BL O/0286/24

TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION NUMBER 3366320 IN CLASS 25
IN THE NAME OF GLOBAL TRADEMARK SERVICES LIMITED
AND AN APPLICATION FOR INVALIDITY NUMBER 503425
BY HENRIK LARSSON

DECISION

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1. This is an appeal against a successful application for cancellation based on s.5(4)(a) passing off as applied to the issue of character merchandising/endorsement.

2. The Proprietor/Appellant (originally Mr James Dear, assigned subsequently to Global Trademark Services Limited) registered the following mark in Class 25 on 5 April 2019:

3. The Applicant for Cancellation/Respondent is Henrik Larsson. Mr Larsson is a former Celtic footballer who now has a career in football commentary.

4. By application for invalidity originally filed on 11 November 2020 (and subsequently amended to add s.3(6)) Mr Larsson objected to the registration of the mark under ss.3(6) and 5(4)(a) of the Trade Marks Act 1994.

5. In a decision dated 14 September 2023 the Hearing Officer Judi Pike rejected the application for cancellation in respect of certain s.3(6) aspects (referred to as "stockpiling" and "blocking/squatting" in the Decision), but stayed another s.3(6) aspect ("wide specification") pending receipt of the Supreme Court's forthcoming decision in the *Sky v Skykick* case. The Applicant did not appeal the s.3(6) grounds upon which he lost. The "wide specification" issue is still stayed.

6. In respect of s.5(4)(a) the Hearing Officer partially upheld the application for cancellation insofar as it related to football related goods in Class 25. It is this finding which is the subject of the present appeal by the Proprietor. The Applicant does not challenge the s.5(4)(a) aspects upon which he lost i.e. the remaining specification.

7. I note in passing that the proceedings in the Registry were made extremely complicated by numerous procedural issues and satellite disputes. These are documented at some length in the Decision and the Proprietor's behaviour was found in certain respects to be "unreasonable". This resulted in an award of off-scale costs being made against the Proprietor of £24,015 by Supplementary Decision O/1137/23 dated 29 November 2023. No appeal has been brought against this Supplementary Decision by the Proprietor. I will return to the question of the costs of this appeal after I have dealt with the substance.

8. At the Hearing before me, as before the Hearing Officer, the Appellant/Proprietor was represented by Mr Dear, the original applicant for the mark prior to its transfer to Global Trademark Services Limited, of which he is the sole director. The Respondent/Applicant was represented by Mr Philip Hannay of Cloch Solicitors. I am grateful to both of them for their written and oral submissions at the hearing before me, which took place remotely on 27 March 2024.

STANDARD OF APPEAL

9. There was no dispute before me as to the standard of appeal. I was referred to the decisions of Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 and the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 15.

10. To paraphrase, an appeal should only be allowed where the decision of the lower court was "wrong". Absent an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "*outside the bounds within which reasonable disagreement is possible*". In the case of a multifactorial assessment and in the absence of a distinct error of principle, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere.

GROUNDS OF APPEAL

11. The Appellant's TM55 was the subject of complaint by the Respondent, in that it was said (in the "Respondent's Notice") not to disclose any arguable case which could succeed on appeal. I was invited to dismiss the appeal summarily.

12. I reproduce the text of the TM55 Grounds in full below:

> The Hearing Officer got the decision wrong and acted in a similar manner to two previous decisions by the Appointed Person Geoffrey Hobbs KC where the Appointed Person found the IPO acted "I consider the cases before me a legally deficient practice statement was enforced by the Registry in a procedurally unacceptable manner." The previous decisions were on applications UK00003587268 and UK00003595047 and Hearing O/246/22.
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> The IPO also lost documents, refused to accept evidence from my company, the original filer of CA000503425 was given legal advice by the IPO in direct conflict with the IPO's legal requirement to be impartial at all times. Later in the case an opposition solicitor took over the case and they too were given legal assistance by the IPO. The IPO for a 6month plus period refused to reply to any correspondence.
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> The Hearing Officer ignored basic IPO rules and procedures as well as the law in reaching their decision.

13. I agree with the Respondent that the TM55 was inadequate. The previous decision in favour of the Appellant by Mr Hobbs KC was concerned with the *ex parte* application by the IPO of s.3(6) and could have no relevance to the issues before me. The procedural complaints were unfounded (see the Hearing Officer's findings in relation to the Proprietor's "unreasonable behaviour" and the unappealed Supplementary Decision on costs) and in any event had no relevance at all to the s.5(4)(a) decision reached by the Hearing Officer. The allegation that the Hearing Officer "ignored…the law" was completely unparticularised.

