O/0816/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3773749

BY PREMIER PERFORMANCE CZ LTD

TO REGISTER:

# CHILLED OUT COOKIES

AS A TRADE MARK IN CLASS 31

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 435101 BY

QI SYNERGENICS LTD

## BACKGROUND AND PLEADINGS

1. On 4 April 2022, Premier Performance CZ Ltd ("the applicant") applied to register **CHILLED OUT COOKIES** as a trade mark in the United Kingdom in respect of the following goods:

> <u>*Class 31*</u>
> *Animal feed; Animal feed preparations; Animal feedstuffs; Animal foodstuffs; Animal foodstuffs derived from vegetable matter; Edible horse treats; Food for animals; Food products for animals; Foodstuffs for animals containing botanical extracts; Foodstuffs for horses; Horse feed; Milled food products for animals; Mixed animal feed.*

2. On 20 July 2022, the application was opposed by Qi Synergenics Ltd ("the opponent"). The opposition is based on sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 ("the Act") and concerns all the goods in respect of which registration is sought.

3. Under section 5(4)(a), the opponent claims to have used the sign **CHILLED OUT COOKIES** throughout the UK since 26 January 2022 for the following goods: *Equine cookies*. It asserts that the brand concept and design were created for the opponent by a company called White Apple Graphics in August 2021. The cookies were first offered for sale on Amazon and e-Bay. The opponent says that it began a paid advertising campaign on Amazon on 6 February 2022 and that it had a total of 104,424 customer views before the date of the application for the contested mark. It adds that its cookies have also featured in advertorials in *Equestrian Life* magazine *"multiple times this year"* and says that the magazine has a reach of over 60,000.

4. The opponent claims that it has built up significant goodwill in the sign since its launch and submits that goodwill can be built up in a relatively short period of time. It claims that use of the contested mark would constitute a misrepresentation to the public that would damage the goodwill in its business. Consequently, use of the contested mark would be contrary to the law of passing off.

5. Under section 3(6), the opponent claims that the application was made in bad faith as the applicant does not currently use the contested mark for any goods and

registration of the mark would prevent the opponent from continuing to use it or register it. It also claims that registration would create a false impression in the market that the applicant had created the concept, and this would damage the opponent's reputation and goodwill. The opponent also notes that *"The name/concept of 'Chilled Out Cookies' is not in use by them currently, and is no way complementary to their existing line"* and that:

> "The application to register this trade mark may be purely for the purpose of preventing its legitimate registration by a competitor, and to damage that competitor's ability to continue to sell a competing product in the marketplace."

6. The applicant filed a defence and counterstatement denying the claims made and putting the opponent to proof of them. In particular, it asserts that it has from at least 2018 used *"this type of name"* and *"this type of concept"* in relation to *"this type of product"* which has generated valuable and protectable goodwill in the contested mark. It then states that it does not deny that it is not currently using the contested mark and denies that the mark *"is in no way complementary to their existing line".*

7. In these proceedings, the opponent is representing itself, while the applicant is represented by Murgitroyd & Company.

**RELEVANCE OF EU LAW**

8. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

**EVIDENCE AND SUBMISSIONS**

9. The opponent filed evidence in chief from Mr John McMillan, the director of Qi Synergenics Ltd, a position he has held since 2017. His witness statement is dated

2 January 2023 and is accompanied by seven exhibits. His evidence goes to the opponent's use of the sign and its creation.

10. The applicant's evidence comes from Christine Lund-Beck, a trade mark attorney at the applicant's legal representative. Her witness statement is dated 24 March 2023 and is accompanied by five exhibits. These go to the sale by the applicant of goods under the name "CALMING COOKIES" and dictionary definitions of the terms "chilled out" and "calm".

11. The opponent filed evidence in reply in the form of a second witness statement from Mr McMillan dated 29 May 2023. The contents of the witness statement are essentially submissions in reply to Ms Lund-Beck's evidence and I shall treat them as such.

12. Neither side requested a hearing and the parties were given a deadline of 15 August 2023 for any written submissions. The applicant's submissions were filed on 14 August 2023.

## PROCEDURAL ISSUES

*The applicant's final written submissions*

13. The applicant's final written submissions were not copied to the opponent at the time of filing. They were sent to them two days later, on 16 August 2023. The opponent then wrote to the Registry requesting that the submissions be disregarded as it submitted that the applicant had not fully complied with the deadline. The opponent referred to the Registry's letter of 18 July 2023 informing the parties of the end of the evidence round. This said:

> "If neither side requests a hearing, a decision from the papers will be issued. Before the decision is reached you can provide written submissions by 4 weeks from date of letter, that is on or before 15 August 2023 copying them to the other side."

