

**O-051-19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 3195835**

**BY CARRY ON FILMS LIMITED**

**TO REGISTER THE TRADE MARK**

**CARRY ON**

**IN CLASSES 3, 6, 9, 16, 21, 25, 28, 30, 38, 41, 42, 45**

**AND**

**IN THE MATTER OF JOINT OPPOSITION**

**THERE TO UNDER No. 408557 BY**

**ITV STUDIOS LIMITED, ITV BROADCASTING LIMITED, ITV GLOBAL ENTERTAINMENT LIMITED, ITV VENTURES LIMITED & CARLTON FILM DISTRIBUTORS LIMITED.**

## BACKGROUND

1) On 9 November 2016, Carry On Films Limited (hereinafter the applicant) applied to register the trade mark CARRY ON in respect of goods and services in Classes 3, 6, 9, 16, 21, 25, 28, 30, 38, 41, 42, 45. Precise details will be provided as and when required.

2) The application was examined and accepted, and subsequently published for opposition purposes on 18 November 2016 in Trade Marks Journal No.2016/047.

3) On 17 February 2017 ITV Studios Ltd, ITV Broadcasting Ltd, ITV Global Entertainment Ltd, ITV Ventures Ltd & Carlton Film Distributors Ltd (hereinafter the opponents) jointly filed a notice of opposition. The latter four companies are wholly owned subsidiaries of ITV Studios Ltd, which is the proprietor of the following trade marks:

Mark	Number	Dates of filing and registration	Classes
CARRY ON	2162140	25.03.98 19.03.99	3, 9, 16, 25, 30, 41 & 42
CARRY ON	2146670	30.09.97 16.10.98	9, 25 & 41
CARRY ON	2475818	21.12.07 15.08.08	6, 16,21 & 41

4) The grounds of opposition are under sections 3(6); 5(1); 5(2)(a); 5(3) and 5(4)(a). Full details of each allegation will be provided at the relevant juncture.

5) On 25 August 2017 the applicant filed a counterstatement which basically denied all the grounds pleaded. The applicant did request proof of use (pou). The applicant contends that the rights to the mark CARRY ON belonged to Mr Peter Rogers the producer of the “carry on” films, who on 19 November 2004 assigned the rights in the mark to Brian Baker a Director of the applicant company.

5) Both parties filed evidence and both seek an award of costs in their favour. The matter came to be heard on 18 October 2018 when Ms Messenger of Counsel instructed by Messrs Boulton Wade Tennant LLP represented the opponent; the applicant was represented by Mr Moody-Stuart of Queen's Counsel instructed by Messrs Stevens Hewlett & Perkins.

## DECISION

6) I shall first consider the ground of opposition under 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.”

7) In *John Williams and Barbara Williams v Canaries Seaschool SLU*, BL O-074-10, Mr Geoffrey Hobbs QC as the Appointed Person stated that:

“21. I think it is necessary to begin by emphasising that a decision taker should not resort to the burden of proof for the purpose of determining the rights of the parties in civil proceedings unless he or she cannot reasonably make a finding in relation to the disputed issue or issues on the basis of the available evidence, notwithstanding that he or she has striven to do so: *Stephens v. Cannon* [2005] EWCA Civ. 222 (14 March 2005).”

8) 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)."

9) The applicant's evidence on this issue was mostly assertion. In a witness statement, dated 16 March 2018, Mr Nigel Gordon-Stewart, a former Director of Carry On London Limited (predecessor to the applicant), states that on 10 December 2003 Peter Rogers (a co-director) wrote to the opponents expressing his dismay and disapproval that the opponents had registered Carry On as a trade mark without his (Mr Rogers) approval. At a meeting with a director of one of the opponent companies Mr Gordon-Stewart states that he asked a director of one opponent company, Mr Rupert Dilnott-Cooper, why and under what authority the trade mark applications had been made. It is claimed that Mr Dilnott-Cooper responded that he had "land grabbed it", explaining that the Carry On merchandising was worth a lot of money to his company and so they had decided to protect the revenue source by way of a trade mark. At the same meeting it was agreed that the opponents would grant Carry On London Limited a licence to use the mark to make a Carry On film.

