

O-011-19

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3229621
BY ASPREY HOLDINGS LIMITED
TO REGISTER THE TRADE MARK**

J W BENSON

IN CLASSES 14, 18 & 35

AND

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 409925 BY
UNITED HERITAGE LIMITED**

AND

**IN THE MATTER OF REGISTRATION Nos. 3084938 & 3115780
STANDING IN THE NAME OF
UNITED HERITAGE LIMITED**

AND

**IN THE MATTER OF REQUESTS FOR A DECLARATION
OF INVALIDITY THERE TO UNDER Nos.501864 & 501865
BY ASPREY HOLDINGS LIMITED**

BACKGROUND

1) On 8 May 2017, Asprey Holdings Ltd (hereinafter AH) applied to register the trade mark **J W BENSON** in respect of the following goods and services:

In Class 14: Precious metals and their alloys; goods in precious metals or coated therewith, namely, jewellery and imitation jewellery; semi-precious and precious stones; horological and chronometric instruments, namely, watches and clocks; jewellery and imitation jewellery; statues of precious metal; cufflinks; leather key fobs; dress studs and parts and fittings for all the aforesaid.

In Class 18: Goods made of leather or imitation leather, namely luggage, suitcases, trunks, valises, travelling bags, travelling sets comprising luggage and travelling bags, garment bags for travel, vanity cases sold empty, handbags, leather shopping bags, shoulder bags, shoulder bags, attache cases, briefcases, drawstring, leather and felt pouches, holdalls namely carryall bags, shoulder straps for luggage, toiletries and cosmetic bags sold empty, satchels and stationery type portfolios; purses; pocket wallets, wallets in the nature of leather card holders; leather cases for personal organisers; umbrellas, canes, walking sticks, whips, harnesses and saddlery.

In Class 35: Retail store services, mail order retail service, catalogue retail service and internet retail services in the fields of horological and chronometric instruments, watches, clocks, jewellery, precious stones and textiles.

2) The application was examined and accepted, and subsequently published for opposition purposes on 2 June 2017 in Trade Marks Journal No.2017/022.

3) On 31 July 2017 United Heritage Limited (hereinafter UH) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the following trade marks:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
<i>J.W. Benson</i>	3115780	01.07.15 09.10.15	14	Precious metals, precious stones, jewellery, costume jewellery, jewellery boxes, watches, clocks, horological & chronometric instruments; parts & fittings for aforementioned goods; stud boxes; jewellery rolls; cufflink boxes.
			18	Luggage, trunks, bags and holdalls, handbags, wallets and purses, tie cases, travelling bags, attaché cases & briefcases, credit card cases, money cases, folio cases, business card cases, luggage tags, key cases; parts & fittings for the aforementioned goods.
J.W. BENSON JW BENSON A series of two marks	3084938	07.12.14 06.03.15	14	Jewelry, watches, clocks, horological and chronometric instruments and parts of all such goods included in Class 14.
<i>J.W. Benson</i>	M 1289446	Date protection granted in EU 28.12.16 Date of Designation of the EU 14.12.15	14	Precious metals, precious stones, jewellery, costume jewellery, jewellery boxes, watches, clocks, horological & chronometric instruments;

		Office of origin United Kingdom Priority date 01 July 2015 Priority country United Kingdom TM from which priority claimed UK 3115780		parts & fittings for aforementioned goods; stud boxes; jewellery rolls; cufflink boxes.
			18	Luggage, trunks, bags and holdalls, handbags, wallets and purses, tie cases, travelling bags, attaché cases & briefcases, credit card cases, money cases, folio cases, business card cases, luggage tags, key cases; parts & fittings for the aforementioned goods.

4) The grounds of opposition are in summary: UH contends that the mark applied for and its marks are similar and that all the goods and services applied for are identical and/or similar. As such it contends that the application offends against Sections 5(1) & 5(2)(a) of the Act. UH relies upon its mark 3084938 to oppose only the goods in class 14 and services in class 35; in respect of its marks M 1289446 & 3115780 it opposes all three classes of goods and services. The wording used in both cases is highly similar stating:


“The Opposed mark consists of the letters J W BENSON', which is identical to the earlier mark J.W. BENSON. The marks consist of the exact same letters, in the exact same order. Therefore, they are phonetically and visually identical. The marks are also listed for identical and similar goods in Classes 14 and 18, including jewellery, watches, luggage and bags. The Applicant's Class 35 services for retail of goods including jewellery, watches and leather goods, are similar to the Opponent's Class 14 and 18 goods. We submit that there is a likelihood of confusion between the opposed mark and the Opponent's prior mark.”

5) On 5 November 2017 AH filed a counterstatement, which denies that UH has any rights in its marks as they are the subject of invalidity actions.

6) The trade marks 3084938 & 3115780 shown in paragraph 3 above are registered in the name of UH.

7) By applications dated 6 November 2017 AH applied for a declaration of invalidity in respect of these registrations. The grounds are, in summary:

- a) AH contends that it has used the mark shown below in the UK in respect of the goods and services also listed below since 1749 and has considerable goodwill in the mark. AH contends that use of the mark in suit will cause misrepresentation and damage through loss of sales. The marks in suit therefore offend against section 5(4)(a) of the Act.

<p>J.W.BENSON JW BENSON</p> 	<p>Horological and chronometric instruments, clocks and watches; goods made of leather or imitation leather, jewellery, costume jewellery; semi-precious and precious stones: precious metals and their alloys; jewellery boxes and cases and watch boxes and cases; goods in precious metals or coated therewith; electro-plated goods; pans, fittings and accessories for all the aforesaid.</p> <p>Retail services, wholesale services; repair services; engraving services; electro-plating services</p>
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- b) AH contends that UH was aware of its long-standing reputation. AH was the proprietor of two UK trade marks for the “logo” mark above which were not renewed on 6 December 2014. The following day UH applied for its marks. AH contends that UH has no plans to use the marks it has registered but is merely obstructing AH. The only

reason for applying for the marks was to free ride on the goodwill and reputation built up by AH. The marks were therefore applied for in bad faith and so offend against section 3(6) of the Act. AH contends that UH has a pattern of such behaviour having registered forty trade marks which others had long standing use in. They specifically mention CHAMPION & WILTON; REID & TODD; JENNER & KNEWSTUB and SAMPSON MORDAN.

8) UH provided two counterstatements, dated 5 February 2018, subsequently amended. UH denies that AH has any reputation in the marks as it claims. UH contends that AH has not used the marks for some considerable time and so had no goodwill or reputation in them, stating that the mark is long abandoned. UH denies that its marks offend against Sections 5(4)(a) and 3(6).

9) Both parties filed evidence; both parties seek an award of costs in their favour. The matter came to be heard on 6 December 2018 when Mr Wood of Messrs Wood IP Ltd represented UH; AH was represented by Mr Brandreth of Queen's Counsel instructed by Messrs Dechert LLP.

AH's Evidence

10) AH filed four witness statements. The first, dated 5 April 2018, is by Nick Gauntlett a watchmaker working for AH, a position he has held for forty-five years. He states that AH acquired the business of JW Benson in the 1990s and produced a range of watches bearing the JW Benson mark called the "blitz" range as they were from old stock left over from WW2. These watches were sold from "the early to mid 1990s". The JW Benson brand was also used for the wholesale of watches e.g. it was the UK distributor for the Jaeger le Coultre brand. AH continues to offer service and repair services to owners of JW Benson watches, wherever they are purchased.

