

**TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 1574925
BY ISLAND VALLEY LTD TO REGISTER A MARK
IN CLASS 30**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
NO 43280 BY SVENSK RISIMPORT AB**

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by Island Valley Ltd to register a mark
in Class 30**

10 **and**

**IN THE MATTER OF Opposition thereto under
No 43280 by Svensk Risimport AB**

15

DECISION

20 On 10 June 1994 Island Valley Ltd of Sidcup, Kent applied under Section 17 of the Act to register the following mark in Class 30 in respect of “instant noodles”:

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The application is numbered 1574925.

35 On 18 October 1995 Svensk Risimport AB of Sweden filed notice of opposition to this application. The grounds of opposition are in summary as follows:

- 40
- (i) under Section 11 by reason of the opponents’ use of and reputation in the mark MR NOODLES and device
 - (ii) under Section 12(3) by virtue of their own pending application
 - (iii) under Sections 17 and 68 in that the applicants had no bona fide present and definite intention to use the mark
 - 45 (iv) additionally under Section 17 it is said that the applicants are not the rightful proprietors of the mark.

The opponents also ask for the application to be refused in the exercise of the Registrar's discretion.

5 The applicants filed a counterstatement denying the above grounds. Both sides ask for an award of costs in their favour.

10 Both sides filed evidence. The matter came to be heard on 26 January 1999 when the applicants were represented by Mr G Hamer of Counsel instructed by Trade Mark Owners Association Ltd, and the opponents by Mr R Miller of Her Majesty's Counsel instructed by Castles.

15 By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

Opponents' evidence

20 The opponents filed a Declaration dated 9 October 1996 by Esat Demirian, the Managing Director of Svensk Risimport AB. He says that his company is the rightful proprietor of the trade mark MR NOODLES. The mark was first used in Sweden at the beginning of 1990. He exhibits (ED1 to 3) invoices, advertising material and papers relating to trade mark applications in that country. In relation to activity in this country he says:

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30 "My Company first commenced using the trade mark MR NOODLES in the UK in November/December 1994 by selling noodles bearing the name MR NOODLES to Bonanza UK Limited and have continued to sell noodles in the UK by reference to the trade mark MR NOODLES since that date. There is now produced and shown to me marked "ED4" a selection of invoices to UK companies confirming the use of the trade mark MR NOODLES.

35 In early 1994, Bonanza Thailand, from whom we obtain the noodles sold by reference to the trade mark MR NOODLES, advised us that a shipment of noodles bearing my Company's trade mark MR NOODLES which were for sale in Sweden, had been incorrectly packaged and were therefore not acceptable for sale in Sweden. When Bonanza Thailand advised us of the error, they informed us that they also did business with a company called Island Valley Limited who would be prepared to purchase the incorrectly packaged noodles and sell these in the United Kingdom. My Company
40 agreed to Bonanza Thailand selling the incorrectly packaged noodles to Island Valley Limited, and Island Valley Limited at all times knew that my Company was the rightful proprietor of the trade mark MR NOODLES.

45 Island Valley Limited still purchase from Bonanza UK Limited noodles bearing the name MR NOODLES to sell in Norway with full knowledge that these noodles are purchased from my Company and my Company then ships the noodles from my Company's warehouse to the Norwegian customers of Island Valley Limited.

I would stress that when Island Valley Limited applied to register the trade mark MR NOODLES in the UK, they were aware that this trade mark was the property of my Company and have acted in bad faith in applying to register the mark.”

5 A Statutory Declaration has also been filed by Preston Cheng, the Managing Director of
Thai Bonanza International Corp of Thailand. He confirms that his company has for many
years been doing business with Svensk Risimport including supplying them with noodles under
the brand name MR NOODLES. He also confirms the position regarding the incorrectly
10 packaged consignment of noodles in 1994. He adds that Island Valley had never used the
trade mark MR NOODLES before and “were aware as a result of discussions relating to the
sale of the incorrectly packaged noodles that MR NOODLES was the brand name that Svensk
Risimport had been using”.

