

O-058-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2348856
BY MANDERS PAINTS LIMITED TO REGISTER THE TRADE MARK
“PICASSO” IN CLASS 2**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 94853
BY THE PICASSO ESTATE**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2348856
by Manders Paints Limited to register the trade mark PICASSO in Class 2**

and

**IN THE MATTER OF Opposition thereto under No. 94853
by The Picasso Estate**

BACKGROUND

1) On 13 November 2003, Manders Paints Limited (“Manders”) applied under the Trade Marks Act 1994 (“the Act”) to register the trade mark “PICASSO” in respect to the following list of Class 2 goods:

“Paints, varnishes, lacquers; preservatives against rust and deterioration of wood; colourants; mordants; raw natural resins; metals in foil and powder form for painters and decorators”

2) The application was subsequently published in the Trade Marks Journal on 15 September 2006.

3) On 15 December 2006, The Picasso Estate also known as Indivision Picasso or Succession Picasso filed notice of opposition to the application. It based its opposition on Sections 3(6), 5(2) (a), 5(3), 5(4) (a) and also claimed that its trade mark is well known within the meaning of Section 56 of the Act. The grounds based on Section 5(2) (a) were subsequently retracted.

4) The Picasso Estate claims the application is made in bad faith and that Manders seeks to exploit rights in the trade mark without permission, suggesting there is an endorsement by the Picasso Estate and therefore falls foul of Section 3(6) of the Act. It further claims the public has been educated that the trade mark PICASSO operates as a trade mark which is licensed by the opponent. In relation to this ground and to the grounds under Section 5(3), the Picasso Estate relies upon the following earlier trade mark held in its alternative name “Indivision Picasso”:

Trade Mark	Registration Date	Specification
CTM 614867 PICASSO	26 April 1999	Class 12: Vehicles; apparatus for locomotion by land, air or water, motor cars, motor coaches, trucks, vans, caravans, trailers.

5) In relation to its grounds under Section 5(4) (a), the Picasso Estate also relies on its use in the UK, since 1999 and in respect to motor vehicles, of PICASSO and:

A stylized, handwritten signature of the word "Picasso" in black ink. The letters are thick and expressive, with a prominent, sweeping underline that extends across the width of the word.

6) Manders subsequently filed a counterstatement denying the grounds for opposition and putting the Picasso Estate to strict proof of use in respect to all of its allegations.

7) Both parties filed evidence and this is summarised below. Neither party requested a hearing, but both parties filed written submissions in lieu of a hearing.

Opponent's Evidence

8) This takes the form of a witness statement by Claude Ruiz Picasso, court embowered administrator of the Picasso Estate, dated 5 December 2007. He states that he has a good understanding of the English language and that the contents of his statement are taken from the records of Picasso Estate and/or from his own knowledge. Mr Ruiz Picasso explains that the Picasso Estate includes the living heirs of the Spanish artist Pablo Picasso and is the only entity authorised to manage all the intellectual property rights deriving from the work, the image and the name of Pablo Picasso.

9) Mr Ruiz Picasso explains that the artist is often simply referred to as "Picasso", that he is one of the most recognised figures in twentieth century art and that his distinctive name is well-known to the general public. Mr Ruiz Picasso provides a selection of papers at Exhibit CP1 to support this. The first of these papers is an anthology on the artist, of unknown origin but carrying the copyright notice "Copyright © 1997 Grolier Interactive Inc.". This detailed anthology states that the artist "was the most influential and successful artist of the 20th century. Painting, sculpture, graphic art, and ceramics were all profoundly and irrevocably affected by his genius." And that "[a]t the time of his death [in 1973], he was universally recognised as the foremost artist of his era." Further on, there is text that states that the anthology is endorsed by the Picasso family.

10) Exhibit CP1 includes, what appears to be, an internet extract from "eArt Library". This contains a link to browse a catalogue called "The Minotaurs", published in 1968 and containing "most of the etchings with the Minotaur theme, made by Picasso in the mid-30s." The remaining papers are mainly extracts from

newspapers such as the New York Times and the International Herald Tribune relating to articles discussing the life and works of the artist. Of particular note, in illustrating the level of esteem held for the artist, are references in the New York Times of 8 November 1995 recording that, at a recent auction, works by Picasso raised \$55.5 million with one painting alone selling for \$20 million. A further article from the 15 December 1997 edition of Time records the sale of Picasso's "The Dream" for \$48.4 million. The article notes that this was the second highest price ever paid for a piece of work by Picasso.