11) The second witness statement, dated 3 April 2018, is by Sally Taylor in-house General Counsel of AH, a position she has held for three years. She provides a history of the JW

Benson company which states that although started in 1749 the JW Benson mark was probably not used until approximately 1850. It is noticeable that in all the literature great play is made of the establishment date, despite the name of the company changing since its inception. In 1906 the mark (in signature form) was registered as a trade mark for watches, clocks, jewellery and electro-plated goods. In a book about watches in general, the author states about the company that “watches were made in considerable numbers until 1941”. However, he also states (also on page 6 of exhibit ST1) that these had “the makers mark JWB”. Although he also states that in 1875 a book shows the watches being engraved JW BENSON, London. The author also comments that “Even after the bombing the service department was maintained but Benson never made watches again for the market was different after the war. Benson’s are now a non-trading company in the Sears plc. Benson’s were not primarily watchmakers. They were retail jewellers and sold clocks (Loomes records Benson as clockmakers, 1857-1887) and watches from other sources”. This book was produced in 1989. Despite this, Ms Taylor states that the company continued to use the mark JW Benson on watches into the 1990s. She states that when the two trade marks for JW Benson came up for renewal in 2014 it was decided because of cash flow pressures not to incur the costs of renewal (approximately £250 each). She also states:

“21. If, in due course, the applicant [AH] considers it appropriate, the applicant intends to recommence trading under the JW Benson brand. This could be the case, for example, if, as was the case in respect of the BLITZ range of JW Benson watches, the applicant uncovers a set of parts made by the JW Benson factory within its warehouses that can be incorporated into new watches,”

12) She contends that the fact that old watches with the mark JW Benson upon them are offered for sale on eBay and by watch dealers shows that the brand has “lustre, reputation and goodwill”. She states that the opponent plans to take advantage of the goodwill and that this would contravene AH’s rights in the brand “and would be considered improper by my peers operating in the watch industry, which is an industry in which provenance is considered of utmost importance”. Ms Taylor provides the following exhibits:

- ST5, Ms Taylor provided examples of advertisements said to cover the period 1890-1954. However, whilst these have the appearance of advertisements from newspapers there is no detail as to which paper they appeared in or what any details regarding the circulation of said paper. Even the date is one applied by Ms Taylor, not the date shown at the top of each page in a newspaper. Ms Taylor claims that the exhibits show advertisements going through to 1959, however it is impossible to read what mark is on the later dated advertisements. It also includes, at page 66, a page from the Internet which purports to be a History of J W Benson Ltd. It was written by Chris Balm who appears to be a dealer in Antique watches. He states that “J W Benson Ltd continued until 1973 at which time the name was sold to the Royal jewellers, Garrards.”
- ST6: These pages show a large number of watches dated between 1890-1940 for sale on ebay. Most can be accurately dated by their hallmark. There are also eight watches which are said to date between 1950-1959. However, it is not clear how these have been dated as only two have hallmarks (1951 & 1954). Another is said to date from 1953 but has a watch repair guarantee dated 1953 (page 92) which states that the watch has been tested and the repair is guaranteed for 12 months. This suggests the watch predates 1953. Five watches on eBay are said to date from the 1960s but only one is hallmarked (1964). There are three watches said to be from the 1970's but none have hallmarks despite one being claimed to be gold. In addition, there are a number of watches where no statement is made as to year of manufacture. Nowhere is it explained how any of these watches were dated, mostly the dates are simply the decade e.g. 1950-1959 which suggests that there is no accurate record anywhere as to when any particular serial number of watch was manufactured. On page 27 the seller describes the maker as “Eager to supply the majority of London’s west end society, namely those who could not afford the likes of Rolex or Jaeger”. On page 67 the owner states that his Benson watch was recently fully serviced by Steven Hale Mayfair, London. On page 125 another seller of a Benson watch states “..in 1973 JW Benson sold up and shut shop one of the many victims of the quartz revolution”. On page 132 the seller states that his Benson watch “Comes in a Garrard box from whom it was originally retailed”.

- ST7: Has a hallmarked watch from 1952 (page 19), 1972 (page 83), 1989 (page 7), circa 1990 (pages 99, 105 & 107), 1995 (page 109), 1996 (page 115) as well as a number of pre WW2 watches. At page 86 the seller, as part of a history of JW Benson, states “Benson continued trading successfully until the 1980s, when the company was taken over by its competitor, the highly respected Mappin and Webb concern..”. At page 139 the seller states as part of its history of Benson “J W Benson Ltd continued until 1973 at which time the name was sold to the Royal jewellers Garrards.” (Wikipedia)”. Page 144, another seller states” Bensons.....continued to trade until 1973”. There are also examples of the Blitz watches offered for sale. These show numbers 31 and 45 of 300 issued (pages 96 & 99) and 19 & 24 and two others where the number is not disclosed of a limited edition of 100 (pages 107, 109, 112 & 115).
- ST8: Copies of accounts for AH, which also mentions the company of JW Benson. It states in the report for 1992/93 (page 3):

“With effect from 1 December 1992, our subsidiary, J W Benson Ltd took over Ebel’s existing distribution operations. Since then we have expanded our activities in this area to include the UK distribution for Jaeger Le Coultre and IWC luxury Swiss watches and JW Benson has taken on the distribution of our internal branded watches.”

As part of the Asprey Ltd Annual report for 1995 the Chief Executive reported that JW Benson was a wholesaler of watches including Ebel, IWC, Swiss Army Watch and Jaeger Le Coultre. The total sales turnover in 1994 for this company was £3.2 million, whilst in 1995 it was £5.6 million. The CEO comments “The substantial increase in sales is largely attributable to growth in inter group sales which now account for 58% of the total (1994 31%)”. It is also clear that the company owns companies outside the UK as part of its group.

- ST9: This consists of what is described as “Confidential second witness statement of Jennifer Heath”. This statement was prepared for opposition case B002119611 against

a Community trade mark and is dated 6 May 2014. In the twenty-page statement and fifty-six pages of exhibits I could find no reference to JW Benson, only references to Asprey.

- ST10: The first thirty-seven pages show that Asprey sells watches with the Asprey mark upon them and also sells watches made by Rolex, Longines etc. No mention is made in respect of JW Benson. Pages 38-81 of the exhibit are simply a copy of the judgment in the opposition case against the application to register the mark OSPREY, opposed by Asprey. Again there is no mention of JW Benson.
- ST12: This consists of pages from social media sites with collectors exchanging views and knowledge. People post photographs of watches and seek information about the history of the watch. At page 61 the following comment is made and is not contradicted “I believe they [Benson] were a London-based watchmaker from the late 19th to mid 20th century.” At page 65 another person comments “JW Benson was a London company and did have a ludgate movement...”. Note the use of the past tense when referring to the company. I also note that whilst a number of individuals mention watches that need repairs others tell them how to do it themselves, no-one mentions taking the watch to Benson or Asprey.

