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Boxing Brands Limited and (1) Sports Direct International PLC, (2) Queensberry Boxing IP Limited, (3) Sportsdirect.com Retail Limited and (4) Lillywhites Limited – 8 to 12 July 2013
– Mr Justice Birss

Summary

This judgement confirms the limits of the legal concept of “goodwill” in commercial disputes. It also provides lessons on good recordkeeping and trade mark use.

Background

One of the defendants, Sports Direct, planned on launching a clothing range under the name QUEENSBERRY in late 2012. This caused a ruckus. On hearing of the planned launch, the well-known boxing promoter Frank Warren obtained an interim injunction. He claimed that his company, Boxing Brands Limited, owned sole rights to the use of QUEENSBERRY on items of clothing. In his corner: UK registered trade mark 2,485,784 applied for in May 2008.

In their defence, Sports Direct had attempted to license the use of QUEENSBERRY from Luigi La Mura and Andrew Goodwin. Mr La Mura and Mr Goodwin had set up a boxing gym in the Bedford area in 2004 under the name QUEENSBERRY. Teams from the gym had attended boxing matches, some of which were televised. The word QUEENSBERRY appeared on clothing at these boxing matches. The defendants contended that the '784 mark was invalid as Mr Warren's company was not the first to use it.

Decision

Mr La Mura and Mr Goodwin claimed that T-shirts featuring the word QUEENSBERRY had been on sale to the public. They also contended that, as they wore clothes emblazoned with QUEENSBERRY at various boxing matches, those watching ringside or at home

(including Mr Warren) would have known that they intended to use QUEENSBERRY as a clothing brand.

Mr Warren countered that he had been in discussions about launching the QUEENSBERRY clothing brand long before the boxing matches in question. He produced evidence dating back to 2006 to support this.

Birss J delivered a sharp one-two to the defendants. One: any collected goodwill was limited to the boxing fraternity around Bedford. Two: it was further limited to a boxing gym, rather than to clothing.

Birss J followed up with further blows. He ruled that Mr Warren had not acted in bad faith in applying for the mark. Even though Mr Warren may have been aware that Mr La Mura was using QUEENSBERRY in some way, Mr Warren had already conceived the idea of using QUEENSBERRY as a clothing brand. Also, Mr Warren would have only assumed that Mr La Mura was promoting his gym business.

Birss J inflicted the knock-out punch by finding that the '784 mark was valid and would be infringed by any sales of clothing containing the mark by the defendant.

Comments

This was a hard fought contest. Both sides were on the receiving end.

Birss J made it clear that although he thought Mr Warren's evidence was essentially truthful, he did not accept that every detail was accurate. Birss J was also less than impressed by Mr La Mura's account, in which a number of false statements were uncovered.

From a practical viewpoint, the case highlights the need to keep accurate business records and meeting notes - the fog of time may make it difficult to prove a party's business intentions without them. It also serves as a good example of the limitations of prior rights associated with any un-registered mark.

By Paul Beynon and Ben Hoyle