11) Mr Ruiz Picasso goes on to explain that in 1980 licensing agreements were established with various licensees for the use of the trade marks "PABLO PICASSO", "PICASSO" and the stylised signature of the artist, and in respect of a wide range of products around the world. Exhibits CP2A to CP2H comprise examples of such licence agreements. The first of these licenses relates to the reproduction of the artist's works on silk ties and covers "the whole world, on an exclusive basis, with the exception of NAFTA territories (USA, Canada, Mexico and their territorial possessions)". The second licenses the artist's signature for use on spirit bottles and covers "the whole world". Others license the name and signature of the artist for use in respect of such goods as dinnerware, glassware, bedding, bath items, ties, scarves, bags and umbrellas, all on a worldwide basis.

12) Mr Ruiz Picasso states that the Picasso Estate values the trade marks highly and the draws attention to the fact that, in these licence agreements, the Picasso Estate is very careful to stipulate how the trade marks can be used and imposes strict quality regulations on the products being licensed.

13) Products bearing PICASSO trade marks have enjoyed significant sales and advertising in the UK. Exhibit CP3 is a table recording the number of UK vehicle registrations of vehicles bearing the PICASSO trade mark. This table illustrates that a total of 261,835 such vehicles were sold between the year 2000 and July 2007. These registrations relate to the Xsara Picasso, C4 Picasso and Grande C4 Picasso models. It is explained later that these are part of the PSA Peugeot Citroën ("Citroën") range of passenger vehicles. Registration figures for vehicles bearing the trade mark PICASSO for the period prior to the filing date of the contested application are recorded below:

Year	Number of registrations
2000	12,665
2001	46,612
2002	45,340
2003	36,034

14) Exhibit CP4 provides UK turnover figures relating to PICASSO models for the period 2004 to July 2007 and these are reproduced below. No figures are provided for any period prior to the filing date of the contested application.

Year	Units sold	Turnover (£)
2004	37743	471,381
2005	30913	396,689
2006	29130	383,671
2007, Jan to July	26777	375,175

15) Mr Ruiz Picasso states these turnover figures as being £471 million, £397 million, £384 million and £375 million respectively. This contrasts with the contents of the table in the exhibit which records turnover in hundreds of thousands of pounds rather hundreds of millions of pounds. When taking the units sold into account, for the exhibit figures to be correct, the unit price of the vehicles in question would need to be in the region of twelve pounds. It is therefore clear to me that it is Mr Ruiz Picasso's statement of the figures that is correct. This is supported by Exhibit CP5 which consists of a series of nine undated adverts, the first eight for the Citroën Xsara Picasso, and one for the Citroën C4 Picasso. A purchase price in the region of twelve thousand pounds is indicated in some of these. In these adverts, the signature version of PICASSO is visible on the side of the front wing of the vehicle and also visible where the front number plate would normally be placed. The plain word version is also used on a number of occasions in each advert. No information is provided to explain where these adverts appeared.

16) Exhibit CP6 is a table providing a breakdown of media expenditure in the UK for the PICASSO vehicles from the years 2000 to 2006. This provides breakdowns for each vehicle model in relation to national press and television as well as forecast figures for 2007 in relation to these sectors plus outdoor posters, cinema and online. A summary of actual expenditure covering all relevant models is:

Year	2000	2001	2002	2003	2004	2005	2006	Total
	£000's							
Television	3,801	6,020	4,444	4,507	4,798	3,868	2,155	29,593
National press	884	1	0	0	0	0	0	885
Total	4,685	6,021	4,444	4,507	4,798	3,868	2,155	30,478

17) Exhibit CP7 is a DVD carrying a video image of a television advertisement for the PICASSO vehicle. Mr Ruiz Picasso explains that this advert formed a high profile marketing campaign featuring a production line robotic arm spray painting the vehicle in an artistic manner before proceeding to paint over this in a conventional way.

18) Mr Ruiz Picasso presents, at Exhibit CP8, an extract from manderspains.co.uk to illustrate how Manders are using the trade mark. This

shows a photograph of a tint chart, reproduced below. It can be seen that the word PICASSO is represented in a style similar to the artist's signature.