13) The third witness statement, dated 29 March 2018, is by Yavor Danailov the Trade Mark Attorney for AH, employed by Messrs Dechert LLP. He searched the IPO Register and found 38 trade marks registered by UH. He then searched on Google for a number of the marks registered to UH. These showed a brief history of the mark and items, mostly antiques (over 100 years old) offered for sale. He makes no comment upon his findings.

14) The fourth witness statement, dated 15 May 2018, is by Dylan Balbirnie a solicitor employed by Dechert LLP. He comments upon the previous witness statement. He states that the witness statement of Mr Danailov shows:

“3 (a) around the same time that United Heritage filed the trade mark applications that are the subject of present [sic] invalidity actions, United Heritage filed a significant number of other UK trade mark applications (the “other applications”): and

(b) the other applications cover a number of different trade marks that were put to use in the past by persons other than United Heritage and continue to hold repute and goods bearing such marks continue to be available on the market.”

UH’s Evidence

15) UH filed a witness statement, dated 14 March 2018, by Robert Stubley Black the sole director of UH. He states:

“3. My company is focussed on the incubation and revival of long dead brands, which are abandoned, are no longer going concerns, and that have fallen out of the mind of the general public.”

And:

“The intension is to assemble a diversified portfolio of complimentary, specialist / niche, heritage brands across the luxury sector.”

16) He states that the work to revive a brand is quite extensive and this has led UH to surrender some of the marks it had registered, exhibit RSB1 shows 19 marks having been surrendered. He states that reviving a brand also requires establishing a supply chain which can manufacture goods to the required standard which are faithful to the history of the brand. He states that the mark JW Benson was well known up until the second world war when its factories were bombed, and that after the war the company retailed third party watches rather than producing its own movements. He states that the mark fell out of use in the 1980s and that it had lost its prestige substantially before this time. In the 1990s the trade marks were owned by Garrard & Co. Ltd which had acquired them in the 1970s. In 1995 it released watches which had old watch movements made by third parties prior to 1939 but which had the Benson mark upon them. As this was the last such release he assumes that they did not

sell well. In 1998 Garrard merged with AH. At exhibit RBS4 he supplied copies of Companies House records which show JW Benson Ltd being a dormant company for over 15 years since 2002. He contends that AH has let various trade marks lapse instead of renewing them, yet still owns a very large portfolio of trade marks worldwide, but none relating to JW Benson. He states that it was his view that the marks had been abandoned and that there was no value in them since they had long since disappeared from the public consciousness. The mark may be worth something in the future if his company is successful in reviving the mark. He states that Asprey did not own a domain name with the mark in it, and as part of his plan he has registered the marks and a domain name. In addition, he has acquired a number of archive pieces showing the brands history, including catalogues, invoices, advertising, old watch models, boxes, reference books and miscellaneous items. He also had the mark redesigned, and it is this new mark that AH have been referring to in its submissions and exhibits. He states this can be most easily seen as the original had a comma between the letters whereas the redesign featured a full stop.

AH's Evidence in Reply

17) AH filed a witness statement, dated 13 June 2018, by Ms Taylor who has already provided evidence in this case. She disputes the comment of UH that JW Benson did not produce watches after WW2, and points to her evidence which she claims shows watches being produced into the 1990s. She also contends that the continuing market for old watches made by JW Benson disproves the claim that the brand had lost its prestige. She points out that in exhibit ST13 of her previous statement is a print out from www.vintage-watches-collection.com which list 24 brands such as Rolex, Omega, Cartier and JW Benson. She also points to other exhibits which mention JW Benson as one of Victorian London's most prestigious retail jewellers, which supplied kings and queens and the Tsar of Russia. Finally, she provides a history of the mark stating that the mark was originally filed by JW Benson itself in 1906, the company then changed its name to Mappin and Webb Ltd in 1984 and assigned the marks to Asprey and Garrard Ltd in 1998.

UH's Evidence in Reply

18) UH filed two witness statements in reply. The first, dated 12 June 2018, is by Anna Perry, UH's Trade Mark Attorney. At exhibit AP1 she provides copies of reports from the Evening Standard and another from the website "This is Money" both of which are dated 6 November 2018 and which state that AH has made more losses which mean it had not shown a profit since 2011. It includes a quote from a spokesperson for AH which states "Although the company is loss-making, the Asprey brand is in a strong financial position."

19) The second witness statement, dated 15 May 2018, is by Anna Saunders an assistant to Ms Perry. She describes how on 15 May 2018 she searched the AH website but could not find any mention of watch repairs being offered. She then phoned AH to enquire whether they would repair a JW Benson watch. The person she spoke to informed her that the company would only offer repairs to watches with the mark ASPREY, and that any other brand such as Rolex etc would be refused and the owner advised to go back to the original supplier themselves.

Further Evidence of UH

20) As a result of AH requesting discovery of UH's business plan, which was agreed to by the Appointed Person, UH filed a copy of the document but, at the hearing before the Appointed Person, requested that the document be the subject of a confidentiality order. Mr Hobbs Q.C. acting as the Appointed Person granted this request stating:

"I will want named solicitors, two of them at Dechert's, on their undertaking to hold it confidential to themselves and respect the confidentiality regime prescribed by rule 59. It is to be for their eyes only in the first instance. That will give them an opportunity to see and assess the contents of the document for themselves. If so advised, they will be entitled to share sight of the document with independent counsel, that is Ms. Edwards-Stuart or whoever it might be. And, if so advised, they can make an application for wider disclosure or dissemination of the document if they feel that there is a need to do so for a

just and fair conduct and determination of the proceedings. That is my decision on this appeal. Is that clear enough for you? If there are any issues about it, there will be a transcript available, or alternatively you can send a document and ask me to endorse it in formal terms, but I think I have made it clear what the regime should be.”

21) A copy of the document is included at Annex A but is covered by a confidentiality order and so is not available for the public to view.

CROSS EXAMINATION

22) Mr Robert Stubley Black, the sole director of UH, was cross examined. In considering whether he was a reliable and credible witness I take into account the comments of Lord Pearce in the House of Lords in *Onassis v Vergottis* [1968] 2 *Lloyds Rep* 403 at p 431:

"Credibility' involves wider problems than mere 'demeanour' which is mostly concerned with whether the witness appears to be telling the truth as he now believes it to be. Credibility covers the following problems. First, is the witness a truthful or untruthful person? Secondly, is he, though a truthful person telling something less than the truth on this issue, or though an untruthful person, telling the truth on this issue? Thirdly, though he is a truthful person telling the truth as he sees it, did he register the intentions of the conversation correctly and, if so has his memory correctly retained them? Also, has his recollection been subsequently altered by unconscious bias or wishful thinking or by over much discussion of it with others? Witnesses, especially those who are emotional, who think that they are morally in the right, tend very easily and unconsciously to conjure up a legal right that did not exist. It is a truism, often used in accident cases, that with every day that passes the memory becomes fainter and the imagination becomes more active. For that reason a witness, however honest, rarely persuades a Judge that his present recollection is preferable to that which was taken down in writing immediately after the accident occurred. Therefore, contemporary documents are always of the utmost importance. And lastly, although the honest witness believes he heard or saw this or that, is it so improbable that it is on balance more likely that he was mistaken? On this point it is

essential that the balance of probability is put correctly into the scales in weighing the credibility of a witness. And motive is one aspect of probability. All these problems compendiously are entailed when a Judge assesses the credibility of a witness; they are all part of one judicial process. And in the process contemporary documents and admitted or incontrovertible facts and probabilities must play their proper part."