Applicants’ evidence

15 The applicants filed two Statutory Declarations. The first, dated 29 April 1997 comes from
Joseph Bertram Clark, a Director of Island Valley Ltd, a position he has held since 10 August
1993. He describes events in the following terms:

20 “My company first became involved with the MR NOODLES brand, the subject of my
company’s Application No 1574925, in December 1994 when my co-director
Alan Maurice Bungay and I visited the offices of Bonanza (UK) Limited based at
44 Newburgh Road, Acton, London W3 6DQ on other matters and were shown
MR NOODLES packaging. We were asked if we were interested in the product. My
25 co-director and I studied the project and advised that we were interested. I met again
in January 1995 with Mr S E Teoh, Company Secretary of Bonanza (UK) Limited and
Mr Preston Cheng, Managing Director of Thai Bonanza International Corp Ltd
Bangkok. I was given to understand at that meeting that Thai Bonanza International
Corp. Ltd was the parent company of the British company Bonanza (UK) Limited.
30 There is now produced and shown to me marked Exhibit “JBC1” being a Company
Snapshot Report on Bonanza (UK) Limited as supplied to me by Trade Mark Owners
Association Limited, my company’s trade mark advisers, confirming that Mr S E Teoh
is Company Secretary of the company and that one of its directors is Y M K Cheng,
known to me as Mrs Grace Cheng who is Mr Preston Cheng’s wife. During the same
35 meeting I was advised that Thai Bonanza International Corp Ltd controlled the MR
NOODLES brand, that they had English/Swedish text packaging with Thai Bonanza’s
name on them available and, if my company were prepared to market the brand in the
United Kingdom, they had a part-completed UK trade mark registration which they
would assign to my company and my company could then develop the business.

40 My company took assignment of Trade Mark Application No 1574925 on 28 February
1995 and we placed our first orders with English/Swedish text packaging marked as
“Packed for: Thai Bonanza International Corp Ltd”. There is now produced and
shown to me marked Exhibit “JBC2” being a copy of the transfer document. There is
45 further produced and shown to me marked Exhibit “JBC3” being samples of such
packaging.”

He goes on to give details of a visit made to the Nam Chow factory at the end of February 1995 where the development of English only text packaging and the development of other European markets was discussed. Mr Cheng is said to have stated at that meeting that the only other customer who was using the MR NOODLES brand was his (Mr Cheng's) biggest rice customer but that noodles were an ancillary small business and the customer (I take this to be Svensk Risimport) was only interested in Sweden.

He goes on to describe the instructions given to his company's trade mark agents to undertake trade mark searches and the filing of applications in a number of European countries. Some of these have matured to registration. He also gives detailed information on the arrangements for ordering and shipping goods to the United Kingdom. I do not need to record the details but note his conclusion that "all personnel in both Bonanza (UK) Ltd and Thai Bonanza International Corp Ltd must have had complete knowledge of orders placed with destinations".

Subsequently the MR NOODLES brand was launched by Island Valley Ltd in the United Kingdom at the end of April 1995 with a stand at the International Food Fair "IFE" at Earls Court. Further shipments have continued to be made and Island Valley have discussed with Bonanza (UK) Ltd and Thai Bonanza International Corp new style English only text packaging (a specimen is shown at Exhibit JBC5). Finally he says that, when his firm's Norwegian distributor ran out of MR NOODLES product during April/November 1996, Island Valley arranged for Bonanza (UK) Ltd to buy stocks from Svensk Risimport (the current opponents) for supply to Norway.

The second Declaration is dated 1 May 1997 and comes from Inge Helga Rajeebally, the applicants' trade mark agent who is responsible for the conduct of this case.

She exhibits

- IHR1 - a copy of the original application (Form TM3) in the name of Bonanza (UK) Ltd
- IHR2 - a copy of the assignment certificate (dated 31 March 1995) and transaction notice published in Trade Marks Journal No 6076 relating to the transfer from Bonanza (UK) Ltd to Island Valley Ltd
- IHR3 - details of the opponents' own application (No 2041116) filed on 13 October 1995
- IHR4 - a printout showing that information relating to the transfer still appears on the Registry's database.

