

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NUMBER 2159226  
BY DIG SOUVENIRS LIMITED TO REGISTER A  
TRADE MARK IN CLASSES 24, 25 & 26**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NUMBER 49880 BY CELTIC PLC**

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**IN THE MATTER OF Application No 2159226  
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**IN THE MATTER OF Opposition thereto under  
No 49880 by Celtic Plc**

### **BACKGROUND**

1. On 25 February 1998 Dig Souvenirs Limited applied to register the trade mark HAIL HAIL in Classes 24, 25 and 26 for the following specifications:

Class 24 - "Pennants; banners and flags".

Class 25 - "Scarves, hats, anoraks, tracksuits, vests, singlets, shorts, briefs, shirts, jerseys, football boots, sports footwear, caps, gloves, ties, stockings and socks; all included in Class 25".

Class 26 - "Club badges; festival badges; all included in Class 26.

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal. On 16 June 1999 Fitzpatrick's on behalf of Celtic Plc filed a Notice of Opposition. In summary the grounds of opposition were:-

- (i) Under Section 1(1) and Section 3(3) of the Act because, it is submitted, the applicant is not the proprietor of the trade mark HAIL HAIL and registration would be likely to deceive the public as to the nature and origin of the goods.
- (ii) Under Section 3(6) of the Act as the application is made in bad faith because the application in suit was originally lodged as an application of or a Series of three marks which included an application to register "HAIL HAIL (THE CELTS ARE HERE)" and those same words represented in a roundel closely similar to the device which is the subject of numerous UK registrations belonging to the opponent, which include numbers 984413, 918660, 1429238 and 1446675.
- (iii) Under Section 3(4) of the Act because use of the mark would be contrary to the law of passing off in light of the opponent being granted an interim interdict on 28 May 1998 by Lord Penrose in the Court of Session to restrain the applicant from passing off merchandise as merchandise of Celtic Plc and, in particular, from manufacturing, selling or supplying any merchandise bearing,

inter alia, the words “HAIL HAIL”.

- (iv) Under Section 5(4)(a) of the Act because the opponent has made substantial use of the mark in Classes 9, 14, 24 and 25 and use by the applicant of the mark in suit is liable to be prevented by the law of passing off.

3. On 24 September 1999 the applicant filed a counterstatement denying the grounds of opposition. Both sides have filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 23 August 2001 when the applicant for registration was represented by Mr Kennedy of Kennedy & Co and the opponent by Ms McFarland of Counsel.

### **Opponent’s Evidence**

4. This consists of three statutory declarations, one each by Kevin Cawley, Alastair Campbell and Alasdair Hume, dated 24 March 2000, 27 March 2000 and 28 March 2000 respectively.

5. Mr Cawley is the Merchandise Manager of Celtic Plc (the opponent) and he states the trade mark HAIL HAIL was first used in the UK in 1991 by Celtic Plc (formerly registered as a private company under the name The Celtic Football and Athletic Company Limited) and that the goods on which the mark has been used and the date of first use are as follows:-

Class 9	Videos	first used in the year 1991
Class 14 & 24	Tie pins & Pennants	first used in the year 1993
Class 25	Scarves	first used in the year 1995

6. Next, Mr Cawley refers to Exhibits KC 1 and KC 2 to his declaration. Exhibit KC 1 consists of a Celtic Football Club scarf and pennant containing the words HAIL HAIL. Exhibit KC 2 comprises Celtic Football Club merchandise catalogues for the year 1996/97 and 1997/98, both of which show examples of goods ie scarves, pins and pennants, containing the words HAIL HAIL. On the scarves and pennants HAIL HAIL is shown together with the words Celtic Football Club, but on the pin HAIL HAIL appears solus.

7. Mr Cawley explains that precise records for sales of goods under the mark HAIL HAIL are not available and that he has calculated sales figures using current turnover levels for this mark on a pro rata basis. His best estimated figures for turnover are as follows:

1993/94	£10,000 (approx)
1994/95	£15,000 (approx)
1995/96	£15,000 (approx)
1996/97	£20,000 (approx)
1997/98	£25,000 (approx)

8. He then goes on to provide approximate amounts spent on promoting the goods branded “HAIL HAIL” in the three years before 25 February 1998:

1995	£ 5,000 (approx)
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1996	£ 5,000 (approx)
1997	£ 8,000 (approx)

and explains that this represents approximately 5% of the total advertising spend and was primarily by means of promotion in merchandise catalogues (such as those in Exhibit KC 2) and there is also promotion activity through the club publication “CELTIC VIEW”.