14. In his lengthy skeleton argument supplied to me, Mr Dear repeated reliance on the decision of Mr Hobbs, gave an account of the history of the proceedings and raised a number of the procedural points which were dealt with by the Hearing Officer.

However, he also developed the criticisms of the Hearing Officer by reference to the Andy Cole/Joe Cole endorsement case BL O/468/01 and complained that the Hearing Officer should not have found that Mr Larsson owned goodwill given that there was no evidence of sales by him in Class 25 prior to the date of registration of the Proprietor's Mark. This submission was repeated orally and expanded on as I set out below.

15. For the Respondent, Mr Hannay did not take a procedural objection to the appeal being advanced by Mr Dear in this way.

16. I will therefore deal with the appeal on the basis of the Appellant's challenge to the findings of goodwill (and subsequent misrepresentation and damage) by the Hearing Officer. This was the at the heart of the oral submissions before me. For the avoidance of doubt, I have considered carefully the entirety of the Appellant's skeleton argument and the other points mentioned by Mr Dear at the hearing. The remaining points are all completely peripheral to the issue before me, namely the correctness of the Hearing Officer's decision to uphold the objections she did under s.5(4)(a) of the Act. There was no arguable basis for appeal in any of the Appellant's other points and I will focus on those which were sustainable.

17. I should also add that Mr Dear told me that he (or his company) owned 21 trade marks and was presently involved in two other applications. He also explained that his aim was to amass a series of 50 similar marks. I was referred to various earlier Appointed Persons decisions in which he was a party or had taken part, including BL O/264/22 for marks referring to HENRY and RONALDINHO (Mr Geoffrey Hobbs QC), BL O/439/22 McNEILL (Mr Philip Harris) and BL O/992/22 CLARK (Iain Purvis KC). Mr Dear said in his skeleton that as a result of this he had "*a reasonable understanding of the processes as a lay person*". Whilst I have therefore given Mr Dear the flexibility that this tribunal routinely affords to lay litigants, I have no doubt that he has a much better understanding of trade mark law and procedure than most lay people.

THE DECISION

18. This appeal is concerned with §§60-96 of the Decision where the Hearing Officer dealt with the s.5(4)(a) issue.

19. She started by setting out the relevant principles underlying the law of passing off, by reference to, amongst other things, Halsbury's Laws and the House of Lords

decision in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217. Her statements of principle are not challenged on this appeal.

20. She then turned to the facts. At §66 she identified the relevant date for the assessment of passing off as the date of application for the mark, namely 11 January 2019. This is not challenged on appeal.

21. She also identified in §67 that there was no evidence that Mr Larsson had traded in any goods by the relevant date, and so there was no accrual of goodwill in the conventional sense by the sale of sporting articles, clothing and memorabilia. This is the finding relied on at the heart of the Proprietor's appeal[1].

22. The Hearing Officer then turned to the question of whether Mr Larsson had accrued goodwill in areas other than by the sale of Class 25 goods. As she put it, the issue was whether, because of any such goodwill, "*use of the contested mark in relation to the goods covered by the contested registration would constitute misrepresentation*" (original emphasis). I consider that she asked herself the right question in this regard.

23. The Hearing Officer went on to review the law in relation to character merchandising/endorsement, starting with the Andy Cole/Joe Cole case I have referred to above. She also referred to *Irvine v Talksport Ltd* [2002] FSR 60 (Laddie J.) [2003] FSR 35 (CA) and the discussion of the topic in *Wadlow on the Law of Passing Off* (6th Edition). This includes commentary on the Rhianna case *Fenty v Arcadia* [2013] EWHC 2310 (Ch) (Birss J.) and [2015] EWCA Civ 3 (CA).

24. The Hearing Officer relied in particular on a passage from §3-70 of Wadlow which states:

> The definition of "trader" for the purposes of the law of passing-off is quite wide enough to embrace those who make their living in entertainment, the performing arts, professional sport, writing and the like.