Opponents' evidence in reply

Three further Declarations have been filed as follows:

Esat Demirian dated 28 October 1997

Swee Ee Teoh dated 28 October 1997

Preston Cheng dated 31 October 1997.

5 Mr Demirian comments as follows:

“Neither Thai Bonanza International Corp Ltd nor Bonanza (UK) Limited had any right to claim that they were the proprietors of the trade mark MR NOODLES. Before my company purchased noodles from the Namchow factory in Thailand via
10 Thai Bonanza International Corp Ltd, my Company obtained noodles from different producers in Thailand and Malaysia at all times using the trade mark MR NOODLES. When my company approached Thai Bonanza International Corp Ltd, they were aware that my company was the owner of the trade mark MR NOODLES.

15 Unfortunately, it is only as a result of Mr Clark’s and Ms Rajeebally’s Declarations that we are aware that Application No 1574925 was originally filed by Bonanza (UK) Limited, as we did not carry out any investigations as to the history of the trade mark as we had no reason to believe that this application would have been filed by anybody
20 other than Island Valley Limited. My Company was aware as a result of searches which were carried out that in addition to Island Valley Limited the Namchow factory had also filed applications to register the trade mark MR NOODLES in the UK and some other European countries, but as a result of correspondence with them, they admitted that the applications had been wrongly filed and these were allowed to lapse or were abandoned.”

25 He considers that Bonanza (UK) Limited were aware that the opponents were the rightful proprietors of the mark as a result of the business dealings between the various companies. He also refers to various opposition proceedings in other jurisdictions. He takes the view that Mr Clark should have reviewed more thoroughly the question of whether there was any
30 problem with respect to use and registration of the trade mark MR NOODLES in the United Kingdom bearing in mind the comments made by Mr Cheng to Mr Clark during his visit to the Nam Chow factory.

35 Mr Teoh is the Manager of Bonanza (UK) Ltd, a position he has held since 1989. He confirms some of the background already set out above. I do not need to repeat this. In relation to the incorrectly packaged noodles he says:

40 “Mr Clark and Mr Bungay agreed to sell the incorrectly packaged noodles and they asked me whether I had any protection for the trade mark MR NOODLES in the UK and I advised them that my company had filed an application to register the trade mark. Mr Clark asked me if I would transfer the application to his company, so as to protect his company’s interest and prevent us selling the product via other companies in the UK. I agreed to transfer the application which my company had filed to register the trade mark MR NOODLES.

45 I now realise that my Company was wrong in applying to register application no. 1574925 MR NOODLES and then assigning this to Island Valley Limited, as my

company was not the rightful proprietor of the trade mark, as my company had only become aware of the trade mark as a result of the business dealings which Thai Bonanza International Corp Ltd had with Svensk Risimport.”

5 The purpose of the final Declaration (Mr Cheng’s) is to confirm that when his company, Thai
Bonanza International Corp, first had dealings with the opponents in 1994 the latter had
already been obtaining noodles from different producers in both Thailand and Malaysia which
they had been selling under the mark MR NOODLES. He also confirms that his company
only became aware of the trade mark as a result of business dealings with the opponents. He
10 says he realises that Bonanza (UK) Ltd of which he is also a Director was incorrect in filing an
application to register the trade mark MR NOODLES in the United Kingdom.

That completes my review of the evidence.

15 In the circumstances of this case and for ease of reference it might be useful if I preface my
decision with a brief resumé of the key dates and events as they appear from my reading of the
evidence.

20 Early 1994 - incorrectly packaged order of Mr NOODLES goods sold in UK on behalf of
the opponents

10 June 1994 - applicants file the application now under attack

25 November/December 1994 - opponents say they commenced using the mark MR NOODLES
in the UK. The first documented example of such use is an invoice dated 24
January 1995 though this invoice does not refer to the mark as such (the next
invoice dated 5 October 1995 does).

