O/416/18

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS:

IN THE MATTER OF TRADE MARK APPLICATION NO 3 162 090 FOR THE SERIES OF TWO TRADE MARK:
JEREMY HOYE
JEREMY HOYE JEWELLERY

IN CLASS 14 BY GARY HAMBLYN

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO 407 372 BY JEZ IP LIMITED

AND IN THE MATTER OF AN INVALIDATION ACTION UNDER NO 501 505 BY GARY HAMBLYN IN RESPECT OF TRADE MARK REGISTRATION NO 3 033 063 FOR THE MARK: House of Hoye IN CLASS 14 OWNED BY JEZ IP LIMITED

Background and pleadings

1. These are consolidated proceedings. Gary Hamblyn (Party B) applied to register the series of two trade mark Jeremy Hoye and Jeremy Hoye Jewellery under No 3 162 090 in the UK on 29th April 2016. It was accepted and published in the Trade Marks Journal on 10th June 2016 in respect of the following goods in Class 14:

   Jewellery, precious stones;Jewellery being articles of precious metals;Jewellery being articles of precious stones;Jewellery chain of precious metal for necklaces;Jewellery containing gold;Jewellery fashioned of precious metals;Jewellery fashioned of semi-precious stones;Jewellery in the form of beads;Jewellery incorporating diamonds;Jewellery incorporating pearls;Jewellery incorporating precious stones;Jewellery made from gold;Jewellery made from silver;Jewellery made of precious metals;Jewellery made of precious stones;Jewellery made of semi-precious materials;Jewellery plated with precious metals;Jewellery;Jewellery chain;Jewellery in precious metals;Jewellery of precious metals;Jewellery items;Jewellery chain of precious metal for bracelets.

2. Jez IP Limited (Party A) oppose the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is based upon it's earlier trade mark, No 3 033 063 House of Hoye, registered in respect of the following goods in Class 14:

   Articles of jewellery;Charms [jewellery] of common metals;Decorative brooches [jewellery];Gold jewellery;Items of jewellery;Jewellery articles;Jewellery being articles of precious metals;Jewellery chain;Jewellery chain of precious metal for anklets;Jewellery chain of precious metal for bracelets;Jewellery chain of precious metal for necklaces.

3. Party A argues that the goods are identical and the trade marks are similar.

4. In response, Party B filed an invalidation action in respect of the earlier trade mark upon which Party A's opposition relies. In this regard, Section 5(4) (a) of the Act is relied upon (as detailed below this is applicable by virtue of section 47 of the Act). This is on the basis of its alleged earlier rights in Jeremy Hoye. It claims that it (or its predecessors in title) have been manufacturing and selling articles of jewellery under this sign since the year 2000 onwards and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

5. Party B also filed a counterstatement in the opposition proceedings whereby it questioned the validity of the earlier trade mark for the same reasons as that already described in the previous paragraph.

6. Both sides filed evidence. This will be summarised to the extent that it is considered necessary.

7. A Hearing took place on 28th March 2018, with Party B represented by Mr David Ivison of Counsel, instructed by SO Legal, and Party A by Mr Tony Pluckrose of Boult Wade Tennant, the representatives in this matter.

8. Bearing in mind that the validity of the earlier trade mark relied upon by Party A is being attacked, it is logical to consider this matter first. This is because, should the attack on Party A's trade mark succeed, its opposition will necessarily fall away.

Legislation

9. Section 5(4)(a) 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.”

10. Section 47 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.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
(b) the registration procedure for the earlier trade mark was not completed before that date, or
(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(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.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(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)

11. In *Discount Outlet v Feel Good UK,* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

12. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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."

Evidence

Preliminary remarks

13. It should be noted that there have been particular issues that have arisen during these proceedings, for which evidence was filed in support. These issues were in respect of a request for summary judgement from Party B, as well as an application for security for costs against Party A. The evidence filed was, in the main, specific to these issues, which are now resolved. However,

should any information filed in that context be considered to be relevant to the substantive issues in hand, it will be included within the main evidence summary. Further, the evidence summary that follows focusses upon information considered to be directly relevant to the invalidation proceedings. Any material relevant to the opposition proceedings, will be summarised later, if necessary.