14. The opponent was informed that the Hearing Officer would be made aware of this request. I have taken the applicant's submissions into account when reaching my decision. It is the case that they were not originally copied to the opponent, but were

emailed to them on the day after the deadline for filing them. I have no reason to believe this was anything other than an error.

*The opponent's pleadings*

15. On review of the case file, I noted that, in his first witness statement, Mr McMillan addressed issues that had not formed part of the original pleadings. He said:

> "8. The Opponent opposes the application based on Section 3. The trade mark is excluded from registration because it describes the goods/services, or is not distinctive or consists of signs that are customary within the trade, or the application was made in bad faith."

16. On 9 April 2024, I wrote to the opponent, noting that the witness statement included references to claims that would be made under sections 3(1)(b), (c) and (d) of the Act. As these had not been pleaded, and no request had been made to amend the pleadings, I informed the opponent that I would be required to make my decision on the basis of the pleaded section 5(4)(a) and section 3(6) grounds only.

17. The opponent replied to my letter on 22 April 2024 and said that it wished to add a claim under section 3(1)(d) to its pleadings. The Registry wrote back to the opponent advising it that any such request would need to be filed on a Form TM7G. This was received on 4 June 2024. The opponent said:

> "The first witness statement did not specifically outline the opposition under section 3(1)(d), and endeavored [sic] to cover the matter in section 3(6).
>
> However after reading the case review, the Opponent feels it would be beneficial to clarify the position, and the bases for the objection under section 3(1)(d).
>
> Per the parameters of Section 3(1)(d), both the terms 'cookies' and, to a lesser degree, 'chilled out' are widely used and commonplace in the common language and everyday vernacular. This was, in fact, the reason the Opponent did not apply for a trademark on these terms, despite creating the name/concept in August 2021, and trading and selling our product under that name shortly thereafter."

18. I held a Case Management Conference ("CMC") on 1 August 2024, at which the opponent was represented by Mr McMillan and Ms Annette Singer. The applicant was represented by Mr Chris Banister of Murgitroyd & Company.

19. Mr McMillan explained that it had not sought to rely on the section 3(1)(d) ground earlier in the proceedings as its first instinct had been to oppose the application on the basis of an earlier right. Mr Banister was of the view that it was too late in the proceedings to add the grounds and that it would be prejudicial to the applicant, which was also a small business, to reopen the whole proceedings at this stage.

20. Rule 62 of the Trade Marks Rules 2008, SI 2008 No. 1797, allows for the amendment of pleadings and the Tribunal's practice is set out in section 4.1 of the Work Manual, which I reproduce below:

> "As parties will, at first instance, be expected to file focused statements of case and counter-statements, the Tribunal will consider requests to amend these documents later in the proceedings. Amendments may include:
>
> - adding or removing a ground of opposition/revocation/invalidity
> - adding or removing an earlier mark or right
>
> or
>
> - correcting, clarifying or supplementing information contained therein.
>
> If an amendment becomes necessary parties should seek leave to make the amendment at the earliest opportunity. When seeking leave to amend, full details of the amendment together with the reasons for the amendment should be submitted.
>
> Whilst each request to amend will be considered on its merits, the Tribunal will aim to give favourable consideration to such requests on the basis that it is likely to avoid a multiplicity of proceedings and thus help resolve the dispute between the parties more quickly and at less cost. Whether to allow the amendment is a matter of discretion. In making its decision the Tribunal will consider, in particular, any inconvenience or prejudice suffered by the other side, and whether the party seeking amendment could reasonably

have been expected to have fully particularised their case at an earlier stage. In other words, a party seeking amendment will have to dispel any suspicion of abuse of process."

21. Having heard the submissions of both parties, I reserved my decision and wrote to them on 8 August 2024. Given the very late stage in the proceedings, I did not consider that the requirement to avoid a multiplicity of proceedings had much force. Were I to have allowed the amendment, the applicant would need to have been afforded the opportunity to file an amended counterstatement and the evidence rounds would have recommenced. The effect would be to move the proceedings right back to the beginning. It was my view that any delays or costs caused by accepting the amendment would be in line with those that would be associated with an invalidation application. Furthermore, the opposition had not yet been decided and so it was possible that it might be successful under the grounds already pleaded. Therefore I refused the opponent's request to amend the pleadings.