30 28 February 1995 - assignment of the application from Bonanza (UK) Ltd to Island Valley Ltd

March/April 1995 - applicants commenced to use the mark

13 October 1995 - opponents file their own application

35 I will deal firstly with the objection under Section 17 as this is the issue at the core of the
dispute. In point of fact two issues arise, the first being the claim that (by reference also to the
definition of a trade mark in Section 68) the applicants do not have any bona fide intention to
use the mark. This ground was not pursued at the hearing and given also that actual use is
now said to have taken place I do not think it has any substance. The main issue, therefore, is
40 the claim that the applicants cannot claim to be the rightful proprietors of the mark.

Section 17(1) reads as follows:-

45 "17. - (1) Any person claiming to be the proprietor of a trade mark used
or proposed to be used by him who is desirous of registering it must apply in
writing to the Registrar in the prescribed manner for registration either in Part
A or in Part B of the register."

I had the benefit of extensive submissions by both Counsel in relation to the law itself and what should be my approach to the issues before me. I will, therefore, briefly review the main points to emerge from those submissions before considering the application of the law to the facts of this particular case.

Mr Hamer took as his starting point the territorial nature of trade mark rights and the fact that it is the law of the country where protection is sought which determines the conditions of that protection (by reference to IHT Internationale Heiztechnik v Ideal Standard Case C-9/93). He also relied on PELICAN Trade Mark 1974 RPC 692 in support of his view that the opponents could not sustain their position because they had never asserted their interest in the United Kingdom market.

The following passage in particular was referred to:-

"In the *Vitamins*¹ and *Brown*² cases, the person who claimed to be the proprietor of the mark in question had copied the mark from someone else who had previously asserted his proprietorship of it in the United Kingdom, and in the *Genette*³ case it was held on the evidence that the respondents had independently thought of the marks which were the subject of the rectification proceedings. In the *Brown* case, Wynn-Parry, J. enunciated the following principle, at page 33, line 22:-

"It is incumbent on an applicant for registration of a trade mark which has not yet been used in trade to assert that it is proposed to be used by him and that he claims to be the proprietor thereof. If there is an owner of a similar mark who has made an earlier assertion of proprietorship and who has not abandoned that claim, then the claim of the applicant is not well founded and the application should not be allowed to go forward".

The first issue in the present case is whether the respondents, at the time they made their applications, could properly claim that they were the proprietors of the marks as required by section 17(1) of the Act. There is no doubt that they knew of the applicant's trade mark from the sample bib which had been obtained in Canada, but there is no evidence, as far as I can see, that, at the time they made their applications, they were aware of an earlier assertion of proprietorship of the mark by the applicant in the United Kingdom or of the attempts by the applicant to obtain a market for his Pelican bibs in the United Kingdom."

Mr Miller took as his starting point AL BASSAM Trade Mark 1995 RPC 511. I do not propose to record all the passages referred to but the following encapsulate the main points arrived at by Morritt L.J.:

¹ Vitamins Ltd's Application 1956 RPC 1

² Brown Shoe Company's Application 1959 RPC 29

³ Genette Trade Mark 1968 RPC 148 and 1969 RPC 189

5 "Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in *Nicholson & Sons Ltd's Application* (1931) 48 RPC 227 at page 253 Lawrence L.J. said

10 "The cases to which I have referred (and there are others to the like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark."

15 Second the right to the used mark as an indication of the origin of the goods could not be assigned separately from the good will of the business in which it had been used for that would have been to assign the right to commit a fraud on the public. cf. *Pinto v. Badman* (1891) 8RPC 181,194. Third, in the case of an unused mark the person with the best right to use it was the designer or inventor. cf. *Hudson's Trade Marks* (1886) 3RPC 155 at pages 160 and 163."