9. Mr Cawley states that the mark HAIL HAIL has been used by the opponent throughout the UK by means of sales through official retail outlets and mail order through merchandise catalogues.

10. Finally, Mr Cawley refers to Exhibit KL 3 to his declaration which consists of a copy of the UK trade mark registration certificate for No 2199291A of Celtic Plc for the mark HAIL HAIL which covers Classes 6, 9, 14, 16, 21, 28, 35, 38, 41 and 42 of the register, the registration being at the date 5 June 1999.

11. The opponent’s next declaration is by Alastair Campbell who is the Brand Protection Manager of Celtic Plc. Mr Campbell is authorised to act on behalf of Celtic Plc to prevent the manufacture and sale of counterfeit merchandise and he points out that the opponent is the proprietor of a number of UK registered trade marks including the word CELTIC, registration NO 2124911B, and CELTIC in a stylised script together with a four leafed clover device, registration No 1476402, both registered in Class 25.

12. Mr Campbell states that on 28 May 1998, Celtic Plc obtained an interim interdict against a company called Dig Souvenir Limited. Mr Campbell says that he is aware that one of the directors of Dig Souvenirs Limited is Mr John Fitzpatrick. Mr Campbell continues by explaining that on 19 March 2000 he was engaged in an exercise near Hampden Park, Glasgow to identify street traders selling merchandise which infringed the trade mark rights of Celtic Plc. He approached a stall selling clothing items bearing the CELTIC trade marks and noticed a hat bearing the word “Celtic” together with a three leaf clover device, the words “Hail Hail” and the words “The Celts are here”. Mr Campbell explained to the store owner that many of the goods infringed the trade mark rights owned by Celtic Plc and in response was told that the store holder merely sold what was provided by his supplier who, in general, was John Fitzpatrick. Mr Campbell then purchased the aforementioned hat and at Exhibit AC 1 to his declaration is a photograph of this hat. When pressed by Mr Campbell, the store holder stated that the hat was supplied by John Fitzpatrick. Mr Campbell confirms that the hat photograph at Exhibit AC 1 is not manufactured by or with the authority of Celtic Plc.

13. The opponent’s third statutory declaration is by Alasdair Hume, Head of Trade Marks at Fitzpatrick’s Limited (the opponent’s trade mark attorneys).

14. Mr Hume states that on 25 February 1998 when Dig Souvenirs Ltd applied under trade mark application No 2159226, the application consisted of a series of three trade marks - the words “HAIL HAIL”, HAIL HAIL (THE CELTS ARE HERE)” and “HAIL HAIL THE CELTS ARE HERE” with a logo consisting of a roundel with a four leaf clover which, Mr Hume says, is virtually identical to a substantial part of the trade marks which are the subject of a number of UK trade mark registrations owned by the opponent, including

registrations Nos 984413, 918660, 1429238 and 1446675. Mr Hume refers to Exhibit AH 1 to his declaration which includes “print outs” giving details of these registrations, together with a print out showing application No 2159226 (the application in suit) as originally filed.

15. Mr Hume goes on to state that the applicant is not the proprietor of the mark in suit, which is owned and has been used by Celtic Plc from at least as early as 1991. He adds that the deletion of two of the marks originally applied for as a series, does not detract from the application in suit being made in bad faith.

16. Next, Mr Hume draws attention to Exhibit AH 2 to his declaration which comprises a copy of a Certified Copy Interlocutor from the Court of Session, Scotland in the Cause, Celtic Plc v Dig Souvenirs Limited. He asks the Registrar to note that this:-

“..... and (2) grants interim interdict against the defenders [Dig Souvenirs Limited], their employees, agents or anyone acting on their authority or under their instructions from passing off their merchandise as merchandise of the pursuers or as authorised by the pursuers and in particular from manufacturing, selling or supplying any merchandise bearing any of the following three marks, namely, the words “HAIL, HAIL”, the words “HAIL. HAIL, THE CELTS ARE HERE” and a device comprising a four leaf clover design inside a circle, with or without words from round the circumference of the circle, or from using any of the said marks in relation to merchandise or from using any other marks similar thereto or otherwise calculated to confuse the public or to induce the public to believe that the merchandise manufactured, sold or supplied by them is that authorised by the pursuers.”

17. Mr Hume points out that the applicant has filed no evidence of use in support of its trade mark application and he refers to Exhibit AH 3 to his declaration which comprises a copy extract from the Waterlow Signature Database showing the date of incorporation of Dig Souvenirs Limited as 18 February 1998.