23) As can be seen from the following examples from the cross examination Mr Brandreth pushed Mr Black quite considerably upon his evidence and attempted to undermine his credibility by getting him to contradict himself or accept his version of events was clearly wrong.

- Q. "Here we have a page from a global auction platform. The auction in question is lot 259. What is being offered is a J W BENSON Blitz wristwatch from circa 1990. Do you see that at the top?
- A. I see it.
- Q. Then if we turn over to page 101, do you see at the very top that an estimate is given of 2,500 British pounds to 3,000 British pounds? Do you see that?
- A. I see that.
- Q. Again, that is a substantial price for a watch; yes?
- A. I wouldn't call it "substantial", particularly given it is 18 caret gold. There is commodity-based pricing for watch cases. That is an 18-caret gold watch case. I am not sure if it is substantial. If you take away the gold, it is probably quite insubstantial.
- Q. It is a luxury item, though, is it not?
- A. Yes, but that depends on who is buying it.
- Q. It is right to say that these watches all command these premium prices because of their craftsmanship and the brand on them. That is right, is it not?
- A. I disagree with premium prices, I must say. I contextualise that by saying I could walk downstairs into Watermars, Cotech or any of these watch brands and find watches for £50,000, £100,000 or a million pounds. These numbers, to a standard person without context of what watches cost, are low-value watches. If you price Asprey's watch collection or Rolex, this does not look like a substantial price. If you then take away the gold commodity, it then looks fairly cheap, I would say.
- Q. Your point is that there are more expensive watches available, but you would agree that your standard Casio, your standard Swatch or your even standard Apple watch, sells for considerably less than £2,500, would you not?
- A. I would agree about a standard Casio watch and, perhaps, a Swatch.
- Q. What we have seen in these examples is proof of what you have acknowledged, namely, that there are people out *there* still aware of and selling BENSON-branded watches; yes?
- A. No. There are people out there trading in vintage timepieces and time movements. The key thing here, I think, is that there is no premium based on them being labelled J W BENSON at all. In fact, if you go and look at like models, the movements on the watch

on the one page prior, is worth almost nothing. It is certainly insubstantial, particularly compared to either models of that era. If you take a Patek from the Blitz era or any going-concern watch company that is in the mind of the consumer, the movements would be worth substantially more, apart from the commodity. To call them commanding premium prices I disagree with, I am afraid.”

And:

“A. Because J W BENSON Limited was a dormant company whose name had changed in multiple times, actually, and never traded goods and services, so this must be a prior J W BENSON Ltd, not the same dormant company that last traded as a book binder. I agree there is confusion, but there is reason for the confusion. I really wasn't concerned with who owned the trade mark in 1973. I was concerned with who owned the trade mark and let it expire with no commercial activity in 2014. That was my concern.”

And:

“Q. You said you had done extensive research long before this. At paragraph 10, on page 4 of your witness statement, you say the company attempted to release some watches in 1995. It is not right to say that they attempted to do so, because they did release some watches, did they not?

A. You have produced no physical evidence of that release.

Q. Mr Black, I have just shown you an antique dealer selling a 1990's Blitz watch. Do you accept that that is evidence that they were on the market?

A. That is evidence, but there is no evidence from Asprey of the sale of materials or anything like that. However, I do accept that, but I accept it as a one-off. It is and I will tell you why. It's because it was a one-off sale and it did not constitute continuous trading. Even if it did, 1995 through to 2016, which was the next time Asprey did anything to do with J W BENSON, which is 21 years, which is a substantial passage of time. I do, actually, have that in my original statement that they sold watches in 1995.

Q. Mr Black, just listen to my questions and answer my questions. It is not right to say that they attempted to sell watches because they did sell watches in the 1990s, didn't they?

A. I could rephrase that. They attempted, perhaps, to do something more than sell watches and clear their inventory. They failed in that. They failed in continuous trading but they did sell watches. I concede that they sold watches.

Q. Why are you struggling to accept that the way you put it in paragraph 10 is wrong? Why not just acknowledge that they did not attempt? They did sell.

A. There is so little evidence. You showed one watch. We don't know how it went. We don't know if it was successful. We can only say that it was not successful because there was not a subsequent sale. So all we can say is that it really wasn't continuous. It was a one-off but, yes, they did sell watches. I concede that.

Q. In paragraph 9, when you say that the brand fell completely out of use in the 1980s, that is wrong, is it not?

A. No, it is not.

Q. Watches were being sold under that brand in the 1990s. You have just acknowledged that.

A. No. I acknowledged a single instance of sale of around 400 dead stock watches, probably to clear inventory. This is a really interesting and crucial point. I could find no evidence, actually, and you have shown none, that watches were sold between 1980 and 1995, and again from 1995 to 2016 or to the present. This is my point. It was a single incident. You have shown absolutely no evidence of any watch sold between the time of 1980 to 1995, so I absolutely do not concede this. I have researched this. I have found no evidence to find any sale of watches by J W BENSON by Asprey in the 1980s. My point of why it was a single sale and not continuous trading is from 1980 to 1995, I can find no evidence. From 1995 to the present day, I can find no evidence of commercial activity.”

And:

“Q. In the light of that evidence, what you say in paragraph 9, that the brand's use had completely ended in the 1980s, is wrong, is it not?

A. No; and here is why. Those distribution activities were not consumer facing. They were internal to Asprey. You have presented no evidence - no invoice, no receipt, no anything - that is branded J W BENSON that is in the public domain. Whilst I concede it is not possible for me to research the internal goings on of Asprey and what it was doing, it was not selling watches to consumers under the name J W BENSON. It was not distributing watches to consumers under the name J W BENSON. It was not providing services to consumers under the name J W BENSON. I challenge you to show me any evidence, apart from the 1995 Blitz sale, which we have already talked about. Beyond that sale, beyond that single instance in 1995, to find one single instance of consumer-facing activities where J W BENSON faces a buyer.”

And:

“A. It is correct, according to publicly available information. Again, I don't know the semantics of the merger and de-merger. I just know that Asprey and Garrard controlled the mark in 1998 and Asprey controlled the mark, through whatever subsidiary, when they de-merged in 2002. I don't know the semantics. If you say that I am incorrect because you have better information, fine.

Q. You will accept, I hope, that your research was neither accurate nor complete on these points, would you not?

A. My research was from publicly available information, so I concede that I did not have all the information. You are correct.

Q. It is simply wrong to suggest that you had done extensive research, is it not?

A. I am not sure that it is, because I seem to know a lot more about this than most people. Again, the research is based on publicly available information.

Q. We saw that a publicly available internet search revealed watches for sale under the sign J W BENSON dating from the 1990s, and indeed from after 1941. That was easy to obtain, and if it had been obtained by you, you would not have made the statements you have made in your witness statement, would you?

A. Those sales were not by Asprey or any Asprey-related companies, excluding the 1995 sale. As to the 1995 sale, I concede that watches were sold. Beyond that, these were not commercial activities of Asprey, Garrard, Mappin & Webb or any related company.

Q. I am going to submit to the Hearing Officer that your evidence as to the subsistence of goodwill in the brand is not based on a sound knowledge of the activities done under that brand in contrast to the evidence from my clients. In the light of your answers just now, you would accept that that was a fair summary of the position, would you not?