**DECISION**

**Section 5(4)(a)**

22. Section 5(4)(a) of the Act states that:

> "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 or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection 4(A) is met
> >
> > …"

23. Section 4(A) is as follows:

> "The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

24. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, at [406] Lord Oliver of Aylmerton described the "classical trinity" that must be proved in order to reach a finding of passing off:

> "First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

25. *Halsbury's Laws of England* Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. At [636] (with footnotes omitted), it is noted that:

> "Establishing a likelihood of deception generally requires the presence of two factual elements:
>
>> (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and
>>
>> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

(c) the similarity of the mark, name, etc. used by the defendant to that of the claimant;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged are likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

26. It is also helpful to recall the words of Millett LJ in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 at [711]:

"It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation: see *Reddaway v.*

*Banham* [1896] A.C.199 per Lord Herschell; *Spalding v. Gamage* (1915) 32 R.P.C. 273 at page 284 per Lord Parker; *H.P. Bulmer Ltd. and Showerings Ltd. v J. Bollinger SA and Champagne Lanson Père et Fils* (the Bollinger case) [1978] R.P.C. 79 at page 93-4 per Buckley L.J."

***Relevant date***

27. In *Maier & Anor v ASOS plc & Anor* [2015] EWCA Civ 220, Kitchin LJ (as he then was) said:

> "165. … Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case T 784/2010-2 *Sun Capital Partners Inc*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the [contested] trade mark would have amounted to passing off. But if the [contested] trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began."

28. Although the applicant claims to have used *"this type of name"* and *"this type of concept*" in relation to *"this type of product"* since at least 2018, it does not claim to have used the contested mark itself. The relevant date for the present purposes is 4 April 2022.

### *Goodwill*

29. The opponent must show that it had goodwill in a business at the relevant date and that the sign relied on, **CHILLED OUT COOKIES**, is associated with, or distinctive of, that business.

30. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at [224]:

> "What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates."

*The opponent's evidence*

31. Mr McMillan states that the opponent began selling equine cookies under the earlier sign on Amazon UK on 2 February 2022. As the packaging indicates, they are intended to help horses cope with stress and anxiety:[1]

[1] Exhibit JM7.

32. Mr McMillan has provided a list of orders from the website dating from 2 February 2022 to 1 April 2022 and from 14 May 2022 to 2 September 2022.[2] The orders from the second period were all made after the relevant date, and so I shall say no more about those. Turning to the first period, my calculations indicate that 106 units were sold at a total cost of £1,010.94. Mr McMillan states that *"Goodwill for this product has built up in a relatively short period of time"* and cites product ratings and reviews from Amazon in support of this statement. A print-out from Amazon shows that the cookies have received 15 ratings and reproduces a review posted on 3 September 2022, i.e. after the relevant date.[3] It is not known how many of those ratings were given before the relevant date.

33. The goods have been advertised on Amazon. Exhibit JM3 contains a print-out from Amazon showing that £903.49 had been spent on advertising on the marketplace, generating 147 orders worth £1,494.97. The top of the chart indicates that these figures relate to the whole period in which these goods were for sale. There is nothing to say when the chart was printed, but it is likely to cover a period after the relevant date, even if some of the advertising expenditure was incurred before that date. It is not possible for me to make any inferences about the proportion of the sum of £903.49 that relates to the period before the relevant date.

34. Mr McMillan states that total advertising spend for *"the period"* was £5,382.54. He has provided some examples of adverts and promotional material to be included in equestrian magazines, but these all appear to be dated after the relevant date.[4] There is no evidence that the public saw any promotional material in magazines before then.

*Does the opponent's evidence show that it had a protectable goodwill?*

35. In both its statement of grounds and Mr McMillan's first witness statement, the opponent stresses that goodwill may be acquired in a relatively short period of time and has referred me to the well-known case of *Stannard v Reay* [1967] FSR 140. The parties in *Stannard v Reay* both operated mobile fish-and-chip vans in the Isle of Wight and both used the name "MR CHIPPY". Mr and Mrs Stannard were the first to begin trading, on 13 October 1966. The defendants started their business on 5 November

[2] Exhibit JM2.
[3] Exhibit JM5.
[4] Exhibit JM4.

1966, although it appears that operations were not regular until 21 November 1966. Mr and Mrs Stannard sought an injunction against the defendants restraining them from passing off their fish-and-chip van as the plaintiff's. The defendants argued that a period of three weeks was a very short time to have acquired goodwill of any value. However, Buckley J considered that the evidence suggested that in October 1966, Mr and Mrs Stannard were the only people carrying on this type of business and he said:

> "… although a period of three, four or five weeks may be a short time in which to build up a goodwill associated with a particular trade name, it does not seem to me to be by any means impossible to suppose that amongst those members of the public who enjoy fish and chips and who find it convenient to be able to buy them ready cooked and supplied at convenient places where they can go and collect them a new business of this kind might not attract to itself considerable notice and trade within quite a short time…"[5]

36. The judge found that the van's takings during the first three weeks were substantial sums for that type of business and he decided to continue with the injunction until the matter came for a final decision.