### **Applicant's Evidence**

18. This consists of statutory declarations by Alan Thomson and John Fitzpatrick dated 15 September 2000 and 7 September 2000.

19. Mr Thompson is a general worker at Field Packaging of East Kilbride, Scotland. He explains that until recently, as well as being a packaging worker, he has also been a street trader selling hats, scarves, flags, badges, clothing and posters. He has traded for eighteen years and worked most Celtic games during this time.

20. Mr Thompson states that he has sold products supplied by John Fitzpatrick for eighteen years, many of which used the trade mark HAIL HAIL and that he is not aware of any products supplied by Celtic Plc which use the HAIL HAIL mark. He adds that he is not aware of any incidences where the general public has confused goods provided by Dig Souvenirs Ltd with Celtic Plc merchandise.

21. Mr Fitzpatrick is the Director of Dig Souvenirs Limited (the applicant). He points out that the application in suit was made on 25 February 1998 and that this pre-dates the application for the same mark made by the opponents. Mr Fitzpatrick adds that the application was made in good faith covering marks that are used and have been continuously used by the applicant and its predecessor and in particular he asserts that he has used the mark HAIL HAIL continuously between the years 1980 and 1998 and that in 1998 he assigned any rights, including goodwill, to his company Dig Souvenirs Ltd.

22. Mr Fitzpatrick states that the goods on which the mark HAIL HAIL has been used by himself and the company Dig Souvenirs Limited are as follows:-

Class 20 - Pennants, banners and flags.

Class 25 - Scarves, hats, anoraks, tracksuits, vests, singlets, shorts, briefs, shirts, jerseys, football boots, sports footwear, caps, gloves, ties, stockings and socks.

Class 26 - Badges.

23. He goes on to provide the following sales information:-

(i) approximates sales of the goods in Class 20 goods for the four years immediately prior to the date of application were as follows:-

1998	£ 500
1997	£1,000
1996	£ 800
1995	£ 500

(ii) approximate sales of the goods in Class 25 for the four years immediately prior to the date of application were as follows:

1998	£1,000
1997	£2,000
1996	£1,500
1995	£1,000

(iii) approximate sales of the goods in Class 26 for the four years immediately prior to the date of application were as follows:-

1998	£ 500
1997	£1,000
1996	£ 750
1995	£ 500

24. Next, Mr Fitzpatrick states that he is not aware of any incidences of confusion arising between the products provided by Dig Souvenirs and Celtic Plc. Turning to the hat put forward as supporting Exhibit AC 1 by Mr Campbell, Mr Fitzpatrick says that Dig Souvenirs

never purchased or supplied the hat shown in the Exhibit.

### **Opponent's Evidence in Reply**

25. This consists of a further statutory declaration by Alistair Campbell and a statutory declaration by Anjum Sheikh Bashir.

26. Mr Campbell's declaration is dated 9 February 2001. He states that the street trader who sold him the hat (Exhibit AC 1 to his earlier declaration) clearly informed him that this hat was supplied by John Fitzpatrick.

27. Ms Bashir's declaration is dated 9 February 2001. Mr Bashir is a Trade Mark Attorney of Fitzpatricks. Her comments in relation to Mr John Fitzpatricks statutory declaration of 7 September 2000 include the following points:-

- (i) the applicant has not exhibited any assignment document to demonstrate the transfer of any rights, including goodwill, to Dig Souvenirs Limited in 1998;
- (ii) the applicant has not identified the goods upon which John Fitzpatrick used the mark HAIL HAIL between 1980 and 1998;
- (iii) the applicant has not identified the manner in which John Fitzpatrick used the trade mark HAIL HAIL in respect of the goods;
- (iv) the applicant has not identified the manner in which sales of the goods were achieved, the nature of the outlets through which they were sold or the geographical spread of customers of the goods.

28. This concludes my summary of the evidence filed in this case. I now turn to the decision.

### **DECISION**

29. Notwithstanding the Court of Session interim edict against Dig Souvenirs Limited which has stayed the passing off issue before that court, both parties urged me to decide the Section 5(4)(a) ground in relation to the current proceedings before the Registrar and in light of their submissions on this point I will do so in the knowledge that it remains open to either party to request a full trial before the Court of Session if they so wish. Any finding or decision I reach in relation to the passing off issue is, of course, not in any way binding upon the Court of Session and is made in relation to the evidence and submissions before me in this tribunal.

30. I now turn to the ground of opposition under Section 5(4)(a) of the Act, which Ms McFarland described as a main plank of the opposition. Section 5(4)(a) of the Act states:

"5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an

unregistered trade mark or other sign used in the course of trade ..."