A. No, I would not.”

And:

“Q. Yes. The competitors are being identified as relying on their heritage as part of their message, and indeed heavily doing so; yes?

A. Absolutely.

Q. That is because they consider that the Heritage adds to the brand's value, do they not?

A. They do consider that "Heritage" adds to the brands value; yes.”

And:

“Q. Why, then, do you say at the top of page 9 in ST3, that there is far more in the background? There isn't any more in the background, is there?

A. There is plenty more in the background. There are lots of discussions with potential investors, with mentors. There is an enormous archive that I can draw on that I have collected.

Q. Mr Black, let me stop you there. That is not right. If we go back to 3.34, you are saying that it is the business plan that has been provided not just in redacted form but partial form. In fact, it has not been provided in partial form as this is the entirety of the business plan. That is right, is it not? It has been redacted by being provided in a column-type format, but it is not partial. This is it.

A. Okay. Yes.

Q. It is not right, therefore, to describe it as "partial", is it?

A. I was referring to "partial" as in you could not see the whole thing. That was bad English. Apologies.

Q. You are deliberately trying to give the impression that you took more care over this process than you actually did, are you not?

A. No.”

And:

“A. When I revive brands, I tell the truth. I will say "This business is our business and it is a revival". That is what I do. These things that you are reading do not exist now. They are the future of the brand. This is a plan for the brand. What I would tell the consumer, who has never come across the brand before, is that the brand died and this is a revival. That is what I tell the consumer. There are multiple cases of that happen. I can name many, many brands, if you like. There is nothing nefarious about that. There is no goodwill attached to the brand. There is no business activity attached to the brand. There

is no registered trade mark attached to the brand. So, yes, I do intend to use the heritage of the brand, but heritage does not equate to goodwill. Goodwill requires consumer recognition, for one thing. It requires consumer understanding, for another thing. It requires business activity for another thing still. I will absolutely tell the consumer that this is a revived brand project.

Q. And you view the heritage of the brand as a springboard for the business that you intend to start; yes?

A. Absolutely;

Q. I am coming to my last few questions. You say you bought various memorabilia, archives and so on and so forth; yes?

A. I don't just say that. I have shown you fairly substantial pictures. Yes, I do say that.

Q. Because the heritage of luxury items is an important aspect of their value; yes?

A. Yes, but it is not the only aspect. It does not equate to consumer recognition, goodwill or business activity.

Q. Sure. If you could get more of that material, you want to do so; yes?

A. Yes.

Q. We saw that Asprey had used old parts in the launch of a range of a series of watches in the 1990s. Did you ask them if they had any more?

A. There's no need. These things are readily available just because of the nature of the secondhand watch markets. It was not in the 1990s. It was 1995. I did not ask Asprey anything. They had abandoned the trade marks. They had abandoned all commercial activity. There is absolutely no physical evidence.

Q. That was your understanding, but did you ask ----

A. No, I did not. I really did not feel the need. They had abandoned the goodwill of the company.

Q. And you did not ask them if they had archive material to sell, either?

A. No. I would suggest they wouldn't, because you haven't been able to produce any. I would suggest that my archives are substantial compared to yours because it would appear that Asprey don't have any.

Q. And you did not ask?

A. No, I didn't ask at all. They had abandoned the brand.

Q. From your evidence, we know that you knew that Asprey was still a watch and jewellery business?

A. Yes.

Q. And that it had a dormant company called J W BENSON Limited?

A. Yes.

Q. It is your evidence that you knew there was a dormant company called J W BENSON.

A. Yes.

Q. You say in the business plan and elsewhere that the brand was iconic and had a heritage and all of that added value to the brand?

A. Yes.

Q. But you did not contact Asprey about your plans?

A. There was no commercial activity for two decades.

Q. I am just asking you if you contacted Asprey about your plans?

A. They had never registered the web domain. Asprey registered its own web domain in 1998.

THE HEARING OFFICER: Mr Black, would you just answer the question, please? I think he has already answered it, Mr Brandreth.I.

A. I did not contact Asprey.

Q. Thank you.”

24) To my mind, Mr Black was an honest totally credible witness who answered all the questions put to him in a straight forward manner, with little hesitation and no contradiction. He was unshakable despite the considerable efforts of Mr Brandreth who is a highly skilled and well respected member of the Bar and certainly no novice when it comes to cross examining witnesses and extracting the truth. In the few exchanges above it shows that Mr Black’s confidence in his evidence was not shaken, and he made a number of valid points regarding the evidence of AH which was said to contradict his own version of events. Some of the issues raised during cross-examination are, to my mind, still unclear. For example, the question of when JW Benson actually ceased trading at its retail outlet, which according to the Internet posts by dealers and collectors was in 1973, has not been confirmed or denied by AH. The history of the various name changes was provided but at no point was any comment made as to whether the businesses were actually trading and if so, where and in what goods/services. It is precisely this lack of clarity on behalf of AH, despite the vast quantity of evidence they filed, that makes this case problematical.

DECISION

25) I shall first consider the grounds of invalidity against the two marks standing in the name of UH. The invalidity is brought under Section 47 of the Trade Marks Act 1994 (“The Act”) which reads:

“**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.”

26) The first ground of invalidity is under Section 5(4)(a) which 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.”

27) 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.”

28) 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.”

29) In the instant case AH claim to have goodwill in the sign JW BENSON in respect of: “Horological and chronometric instruments, clocks and watches; goods made of leather or imitation leather, jewellery, costume jewellery; semi-precious and precious stones: precious metals and their alloys; jewellery boxes and cases and watch boxes and cases; goods in precious metals or coated therewith; electro-plated goods; pans, fittings and accessories for all the aforesaid. Retail services, wholesale services; repair services; engraving services; electro-plating services.”

30) In the instant case both sides accepted at the hearing that the issue to be determined was whether, at the relevant date, 7 December 2014, AH had goodwill in the mark JW Benson. If it proves that it did, at this date have goodwill then UH accepts that misrepresentation and damage are obviously found and that both its UK marks are invalid. The whole focus of my decision under this ground is therefore, on the single aspect of goodwill.

31) Goodwill was defined in *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.”

32) As UH contend that AH had effectively abandoned the business I also note the comments of Vice Chancellor Pennycuik in *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), where he stated that:

“It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name".

33) AH contests the claim that they abandoned their business, instead contending that they retained residual goodwill. In considering whether AH retained residual goodwill, rather than abandoning its business, under the mark I also look to the comments in *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), where 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. It 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.”

34) AH contended that the instant case was not on all fours with the above authority as Asprey had not publicly abandoned the mark and laid off employees. Mr Brandreth reminded me of my finding in paragraph 24 of *Our Price* O/008/17 and also at paragraph 55 of *Lamplighter* O/520/14. However, to my mind these cases were simply decided upon their facts using the same authorities. AH also referred me to the *Maslyukov v Diageo Distilling Ltd* (Dallas Dhu) case [2010] EWHC 443 (Ch) where Arnold J. stated:

“80 Counsel for Diageo submitted that the hearing officer in the present case had made the same error as the hearing officer in *Mary Wilson* of equating cessation of use with abandonment of goodwill. I agree with this. As indicated by the statements of the law I have quoted from *Kerly*, Professor Wadlow's book and *Ultraframe* , the test is whether the relevant business has been abandoned so as to destroy the goodwill. Mere cessation of business is not enough. Moreover, as *Mary Wilson* illustrates, cessation of production of goods or provision of services does not necessarily mean that there has been a

cessation of business capable of sustaining goodwill, still a less a destruction of the existing goodwill.