Party B's evidence

14. This is a witness statement, dated 10th November 2017, from Mr Gary Hamblyn. Mr Hamblyn explains how he came to be the owner of the goodwill associated with a jewellery business in Brighton under the name JEREMY HOYE. Mr Hamblyn explains that the business which generated the goodwill has been owned by a number of different persons and companies over the years and a series of assignments of that goodwill have taken place. He has helpfully described the history in his witness statement whilst also referring to particular pages of a sole exhibit via pertinent time periods:

- 2000 – 14th October 2009: goodwill was initially generated and owned by a company called Bam Bam Blue Limited (BBBL). This was a UK company of which Mr Jeremy Scott Hoye was a director. It traded under the name Jeremy Hoye from a premises in Brighton and manufactured and sold items of jewellery. Pages 1-45 of the exhibit attached to the witness statement are the annual accounts from BBBL from 2000 to 2009. It is noted that no turnover figures are provided. Pages 46-52 of the exhibit are print outs from the pages of the website in use by BBBL (Jeremy-hoye.com); pages 53-56 are articles from the local newspaper, the Brighton Argus; page 57 is a screenshot showing the shopfront of the premises dated 2009. BBBL went into administration and on 14th October 2009, the administrators entered into an asset sale agreement with Jeremy Hoye Limited (JHL). A copy of this agreement is exhibited at pages 58-82. The agreement included the sale of the business stock, intellectual property and goodwill held by BBBL trading as

Jeremy Hoye and provided JHL with the exclusive right to use the name Jeremy Hoye.

- 14th October 2009 – 16th November 2012: from 14th October, JHL continued to trade out of the same premises under Jeremy Hoye, until Buxton Avon Limited (BAL) took over the business on 11th November 2011. During this time, Mr Hoye was a director of JHL. Pages 86-90 of the exhibit are copies of the public accounts during this period. Once again, there are no turnover figures. Page 91 is a photograph of the premises in July 2012. It is noted that this shows a shop front called “Jeremy Hoye Jewellery”. Pages 92-93 are print outs from the Wayback machine archive, dated February 2011 and January 2012. Both show printouts from the Jeremy Hoye website and show items of jewellery for sale. Pages 94 is a newspaper article, dated August 9th 2012. This shows a photograph of a shop front called “Jeremy Hoye Jewellery” and describes expansion plans for further shops in the UK, with the first planned for the end of 2012. There is other material, which is undated, but according to Mr Hamblyn is from the period October 2009- November 2012, namely the inclusion of pieces of Jeremy Hoye Jewellery in fashion magazines. During this period, Mr Hamblyn explains that he met Mr Hoye when he (Mr Hoye) purchased a workshop premises from him. Mr Hamblyn claims that Mr Hoye was aware that he was an investor in companies requiring financial assistance and/or restructuring. According to Mr Hamblyn, Mr Hoye approached him for assistance when JHL experienced debts in 2011. Mr Hamblyn claims that he considered the reputation of the Jeremy Hoye business to be excellent and believed it would be possible to rescue it. On 11th November 2011, BAL, a company of which Mr Hamblyn was director, took over the business of JHL. My Hoye was retained as a consultant. On 7th March 2012, JHL went into voluntary liquidation and on 16th November 2012, BAL purchased the business and assets from the liquidators and an asset sale agreement was entered into. A copy of the agreement is shown at pages 99-145 and included all stock, goodwill and the exclusive right to use the name Jeremy Hoye. The website was also transferred to BAL.

- 16th November 2012 – 22nd July 2015: BAL continued to trade in the design and sale of jewellery under Jeremy Hoye. An article appearing in SO magazine, dated 16th January 2013 is shown at page 145A of the exhibit. This article describes the expansion plans of the Jeremy Hoye jewellery business, namely to open 10 stores across the UK following new investment. There is also mention of previous celebrity clients, such as Victoria Beckham. On 22nd July 2013, Mr Hoye applied to register a trade mark JEREMY HOYE in respect of items of jewellery without BAL's knowledge. On 11th February 2014 BAL applied to cancel this trade mark, relying upon the same goodwill as detailed in the current proceedings. BAL was successful. Mr Hoye was informed that his consultancy services were no longer required as of 24th October 2013. During this period, (according to Mr Hamblyn), BAL operated retail outlets, including in Tumbridge Wells and continued to trade via its website under the Jeremy Hoye name. Exhibit 146-147 are print outs from the website during this period dated July 2013 and May 2014. They show items of jewellery for sale. Pages 148-162 are public accounts of BAL from this period. Again, there are no turnover figures. On June 2015, BAL went into liquidation and on 22nd June, Mr Hamblyn obtained an assignment of the assets of BAL, including the goodwill and intellectual property rights belonging to BAL. A copy of the proforma invoice, dated 22nd June 2015, for this sale is shown at pages 163-165. A copy of the liquidators report confirming that this sale was made to Gary Hamblyn is at 166-185. Again, business stock and goodwill in relation to JEREMY HOYE is explicitly included within the amount paid together with confirmation that monies were received on 6th October 2015.
- 22nd June 2015 – present: Mr Hamblyn explains that he has continued to operate a jewellery business under the name Jeremy Hoye including from the website which is now held in his name. Page 186-188 is a print out showing the "whois" information from the website which appears to confirm this. Pages 189-192 are printouts from the website as it appears currently. They show items of jewellery for sale under the sign Jeremy Hoye.