20 (page 522 lines 6 to 27)

and

25 "In my judgment the position is clear from a consideration of the Trade Marks Act 1938 alone. As section 17(1) prescribes, an application may only be made by one who claims to be the proprietor. At that stage all that is required is a bona fide claim. If no opposition on that ground is raised and the claim is not obviously mistaken on the face of the application then no doubt the Registrar is entitled to accept the claim as enough. But if, as permitted by section 18(2), a person opposes registration it seems to me evident that lack of the proprietorship claimed must be a permissible ground given the legal consequences of registration as the proprietor. Then, as required by section 18(5), the Registrar must consider on the evidence whether registration, which includes the name of the proprietor, is to be permitted. In my view this cannot mean consideration only whether or not the claim is bona fide. In the case of an opponent who was also a rival claimant the rights have to be determined. I see no reason why so different a test should be required merely because the opponent is not a rival claimant."

35 (page 523 lines 35 to 49)

40 The first of the above passages refers back to Hudson's Trade Mark and Mr Miller also referred me to the following passage from Cotton L.J.'s judgment in that case.

45 "It is said that the difficulty is this:- Is a man to be considered as entitled to the exclusive use of any trade mark when he has never used it at all? That is a difficulty; but then, I think the meaning is this:- If a man has designed and first printed or proposed, or framed, any of those particular and distinctive devices which are referred to in the first part of section 10, he is then looked upon as the proprietor of that which

is under that Act a trade mark, and this will give him the right as soon as he registers it. How can it be said he is entitled to the exclusive use of it, when he never has used it? In my opinion, though the language is not appropriate, it means this, that a man who designs - no one else having used it - one of these special things pointed out in section 5 10, as designer he is to be considered as the proprietor of it; and if there is no one else who has used it, or who can be interfered with by the registration and subsequent assertion of title to that mark, then he is to be considered as entitled within the meaning of the Act to the exclusive use of that which in fact has never been in any way used, but which has been only designed by him, and which he can be treated as the 10 person entitled to register (if no one else has so used it, as that his user would be interfered with by registration), so that no one else can say "Although you pretend to have designed this, in fact, as you well know, it was my design which you took from me".

(pages 160 to 161)

15 Mr Miller criticised PELICAN as being inconsistent with AL BASSAM. In his view PELICAN was decided by reference to the position in the VITAMINS and BROWN SHOE cases where the circumstances were, as indicated above, that "the person who claimed to be the proprietor of the mark in question had copied the mark from someone else who had 20 previously asserted his proprietorship of it in the United Kingdom" (I add, parenthetically, that the assertion of proprietorship in question had been by means of earlier, unsuccessful, trade mark applications). He suggested that PELICAN wrongly elevated prior assertion to being a necessary pre-condition of success in such cases. I do not quite read PELICAN as going that far though if it did I am inclined to agree that it would go further than AL BASSAM in dealing with the rights accruing to the designer or inventor of an unused mark. In any case PELICAN 25 turned on the facts of the particular case which, for reasons which I will explain in more detail in due course, were somewhat different from those in the case before me. I am, therefore, persuaded that I should consider the matter in the light of the guidance on basic principles set out by the Court of Appeal in AL BASSAM whilst noting that the underlying circumstances of that case were quite different. If I have understood Mr Miller correctly his position was that 30 once it was established that an applicant has (to use his often repeated word) filched another's mark then an attack based on lack of proprietary right must succeed regardless of whether there has been a prior assertion of interest in this country. I do not think I need decide the matter on such a broad basis given the facts of this particular case.

35 It is clear from the chronology of events set out earlier that prior to the application by Bonanza (UK) on 10 June 1994 the only activity under the mark MR NOODLES in this country related to the incorrectly packaged goods which had originally been intended for the Swedish market. Considering the potential significance of the particular transaction I find it 40 curious that very little concrete information on it has been filed in evidence. I will return to this point later in the decision when I consider the Section 11 position.