25. At §77 she also relied on the finding in *Irvine* that it was not necessary for a successful claimant to show that they and the defendant shared a common field of activity or that the 'endorsement' would result in substantial or direct financial loss to the claimant. See §38 of the judgment of Laddie J. (approved by Parker LJ. on

[1] In the same paragraph the Hearing Officer dismissed any reliance by the Applicant on a single shirt signed by Mr Larsson and offered for sale by a company called Perfect Memorabilia for £325. There was a dispute about the veracity of the case originally put forward on behalf of the Applicant relating to this, but as the Hearing Officer did not rely on it, it is irrelevant to any issue I have to decide.

appeal ([2003] FSR 35 at §§31-32, quoted by the Hearing Officer) (emphasis added):

> In my view these cases illustrate that the law of passing off now is of greater width than as applied by Wynne-Parry J. in *McCulloch v. May* [the Uncle Mac case]. If someone acquires a valuable reputation or goodwill, the law of passing off will protect it from unlicensed use by other parties. Such use will frequently be damaging in the direct sense that it will involve selling inferior goods or services under the guise that they are from the claimant. **But the action is not restricted to protecting against that sort of damage. The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others to so use goodwill as to reduce, blur or diminish its exclusivity. It follows that it is not necessary to show that the claimant and the defendant share a common field of activity or that sales of products or services will be diminished either substantially or directly, at least in the short term.** Of course there is still a need to demonstrate a misrepresentation because it is that misrepresentation which enables the defendant to make use or take advantage of the claimant's reputation.

26. As to Mr Larsson's reputation as a matter of fact, the Hearing Officer relied on the period in his career when he played in the Scottish Premier League as a striker for Celtic and internationally for Sweden in three World Cups and the European Championships, as well as in the Champions League for Barcelona having left Celtic. She also referred to his more recent television career as a commentator for ITV during the 2018 World Cup, shortly before the date of the Proprietor's application.

27. Based on these facts, the Hearing Officer found that Mr Larsson possessed goodwill in relation to football at the relevant date. As she explained at §76:

> Recalling that goodwill is "the attractive force which brings in custom", the evidence shows that over his professional footballing career and afterwards, the applicant benefitted from his good name and reputation as a top footballer. It was as a result of this "attractive force" that the applicant gained the custom of various top-flight football clubs and of ITV. At the relevant date, his appearance on ITV, talking about football and analysing the performance of international footballers would still have been fresh, the World Cup having been staged only a few months prior to the relevant date. Even without the punditry job, the applicant's career history leaves me in no doubt that his fame and the attractive force would have been current at the relevant date amongst members of the public in the UK who were interested in football. The fact that he was engaged as a pundit by ITV some nine years after he retired as a player adds weight to the continued currency of his goodwill and reputation in the summer of 2018.

28. After a further discussion of the law, the Hearing Officer concluded at §78 that Mr Larsson had significant goodwill (and reputation) in HENRIK LARSSON and LARSSON in relation to the sport of football.

29. She then went on to consider misrepresentation and quoted extensively from *Wadlow*, including the observation in the Rhianna case by Kitchin LJ that "*the law of passing off is not designed to protect a person against fair competition*". She noted that in the *Irvine* case there was evidence that Mr Irvine was in the business of providing endorsements and that in the Rhianna case the claimant had previously collaborated with the defendant in promoting clothing. She noted that both of those factors were absent in the present case.

30. Nevertheless she found as follows at §84:

> "the applicant is qualified to recommend at least goods which are football shirts and other clothing worn to play football or to display fans' affiliation to a player or club. There is a connection, or at least the fields of activity are not very much removed, between football and football clothing. In particular, football shirts are worn ubiquitously as fashion items, as well as on the pitch."

31. She also found that the Proprietor intended by use of the mark to make a connection with Mr Larsson and his career at Celtic. This was not really in dispute before me. There was an attempt by Mr Dear to suggest that the figure on the shield was not intended to represent Mr Larsson and that the surname "Larsson" does not belong to him. However, Mr Dear went on to explain that his intention was to promote goods to Celtic football fans using the mark in dispute and marks referencing other retired footballers, and to distribute the profits to the former players and their families, or to charities. It is clear that the Proprietor was intending that customers make that connection.

32. As to whether this would succeed, the Hearing Officer concluded in §91:

> Many football fans might believe that football goods bearing this mark are marketed by, or are endorsed by, Celtic Football Club. However, given that Mr Larsson has not played for Celtic for many years, and because the focus of the mark is on Larsson the player, a substantial number of fans are likely to believe that the goods are being marketed by him, or with his consent. Therefore, in relation to football-related and other leisure and sporting goods, there is misrepresentation. This is because a substantial number of the public will buy the goods in the belief that the applicant has marketed, endorsed, recommended or approved of the goods.

33. Finally, she found that the misrepresentation would lead to damage, explaining at §92:

> "Damage would follow as a direct consequence of the misrepresentation; for instance by injurious association and the loss of control over the applicant's goodwill and reputation. Any adverse publicity about goods sold under the mark, such as their quality, their cost, or even whether the proportion of the price given to charity is enough, is liable to affect the applicant's goodwill, including in his later role as a respected TV pundit…"

34. She therefore found that the section 5(4)(a) application succeeded in relation to goods which are worn whilst playing or training for football; replica kit/merchandise; goods which are football-related, sport-related or are leisurewear; or terms encompassing the aforesaid goods. She directed that the mark be cancelled other than in respect of the goods listed in Annexe 2 of her decision.