Applicant's Evidence

19) This consists of a witness statement dated 20 June 2008 by Ian Gill, a partner in A. A. Thornton & Co., representatives of Manders, in these proceedings. At Exhibit ISG1 he provides a copy of a decision of the Office for Harmonization in the Internal Market (OHIM) in its original French language and his own "rough English translation" of the same at Exhibit ISG2. This relates to Opposition number B907560 and involves proceedings between the same parties that are involved in the current proceedings and is also in respect to the same trade marks. Mr Gill makes no other statement in relation to this decision. I note that the Class 2 specification of goods was removed from the application during the opposition process and the decision is in respect of the remaining classes, namely Classes 1, 5, 27 and 37. I will need to view OHIM's adverse findings for the Picasso Estate in respect to grounds equivalent to Sections 5(2) (b), 5(3) and 5(4) (a) of the UK Act in light of this fact.

20) At Exhibits ISG3 and ISG4, Mr Gill provides copies of two revocation actions, again without further comment. The first is an OHIM Cancellation Division decision in respect of CTM 409649 (a representation of which appears to be the artist's full signature) in the name of Anne Ruiz-Picasso. The opponent in this action was Manders. The outcome of the decision was that the registration was partially revoked with effect from 23 February 2004 on the grounds of non-use and included the revocation of the list of Class 2 goods that included paints, varnishes, lacqueurs and colourants. The second is a decision from the UK

Registry in respect of Trade Mark 1334360 (PICASSO) in Class 2 and in the name of Anne Paloma Ruiz-Picasso. The trade mark was revoked with effect on 12 November 2003 following an undefended action by Manders.

21) Exhibit ISG5 includes UK register extracts and other information illustrating that names of famous artists are registered in respect of paints or similar goods by third parties. These include “Matisse”, “Whistler” and “Renoir”.

Opponent’s Evidence-in-Reply

22) This consists of a witness statement by Steven Johannes Suèr, partner at Picasso Estate’s representatives, Ablett & Stebbing. He points out that the decision provided by Manders at Exhibits ISG1 and ISG2 is under appeal and at Exhibit SJS1 he provides a copy of the corresponding OHIM notification (in French). He draws attention to the fact that the OHIM, in its decision, recognised that the CTM 614867 PICASSO is well known, thus enjoying a reputation in the European Union.

23) Mr Suèr also makes a number of submissions in relation to how the circumstances of the OHIM decision should be interpreted. I’ll refer to these later, as appropriate.

24) Mr Suèr states that the examples provided by Mr Gill at Exhibit ISG5 have no relevance as he fails to disclose if use of such names is with permission, or even if permission was required.

DECISION

Section 5(3)

25) I turn to consider the ground for opposition under Section 5(3) of the Act which reads as follows:

“5.-(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

26) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (CHEVY)* [1999] ETMR 122 and [2000] RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Premier Brands UK Limited v Typhoon Europe Limited (TYPHOON)* [2000] FSR 767, *Daimler Chrysler A.G. v Alavi (MERC)* [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (VISA)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (LOADED) O/455/00*, *Mastercard International Inc v Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited v Coinworld Limited and others* [2005] FSR 7 and *Davidoff & Cie SA v Gofkid Ltd (DAVIDOFF)* [2003] ETMR 42.

27) The applicable legal principles arising from these cases are as follows.

a) 'Reputation' for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned with the products or services covered by that trade mark (paragraph 26 of the ECJ's judgment in *General Motors Corp. v Yplon SA (CHEVY)* [1999] ETMR 122).

b) Under this provision the similarity between the trade marks does not have to be such as to give rise to a likelihood of confusion between them; the provision may be invoked where there is sufficient similarity to cause the relevant public to establish a link between the earlier trade mark and the later trade mark or sign, *Adidas Salomon v Fitnessworld*, paragraphs 29-30.

c) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J. in *Premier Brands UK Limited v Typhoon Europe Limited* [2000] FSR 767).

d) The stronger the earlier trade mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (per Neuberger J. in *Premier Brands*, and the ECJ in *CHEVY*, paragraph 30).

e) There is detriment to the distinctive character of the earlier trade mark where it is no longer capable of arousing immediate association with the goods or services for which it is registered. There is detriment to the repute of the earlier trade mark where the goods or services for which the later trade mark is used appeal to the public's senses in such a way that the earlier trade mark's power of attraction is diminished: *Spa Monopole v OHIM* [2005] ETMR 109 (CFI). These concepts have also been described as blurring or tarnishing the earlier trade mark (paragraph 88 of Pumfrey J.'s judgment in *Daimler Chrysler v Alavi (MERC)* [2001] RPC 42).

f) Unfair advantage is taken of the distinctive character or the repute of the earlier trade mark where there is clear exploitation and free-riding on the coat-tails of a famous trade mark or an attempt to trade upon its reputation: *Spa Monopole v OHIM*.