37. It is a truism that each passing off case depends on the individual facts of that case and what has been decided in one is not necessarily applicable to a different set of facts. For example, it is significant in *Stannard v Reay* that any goodwill was local and that the plaintiffs were the first people to operate this type of business. This allowed the judge to find that it was *"not … impossible"* that it would attract a lot of interest and trade among the relevant public within a short period of time. I shall therefore go back to what the evidence is telling me about the opponent's business.

38. The relevant public for these goods consists of individuals who own horses or ponies. In order for me to find that there is a protectable level of goodwill, those customers need to be in the UK. In *Starbucks (HK) Limited & Anor v British Sky Broadcasting Group Plc & Ors* [2015] UKSC 31, Lord Neuberger (with whom the rest of the Supreme Court agreed) stated that:

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[5] At [144].

> "47. I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. …"

39. The evidence shows that the opponent has been selling its goods on the UK Amazon website. In its statement of grounds, it also said that it had been selling them on eBay UK. As the Form TM7 contains a statement of truth signed by Mr McMillan, I am prepared to treat the contents of the statement of grounds as evidence. I have already referred to the exhibit showing orders from Amazon. However, as the applicant points out, this exhibit does not say where the customers are located. I have been provided with no sample invoices or any narrative evidence in the witness statement.

40. In *Smart Planet Technologies, Inc. v Rajinda Sharma (Recup Trade Mark)*, BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing off: *Starbucks (HK) Ltd* at [52], *Reckitt & Colman Product*, and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31. After doing so, he concluded that:

> "34. … a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon."

41. Even if I were to take the view that all (or a majority) of the Amazon orders came from customers in the UK, I consider that the levels of sales shown are not enough, in the absence of contemporaneous evidence of advertising either in magazines or on Amazon, for me to find that the opponent had at the relevant date acquired sufficient goodwill to be able to conclude that there would be substantial damage.

42. The section 5(4)(a) ground is unsuccessful.

**Section 3(6)**

43. Section 3(6) of the Act is as follows:

> "A trade mark shall not be registered if or to the extent that the application is made in bad faith."

44. In *Sky Limited & Ors v Skykick UK Ltd & Ors* [2021] EWCA Civ 1121, the Court of Appeal considered the following case law: *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* (Case C-529/07), *Malaysia Dairy Industries Pte Ltd v Ankenævnetfor Patenter Varemærker* (Case C-320/12), *Koton Mağazacilik Tekstil Sanayi ve Ticaret AŞ* (Case C-104/18 P), *Hasbro, Inc v European Union Intellectual Property Office (EUIPO)* (Case T-663/19), *pelicantravel.com s.r.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case T-136/11) and *Psytech International Ltd v OHIM* (Case T-507/08). Floyd LJ summarised the law as follows:

> "67. The following points of relevance to this case can be gleaned from these CJEU authorities:
>
> > 1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].
> >
> > 2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].
> >
> > 3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law, namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacilik* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it; good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41]-[42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling with in the function of a trade mark: *Koton Mağazacilik* at [46].

> 12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].
>
> 13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]."

45. Further relevant points arising from the case law are the following:

a. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies. However, Arnold J (as he then was) said that *"cogent evidence is required due to the seriousness of the allegation"*. This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull GmbH v Sun Mark Limited & Anor* [2012] EWHC 1929 (Ch) at [133];

b. It is necessary to ascertain what the applicant knew at the relevant date: see *Red Bull* at [137]; and

c. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: see *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2008] EWHC 3032 (Ch) at [167], and approved by the Court of Appeal in *Hotel Cipriani Srl & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2010] EWCA Civ 110.

46. According to Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are as follows:

a. What, in concrete terms, was the objective that the party alleged to have acted in bad faith has been accused of pursuing?

b. Was that an objective for the purposes of which the contested application could not properly be filed?

c. Has it been established that the contested application was filed in pursuit of that objective?

47. The opponent makes a number of allegations against the applicant under this ground. First, it claims that the applicant has no product with *"this type of name or concept"*, and that the registration of the contested mark would prevent the opponent's continued use or registration of its earlier sign. I understand this to be an allegation that the applicant is undertaking a blocking strategy. If proved, this would be an objective for the purposes of which the contested application could not properly be filed. The opponent argues that this is a similar situation to that pertaining in *Lindt*.