31. The law on this common law tort is clearly set out by Geoffrey Hobbs QC, acting as the 'Appointed Person', in *Wild Child* [1998] 14 RPC, 455:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- i. that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii. that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- iii. that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

32. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.



While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

33. Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (25 February 1998); (i) they had acquired goodwill under their mark, (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

34. I now go on to consider the evidence filed in these proceedings, as set out earlier in this decision, taking into account the submissions put forward at the hearing.

35. The opponents claim that the reputation in the mark in suit rests with them and the applicant is seeking to monopolise the mark, in relation to the goods specified in the application, through registration. The goods specified, in Classes 24, 25 and 26, essentially consist of products being favour or bearing favours relating to, or are badges and/or souvenirs relating to, the Scottish Premier League football team Celtic F.C. Wearing or owning such goods is intended to demonstrate allegiance to Celtic F.C. as "Hail Hail" forms part of a "chant" used by supporters of that team.

36. Both the applicant and the opponent claim use of the mark in suit. The applicant and its predecessor in title claim continuous use of the mark between 1980 and 1998 on the goods specified in the application and have given figures in relation to sales, which in 1997 (the last

full year prior to the relevant date) amounted to a total of £2,000. However, as pointed out by Ms McFarland at the hearing, the applicant's claims of use are not substantiated by evidence or examples of any actual use whatsoever and no details relating to the nature of sales or the promotion of the mark are provided. Mr Thompson's declaration on behalf of the applicant states that he has sold products supplied by Mr Fitzpatrick for eighteen years, many of which used the trade mark HAIL HAIL. There are no details in relation to those sales, the goods in question or their source and no supporting documentation or examples are provided. By way of explanation Mr Kennedy, at the hearing, stated that the applicant is involved in "street trading" and that it is not in the nature of such a business to hold on to samples of stock.

37. The opponents claim use of the mark HAIL HAIL since 1991 by sales through official retail outlets and mail order through merchandise catalogues. They have filed evidence which demonstrates use of the words HAIL HAIL, such use being of the words solus in relation to pins and with the words Celtic Football Club on pennants and scarves, in Celtic Football Club merchandise catalogues. They have also provided estimated sales and promotional figures in relation to the HAIL HAIL mark which in 1996/97 amounted to £20,000 for sales, and in 1997 £8,000 on promotion.

38. In my view the evidence submitted does not demonstrate that either party to these proceedings possesses a reputation or the goodwill in the words HAIL HAIL as an indication of trade source. There is no onus, for the purposes of these proceedings, on the applicants to demonstrate goodwill but, on the other hand, the opponents cannot succeed under Section 5(4)(a) if they do not possess goodwill in the mark in suit.

39. In the recent case of South Cone Inc v Jack Bessant, Dominic Greensmith Kenmy Gary Stringer (a partnership) 16 May 2001, Pumfrey J in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (see Smith Hayden (OVAX) (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

Evidence of reputation comes primarily from the trade and the public; and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

40. The applicants evidence in relation to use of HAIL HAIL, notwithstanding Mr Kennedy's excuses, amounts to little more than assertions, albeit sworn. There are no examples relating to the use of the mark, nor any supporting evidence relating to the applicant's reputation or goodwill.

41. Turning to the opponents evidence, while it confirms use of the words HAIL HAIL on some goods covered by the specifications in suit, no independent evidence from the trade or public has been filed in relation to the recognition or repute of the opponents in relation to the mark in suit. Furthermore, the estimated “pro rata” figures relating to the sales and promotion of goods sold under HAIL HAIL do not appear impressive and there is no evidence to show that HAIL HAIL is promoted as a trade mark so as to demonstrate that the words are an indication of trade source. In this case the use of HAIL HAIL on a small proportion of the opponent's merchandise appears to fall in the badge of allegiance category. See Arsenal Football Club plc v Reed [2001] RPC 46. The English courts have consistently refused to infer that consumers automatically expect all merchandise to be official; that is to originate from the person, group or organisation which is the subject of the merchandise. See Elvis Presley Enterprises v Sid Shaw Elvisly Yours [1999] RPC 567.

42. In my view, the evidence in this case suggests that the opponent's merchandise is sold under the name of the football club and that it is this name in combination with the club badge which identifies the trade source of the goods.

43. On the basis of the evidence before me in this case I am unable to infer that the opponent has enjoyed goodwill in the mark in suit. As the opponents have not discharged the onus placed upon them, the opposition under Section 5(4)(a) fails.