ANALYSIS

35. As noted above, Mr Dear's main complaint was directed at the findings of goodwill. He also attacked the findings of misrepresentation based on his target audience of Celtic "super-fans" whom he explained should not be conflated with the "average consumer".

36. As to goodwill, it is right that Mr Larsson had never traded in Class 25 goods and so there was no common field of activity. This was specifically accepted by the Hearing Officer. But that is not a requirement for a successful passing off claim, as the quotes from Wadlow and *Irvine* that she cited (and to which I have added above) make clear. The same is also clear from Lord Diplock's speech in the House of Lords in the *Advocaat* case [1979] FSR 397 at 404:

> *Spalding v Gamage* led the way to recognition by judges of other species of the same genus (actionable misrepresentation), as where, although the plaintiff and the defendant were not competing traders in the same line of business, a false suggestion by the defendant that their businesses were connected with one another would damage the reputation and thus the goodwill of the plaintiff's business.

37. Mr Larsson traded as a professional footballer for a number of years and has continued to trade as a commentator since then. The Hearing Officer was plainly entitled to conclude that the trade he has carried out has resulted in the accrual of goodwill (and not mere reputation) in the field of football. Further, it is clear from her decision that she recognised the limits of the goodwill owned by Mr Larsson,

because she restricted the cancellation under 5(4)(a) to football related goods. She therefore correctly grounded herself on the finding of goodwill that she had made.

38. Mr Dear referred me to the findings in the Cole case that Andy Cole did not have goodwill in "NET KING COLE" or "KING COLE". That is right (see §17 of that decision), but it misses the point, for in the same paragraph the hearing officer in that case found that Andy Cole did have "*very substantial goodwill trading as a professional footballer*". The difficulty for Andy Cole in that case was the absence of goodwill in the specific mark in issue, KING COLE.

39. Mr Dear also emphasised the fact that the IPO operates a first to file system and that there is no general right to publicity in this jurisdiction. That may be, but at the same time, as the Hearing Officer pointed out in §72, the law of passing off is broad enough to cover false endorsement in the right circumstances. The question for me is whether the Hearing Officer was entitled to find it on the facts of the present case.

40. I have reviewed the relevant authorities on endorsement for the purposes of this appeal, specifically *Irvine* and *Fenty.* I acknowledge that in the Joe Cole case the hearing officer sought to distinguish between reputation and goodwill, citing the 2nd edition of *Wadlow*. He also found at §22 that in spite of Andy Cole's goodwill as a footballer, this did not extend to "football instructional material":

> Mr A Cole may have a reputation for football services - though these are expressed as an employee of Manchester United Football Club - but there is nothing associating him and football instructional material or services that amounts to a tradable goodwill under his own name, let alone between the name KING COLE and such goods or services.

41. However, as the hearing officer also observed in the Andy Cole decision, passing off is a question of fact in every case, and my task is to assess whether the Hearing Officer in this case fell into error. There is always a limit to the ability to compare facts between cases.

42. Further, the caselaw has moved on since the Andy Cole case, specifically with *Irvine* and with *Fenty,* both taken into account by the Hearing Officer. I acknowledge that in *Fenty* Underhill LJ observed at §63 that the case was close to the borderline. That was a case, like *Irvine*, in which there had been prior endorsement activity by the claimant, something which is missing in the present case. However, I also note that the issue in *Fenty* – and in other endorsement cases – was whether the way in which the mark/image was being used was sufficient to suggest endorsement. Neither

Irvine nor *Fenty* were cases in which the mark was being sought to be registered (and thereby used) as a trade mark.

43. The Hearing Officer took this into account in her §90 and distinguished this case from situations where marks were used as a mere "badge of allegiance". I think she was right to do so. By definition, the Proprietor's registration enables the use of the Larsson mark as the sole badge of origin on the goods – perhaps on the tag, in the neck label and/or on the upper left chest area of a football shirt. These are all areas which consumers have come to expect will be used to show a badge of origin. As a result, she was entitled to find that such consumers might think that they had been endorsed by Mr Larsson, given his goodwill in relation to football.