Party A's Evidence

15. This is in the form of two witness statements, both from Dr Alessio Brotto, a trade mark attorney from Boult Wade Tennant (Party A's representatives). They are dated 13th November 2017 and 29th January 2018 respectively.

16. The main thrust of the first witness statement is that Party A believes that Party B abandoned any goodwill they had in the mark JEREMY HOYE and moved to the trade mark ASTOR & MARCH. The following information is exhibited:

- Exhibit AB2-1 is an extract from the online register of the UK Intellectual Property Office, showing that BAL filed an application for ASTOR & MARCH for jewellery in Class 14 on 10th June 2014. This is now a registered trade mark.

- Exhibit AB2-2 are photographs found on the internet which shows details of the ASTOR & MARCH store, with no reference to JEREMY HOYE in the store.

- Exhibit AB2-3 are pages from the liquidator's progress report, dated 28th July 2017 regarding the liquidation of BAL. It can be seen from the pages that BAL is indicated as trading as JEREMY HOYE JEWELLERY ASTOR & MARCH.

- Exhibit AB2-4 is from the front page of www.jeremy-hoye.com. The website indicates contact information from a particular street in Eastbourne. Using Google maps, images have been obtained from this address and it can be seen that it is an office address, with no signage showing use of JEREMY HOYE as a trade mark (this is shown at Exhibit AB2-5).

17. The second witness statement, is a continuation of the theme regarding alleged abandonment of goodwill:

- Exhibit AB3-1 printouts taken from Google maps showing the shop front of 74 High Street, Tumbridge Wells in 2012 and 2014. There is no sign of the JEREMY HOYE shops or ASTOR & MARCH shops.
- Exhibit AB3-2 are images from the website which can be accessed from a link from www.jeremy-hoye.com taken on 12th January 2018, showing pictures of a shop branded ASTOR & MARCH.
- Exhibit AB3-3 are still images from a video on YouTube dated 19th November 2014. This shows, according to Dr Brotto, that ASTOR & MARCH was used exclusively on packaging and on the shop front. There is no mention of JEREMY HOYE throughout the video.
- Exhibit AB3-4 are in effect, a repeat of information described in the first witness statement of Dr Brotto regarding an application for the trade mark ASTOR & MARCH by BAL which was registered in Class 14 for jewellery on September 26th 2014.

Relevant Date

18. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

"39. In *Last Minute*, the General Court....said:

> '50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes* v *Pub Squash* (1981) R.P.C. 429).

> 51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the

Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

> (a) The right to protection conferred upon senior users at common law;
> (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
> (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

> '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.' "

19. The relevant date for assessing goodwill is the date of application of the trade mark being attacked, namely 2nd December 2013. At this stage, the earlier right JEREMY HOYE was in the ownership of BAL (with Mr Jeremy Hoye a consultant for BAL at this time). There is no information from Party A to suggest that they dispute this version of events. I therefore accept it.

Goodwill

20. During these proceedings, Party A has advanced a number of arguments: a) that Party B has not demonstrated goodwill and if it has, it is trivial; b) that it is for Party B to demonstrate that any goodwill was properly assigned to it prior to the date of the application for invalidation; c) that any goodwill has in any case been abandoned by Party B.

21. In respect of goodwill, the following guidance is borne in mind:

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."

Proof of goodwill

22. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of

reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent that the enquiry under s.11 of the 1938 Act (see Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

23. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

"[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

24. Party A has made a number of criticisms of the evidence of goodwill filed by Party B, several of which are perfectly valid. There are no details of turnover,

no details of marketing expenditure, no examples of packaging, to name a few. However, it is the evidence as a whole that must be considered. There are several screenshots from Party B's website, showing various items of jewellery for sale. These have several dates, including five months prior to the relevant date and indeed five months after the relevant date. There are also relevant newspaper articles, the content of which has already been described. All of which point to a trade in jewellery. It is true that Party A has provided evidence which appears to contradict the claim by Mr Hamblyn that a retail outlet was operated in Tumbridge Wells. However, this is considered to not be fatal to Party B. The standard of proof required in these proceedings is on the balance of probabilities. As such, and bearing this in mind, it is considered that the evidence provided does, on balance, show that there has been a jewellery business, trading consistently for a number of years using the name JEREMY HOYE. Further, that this business had a goodwill at the relevant date in these proceedings, namely 2nd December 2013.