10) In a witness statement, dated 14 March 2018, Mr Brian Baker, a director of the applicant company contends that the Carry On film franchise was created by Peter Rogers, who subsequently assigned all rights in the franchise to him [Mr Baker]. He states that the opponents have been involved in the distribution of the Carry On films but owned no rights beyond those connected with the distribution of the films. The films were produced by two companies, neither of which is involved in the instant case. Mr Baker provides his view that Mr Rogers was a successful and competent businessman who was "extremely commercial and open in his thinking with respect to how the brand could be exploited to achieve this and to broaden its appeal and awareness". He describes the far-reaching plans he discussed with Mr Rogers in terms of exploiting the mark. Referring to exhibits summarised below he comments:

"These two letters [BFB3 & 6] make it clear that in mid-2003 Carlton, having already registered the First and Second Trade Marks in all the various classes, was acknowledging that it was limiting the trade mark use to licensing and merchandising of the older 18 movies they owned, and not the new productions. As such, Carlton did not make any demands from the CARRY ON LONDON producers (which included Peter Rogers), since it would not be keeping with the spirit of the deal with Rank and Peter Rogers, and expressly stated that Peter Rogers retained future film rights and would not need any deal or blessing from Carlton."

11) He continues

“30. This prompted a letter dated 2nd December 2005 from Pawley & Malyon Chartered Accountants addressed to me, in which Pawley & Malyon confirmed that the property in the CARRY ON name did indeed reside with their client. (**Exhibit BFB14**”).

31. Unfortunately, this assurance was not sufficient to satisfy everyone involved in seeking to produce CARRY ON LONDON; Peter Rogers and I were being pressured continually to enter into a formal agreement with Carlton/Granada. By 2006, around half a million pounds had been raised to finance CARRY ON LONDON. Since Peter Rogers and I feared losing this and any future funding, I decided somewhat reluctantly to enter into an agreement with Carlton by means of which Carlton would be obliged on written request from me to grant me a licence to use the registered trade marks in respect of the production of feature films. This was not because I doubted my own entitlement to ownership of the CARRY ON name, but solely because I did not want to lose the funding for the film being promised. See **Exhibit BFB15** and clause 2.2 of that Agreement in particular.”

And:

“On 13 September 2016, following a written request from me, ITV Studios Limited did provide me with a licence to produce, distribute and market a film including the name CARRY ON (**Exhibit BFB16**”).”

12) He provides the following relevant exhibits:

- BFB3: This consists of three letters:
  - a) 14.09.2000 Letter from Gary G. Goldberger, VP of Carlton America to Rupert Dilnott-Cooper, Director of Carlton Communications Limited in which Goldberger recognises that Carlton does *"not control the remake rights"* to CARRY ON.
  - b) 18.09.2000 Letter from Dilnott-Cooper to Peter Rogers attaching a copy of Goldberger's 14.09.2000 letter.
  - c) 28.07.2003 Letter from Dilnott-Cooper to the Telegraph observing that *"Carlton has never owned remake or sequel rights in CARRY ON Such rights were retained by Peter Rogers"*. I note that the letter also refers to the trade marks registered and the fact that Carlton has licensing and merchandising rights.

- BFB5: An agreement between Carry On London Limited and Peter Rogers which identifies Mr Rogers as the owner of the rights in Carry On.
- BFB6: A copy of a letter from Carlton to The Telegraph newspaper, following an article in the paper. Mr Dilnott-Cooper, the author of the letter, states:

“Following our relaunch of these films internationally, Carlton has the registered trademark [sic] in "CARRY ON" and we handle the licensing and merchandising in the UK.

However, Carlton has never owned the remake or sequel rights, which were retained by Peter Rogers, the driving force behind the original classic series of "CARRY ON" films. While we could technically seek to safeguard the use of our trade mark, it wouldn't be in keeping with the spirit of our deal with Rank and accordingly Peter Rogers, or anyone authorised by him, does not need to seek our blessing as he sets about making Carry On London. We wish Peter nothing but the best with his new project.”