44. As the Hearing Officer found, it is no answer for Mr Dear to submit that his target audience of Celtic supporters are "super-skilled" and would recognise that the goods are part of the Proprietor's range of goods intended to benefit the families of ex-players or charities. The goods will be seen not only by such people (if they exist), but also by average consumers who would not be so educated. It is also impossible to limit the specification of goods in this way – see *Clark* BL O/992/22 per Iain Purvis KC at §5.

45. Nor can the Proprietor legitimately rely on the fact that, as Mr Dear explained, it may intend to market the goods as a sub-brand, with another mark, i.e. *Fasanta Fashion*, used on the labels to designate the real "badge of origin". The Hearing Officer found in §94 that Mr Dear's subjective intention was not to cause deception, and I am not invited to go behind that finding, but if, notwithstanding his subjective intentions, the objective effect of registration of the mark would be to misrepresent the goods as being connected with the Applicant, then the s.5(4)(a) objection is made out. After all, the tribunal is required to consider notional and fair use of the mark.

46. Further, Mr Dear's explanation about the intended marketing of the goods under other brands is at odds with his desire to register the mark in the first place. The fact that there is no "personality right" in the UK may allow Mr Dear legitimately to use signs referencing former Celtic players in the course of trade. However, that is a different consideration to whether the mark in issue should be permitted to remain as a registered trade mark.

47. Further, when I asked Mr Dear why he needed to maintain the registered mark in issue when he was proposing only to use it as a secondary mark and there were ways in which he might be able to use LARSSON legitimately on clothing without having it registered, he referred to his desire to encourage sales and related

charitable contributions. That underlines the fact that he considers that there is value in the use of the mark as a badge of origin. As he has not yet traded using the mark, the only value can come from the value given to it by Mr Larsson himself, through his own goodwill. All of that is consistent with the findings of the Hearing Officer.

48. Mr Dear's submission that the registered trade mark system is a first to file system also does not assist him. That is only relevant where both potential applicants have equal rights in a mark. That is not the case here based on the findings of the Hearing Officer. Further, although, as I have mentioned, Mr Larsson did not have a history of endorsement activities, in contrast to the facts of *Irvine* and *Fenty*, I do not think this is a necessary requirement for a s.5(4)(a) objection to succeed in cancellation proceedings. Where goodwill has been established then the existence of the potential to endorse should be sufficient. As the Hearing Officer found here, there was sufficient goodwill in existence that consumers would think that endorsement had taken place, regardless of whether Mr Larsson had a history of licensing.

49. For all these reasons I cannot identify any error of principle on the part of the Hearing Officer. Nor can I say that she was wrong in her conclusion. This may be another endorsement case which is near the borderline, but I find that the Hearing Officer was entitled to uphold the application for cancellation as far as it concerned the football-related goods which she identified in her §95. I therefore dismiss the appeal and uphold her decision to cancel Registration No. 3366320 other than in respect of the list of goods in her Annexe 2.

COSTS

50. As noted above, there was an off-scale costs award against the Proprietor in this case, delivered in a separate decision. That decision was not appealed and I do not have to consider it.

51. As far as the costs of this appeal are concerned, I was invited to make a further off-scale award by the Applicant. I decline to do so. Whatever went on at first instance, I do not consider that the conduct of the appeal before me raises any issues which would merit an off-scale award. It is right that the TM55 was unsatisfactory, and that the Appellant sought to rely on some 300 plus pages of material accompanying his skeleton argument. However, as I noted at the hearing, much of this material replicated material already live in the proceedings. Further, the Respondent took the sensible step of not seeking to respond in detail to it, either in its skeleton or in submissions. On this occasion I therefore have no basis to think that costs were increased significantly as a result of its supply.

52. Accordingly, I will award costs on the normal scale. Taking into account the TM55, the skeletons and the hearing, I order that the Proprietor pay the Applicant £1200 to take into account the costs of the appeal.

53. This needs to be added to the costs below. Supplementary Decision O/1137/23 dated 29 November 2023 resulted in an award of off-scale costs being made against the Proprietor of £24,015. I also need to take into account, as the Hearing Officer recorded, that Mr Dear undertook to be the personal guarantor for the Proprietor should an adverse cost award be made.

54. I therefore order that Global Trademark Services Limited and James Robbie Dear do by 4pm on Friday 3 May 2024 pay to Henrik Larsson the sum of £25,215. Global Trademark Services Limited and James Robbie Dear shall be jointly and severally liable for these costs.

Thomas Mitcheson KC
The Appointed Person
2 April 2004

The Proprietor/Appellant was represented by James Dear
The Applicant/Respondent was represented by Philip Hannay of Cloch Solicitors Limited
The Registrar took no part in the Appeal.