28) To these, I would also add the following legal principles that have arisen from the recent ECJ judgement in *Intel Corporation Inc. V CPM United Kingdom Ltd (INTEL) C-252/07*:

a) Whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier trade mark with a reputation and the later trade mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

b) The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link between the conflicting trade marks, within the meaning of *Adidas-Salomon and Adidas Benelux*.

c) Whether use of the later trade mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case.

d) The use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique; a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark; proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.

29) In its grounds for opposition, the Picasso Estate does not specify what unfair advantage or detriment is claimed, but it does claim a reputation in respect of “vehicles; apparatus for locomotion by land, motor cars” and claims that as a result of the Citroën television campaign, there will be a strong link between the vehicles, art and paint products.

30) I will therefore begin by assessing the Picasso Estate’s claim to a reputation and whether this existed at the relevant date. From the ECJ’s comments in *CHEVY* it is known that for a reputation to exist, the relevant trade marks must be known by a significant part of the public concerned and that particularly important

considerations are the market share held by the trade marks, the intensity, geographical extent and duration of use and the level of promotion undertaken.

31) No evidence has been provided regarding market share, but the scale of use in the UK is provided by disclosure of the number of vehicle registrations and advertising spend for a period of nearly four years prior to the filing date of the contested decision. Both of these are significant with a total of over 177,000 vehicle registrations and advertising spend totalling £19.5 million in that period. Even in a high value market such as vehicle sales, these figures represent a market share that is not negligible. I do note that the "PICASSO" trade mark is used by Citroën, under licence, and that it is used as part of the secondary indication "XSARA PICASSO" or latterly "C4 PICASSO" with "CITROËN" being used as the primary indication. Nevertheless, there are two issues that point towards the fact that "PICASSO" alone is recognised by the relevant consumer to identify a model of motor vehicle. Firstly, is the ability of secondary trade marks in the vehicle industry to function as trade identifiers in the eyes of the consumer. I am mindful of numerous examples to illustrate this, such as FOCUS to identify a FORD model, VECTRA to identify a VAUXHALL model, VERSO to identify a TOYOTA model and so on. Secondly, is the impact of Citroën's television advertising campaign and its core theme of showing a robotic spray painter, being part of a vehicle production line, painting a body of a vehicle in an artistic style. This advert makes much of the association with Picasso the artist.

32) There is no evidence that the artist's name is licensed to Citroën, but Mr Ruiz Picasso's statement to this effect is unchallenged and I accept that this is true. Taking this and the above points into consideration, I conclude that the name "PICASSO" has acquired a reputation as a trade mark in respect of motor vehicles by virtue of the licensed activities of Citroën in the UK.

33) Having established that a reputation exists, I need to establish if there is the necessary link. In this respect, I am mindful of the recent comments of the ECJ in *INTEL* that it is sufficient for the later trade mark to bring the earlier trade mark with a reputation to mind for the link, within the meaning of *Adidas-Salomon and Adidas Benelux*, to be established. The ECJ also set out the factors to take into account when considering if the necessary link exists:

"41. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas and adidas Benelux*, paragraph 42).

42. Those factors include:

- the degree of similarity between the conflicting marks;

- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.”

34) The respective trade marks are identical and share the strong conceptual identity of being the name of one of the most recognised figures in twentieth century art and that his distinctive name is well-known to the general public. I believe it is important to consider the impact of this fact upon my analysis of the existence or otherwise of the link. The CFI have commented on the conceptual identity of PICASSO, albeit in the context of Article 8(1) (b) (equivalent to Section 5(2) (b) of the UK Act). I refer to its following comments in *Ruiz-Picasso Estate and Others v OHMI - DaimlerChrysler (PICARO)* Case T-185/02:

“57 The word sign PICASSO has a clear and specific semantic content for the relevant public. Contrary to the applicants’ submissions, the relevance of the meaning of the sign for the purposes of assessing the likelihood of confusion is not affected in the present case by the fact that that meaning has no connection with the goods concerned. The reputation of the painter Pablo Picasso is such that it is not plausible to consider, in the absence of specific evidence to the contrary, that the sign PICASSO as a mark for motor vehicles may, in the perception of the average consumer, override the name of the painter so that that consumer, confronted with the sign PICASSO in the context of the goods concerned, will henceforth disregard the meaning of the sign as the name of the painter and perceive it principally as a mark, among other marks, of motor vehicles.”