81 In the present case I do not consider that the relevant business had been abandoned so as to destroy the goodwill. It is true that the distilleries were respectively turned into a museum and destroyed, but Diageo did not liquidate the companies which owned the distilleries, still less was Diageo as a whole liquidated. On the contrary, Diageo has continued to produce whisky, including single malt Scotch whisky, on a substantial scale. The goodwill which Diageo owned in the trade marks DALLAS DHU and PITYVAICH as at the date when the distilleries ceased production was not destroyed. On the contrary, the goodwill was sustained by further sales of whisky by the independent bottlers, in much the same way as the goodwill in THE SUPREMES was sustained by further sales of records by Motown. In any event, the existing goodwill remained an asset of Diageo to exploit as it saw fit. For example, Diageo could if it saw fit build a new distillery at Pityvaich.

82 Accordingly, I consider that the hearing officer was wrong to conclude that Diageo did not own any goodwill in the DALLAS DHU and PITYVAICH trade marks.”

35) I am not sure that this case is on all fours with the instant case either, as Scotch is often sold years after manufacture and the longer it is stored in casks the greater its value when bottled. So a newly bottled batch of whisky which has been in the cask for 100 years would command a greater premium than one bottled after only twenty years. Watches on the other hand are sold as soon as manufactured as technology and design are constantly improving. It seems to me that each case has been determined on its own facts.

36) It is common ground that in the late Victorian and Edwardian era (1870-1910) the mark was extremely well known and had a huge reputation amongst the rulers of Europe and Russia and held Royal Warrants from most of the Royal Houses in existence at that time. During the period 1910-1939 the brand diminished somewhat as the lack of Royal Warrants in this period denotes, I also note the internet comment that those who could not afford a Rolex or Jaeger

might aspire to a JW Benson watch, indicating that it lacked prestige when compared to the true blue blood brands. The brand was then adversely affected by the Luftwaffe in WW2 as the factory was bombed destroying most of its stock. The activity of the brand post 1945 has been sketchily covered. It consists of a few advertisements until 1954, although it is unclear what newspapers these were in and consequently what the circulation figures were; these could have been freesheets or local papers such as the South London Press. AH offers no details as to how the company was trading, but it would appear to have become a general jewellers such as H Samuel, but only trading from a single location in London. No turnover figures are provided. It would appear from several mentions that the general belief, Wikipedia is given as a source of this information, is that in 1973 the company was taken over by Garrard and ceased to operate. Another gives the takeover date as 1980 with the company being taken over by Mappin and Webb and ceasing to trade. There is even a reference of a watch being offered in its original Garrard box, as Garrard had sold the watch originally. It is also notable that the only mention of a watch being repaired did not mention any AH group company but an independent jeweller also in the Mayfair area. Whilst in her second statement Ms Taylor states that JW Benson changed its name to Mappin and Webb in 1984 it is not clear that at this date JW Benson was still trading. The fact that the mark was assigned to Asprey and Garrard in 1998 clearly did not register with the dealers and collectors of watches. It is clear from the company accounts that JW Benson was, in 1994 and 1995, active as wholesalers of watches, mostly brands other than its own such as Jaeger and IWC. The bulk of the sales were inter-group sales to other companies controlled by AH. Sales to companies other than those within the AH group amounted to £2.2m in 1994 and £2.3m in 1995. These sales would have presumably included the "Blitz" range of watches, which I assume were sold both inside and outside the UK, as watches are usually a global commodity. Given that the average value of watches such as Ebel, IWC, Swiss Army Watch and Jaeger Le Coultre is usually measured in the thousands if not tens of thousands, the number of watches sold per annum was not huge. No information about the size of the market or the number of watches sold is provided. This is puzzling as such watches usually are traceable throughout their lives and the manufacturer holds details of when and where each serial numbered watch was held and to whom, as well as a full service-history. Without such details it is difficult to sell such a watch as it might have been stolen. The number of outlets for such watches in the UK is obviously limited and no information on the

issue is provided by AH which is curious to say the least. It is also interesting that no invoices to back up this claim have been provided or, in fact, any documentation.

37) Regarding the market for watches Mr Brandreth commented:

“The nature of these products, we say, is such that they continue to retain a goodwill long after the last date of sale has happened. We see that, in our submission, from the way that they continue to command substantial prices at auction and when sold through antique dealers. That, we say, speaks to their reputation and to their lasting goodwill. In the course of my cross-examination of Mr Black, I took you to three examples, as Mr Black fairly accepted in respect of the first example before he cottoned on to where the evidence was going, that those were substantial prices for the products in question. We say that the nature of those goods, the fact that they are long-lasting heritage pieces, is the kind of factor that is relevant to residual goodwill. Indeed, Sir, that was a factor that you took into account in what I have referred to in my skeleton as the *Lamp Lighter* decision, a decision about the gin and did so at paragraph 55. That is the reference just for your note.”

38) He also reminded me that:

“To paraphrase Laddie J. in the *Sutherland* case, in my submission, it is a common experience that classic watches of this kind are treasured over many years. So you may even have seen that generations line of adverts for Patek Phillipe watches, one of the brands that is described in the business plan as a competitor, an advert's tag line being: "You never actually own a Patek Phillipe. You just look after it for the next generation". We say that the nature of these goods - premium watches and premium jewellery - is that they retain a hold in people's consciousness over time.”

And:

“Whilst it is true that no new watches or jewellery have been sold bearing that brand for a substantial period of time, the business itself was one of a very long pedigree and very

high reputation. Indeed, precisely those matters are pointed to in the business plan, and we looked at some of them in the course of the cross-examination. Sir, I am sure you will have read it and you will have picked up on that factor as well. In our submission, just as it takes a long time for a brand to build, the consequence of that extended period of time in the public's consciousness, coupled with the fact that the goods that they manufactured during that time are not only still in people's possession but still being sold today, means that the goodwill in the business will take a correspondingly long time to fade away.”

39) Whilst I agree with much of what is said I have to take into account the general view of the marketplace and the dealers and collectors who make up this market. It is in AH's own evidence that I found the comments of watch dealers and sellers on the Internet, it is clear that AH was aware of what the exhibits it filed stated in them. If the information they contained was incorrect it was open to AH to set the record straight and provide a clear concise history of the use of the mark since 1945. The fact that it did not state that the comments were incorrect or provide an alternative leads me to believe that the comments were, mostly, correct. The most positive view one can take of the evidence is that the mark was used sparingly between 1945 and 1990 on watches. The evidence of sales of old watches provided by AH shows a total of 19 watches offered for sale in the second hand market (9 from the 1950s, 5 from the 1960s, 4 from the 1970s, one from the 1980s). It is therefore possible to state that the mark was used but impossible to state to what scale.

