

O-041-13

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2524911
STANDING IN THE NAME OF
CHAINGREEN LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No. 83958
BY SEA NYMPH GALWAY BAY MARINE LIMITED**


BACKGROUND

1) The following trade mark is registered in the name of Chaingreen Ltd (hereinafter Chain):

Mark	Number	Filing and Registration Dates	Class	Specification
Sea Nymph	2524911	28.08.2009 / 16.04.2010	1	Seaweed and organic based fertilisers and manures with added supplements of iron, potassium, nitrogen, phosphates, manganese, magnesium; all for use in agriculture, horticulture, sports grounds and forestry.
			31	Seaweed for animal and human consumption.

2) By an application dated 10 January 2011, subsequently amended, Sea Nymph Galway Bay Marine Limited (hereinafter SEA) applied for a declaration of invalidity in respect of this registration in relation to the goods in class 1 only. The grounds are, in summary:

a) Sea is the proprietor of the following trade mark:

Mark	Number	Filing and Registration Dates	Class	Specification
	CTM 8356362	11.06.09 / 12.01.10	1	Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

b) SEA state that up until 2003 SAMAA International Limited (hereinafter SAMAA) (directors Harish Sharma and Vinod Pankhania) was an authorised distributor of "Sea Nymph" seaweed fertiliser for SEA. SEA stopped supplying SAMAA as they were owed a substantial sum. Chain was incorporated on 6 January 2004 with Mr Sharma and Mr Pankhania as directors, and began selling seaweed fertiliser under the Sea Nymph brand. On 15 November 2005 SAMAA was dissolved

- c) SEA contends that Chain's mark was registered in bad faith in contravention of section 3(6) and also offends against Sections 5(1) and 5(3).

3) Chain provided a counterstatement, dated 16 May 2011, which states that Mr Sharma and Mr Pankhania have been supplying "Sea Nymph" products to customers in the UK and Europe since 1994. They refute SEA's claims and state that it is SEA that is seeking to capitalise upon the goodwill and reputation that they have built up. They claim that they are known in the UK as "the seaweed people". The counterstatement continues:

"Until 2003 we were not representing Sea Nymph (Galway Bay Marine) Ltd but we were the owners of this company. (Majority shareholders) of the [sic] then known Samaa Galway Bay Marine Ltd. (see exhibit company printout).

Sea Nymph (Galway Bay Marine) Ltd registration No: 314000 Ltd [sic], was formally known as Samaa Galway Bay Marine Ltd. The majority shareholder was our company Samaa International Limited (see exhibit Companies House registration document B1). Mr Vinod Pankhania and Harish Sharma resigned as directors and handed the shares to Mr Philip Casburn in 2003 when the name of the company was changed to Sea Nymph (Galway Bay Marine) Ltd.

We did not need anybody's permission to carry on using the trade mark "Sea Nymph" as we were already registered owners of this trade mark in the UK. (Registration number 2301346) and we had the unregistered rights."

4) The exhibits to the counterstatement show that Samaa (Galway Bay Marine) Limited changed its name to Sea Nymph (Galway Bay Marine) Limited on 18 March 2004. The directors are shown as Philip and Marie Casburn. In a Companies Registration Office return, by Samaa (Galway Bay Marine) Ltd, for the financial year 1 January 2000 – 31 August 2000 the shareholders are stated to be Samaa International Limited (160 shares), David Casburn (20 shares) and Philip Casburn (20 shares). On the same form, Mr Sharma, Mr Pankhania and Mr Philip Casburn are recorded as directors of Samaa (Galway Bay Marine) Ltd, with the first two men also noted as directors of Samma International Ltd.

5) Both sides filed evidence. Both ask for an award of costs. The matter came to be heard on 17 October 2012. At the hearing, the registered proprietor was represented by Mr Sharma (director); the applicant was represented by Mr Stephen Casburn (director and son of Philip Casburn).

SEA'S EVIDENCE

6) SEA filed an affidavit, dated 8 August 2011, by Stephen Casburn the sales director. He states that the name SEA NYMPH was first used by his mother and father (Philip and Marie Casburn), who began using it in 1988 and who gave permission to Samaa Galway Bay Marine Ltd to use the term until 2003. He provides the following exhibits:

- a) Two "to whom it may concern" letters from Arramara Teo and Brandon Products Ltd stating that they have supplied Mr Philip Casburn with products and denying that they have supplied Chain or Mr Sharma or Mr Pankhania.