35) Because of the repute of Pablo Picasso, the word PICASSO is identified, in the minds of consumers, with the artist. This is an important point in the current analysis. Upon seeing the name PICASSO on Manders’ goods, it will immediately bring to mind the artist, but not the Citroën vehicle bearing the same name. In other words, the distinction between the repute of the artist and the commercial reputation in the trade mark PICASSO is such that the conceptual identity as the name of the famous artist will be what the consumer will perceive.

36) Section 5(3) (b) specifically recognizes that unfair advantage or detriment to distinctive character or repute of an earlier trade mark can occur where goods or services are not similar. Nevertheless, the level of similarity between the respective goods is an important factor to be considered as part of the analysis

required under this section of the Act. In the current proceedings, Manders' goods are restricted to Class 2 products such as "paints", "varnishes" and "preservatives against rust and deterioration of wood" and other similar goods. When compared with the Picasso Estate's goods, which can be summarised as vehicles, caravans and trailers, it is difficult to identify any similarity. They are very different in terms of their nature and purpose. Whilst there may be an overlap of relevant consumer; vehicle purchasers may also be users of paints etc, the respective goods are certainly not in competition with each other and are not complementary in any way. The Picasso Estate argues that the Citroën advertising campaign makes the link between the respective goods as it shows vehicles being painted on the production line. I find this to be an extremely tenuous link between the goods and conclude that the respective goods are indeed dissimilar.

37) Taking account of the dissimilarity of the respective goods and the immediate conceptual identity and reputation associated with the word PICASSO being that of the artist rather than any commercial identifier, I find that the consumer will not make the necessary link between the Picasso Estate's and Manders' goods.

38) In light of this finding, it follows that there can be no unfair advantage or detriment to the distinctive character or the repute of the Picasso Estate's earlier trade mark.

39) In summary, I find that the necessary link does not exist and as a result, the opponent's grounds based upon Section 5(3) fails. Even if I am wrong, there is no evidence that any such link will give rise to an unfair advantage to Manders, or that there would be any damage to the earlier trade mark in any way.

Section 5(4) (a)

40) I will now consider the ground under Section 5(4)(a). That section reads as follows:

"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, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark".

41) The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents' goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

42) To the above I add the comments of Pumfrey J (as he then was) in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case [2002] RPC 19, in which he said:

"27. 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.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur."

43) The relevant date for determining the opponent's claim, in the absence of any competing earlier claim on the part of the applicant, will be the filing date of the application in suit, that is to say 13 November 2003. The earlier right must have

been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based).

44) I must first assess if the opponent has acquired any goodwill and if so, what is the extent of this goodwill at the relevant date. The Picasso Estate relies upon its use of its trade mark on a number of Citroën's motor vehicles sold in the UK. This raises a question as to whom the relevant public associate the goodwill with. There is no evidence to demonstrate that the public would not assume anything other than that it is a trade mark for Citroën vehicles and as such the public will perceive the goodwill as residing with Citroën. In the absence of a licence agreement establishing the ownership of the goodwill, I am unable to conclude that such goodwill will reside with the Picasso Estate. This point has not been challenged by Manders and as the proceedings began before 1 October 2007, the Picasso Estate is not required to be the owner of the goodwill. Therefore, there is no need for me to explore this point further.

45) The scale of this use, and the way in which secondary trade marks are perceived by the motor vehicle purchasers, as discussed earlier, allows me to conclude without any difficulty that there is a significant goodwill acquired in respect of the use of PICASSO on motor vehicles. There is no evidence that this goodwill has extended beyond motor vehicles. I have already discussed and dismissed Picasso Estate's submission that the prominence of the act of painting a vehicle body in Citroën's advertising campaign results in a similarity of the respective services. In his witness statement, Mr Suér points to the existing market for vehicle touch-up paints and vehicle repair paints as being contentious goods. I am not convinced by this point. It may be that car manufacturers such as Citroën will produce own-branded vehicle touch-up paint, but there is no evidence before me that suggests these manufacturers will produce such paint for specific models and for those paints to then share the same trade mark. It follows that use of PICASSO, by Manders and in respect of paints and other Class 2 goods, does not result in misrepresentation leading the public to believe that these goods are the goods of the Picasso Estate. The Picasso Estate is not therefore likely to suffer damage to its trade in vehicles as a result of an erroneous belief engendered by Manders' use of the PICASSO trade mark. In any event, the most that would be justified, if I am wrong about this, is refusal of the application in respect of "paints for vehicles".