25. As to the extent of the goodwill, due to the defects in the evidence, this has proved to be difficult to gauge. However, I am satisfied that the evidence, overall, establishes that this business has been in existence since 2000, which is a notable duration. Further, the use appears to have been continuous. As such, though it appears to be modest, it cannot be described as trivial.

Abandonment of goodwill

26. Party A also argues that any goodwill acquired in JEREMY HOYE has been abandoned by Party B. In support, evidence has been filed, showing use of ASTOR & MARCH in respect of jewellery in Class 14, together with evidence that this is a registered trade mark. In respect of the use shown of this different trade mark/sign, Party A argues this is proof that JEREMY HOYE had been abandoned in favour of ASTOR & MARCH. In considering the issue of abandonment of goodwill, I bear in mind the following:

27. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPCC 18 (PCC), Iain Purvis QC, sitting as a Deputy Judge considered the law on abandonment of goodwill and summed it up like this:

"68. I deal with the abandonment case first. The doctrine of abandonment of goodwill is intimately tied up with the basic principle that goodwill has no free-standing existence. It is simply a property right attached to a particular business. If the business dies, then so does the goodwill. See Lord Diplock in *Star Industrial v Yap Kwee Kor [1980] RPC 31*:

> 'Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. If has no independent existence apart from the business to which it is attached. It is local in character and indivisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries…Once the Hong Kong Company had abandoned that part of its former business that consisted of manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country.'

69. There is little doubt that the business of Peals was abandoned by a series of very public acts. Just as in the well-known abandonment case of *Pink v Sharwood* [1913] 30 RPC 725 the employees were laid off, all sales stopped and the means of production were broken up. There was a clear and explicit expression in an interview with the press that Peals intended to stop trading in the United Kingdom altogether. However, unlike in *Pink v Sharwood* , those acts took place only after the goodwill was assigned to a third party (Brooks Brothers (New York) Limited). Furthermore, the assignment of goodwill was not a 'bare assignment'. It was on the face of it sold together with the vital assets for maintaining and exploiting that goodwill, namely the customer lists and the lasts and equipment necessary to serve those customers. The thrust

of the Agreement is that Peals will cease trading in the United Kingdom and elsewhere (as they did), but there is nothing in the Agreement to indicate that Brooks Brothers will not carry on the business themselves in the United Kingdom in some form.

70. The termination of the business of Peals in January-February 1965 is therefore not determinative in itself of the issue of abandonment. The question must be looked at more broadly. Did Brooks Brothers, through its conduct in the early part of 1965, whilst Peals was winding up its business, behave in such a way that it could be said to have abandoned the business and goodwill in the United Kingdom associated with the Peal & Co. name and the fox and boot trade mark?

71. In my view it did. Firstly, although it had technically purchased the customer lists and the equipment necessary to keep the established business going in the United Kingdom, it is clear from the evidence of Mr Moore that it allowed those assets to be dissipated or destroyed. In those circumstances, if it had wished to preserve the goodwill in the United Kingdom under the trade marks, it would in my view have had to take steps fairly quickly to preserve the goodwill by launching a new business under those marks and educating the public that it was the successor to the old Peals business. No such steps were taken. Indeed, it must be a reasonable inference that the statement in the Associated Press report, presumably based on a comment of Mr Rodney Peal, that *'Peal's readymade shoes, produced from the firm's lasts and special leather at factory in Northampton, will still be sold in the United States by Brooks Brothers of New York. But the custom-made shoes will be no more, and all the British sales will end'* was a fair reflection of the intentions of Brooks Brothers, and the message which Brooks Brothers were content to send to the market in the United Kingdom.

72. In all the circumstances, by promoting (through clauses 4 and 5 of the Agreement) the destruction of the Peals business, by failing to take any steps to preserve a business in the United Kingdom, and by allowing the United Kingdom market to assume that Peals no longer existed, I consider that

Brooks Brothers had abandoned any and all the goodwill in the United Kingdom associated with the Peals business, including any goodwill associated with the fox and boot device."