44. I now go on to consider the ground under Section 3(4) of the Act, which states:-

3(4) - A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provisions of Community law.

45. The opponent contends that under Section 3(4) of the Act use of the mark in suit by the applicant would be contrary to the law of passing off in light of the opponent being granted an interim interdict on 28 May 1998 by Lord Penrose in the Court of Session to restrain the applicant from passing off merchandise as merchandise of Celtic Plc and, in particular, from manufacturing selling or supplying any merchandise bearing inter alia, the words “HAIL HAIL”.

46. As the Act and Directive make specific provisions for protecting unregistered trade marks ie Section 5(4)(a) of the Act and Article 4(4)(b) of the Directive, it seems to me that the Section 3(4) ground cannot exist as a separate ground of opposition to that under Section 5(4)(a). Section 3(4) of the Act is based upon Article 2(a) of the Directive and is directed to non-trade mark laws. In my view either the applicant's use amounts to passing-off, in which case Section 5 (4)(a) applies, or it will not, in which case the Section 3(4) ground amounts to no more than asserting that the registration should not be granted until the interim order is discharged. The logic of this is that the opponent should have asked for the proceedings before the Registrar to be stayed for this purpose. However, they strongly urged the opposite. This ground must also fail.

47. Next, I turn to the Section 1(1) and Section 3(3) grounds of opposition which, as pleaded by the opponent, submit that as the application is not the proprietor of the mark in suit,

registration would be likely to deceive the public as to the nature and origin of the goods.

48. There have been numerous decisions by the Trade Marks Registry stating that objections based upon these Sections of the Act are in relation to absolute, not relative, grounds and require evidence from the opponent. There is nothing inherently deceptive about the words HAIL HAIL in relation to the goods specified by the application and no evidence has been put forward to that effect. I therefore dismiss these grounds of opposition.

49. Finally, the Section 3(6) ground. Section 3(6) states:-

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

50. In Gromax Plastics Ltd v Don & Low Nonwovens Ltd 1999 RPC 367, Lindsay J considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

“I shall not attempt to find bad faith in this context plainly includes dishonesty, and, as I would hold, includes also some dealing which falls short of the standards of acceptable commercial behaviour as observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is best left to be judged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the act but the paraphrase) but by reference to the words of the act and upon a regard to all material surrounding circumstances.”

Commenting on this passage from Gromax, Mr Geoffrey Hobbs QC, acting as The Appointed Person, stated in Demon Ale Trade Mark 2000 RPC 355,

“These observations recognise that the expression “bad faith” has moral overtones which appear to make it possible for an application for registration to be rendered invalid under Section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant.”

Also in Demon Ale, The Appointed Person stated:-

“I do not think that Section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in Royal Brunei Airlines Sdn Bhd v Philips Tan [1995] 2 AC 378 (PC), at page 389, do seem to me to provide strong support for the view that a finding of bad faith may be fully justified even in the case where the applicant sees nothing wrong in his own behaviour.”

51. Thus bad faith can be exercised where there is no actual dishonesty as such. Have the applicants fallen short of the standards of acceptable commercial behaviour, however? The opponent’s submit that as one of the original series of three trade marks applied for in the application in suit contained a roundel with a four leaf clover which is virtually identical to a

substantial part of trade marks which are the subject of UK trade mark registrations owned by the opponent, the deletion of two of the marks originally applied for as a series does not detract from the application in suit being made in bad faith.

52. Bad faith is a serious allegation requiring proof and there is no evidence before me that, at the date of application, the applicant was aware of the opponent's registrations mentioned above. Furthermore, Section 3(6) refers to a trade mark not being registered to the extent that the application is made in bad faith and it seems to me that even if an opponent was able to demonstrate that an application was made in bad faith in relation to one or more marks in a series, the deletion of the "offending" marks from the series would mean that the remaining mark or marks, which were not applied for in bad faith, could proceed to registration. In other words the extent to which the application was made in bad faith would only be in relation to some and not all marks applied for in the series and the deletion of the "offending" marks from the series would overcome the objection. The position would be similar to that encountered where a Section 3(6) objection is raised on the grounds that an applicant has no intention to use the mark applied for on all the goods claimed within a specification, and is overcome by the applicant narrowing the specification of goods claimed. The opposition under Section 3(6) of the Act also fails.

52. The applicants are entitled to a contribution towards their costs and I therefore order the opponents to pay them the sum of **£650**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 10 day of December 2001**

**J MacGILLIVRAY**  
**For the Registrar**  
**the Comptroller-General**