46) In conclusion, I find that at the date of application the Picasso Estate has not demonstrated that its goodwill associated with the sign is such that Manders' use of an identical trade mark in respect of paints and other Class 2 goods will result in the necessary misrepresentation required by the tort of passing off. The opposition under Section 5(4) (a) therefore fails in respect to all the goods claimed in the application.

Section 3(6) – Bad Faith

47) Section 3(6) of the Act reads as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

48) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date or at least a date no later than that (*Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21).

49) In *Gromax Plasticulture 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 define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. 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 a matter best left to be adjudged 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.”

50) In *Harrison v. Teton Valley Trading Co* [2005] FSR 10, the Court of Appeal confirmed that bad faith is to be judged according to the combined test set out by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164. Paragraphs 25 and 26 of the Court of Appeal decision are of particular assistance and read as follows:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36. Therefore I consider that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental

state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

51) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant’s views about standards of honesty is required. The majority of their Lordships were also in agreement with Lord Hutton’s comments in *Twinsectra*. They then went on to state:

“15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant’s mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to “what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships’ view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about what those standards were.”

52) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant’s state of mind regarding the transaction if I am satisfied that their action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct. Thus, in considering the actions of Manders, the test is a combination of the subjective and objective. Furthermore, it is clear that bad faith in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behaviour i.e. unacceptable or reckless behaviour in a particular business context and on a particular set of facts.

53) The Picasso Estate, in its submissions, claim that by using the trade mark PICASSO, Manders' intention is to exploit the Picasso Estate's rights without permission. In support of this, it draws my attention to Exhibit CP8 that shows one way in which Manders are using the trade mark. This is in a get-up that bears a close similarity to the artist's signature. It further claims that Manders could not have failed to be aware of the artist and the commercialisation of the trade mark PICASSO by the Picasso Estate.

54) Manders refers to its own Exhibit ISG5 that illustrates examples of a number of registered trade marks comprising famous artists' names being used in respect of paints. It contends that this is evidence that it is common in the trade to use the name of an artist as a brand for paints, that consumers are used to seeing the name of famous artists associated with paint and do not assume through this association that the artist either manufactures or endorses the paint. It concludes that an attempt to register PICASSO for paints is reasonable behaviour in the relevant industry.

55) The Picasso Estate's arguments are based on its contention that PICASSO is well known as a trade mark. I have only found that it enjoys a reputation in respect to motor vehicles. I am not persuaded, therefore, by its contention that Manders could not have failed to be aware of the commercialisation of the trade mark PICASSO, by the estate and even if it was aware, then such commercialisation would not automatically lead Manders to believe that the name was not free to use in respect to paints as the artist had been deceased for some thirty years. In my mind, it is fair for Manders to conclude, in the absence of other information illustrating commercial rights in the name PICASSO in respect to paints and other Class 2 goods, that it was free to apply to register the name in the UK.

56) Evidence of the existence of licence agreements, between the Picasso Estate and other third parties, relating to the use of PICASSO, falls short of demonstrating that Manders should have known they needed a licence. There is an absence of evidence establishing a broad commercial reputation in the UK, or even a commercial reputation in respect to paints or similar goods.

57) In light of all of the above considerations, I find that making the application to register the name PICASSO is not an act of bad faith and the ground under Section 3(6) fails.

Section 56

58) Section 56 of the Act reads as follows:

"56. - (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well

known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

59) In his decision in *Le Mans Autoparts Limited v Automobile Club de l'Ouest de la France (ACO)* O-012/05, Richard Arnold QC, sitting as the appointed person, identified the WIPO Joint Recommendation concerning the Protection of Well-Known Marks as detailing the relevant test for assessing if a trade mark qualifies as a “well-known mark” and he later endorsed this view when sitting as a high court judge in *Hotel Cipriani SRL et al v Cipriani (Grosvenor Street) Limited et al* [2008] EWHC 3032 (CH). The relevant extract from *Le Mans* is reproduced below:

“59. In September 1999 the Assembly of the Paris Union for the Protection of Intellectual Property and the General Assembly of the World Intellectual Property Organisation (WIPO) adopted a Joint Recommendation concerning Provision on the Protection of Well-Known Marks. Article 2 of the Joint Recommendation provides:

(1)(a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

(b) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred

that the mark is, or is not, well known, including, but not limited to, information concerning the following:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
4. the duration and geographical area of any registration, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
6. the value associated with the mark.