28. I have considered the evidence filed by Party A on this point carefully. It is considered that the evidence filed by Party A falls short of demonstrating that Party B had abandoned goodwill in JEREMY HOYE. Indeed, there is no direct evidence of this at all. It may be that following the adoption of ASTOR & MARCH, JEREMY HOYE has become a sign with a more modest profile or a lower business priority than ASTOR & MARCH. This does not however, point to abandonment. The evidence from Party B, though modest, does show that trade under JEREMY HOYE began in 2000 and has been continuous right through to the relevant date, which is 2nd December 2013, and beyond. Indeed, that it appears to continue to this day. This line of argument from Party A therefore fails.

Ownership of Goodwill

29. It is established that there was goodwill at the relevant date of 2nd December 2013 belonging (at that stage) to BAL. Further, it has also been established that this goodwill had not been abandoned, either before the relevant date or since. There remains a further argument of Party A to consider. Namely, that it is for Mr Hamblyn to demonstrate that the goodwill in JEREMY HOYE belonged to him, prior to his application for invalidation.

30. Mr Hamblyn's evidence includes a proforma invoice addressed to him from the liquidator's regarding payment of BAL's assets, including goodwill. This is corroborated by a report from the liquidator's regarding this sale. The report, dated 28th July 2017, explicitly states that the relevant goodwill was in respect of the sign JEREMY HOYE and that this was sold to Mr Hamblyn with monies in respect of this being received, via insolvency agents, on **6th October 2015.** This is prior to the filing of the Invalidation action in November 2016. Party A hasn't provided any evidence (or even a detailed submission) to contradict

this evidence. As such, this evidence is considered acceptable to demonstrate that the ownership of BAL's assets, including goodwill was, at least from October 2015 onwards, Mr Hamblyn's.

31. Having established therefore that, at the relevant date, there was a protectable goodwill, (subsequently) owned by Party B, I will go on to consider whether or not there is a misrepresentation.

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Misrepresentation

32. 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."

33. It is clear that the parties are operating in the same field, namely the manufacture and/or sale of jewellery. Use of the earlier sign – JEREMY HOYE has been consistent and ongoing for thirteen years prior to the relevant date in respect of jewellery. The later trade mark is House of Hoye. It is noted that the word "House" can be used to denote a place of business. In the later trade mark it is considered that HOYE will be understood to be a surname and is the origin identifier with "house of" merely communicating that the business is that of Hoye. Bearing in mind the earlier sign is Jeremy Hoye, which will also be understood as a name there is clearly similarity here. This is pitched as being a medium degree. It is considered to be inevitable that a substantial number of Party B's customers will be misled into purchasing Party A's products. Misrepresentation is made out. ../../trademarks/Reading List/Decision supporter.doc - _Hlk383090534

Damage

34. 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.

35. In *Ewing v Buttercup Margarine Company, Limited,* [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

    “To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

36. It is difficult to see how damage can be avoided where similar signs are trading in the same field: loss of custom, quality issues, credit issues are all examples that are easily foreseeable here. Party B’s invalidation succeeds in its entirety.

37. As a result of this, the trade mark relied upon by Party A in its opposition is invalid. As such, its opposition falls away since it has no basis. Party B’s trade mark application (No 3 162 090) can proceed to registration.

Conclusion

38. The application for invalidation against Trade Mark No 3 033 063 House of Hoye succeeds. The opposition based upon this trade mark fails. As such, trade mark application 3 162 090 Jeremy Hoye, can proceed to registration.

Final Remarks - Estoppel

39. During these proceedings, Party B alleged that Party A should be estopped. This was first raised as part of the request for summary judgement and continued at the substantive hearing. In the light of the findings above, I decline to make a finding on the issue.

COSTS

40. Party B has been successful and is entitled to a contribution towards its costs. In the circumstances I award Party B the sum of £2200 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

    Application for Invalidation and accompanying statement – £500

    Considering Notice of Opposition and accompanying statement and statement of case in reply - £200

    Preparing and filing evidence and considering evidence – £750

    Preparation and attendance at Hearing - £750

    TOTAL - £2200

41. It is noted that following a successful application for security for costs to the order of £2000, this amount has already been paid by Jez IP Limited to Gary Hamblyn (albeit held securely) on 12th October 2017. As such, there is the remaining £200 to be paid to Gary Hamblyn from Jez IP Limited. I therefore order Jez IP Limited to pay Gary Hamblyn the additional sum of £200. 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 10th day of July 2018

Louise White
For the Registrar