40) We then come to the somewhat bizarre evidence of use in the 1990s. At some point, and it is not clear when, a quantity of watches known as the “Blitz” range was put on sale. These were old movements dating from pre-1941 which were placed in cases and offered for sale. However, we do not know exactly how many were sold, although it would appear that a limited number (400) were actually made. There are no details of where these were sold, for how much or by whom. The only reason we can safely state that some were sold is the appearance of a small number (six) in the evidence of second hand watch sales. Despite being relatively recent no advertising evidence is provided, nor any statements from members of the trade stating that they sold such watches. One would have thought that the tabloid press would have

happily joined in with headlines pointing out that these are the watches that “the Hun / Jerry” did not want you to have. AH filed extensive evidence regarding the activities of Asprey, use of the Asprey mark and showing Asprey selling a variety of other watch brands, however, no mention is made of Asprey offering JW Benson branded watches to the public. It is clear from the comments and use of the past tense that the watch dealers and collectors identified by AH believe that the mark ceased operations in the 1970s. The relevant public identified by Mr Brandreth clearly feel that the mark effectively ceased operations apart from a brief attempt at a comeback in the 1990s with a range which presumably did not rekindle the brand, or other watches would have surely followed.

41) However, there is also the issue of the use of the mark as a wholesaler of watches. This is said to have been worth an average of just over £2.2million (excluding inter group sales) in 1994 and 1995. These figures are not put into context of the UK market, assuming that the figures wholly relate to sales in the UK, nor is there any documentation showing use of the mark upon invoices, brochures etc. No evidence from the trade from outlets stating that they dealt with JW Benson purchasing watches. AH provided highly detailed and copious notes on the early history of the company JW Benson but completely failed to provide a clear narrative of the company’s dealings post WW2. I have used the comments included in the witness statement of AH’s witnesses but more importantly from the various exhibits attached to these statements. The exhibits included comments from the internet by various sellers of JW Benson watches including numerous dealers which provide a relatively clear picture of what those who deal in old watches and those who are connoisseurs of older watches believe to be the history of the company. A main plank of AH’s case is that these are the public who will be deceived by use of the mark in suit by UH and also those who would find such use to be in bad faith.

42) Mr Brandreth also referred to the issue of repair services:

“We also point to the continued repair of the J W BENSON watches by my client. I addressed the challenged to that evidence at paragraph 22 of my skeleton. We say that the challenge to the direct evidence when that happens is weak. If it is accepted that my client continues to repair the J W BENSON-branded watches of its predecessor

companies and, indeed, that it itself sold in the 1990s, as we say, it should be by yourself. If it is accepted that Asprey continues to provide after-sale service in the form of maintenance and repair services, we say that is also clearly relevant to the existence of a residual goodwill for the goods themselves.”

43) The problem regarding the repair services is that it was not carried out under the JW Benson name but under the Asprey brand. It is further undermined by the fact that the person in Asprey’s contacted by UH’s agent was not aware that JW Benson was, or used to be, an in-house mark. I am sure that any jeweller will accept any watch for repair or service, and then simply send it to the relevant company and add a considerable fee on for its trouble. Mr Wood summed it up as follows:

“If I am Asprey and I am providing repair services for watches, it is the Kodak on the bag, is it not? I would not say that you are necessarily building up trade by reference to the word J W BENSON, but you are doing it by virtue of the word "Asprey". There is no evidence to contradict what Miss Saunders said.”

44) AH began by contending that it had goodwill in a large range of goods and services (see paragraph 29 above). Yet as it filed its evidence and submissions this reduced to the provision of watches and repair of the same. Despite reducing the issue of goodwill to a single product and associated service the evidence of AH has been underwhelming to say the least. What was in the late Victorian / Edwardian era a mark of distinction with Royal warrants by the score had significantly diminished by 1939 when it is described as being for those who could not afford the upper tier of watches. That so little evidence of use post 1945 was provided is surprising unless it reflects the decline of the mark into irrelevance by the time it, according to the common view, ceased trading in 1973. In the highly competitive market of consumable products where technology is constantly evolving watches have been increasing in accuracy and features such as shockproofing, waterproofing, chronographs and now internet access. The design of watches has also altered significantly over the years, specifically the faces of men’s watches are now substantially larger than previous, partly to display the additional features. In its heyday JW Benson was on the cutting edge, but one hundred years on its

clients are all dead and have not been replaced over the last seventy years as there is scant evidence that anyone purchased any of their offerings. The claims that the mark still had lustre in the 1990s is highly doubtful if not totally unbelievable given the evidence. I fully accept that watches bearing the JW Benson are bought and sold on the second hand market, and may be said to command a premium. However, I believe that the premium exists mostly in the fact that the watches have intrinsic value as their cases are 9 or 18ct gold, but more for their rarity value. The average collector clearly knows, from the internet comments in the evidence of AH, that the company ceased to trade in 1973 and so there will be no more watches with the name made. They also knew that the mark not making watch movements in-house, but purchasing them from companies such as EBEL, and then simply adding their mark to the face just like Ratners and H Samuel, and inserting the movement into a case. It seems clear from the limited number evidenced as being for sale that they were only ever made in limited numbers, and no evidence to the contrary, even in the witness statements, has been made.

45) In order to determine whether a mark has a residual goodwill it is necessary to firstly determine when it ceased to be used and the level of goodwill at that point. In the instant case this is extremely difficult as despite the mark being believed to have gone out of business in 1973 it apparently made a comeback in the 1990s with the assumed sale of 400 watches, although it is not clear if they were all actually sold and if so to whom and in which country these dealers traded. Nor has AH provided any information that could be used to determine the level of goodwill in 1973 when it is widely believed it ceased trading. There is no evidence that AH announced the closure of JW Benson at any time, nor is there any evidence of employees being laid off. Because of this Mr Brandreth contended that AH had not abandoned the mark. I am willing to accept it did not explicitly abandon the mark but it allowed public opinion to believe that the business had ceased in 1973 and did nothing to counter the view. When those in the business of dealing watches believe the mark to have been abandoned since 1973 it is clear that there was no or minimal activity after this date otherwise the word would surely have spread. The question of the renewal of the trade marks was said to have been affected by a cash shortage at Asprey. Mr Brandreth also posed the question as to why UH had sought to register the marks, answering that the only reason was that it had residual

goodwill that UH could use to its advantage. He pointed to the various other marks registered by UH as evidence of a pattern of behaviour of seeking to profit from the efforts of others.

46) In his cross examination Mr Black did not try to hide from the fact that he would trade upon the heritage of JW Benson, but distinguished between heritage and residual goodwill. Just as JW Benson claimed it was established in 1749 despite not trading under the JW Benson name until 1850, claiming or implying heritage is a standard business practice. Mr Wood summed up his client's views as follows:

“Mr Black is clear that this is a revival. Whilst he admits that the heritage of the brand is important, there is no suggestion that there is residual goodwill in heritage. I do not believe we were shown anything by my learned friend that suggests that heritage of itself is protectable by way of a perpetual monopoly belonging to his client.”