(c) The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching the determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in subparagraph (b), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in subparagraph (b), above.

(2)(a) Relevant sectors of the public shall include, but shall not necessarily be limited to:

- (i) actual and/or potential consumers of the type of goods and/or services to which the mark applies;
- (ii) persons involved in channels of distribution of the type of goods and/or services to which the mark applies;

(iii) business circles dealing with the type of goods and/or services to which the mark applies.

(b) Where a mark is determined to be well known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.

(c) Where a mark is determined to be known in at least one relevant sector of the public in a Member State, the mark may be considered by the Member State to be a well-known mark.

(d) A Member State may determine that a mark is a well-known mark, even if the mark is not well-known or, if the Member State applies subparagraph (c), known, in any relevant sector of the public of the Member State.

(3)(a) A Member State shall not require, as a condition for determining whether a mark is a well-known mark:

(i) that the mark has been in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;

(ii) that the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or

(iii) that the mark is well known by the public at large in the Member State.

(b) Notwithstanding subparagraph (a)(ii), a Member State may, for the purpose of applying paragraph (2)(d), require that the mark be well known in one or more jurisdictions other than the Member State.

60. Two points of interest emerge from Article 2 of the Joint Recommendation. The first is that the list of six criteria contained in Article 2(1)(b) is not inflexible, but provides as it were a basic framework for assessment. The second is that *prima facie* the relevant sector of the public consists of consumers of and traders in the goods or services for which the mark is said to be well known.”

60) In *Hotel Cipriani*, Mr Justice Arnold also commented that “Section 56 implements in domestic law Article 6*bis* of the Paris Convention and Article 16 of TRIPs. It provides a remedy for foreign traders whose trade marks are well known in the United Kingdom but do not own goodwill here.” With this comment

in mind, I turn to consider the circumstances in these proceedings. I have already identified a goodwill and reputation in respect of motor vehicles and therefore, I need to consider if PICASSO benefits for enhanced protection beyond this reputation by virtue of being a well known trade mark in the UK in respect of any other goods and services.

61) As I have found earlier, and as Manders claims in its written submissions, the reputation enjoyed by the Picasso Estate is in respect of the repute of the artist Pablo Picasso and not a reputation as the trade origin of goods except for vehicles. The consequence of such a finding was dealt with by the Court of Appeal in *Elvis Presley Enterprises Inc v Sid Shaw Elvisly Yours* (ELVIS PRESLEY Trade Marks) [1999] R.P.C. 567 CA where it was found that a name unique to a particular person does not, of itself, have distinctive character as a trade mark. This is the case here. The “relevant sector” of the public is the consumer for the paints and other Class 2 goods listed in Manders’ application in addition to those involved in the trade channels and business circles for such goods. This “relevant sector” will have a good degree of knowledge and recognition of the artist PICASSO, but there is no evidence to illustrate that these same consumers have a knowledge and recognition of PICASSO as a trade mark. A number of licence agreements have been exhibited by the Picasso Estate that indicate the licensee is entitled to exploit the name of the artist on a worldwide basis for a variety of goods, but there is no evidence to demonstrate that these agreements have actually led to use of the trade mark in the UK and certainly nothing to indicate that it has become well known in the UK within the meaning a Section 56 of the Act.

62) In conclusion, I find that there is no evidence to suggest that PICASSO is a trade mark that qualifies for protection as a well known mark under Section 56 of the Act.

COSTS

63) The opposition having failed, Manders Paints Limited is entitled to a contribution towards its costs. I award costs on the following basis:

Considering Notice of Opposition	£200
Considering case in reply	£300
Preparing and filing evidence	£700
Considering evidence	£350
Submissions in lieu of hearing	£300
TOTAL	£1850

64) I order the Picasso Estate to pay Manders Paints Limited the sum of £1850. 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 26th day of February 2009

**Mark Bryant
For the Registrar,
the Comptroller-General**