it found that the application had been made in the knowledge of the claimant’s trade in identical goods under an identical mark in other markets, but also because it was motivated by a desire to pre-empt the claimant’s entry into the UK market in order to secure a commercial advantage in negotiations with the trade mark registrant, who had got wind of the claimant’s plans to expand into the UK. There was, therefore, an added ingredient, not simply that the trade mark registrant knew of the claimant’s trade mark use abroad. The absence of an added factor also featured in *Wright v Dell Enterprises Inc.* (HOGS AND HEIFERS), BL O/580/16, in which Professor Ruth Annand, sitting as the Appointed Person, upheld the registrar’s decision to reject an opposition on the ground that the applicant had copied a trade mark with a reputation in the USA (but not in the UK) and applied to register it in relation to the same services. Professor Annand ruled that, given the territorial nature of IP rights, the mere appropriation of a name registered/used abroad was not enough under UK law: there must be something else involved before this can justify a finding of bad faith.

43. In *Fair & Lovely*, BL O/532/14, Ms Amanda Michaels, sitting as the Appointed Person observed:

“In [38] and [46]-[47] of *Lindt*, the CJEU held that one factor to be considered in the assessment of bad faith is the degree of legal protection enjoyed by the third party’s sign indeed, in [46] and [47] it referred to an applicant seeking to compete unfairly with a competitor’s earlier mark with ‘some degree of legal protection’. Where a mark has goodwill in the UK, an application by an unconnected third party to register that mark may well be found to have been made in bad faith with the objectively dishonest intention of taking advantage of the earlier mark’s goodwill. An application may also be found to have been made in bad faith where there is no current trading under a mark which has been used in the UK in the past, but the mark has residual goodwill, see for

instance *Maslyukov v Diageo Distilling Ltd* [2010] EWHC 443 (Ch), [2010] R.P.C. 21 and BL O/468/12 *Simmons trade mark*, a decision of Mr Daniel Alexander QC sitting as the Appointed Person.”

44. A foreign business with no goodwill in the UK has no legal protection in the UK, as per *Frost Products Limited v F C Frost Limited* [2013] EWPC 34, 26 July 2013 in which Vos J said at [89]:

“Recent cases have made clear that reputation and goodwill are not the same. It is as well to remember, as Oliver LJ re-stated in *Anheuser-Busch Inc v. Budejovicky Budvar NP* [1984] FSR 413 that goodwill cannot exist in a vacuum, whilst mere reputation may exist without any supporting local business. Moreover, reputation does not constitute property which the law protects.”

45. There is no evidence in these proceedings that Mr Psaltis had any plans to enter the UK market, at the relevant date. He had been trading since 1997, and had not ventured into the UK market. He had no business connected with his signs in the UK and therefore no goodwill in the UK, and there is no evidence that he had a reputation in the UK in relation to the signs. There had been no contact between the parties apart from Mr Psaltis’ test purchase, which would not, of itself, have raised suspicions that Mr Psaltis was about to enter the UK market. Mr Seng has stated that the motivation for the applications was to protect its position in the light of its claims in the High Court against third parties, who are unrelated to Mr Psaltis and his business. There is, therefore, no evidential basis for a finding of pre-emption, which, in any case, is not the pleaded claim. Added to this, the applicant has traded using its marks since 2011, some five years prior to filing the applications¹; it has not sat on the marks, waiting for Mr Psaltis to enter the UK market in order to use the marks as bargaining chips.

¹ This fact was recorded by Mr Justice Arnold in his decision following an application for an interim injunction by FibreFab Ltd and Auriga (Europe) Ltd against the third parties mentioned earlier in my decision, case number HC2016-002402, 12 September 2016.

46. For these reasons, the applications were not made in bad faith, even if the applicant had copied Mr Psaltis' signs, which is not a finding I need to make.

Outcome

47. The oppositions fail. The applications may proceed to registration.

Costs

48. The applicant has been successful and is entitled to an award of costs, based upon the scale published in Tribunal Practice Notice 2/2017. The scale is intended to provide for a contribution to the costs of parties with professional representation. I note that the applicant's professional representatives requested a costs pro forma from the Registrar, which they have returned with a breakdown of the costs sought by the applicant. The Registrar routinely sends such a pro forma at the conclusion of proceedings to any party which is not professionally represented in order to arrive at a cost award which does not give the party more money than it actually spent, which might be the case if the award was made from the scale. I do not know the reasons why the applicant's representatives sought to file a breakdown of the applicant's costs, which they say amount to £2726.

49. The scale applies, rather than the applicant's actual costs. Taking into account the large amount of duplication across the two sets of proceedings, the costs award is calculated as follows, on the scale:

Considering the notices of opposition and preparing the counterstatements	£400
Preparing evidence and considering and commenting on Mr Psaltis' evidence	£1000
Preparation of written submissions	£300

Total

£1700

50. I order Constantios Psaltis to pay Optronics Limited the sum of £1700 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 2nd day of February 2018

Judi Pike

For the Registrar,

the Comptroller-General