47) It must be the case that it is for AH to prove that, at the relevant date, it had residual goodwill, not simply infer that if someone else wished to use the mark it must have such residual goodwill. As stated earlier it is impossible to conclude that after 1939 the mark JW Benson had any goodwill in respect of any good or service, because there is no evidence to back up such a claim. The sales of a few second hand watches said to have been issued during the time 1945-1990 do not provide sufficient evidence of goodwill, when put into context of the market for watches in the UK during this period. The only other evidence is the claim to be wholesaling third party watches by JW Benson Ltd. For this we have only the company accounts which show sales to unnamed companies of just over £2million pounds in 1994 and 1995. Again there is a lack of clarity, whilst the company JW Benson Ltd is said to hold the UK distribution rights for named third party watches, it is not clear if it also distributed for these, or other companies, elsewhere in the world. Nor is it clear if this trade was carried on under the trade mark JW Benson as no copies of invoices or brochures from the recent period have been provided. It is interesting how the company can provide copious examples of use from the 1880s yet none from the 1990s. In the instant case AH determined in 2014 that the mark JW Benson was not worth the £200-£250 it would have cost to renew it. Trade marks are usually shown on the company balance sheet with a value alongside them. The contention that the

company was in financial difficulties at the time does not really hold water as it is obvious that AH made a commercial decision that the mark was worth less than the £200 it would have cost to renew, such was its level of goodwill and reputation.

48) I conclude that at the relevant date, 7 December 2014, AH had no goodwill in the mark JW Benson. **Consequently, the invalidity action based upon section 5(4)(a) falls at the first hurdle.**

49) I now turn to consider the second ground of invalidity based upon section 3(6) which reads:

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

50) 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), as follows:

“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)."

51) I also note that in the *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, the CJEU stated that:

"46.....the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith".

47. In such a case, the applicant's sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant's registration of the sign may be in pursuit of a legitimate objective.

49. That may in particular be the case.....where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50. Moreover.....the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which

registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitor's freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51. Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by the sign at the time when the application for registration as a Community trade mark is filed.

52. The extent of that reputation might justify the applicant's interest in ensuring wider legal protection for his sign."

52) This ground was pursued on the basis that UH was aware of AH's long standing reputation in the mark JW Benson, and secondly the contention by AH that UH has no plans to use the marks it has registered but is merely obstructing AH. The second element (no intention to use) was not argued at the hearing where it was accepted that UH did intend to use the mark. There is but a single strand to consider.

53) Mr Brandreth made a number of statements in support of this ground such as:

"As he [Mr Black] also accepted at the end, his intention was not simply to register in order to protect his own activity, but his intention was to register to prevent others, including my client, from exploiting the heritage of the J W BENSON brand. I mention that, Sir, because it is one of the factors that was referred to in paragraph 43 of *Lindt v Howsworth*, a European case which is itself quoted in the *Red Bull* judgment of Arnold J. at paragraph 138, which you yourself have quoted at paragraph 25 of the *LAMPLIGHTER* decision. It is, plainly, a highly relevant fact. Indeed, we say it is clear that when Mr Black applied for the mark, he was aware that at least a portion of the public was still aware of the J W BENSON brand. That is expressed in his business plan. He fairly acknowledged when questioned about it in cross-examination."

And:

“What Mr Black is trying to do - again, he acknowledged this in cross-examination - is to try and associate his new business, his new products, with that of the J W BENSON business and the products built up by Asprey and its predecessors in title. That is why, in the original version of the counterstatement that he put in and is found at ST3, he makes it clear that it is part of the initial plan to sell vintage watches, namely, the watches made by Asprey or its predecessors in title, alongside those of the new company. Indeed, at paragraph 6 of his witness statement, he talks about how he will try to create an "authenticity" for the new brand. The entire point and purpose of this activity is to appropriate to his new company the value of that heritage. That is expressed even in the name of the proprietor: United Heritage.”

54) In its skeleton arguments AH reminded me of one of my previous decisions:

“36. In a decision of the Registry with which the Tribunal is likely to be familiar, O-520-14 LAMPLIGHTER, consideration was given to an allegation of bad faith in relation to various marks for alcohol. At paragraph 44 the Hearing Officer set out the guidance as to the assessment of bad faith given in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Applying that guidance to the facts of the case the Hearing Officer held that there was bad faith. At 47 he stated:

“47) Mr Fitzpatrick could have chosen any trade mark but instead he clearly decided to refer on the label to the start of the London distillery in 1736, giving the impression that his company was connected to the original producer, even to the extent of registering its company name. The recipe might have been the same, it might have been made in the same stills but this does not give him the right to attempt to assimilate the history of the opponent’s predecessors in business. Such appropriation would be very useful to a relatively new business which appears to have no history in the UK gin trade.”

55) As can be seen from the brief comments above the party in *Lamplighter* was adopting the guise of the previous owner despite the fact that the virgin (there is no market for used gin) product of the original owner was still be sold by numerous dealers. Thus it is not on all fours with the instant case. In the instant case AH has failed to show it has any goodwill, even residual goodwill. The only sales of its products are second-hand used items which are advertised with information stating that the producer went out of business 40 plus years ago. I am content, especially following the cross examination, that Mr Black believed the marks to have been long abandoned apart from a brief hiatus in the early 1990s which could have been said to have been mere token use of the mark rather than a serious attempt to build a market for the goods. It seems to have been short lived and not supported by any advertising even in its group company's brochures. The brand had clearly been in terminal decline since 1939 judging from the evidence (or lack thereof) filed by AH, and the commonly held belief, backed by Wikipedia, was that the business was wound up in 1973. Clearly, AH did not believe the mark to be worth £200 in 2014 and so UH decided to attempt to revive the brand. To my mind this is not an example of "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined". Not least because those in the industry (watch dealers) and those who are interested and knowledgeable in the product (watch collectors) seem, from the only evidence available, to have accepted that the mark was abandoned in 1973. They would therefore see any release of new watches for what it would be, a revival of the brand, and initially be sceptical of any product until its quality etc were verified. The fact that UH has also sought to register other abandoned marks was not pursued strongly at the hearing as Mr Black made clear in his cross-examination he had already abandoned some marks when further research showed that there was no market for goods under some of these marks. There is no pattern of behaviour of registering marks simply to block previous owners or offering them for sale to what might, in certain circumstances, unlike here, to be the rightful owners. **The ground of invalidity based upon section 3(6) therefore fails.**

56) At the hearing Mr Brandreth accepted that if the invalidity action failed then the oppositions against his client's marks must succeed. As such there is no purpose in dealing with the oppositions other than to state that they succeed.

CONCLUSION

57) The invalidity action failed on both grounds, and therefore the oppositions succeeded.

COSTS

58) As UH has been successful it is entitled to a contribution towards its costs. The evidence of AH was very poorly organised almost as though the party realised it did not have much relevant evidence and decided to swamp the other side with lots of irrelevant evidence of use pre WW2 and history from the 19 century. Use of the mark in more recent times was spread throughout a number of exhibits and not in logical date order which would have made life for the reader much easier. A lot of irrelevant evidence regarding use of mark ASPREY was included without any real explanation as to its relevance, despite my comments at a case management conference. This is definitely a case of never mind the quality feel the width.

Expenses x1	£200
Preparing a statement and considering the other side's statement x3	£1200
Preparing evidence and considering the other sides evidence	£2000
Attendance at cmc and hearing	£1600
TOTAL	£5,000

59) I order Asprey Holdings Ltd to pay United Heritage Limited the sum of £5,000. This sum to 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 9th day of January 2019

George W Salthouse

For the Registrar,

the Comptroller-General