- BFB7: A letter dated 10 December 2003 from Mr Rogers to Mr Dilnott-Cooper asking him to withdraw the trade mark registration in order to placate his “money-men”.
- BFB8: A letter, dated 20 July 2004, from Mr Rogers to Mr Baker suggesting that he could license Mr Baker to make three Carry On films for an unstated remuneration.
- BFB9: A copy of the license, dated 19 November 2004, between Mr Rogers and Mr Baker. It states:

“1. You assign to Brian Baker with full title guarantee absolutely free from all encumbrances all goodwill and all other rights of a like or similar nature (whether now or in the future created) which you have in the “Carry On” mark and concept (including all vested, future and contingent rights thereto) together with all rights and powers arising or acquired therefrom including the right to take legal action for damages.....”

And:



“4. You agree to fully assist Brian Baker at his expense in acquiring the right to use all “Carry On” trade marks whether registered by third parties or otherwise.”

- BFB10: A copy of a letter, dated 18 January 2005, from Carry On London Limited to one of the opponents. It repeats the allegation that one of the opponents’ directors had “confessed” to a land grab in respect of registering the marks, and continues:

“We now need to sort this out once and for all as we have the rights to the “Carry On” name for new films but you have the rights (by way of a “dubiously” registered trademark as mentioned above) that would limit us from producing merchandising or granting licenses under the new film or any subsequent “carry On”. This is a situation that is unacceptable to us as both merchandising and licensing are key revenue sources to the new company and, in fact, should not be limited to film merchandise but any “carry On” merchandise that we may want to produce or license in future.”

- BFB11: In a reply to BFB10, dated 24 February 2005, the opponent flatly denies that it “land grabbed” or obtained the marks in “dubious circumstances”. It maintains its rights in the marks although suggesting that joint ownership may be a resolution to the issue.
- BFB13: A copy of a letter, dated 14 October 2005, from Peter Rogers to the IPO objecting to the opponents’ registrations.
- BFB14: A copy of a letter, dated 2 December 2005 by Mr Rogers accountant to Mr Baker stating that as far as they are concerned Mr Rogers owns all the rights in the mark Carry On other than the distribution rights. They ask if the opponents have information suggesting otherwise they would like sight of the documentation.
- BFB15: A copy of a license between Mr Baker and Carlton Communications Ltd, dated 6 April 2006 which grants Mr Baker the right to use the Carry On marks (2146670 & 2162140) in relation to the production of feature films.

- BFB16: A copy of a license, dated 13 September 2016 between Mr Baker and ITV Studios Ltd which allows Mr Baker to use the trade marks in respect of “all aspects of production and distribution of the first of six proposed films and its marketing”. The agreement is in relation to all three of the opponents’ trade marks.
- BFB17: A copy of a license which replaces BFB9. It substitutes Carry On Films Limited instead of Mr Baker in the agreement.

13) The opposition under this ground is based on the following:

“5. The Applicant did not conceive the trade mark CARRY ON independently and in good faith. Indeed, it is beyond reasonable doubt that The Applicant was fully aware of The Opponents’ rights and activities when the application was filed. The Applicant would have been aware of the international reputation and goodwill owned by the Opponents through their promotion of the mark, including their marketing and advertising activities. Furthermore, the only active director of The Applicant is Brian Baker as evidenced by the **attached\*** printout from the Companies House database. Brian Baker is recorded as a licensee in relation to UK trade mark registration number 2162140 and UK trade mark registration number 2146670. The address for Mr Baker recorded as a licensee against these registrations is the same one provided on the Companies House database. It is therefore not possible that The Applicant coincidentally chose to register The Opponents’ own mark, for goods and services identical or similar to those of interest to The Opponents, in a key territory of The Opponents’ current and future business.

6. Consequently it is beyond reasonable doubt that The Applicant filed an application to register CARRY ON in bad faith and The Application falls foul of Section 3(6) of the Act.

7. The Opponents understand that they must establish that it is beyond reasonable doubt that The Applicant’s actions could have been done in anything other than bad faith. The circumstances surrounding the filing of The Application are such as to create a rebuttable presumption of bad faith, as it is not conceivable that The Applicant’s sole director, a licensee of The Opponents, could have applied to register the mark for any reason other than an attempt to appropriate the mark of The Opponents in the United Kingdom.”

14) The relevant date to determine whether the applicant acted in bad faith is clearly the date of the application which in the instant case is 9 November 2016.