45 As was pointed out at the hearing Mr Clark, who has put in evidence on behalf of the applicants (by assignment) and whose company was involved in selling the incorrectly packaged goods, says nothing about events in early 1994. Somewhat curiously he says that his company first became involved with the MR NOODLES brand in December 1994 when he

visited the offices of Bonanza (UK) Ltd. It seems, therefore, that the opponents' albeit brief account of the early 1994 transaction is unchallenged and I must make the best I can of the limited information available to me.

5 The opponents say that they originated the trade mark MR NOODLES in the beginning of 1990. The evidence on this is thin and most of the invoices filed do not show use of the mark. It is acknowledged that an invoice from a company called Eastimpex (Singapore) Pte Ltd dated 28 December 1992 does refer to MR NOODLE (sic). I take this to be an invoice to Svensk Risimport for the supply of noodles. Other invoices showing the mark appear to relate
10 to the supply of promotional material or services but relate to the period after the material date. The invoice from the Singapore company is of interest in confirming the opponents' use of the mark although, bearing Mr Hamer's comments on territoriality in mind, it does not establish any connection with this country or between the parties to these proceedings.

15 It is not clear from the evidence when the opponents first started doing business with Bonanza Thailand. Mr Demirian says that his company previously sourced noodles from different producers in Thailand and Malaysia. (It seems from comments made to Mr Clark during his visit to Thailand in February 1995 that the opponents were Thai Bonanza's biggest rice customer in Sweden. It is also recorded that noodles were an "ancillary small business"
20 though the basis for this claim is not clear.) The MR NOODLES goods produced for Svensk Risimport by Thai Bonanza for sale in Sweden represented a continuation of a business already established under the brand. The precise nature of the packaging problem which led to the early 1994 transaction has not been explained but I assume that, whatever the nature of the problem, it was not of a kind that made the goods unsuitable for sale in the United Kingdom.
25 It is not directly stated that bilingual labelling (Swedish/English) was involved but it is possible to infer that this was probably the case. The circumstances must have been sufficiently unusual that it is hard to imagine either Bonanza (UK) or Island Valley becoming involved without an explanation of the background. Nor, of course, was that the end of Svensk Risimport's dealings with Bonanza (UK) as the former's efforts to establish what I will call a
30 substantive trade in this country were said to have commenced in November/December 1994 with sales of MR NOODLES goods to Bonanza (UK). It seems likely, therefore, that there must have been continuing contacts between the companies during the course of 1994 but again, surprisingly, there is no evidence to confirm that this was the case. Making the best I can of these events I have come to the view that Bonanza (UK) cannot have considered that
35 they had any proprietorial interest of their own in the mark MR NOODLES absent some clear understanding or agreement with Svensk Risimport. Whilst the circumstances of the early 1994 transaction were unusual, the goods came with the opponents' mark on them. I cannot see how the mere fact that Bonanza were instrumental in selling the goods could have resulted in their acquiring, or being able to lay claim to, ownership. Moreover if Bonanza harboured
40 genuine doubts about the opponents' intentions in this country one might have expected them to clear their lines first. There is nothing to suggest they did so.

Mr Preston Cheng's and Mr Teoh's comments to Mr Clark at their meeting in January 1995 sit
45 uneasily with the above. Mr Clark says he was advised that "Thai Bonanza International Corp Ltd controlled the MR NOODLES brand, that they had English/Swedish text packaging with Thai Bonanza's name on them available". The reference to English/Swedish text packaging must, I think, be referring to their business with Svensk which is said to have

started in earnest in November/December 1994. I cannot see any basis for Thai Bonanza claiming to control the brand on the basis of their providing or procuring the production of goods for Svensk. Rather it is in my view a perpetuation of the error made when Bonanza (UK) Ltd applied for the mark.