- b) A letter from Kelly Murray (Accountants) which provides the trading history of Mr Philip Casburn as follows:
- (i) Prior to 1987 he was the Managing Director of Feamainn Maighcuilinn Teoranta (Seaweed Limited).
 - (ii) 1988-1995 he traded under his own company Galway Bay Seaweeds (International) Limited, dealing in seaweed fertiliser under the brand Sea Nymph, a list of “Irish customers” on headed notepaper dated 13 March 1989 is provided and this paper has SEA NYMPH upon it. All the names listed appear to be golf clubs but it is not clear if they are in Eire or Northern Ireland.
 - (iii) 1995-1999 he traded as a sole trader under the name Galway Bay Marine, still selling seaweed fertiliser. This company traded the Sea Nymph brand of seaweed products.
 - (iv) 1999-2004 he transferred his business into Samaa (Galway Bay Marine) Ltd a company set up in partnership with Samaa International Ltd, dealing in seaweed products.
 - (v) 2004 to date having terminated the partnership and acquired the shares of Samaa International Ltd, Mr Casburn changed the name of the company from Samaa (Galway Bay Marine) Ltd to Sea Nymph (Galway Bay Marine) Ltd, and continued to trade in seaweed products under the Sea Nymph brand.
 - (vi) A letter from Mr Ludwig of Wobking GmbH who states that he originally purchased “SeaNymph” products from Samaa International Ltd, and subsequently from Sea Nymph (Galway Bay Marine) Ltd. No details as to amounts or dates of orders etc are provided. Also included is a letter from Mr P Casburn to Wobking GmbH dated 23 August 2003, where he states that his wife thought up the Sea Nymph brand in 1988 and that he gave permission for Samaa U.K. to use the brand. It also deals with issues between himself and Samaa, but these do not assist my decision. This is on Galway Bay Seaweeds International Ltd paper and includes the mark “Sea Nymph”.
 - (vii) A copy of a registration at Companies House of “The Seaweed People Ltd” incorporated in 2003 and dissolved in 2008, it does not appear to be linked to any of the parties in the current case, but has been filed to show that Chain and its directors were not known as “the seaweed people”. He also provides copies of an internet search for “the seaweed people” but this does not contain any mention of Chain or its directors.

CHAIN’S EVIDENCE

7) Chain filed a joint affidavit, dated 4 January 2012, by Harish Sharma and Vinod Pankhania who are both directors of Chain. The statement consists almost entirely of exhibits. They do not comment other than to accuse Mr Philip Casburn of trying to force them out of business and stating that the letter to Wobkings in Germany, dated 23 August 2003, exhibited by Mr Casburn, was on Galway Bay Seaweed International Ltd headed

paper but this company ceased trading in 1995. They provide a letter from Kelly Murray to this effect in their exhibits. Many of the exhibits have a covering letter which purports to be a witness statement but it is not correctly formatted and simply states that the attached letters (all are undated "to whom it may concern" letters) are a true statement of facts or similar. None of these letters identify attached exhibits or state what they contain in a manner required for witness statements. These exhibits are not witness statements and have been accepted and dealt with as hearsay evidence as per TPN 5/2009. I summarise them as follows:

- A letter dated, 20 December 2011, from Greenbest Flexible Manufacturing to Chain, which states that the company has known Mr Sharma and Mr Pankhania since 1998, that they have been manufacturing fertilisers under Chain's brand (unspecified) for ten years, that until August 2010 they provided labels with the name "Sea Nymph" upon them, that they will not supply any more product under this name until Chain can prove that they can legally use the name.
- A letter by Mr Gingell. His letterhead suggests that he is an agronomist and an area manager but does not mention for whom he currently works or his connection to the case. Mr Gingell states that during August 2000 he worked for Samaa International UK and developed "the range". He states that the artwork he attaches was produced by Tinfish (Scott Grange) and an illustrator Kate West. On the first attached sheet are four illustrations of comical figures undertaking gardening pursuits, on the second sheet is a label with one of these illustrations underneath the words "Sea Nymph" and "Chaingreen Ltd". The label states the product to be "seaweed Lawn Feed and Moss Control". He does not state how he came to have these illustrations. I note that in the statement of grounds it is alleged that "Chain was incorporated on 6 January 2004".
- A letter by Sonal Vara (nee Sonal Pankhania), which states that an attached imprint of sea horses was produced by Mrs Vara as part of her school work in 1994 and that she allowed her father and Mr Sharma to use the image as part of their "Sea Nymph" trade mark. The attached print shows two sea horses.
- Letters from The West Lancashire Golf Club, The Royal Birkdale Golf Club, The Three Rivers Golf Club, The Tyrrells Wood Golf Club and The Heathpark Golf Club. All state that "Sea Nymph" has been used on seaweed products that they have obtained from Mr Sharma and Mr Pankhania over a number of years and that they are unaware of anyone else using the name.
- A page from the Observer Business briefing, dated 6 September 2002, which shows a picture of Mr Sharma clutching a bag of Sea Nymph seaweed soil conditioner at a trade show at Windsor race course.
- There are two letters from Mr Sharma to Philip Casburn and Stephen Casburn. I would regard both as "without prejudice" correspondence and so do not summarise them here and do not rely upon them in my decision.

SEA'S FURTHER EVIDENCE

8) SEA filed an affidavit, dated 19 October 2011, by Mr Casburn who has previously provided evidence in this case. Again it does not comment, merely providing un-numbered attachments which are "to whom it may concern" letters with a front sheet which has "witness statement" printed upon it but which is not correctly formatted. The first letter is by Arramara Teo an Irish company which states they have never dealt with Samaa International Ltd or Chaingreen, but only Mr Casburn t/a Galway Bay Seaweeds International and Sea Nymph (Galway Bay Marine) Ltd. The second letter is by Kerry Algae Ltd which states that whilst aware of Samaa and Mr Sharma, they dealt via Mr Casburn. There is also a letter from Mr Murray which is a duplicate of that filed earlier in these proceedings.

CROSS EXAMINATION

9) MR PANKHANIA: An honest witness, recalling as best as he was able the events of the past. His testimony was limited by the fact that he stated that for a large part of the crucial period in this case he was seriously ill and the illness had led to a degree of memory loss. He confirmed that initially he and his business partner purchased seaweed products in dried and liquid form. These were manufactured by two different companies but were purchased via Mr Casburn. However, the dried product was provided in plain containers and was labelled with the SEA NYMPH brand in London by Mr Pankhania. The liquid version was called MARIGROW and as far as Mr Pankhania could recall did have a label on the container with this name upon it.

10) Mr SHARMA: He answered questions in a straightforward manner and was fundamentally honest. He recalled that the device element of the sea horses was designed by Mr Pankhania's daughter. However, he was somewhat equivocal on the issue of who had devised and first used the text "SEA NYMPH". He initially stated:

MR SHARMA: Okay. Well if we sat with Philip and we jointly agreed that we were going to call our products Sea Nymph, then it does not give you [Mr Casburn] any more right to the name than it does to us.

11) And:

MR SHARMA: Well, sir, I think it is a little bit difficult for me to say whether we were solely responsible for this or Mr Casburn was solely responsible for it, but a lot of the decisions were jointly made between Mr Casburn and ourselves.

MR SALTHOUSE: All right. Just forgive me a second, Mr Sharma, to the best of your recollection when the name Sea Nymph came up into the collective conscious, if I can put it that way, was this at the point where you were a director of a company with Mr Casburn?

MR SHARMA: No, we were independent.

MR SALTHOUSE: So at that stage you say you were independent ...

MR SHARMA: Yes.

MR SALTHOUSE: ... and you were still acting as a distributor, agent, whatever purchasing from Mr Casburn?

MR SHARMA: We were a customer. We were neither a distributors nor agents.

MR SALTHOUSE: Okay. So you were simply a customer in the UK.

MR SHARMA: We were simply customers.

MR SALTHOUSE: And you are not entirely sure, as I understand it, please correct me if I am wrong ...