15) In response to this allegation the applicant in its skeleton stated:

“61. In the present case it is alleged that the Applicant acted in bad faith because they knew that the ITV Studios owned trade marks for CARRY ON at the date of application and had taken a licence in respect of the marks to allow the production of a new CARRY ON film. Consequence, it is said, the Applicant cannot honestly or reasonably believe it is the owner of the mark.

62. Framed like this, it is difficult to see how this adds anything to the other grounds of opposition. If the Opponents (as a matter of law) can stop the use of the Application, then it might be said that the Applicant acted in bad faith in applying for the mark *if* in addition the Opponents establish that in the light of what the Applicant knew at the time “*the defendant’s conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people*”.

63. However, at the date of application the Applicant had the benefit of an assignment of the rights to make such a film and all related goodwill from Peter Rogers, and had been told that the acquisition of the rights by the Opponents has been a “land grab”. It is hardly unreasonable or dishonest to believe that the Applicant had at least a concurrent right to register the mark.

64. The evidence in the case gets nowhere near the “*cogent evidence ... required due to the seriousness of the allegation*”. Mr Baker plainly and passionately believes he is entitled to the mark . Although his subjective intention is not determinative (the test is objective). Even if the registry were to disagree with him as a matter of legal analysis, the facts proved are as consistent with good faith as with bad faith. In consequence the opposition under s. 3(6) must be dismissed.”

16) In his usual eloquent manner Mr Moody-Stuart reminded me at the hearing that the license obtained by his client related only to the production of feature films and that the services covered by the license were deliberately left out of the application as the applicant already had a right to use the mark upon these services. He also reminded me that the license was only obtained at the instance of

various financial backers who wished to have every “l” dotted and “t” crossed so as to ensure that no legal issues could hold up the project. I accept these points and also accept that the applicant was clearly of the view that the opponents had obtained the trade mark rights through underhand means, the so called “land-grab”. Whilst I accept that Mr Rogers believed that he owned all the rights to the mark “Carry On” it is not clear quite why he believed this. It is claimed, and not disputed, that he was one of the producers of the earliest films and was involved in all the Carry On films. He probably became almost synonymous with the mark as he was ever present. However, this does not mean that the rights to the mark rested with him. The rights to films usually resides with the production company or the studio. To my mind, it is not clear that Mr Rogers had any rights to license or bequeath. I note particularly that Mr Baker describes Mr Rogers as being as a businessman who was “extremely commercial and open in his thinking with respect to how the brand could be exploited to achieve this and to broaden its appeal and awareness”. Yet despite this and his obvious annoyance at the marks being registered by the opponents, Mr Rogers, and later Mr Baker, never once launched the obvious legal challenge to have the trade mark registrations deemed invalid. Even in the current action no attempt has been made to challenge the validity of the opponents registrations despite the applicant clearly being aware of the possibility of an invalidity action through the Registry. Instead of challenging the opponents rights, the applicant sought a license, thereby legitimising the registrations. If a business truly believed that they had the law on their side they would not go cap in hand to the opponent and seek permission to use what was rightfully theirs, or so they believed, in the first instance. The applicant has made no secret of the fact that it was fully aware of the trade mark registrations of the opponents, but because it felt these were falsely obtained it believed it perfectly acceptable to submit its own applications which to a large extent duplicate those of the opponents. To do this, yet negate to directly challenge the validity of the opponents’ marks (which would require the applicant to prove its claim to the rights in the mark), is, to my mind, the absolute antithesis of reasonable behaviour. **As such the ground of opposition based upon section 3(6) is wholly successful.**

17) My determination under section 3(6) is so clear cut there is no need to consider the remaining grounds as they do not materially improve the opponents’ position, being far weaker relying as they do upon proof of use and goodwill and reputation which has been only sketchily covered in evidence.

## CONCLUSION

18) The opposition under Section 3(6) was wholly successful.

## COSTS

19) As the opponent has been successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£300
Preparing evidence & considering the other sides evidence	£500
Attendance at a hearing	£800
<b>TOTAL</b>	<b>£1,800</b>

20) I order Carry On Films Limited to pay ITV Studios Ltd, ITV Broadcasting Ltd, ITV Global Entertainment Ltd, ITV Ventures Ltd & Carlton Film Distributors Ltd collectively the sum of £1,800. 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 25<sup>th</sup> day of January 2019**

**George W Salthouse**  
**For the Registrar,**  
**the Comptroller-General**