48. The Court of Justice of the European Union ("CJEU") said in *Lindt*:

"37. Whether the applicant is acting in bad faith, within the meaning of Article 51(1)(b) of regulation No 40/94, must be the subject of an overall assessment, taking into account all the factors relevant to the particular case.

38. As regards more specifically the factors specified in the questions referred for a preliminary ruling, namely:

- the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;

- the applicant's intention to prevent that third party from continuing to use such a sign; and

- the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought;

the following points can be made.

39. First, with regard to the expression 'must know' in the second question, a presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being

confused with the sign for which registration is sought may arise, inter alia, from general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it.

40. However, the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.

41. Consequently, 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).

46. Equally, 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 the 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 the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot however 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, as stated by the Advocate General in point 67 of her Opinion, 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, as the Advocate General states in point 66 of her Opinion, 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 competitors' 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 a sign at the time when the application for its registration as a Community trade mark is filed.

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

53. Having regard to all the foregoing, the answer to the questions referred is that, in order to determine whether the applicant is acting in bad faith within the meaning of Article 51(1)(b) of Regulation No 40/94, the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark, in particular:

- the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;

- the applicant's intention to prevent that third party from continuing to use such a sign; and

- the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought."

49. I have already discussed the evidence adduced by the opponent of the use that it has made of the earlier sign. At the relevant date, it had been using it for about two months, selling its goods on Amazon and eBay. The figures that I have show sales of just over £1000, comprising just over 100 units, and I have no evidence of promotional materials used before the relevant date. This does not, to my mind, suggest that the applicant knew, or ought to have known, that the opponent was using the sign. I also note that the applicant has filed evidence to show that it sells its own range of calming cookies for horses and has done since at least 2018.[6]

[6] Exhibit CLB1.

Premier Performance
12 August 2018

Calming Cookies
Calming Cookies are great for every horse in any situation that causes stress or fear & helps them to relax.

They enable your horse to remain calm and focused on the job. Contains a blend of natural vitamins, minerals, and amino acids to improve general health and well-being.

L-Tyrosine is used to produce the neurotransmitter Serotonin, which helps a horse focus and feel confident without affecting its ability to compete.

Order yours today from www and earn loyalty points whilst you shop.

Their new nick name is "magic cookies".

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50. The words "chilled out" and "calm" (the root of "calming") suggest that both products will alleviate stress and make the horse relaxed. I consider that it is equally as likely that the applicant came up with "CHILLED OUT COOKIES" independently than that it was aware of the opponent's goods. These facts are as consistent with good faith as they are with bad, and so I find that this particular allegation is not made out.

51. I now turn to the opponent's second allegation. It claims that the applicant does not use the contested mark or have a *bona fide* intention to do so, as required by section 32(3) of the Act. In *Sky plc & Ors v SkyKick UK Ltd & Anor*, Case C-371/18, the CJEU said at [86] that a statement on the application form that the mark is in use, or that there is a *bona fide* intention to use it, may, if such a statement is untrue, provide evidence to support a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration. Therefore, I shall not consider this allegation any further.

52. Thirdly, the opponent claims that registration would create a false impression that the applicant created the concept and would damage the opponent's reputation and goodwill. I am unsure as to quite what the opponent means by "concept" here. The evidence shows that the applicant was marketing calming cookies for horses earlier than the opponent. If the opponent means the brand name "CHILLED OUT COOKIES", I refer back to the extract from *Harrods Limited* that I cited earlier, which made clear that there is no monopoly in a brand name, and my findings that it is equally as likely that the applicant came up with the contested mark independently as it is that it knew about the opponent's use of the earlier sign. I have already dealt with the question of whether the opponent has shown that it has a protectable goodwill. I do not consider that this claim adds any further explanations as to why the applicant was allegedly acting in bad faith, and so I dismiss this claim.

53. The section 3(6) ground is unsuccessful.

**OUTCOME**

54. The opposition has failed and Application No. 3773749 may proceed to registration.

**COSTS**

55. The applicant has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice No. 2/2016. I have calculated the award as follows, noting that the applicant did not ask for costs for attendance at the CMC:

*£400 for preparing a statement and considering the other side's statement;*
*£750 for preparing evidence and considering the other side's evidence;*
*£350 for preparing written submissions in lieu of a hearing.*

***£1500 in total***

56. I therefore order Qi Synergenics Ltd to pay Premier Performance CZ Ltd the sum of £1500. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

**Dated this 27th day of August 2024**

**Clare Boucher**
**For the Registrar,**
**Comptroller-General**