MR SHARMA: I will go to the extent of saying that yes, we did have an input into it, yes we were.

MR SALTHOUSE: You had an input into the name?

MR SHARMA: Into the name, yes.

MR SALTHOUSE: But you are not entirely sure whether Mr Casburn had an input as well?

MR SHARMA: No, I am not too sure.

12) And:

MR SALTHOUSE: That is fair enough, I can quite understand that. And Samaa International Limited was also selling seaweed products, i.e. I think you described it as seaweed extract and the liquid, they were also selling the product under the Sea Nymph brand at the same time ...

MR SHARMA: Yes.

MR SALTHOUSE: ... as Galway Bay Marine Limited?

MR SHARMA: Yes. We had our bags printed in the United Kingdom because the bags were coming plain and we were required to have labels, health and safety.

MR SALTHOUSE: And what was the first date, to your recollection that either ... let me ask you this in two parts; what was the first date to the best of your recollection that Samaa Galway Bay Marine Limited used the wording Sea Nymph?

MR SHARMA: We had been using the wording Sea Nymph before we set up Samaa Galway Bay.

MR SALTHOUSE: Mmm hmm.

MR SHARMA: So when Samaa Galway Bay was incorporated we had that name put on our bags as well. These bags were printed in England and sent across to Ireland.

MR SALTHOUSE: Okay. So, in which case, when did Samaa Galway Bay Marine Limited first use the mark Sea Nymph?

MR SHARMA: From day one, from the day they were incorporated.

MR SALTHOUSE: The day of incorporation?

MR SHARMA: Yes, because we had all the labels printed in the UK, all the bags printed in the UK and we sent them across to Ireland and these bags were sent to Aramara Keel.

MR SALTHOUSE: Right. And what about Samaa International, when was the first time they used the name Sea Nymph on seaweed products?

MR SHARMA: Well, we started labelling back in I think back in 1994 because we had our first batch of labels printed in 1994 here in the UK and all the drums used to come without labels.

MR SALTHOUSE: Mmm hmm.

MR SHARMA: And the bags used to come without labels. So, the first lot of bags that we had printed, we used to do the bagging ourselves here in the UK. They used to come in plain bags and we used to stick them in ...

MR SALTHOUSE: Right.

MR SHARMA: ... another bag here in the UK.

MR SALTHOUSE: Just remind me, when was Samaa International Limited incorporated?

MR SHARMA: 1994.

MR SALTHOUSE: 1994. Okay. Presumably, as directors of Samaa Galway Bay Marine Limited, you gave permission for that company to use the brand Sea Nymph?

MR SHARMA: Yes.

MR SALTHOUSE: Was that in writing?

MR SHARMA: Well, this is something that was not written, there was no written agreement over the name I cannot find any because I tried to look to see if there were any written agreements over the trade name between Ireland and us, I could not find any.

MR SALTHOUSE: Right. Okay. I think I have really only got one further question for you. You say that Samaa International Limited first started using the term Sea Nymph in 1994, what makes you so certain that that was the date that they started using it?

MR SHARMA: This is only going by the documents that I have in my possession, catalogues going back, that far back.

MR SALTHOUSE: Because ...

MR SHARMA: I have an old catalogue with Samaa International and Sea Nymph on it but the Sea Nymph logo that we used in those days was not this Sea Nymph logo ...

MR SALTHOUSE: Mmm hmm.

MR SHARMA: ... it was different. It was a horse running sort of on a beach.

MR SALTHOUSE: Right. So the logo was different, the name was the same.

MR SHARMA: The name was the same.

MR SALTHOUSE: Why didn't you file that as part of your evidence?

MR SHARMA: I did not see the relevance of it because here ... quite frankly I did not see the relevance of it.

13) Lastly:

MR CASBURN: Mr Sharma, would it surprise you to hear that the Sea Nymph name/text was actually the brainchild of my father and mother back in 1988, would that surprise you to hear that?

MR SHARMA: Well, this is something that I have read in your testimonial in the Affidavit's that you have filed. And you know if you say that and having sort of read it, having known your father and your mother, you know we say, "Okay well, if you say so, you say so."

MR CASBURN: So, you do not dispute that?