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The above circumstances are quite different to those in the PELICAN case. Briefly that case was a rectification action launched by an American applicant against a British company which had registered the word, and a device of PELICAN for infants' bibs. The British company had obtained one of the applicants' bibs from North America and there was evidence also that the American trader had attempted to market his goods in this country. The extract from the decision recorded above indicates that the British company was not aware of any earlier assertion of proprietorship in this country or of the attempts to market goods here. Moreover an approach to the American trader had been made through their patent agents to the applicant but without receiving a reply. That is some way removed from the circumstances of this case where in early 1994 Bonanza (UK) agreed to sell MR NOODLES brand goods in this country knowing, as I think they must have, that the opponents were to use the AL BASSAM parlance the designer or inventor of that brand. I have, therefore, come to the conclusion that when Bonanza (UK) filed the application in June 1994 they could not claim to be the rightful proprietor of the mark.

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In reaching this decision I have not given any great weight to either the position in relation to the opponents' Swedish trade mark application or the opponents' reply evidence where Mr Teoh and Mr Cheng acknowledged that Bonanza was not entitled to apply to register the mark. In relation to the Swedish application I should record Mr Hamer's request at the hearing to have further evidence admitted in relation to the fate of that application if it was likely to be a material factor in reaching my decision. I did not consider that this was likely to be the case and, therefore, turned down this belated request. So far as Mr Teoh and Mr Cheng are concerned it must be remembered that the Bonanza companies had dealings with both the opponents and the applicants. If the evidence is to be believed, in December 1994 Bonanza (UK) was dealing with both Svensk Risimport and Island Valley in relation to the sale of goods under the MR NOODLES brand without it seems any thought to the potential consequences in terms of trade mark ownership. I would have grave reservations about relying on their (Bonanza's) evidence in these circumstances. It seems to me that their actions have been influenced by what they perceive as being to their commercial advantage at any given point in time without proper regard to underlying issues of trade mark law. I hasten to add that I have a great deal of sympathy with Island Valley Ltd, as applicants by assignment, and Mr Clark their director who it seems to me have acted perfectly properly and might reasonably have assumed that Bonanza (UK)'s application (as it was originally) was soundly based. In short I have come to the conclusion that the opposition succeeds under Section 17.

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Section 11 of the Act reads:-

"11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

45

The established test is that set down in Smith Hayden and Company Ltd's application (Volume 1946 63 RPC 101) later adapted by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand, the test may be expressed as follows:-

5 Having regard to the user of the mark MR NOODLES is the tribunal satisfied that the
mark applied for, MR NOODLES (see note), if used in a normal and fair manner in
connection with any goods covered by the registration proposed will not be reasonably
likely to cause deception and confusion amongst a substantial number of persons?
10 Note In fact the mark applied for is in the following form.

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The only use of the mark in this country before the material date in these proceedings was the
sale by Svensk Risimport to Bonanza (UK) (and thence to Island Valley) of the incorrectly
25 packaged goods. It follows from my decision in relation to Section 17(1) that I regard any
rights arising from that transaction as accruing to the opponents. However whilst
unchallenged evidence establishes the fact that the transaction took place it is singularly
uninformative so far as any other details are concerned. Thus I have no idea what quantity of
goods were involved, what monetary value attached to them, whether or when they were sold
or even whether they were sold by Island Valley. I, therefore, have no basis for reaching a
30 conclusion that deception or confusion was likely amongst a substantial number of persons. I,
therefore, find that there is insufficient basis for the opponents to succeed under this head.

The remaining grounds are under Section 12(3) of the Act on the basis of the opponents' later
filed co-pending application and the request for exercise of the Registrar's discretion. In the
35 light of my above decision it seems to me that the need for further consideration of the parties'
respective positions under Section 12(3) falls away. Nor does it appear to be necessary to
consider an exercise of discretion. I made brief reference earlier to Island Valley's position. I
have no reason for thinking that they took assignment of the application other than in good
faith but if the original applicants had no rightful claim to proprietorship I cannot see how that
40 state of affairs can be made good by means of an assignment.

As the opponents have been successful they are entitled to a contribution towards their costs.
I order the applicants to pay the opponents the sum of £835.

5 **Dated this 22nd day of February 1999**

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15 **M REYNOLDS**
For the Registrar
the Comptroller General