MR SHARMA: Well, you know, the thing what we are fighting here for is the trade name. We have been using this trade name in the United Kingdom for the past 18 years. In one of the Affidavit's that you have supplied, you have said that we are trying to cash in the goodwill that you have established.

14) Mr CASBURN: Another straightforward witness who appeared to be honest and clear in his answers. During the cross examination of both Mr Sharma and Mr Casburn answers were given which appeared to contradict some of the written evidence. The potted history of trading that had been provided in the written evidence by Mr Murray (Mr Casburn's accountant) was clearly not as detailed as it might have been. It would appear that the trading position was somewhat convoluted as the following exchanges show:

MR SALTHOUSE: I am sorry. Okay, let me go back a second, we have already accepted that initially your business dealings with Mr Casburn where he was supplying you with seaweed products. „You’ being `Samaa International, I think you were called at that point and he was simply selling products that he was purchasing from other manufacturers?

MR SHARMA: Yes.

MR SALTHOUSE: Okay. You then joined in a company with Mr Casburn, which my understanding is was called Samaa Galway Bay Marine Limited?

MR SHARMA: Yes.

MR SALTHOUSE: Okay. If that company was not supplying Samaa International with seaweed for you to sell in the UK or wherever, what was Samaa Galway Marine Limited doing?

MR SHARMA: Samaa Galway Bay Marine and Samaa International UK were both buying seaweed from Philip Casburn.

MR SALTHOUSE: From Philip Casburn as an individual?

MR SHARMA: As an individual of his company.

MR SALTHOUSE: But surely he was a director in Samaa Galway Bay Marine Limited with you?

MR SHARMA: He was buying the seaweed from Brandon Products and Aramara Keel and selling them onto Samaa Galway Bay Marine Limited and Samaa International Limited.

MR SALTHOUSE: So, as a director of Samaa Galway Bay Marine Limited, Mr Casburn was purchasing products and selling them to his own company?

MR SHARMA: His own company, yes.

MR SALTHOUSE: And then you as directors of Samaa Galway Bay Marine Limited were purchasing them as directors of Samaa International Limited and selling them in the UK?

MR SHARMA: No, we were purchasing them from Philip Casburn. Samaa International was purchasing seaweed from Philip Casburn. Samaa Galway Bay and Samaa International were both purchasing seaweed from Philip Casburn.

MR CASBURN: Correct. Yes. Absolutely. Yes.

MR SALTHOUSE: So where was Samaa Galway Bay Marine Limited selling its products?

MR CASBURN: Samaa Galway Bay Marine was selling its products within Ireland and Mr David Casburn was the salesmen.

MR SALTHOUSE: And where was Samaa International Limited selling its products?

MR SHARMA: We were selling them everywhere bar Southern Ireland.

MR SALTHOUSE: Okay.

MR SHARMA: And Northern Ireland.

MR SALTHOUSE: And what was the name on the products that both companies were selling, were they the same?

MR SHARMA: Yes. Sea Nymph.

MR SALTHOUSE: So while you were a director of Samaa Galway Bay Marine Limited that Limited company was using the trademark Sea Nymph on a variety of seaweed products?

MR SHARMA: Seaweed liquid extracts and seaweed meal.

MR SALTHOUSE: Right. It was just the two, was it?

MR SHARMA: Just the two, yes.

MR SALTHOUSE: Okay. What other marks were you using; do you remember any other marks?

MR SHARMA: We were not using any other marks.

15) And:

MR CASBURN: Yes, because they were buying from Philip Casburn. I suppose, my father, when he set up Samaa Galway Bay Marine Limited, was not going to hand over everything to a new company, entering into a partnership with anybody. You know he was entering into, I suppose, a business agreement with gentlemen that, okay yes, I suppose he had a couple of years trading with but I suppose his, the backbone of his business was always him, trading as, or previous to that, Galway Bay Seaweeds International. There was a history there of a business so he was not going to, until he was fully confident of everything being up and running, he was not going to ...

MR SALTHOUSE: So, and this is what, unless I again, I will allow Mr Sharma to come back at a later point, if I get this wrong, my understanding from this morning's testimony is, as you say, that Mr Philip Casburn continued to trade as a sole trader ...

MR CASBURN: Absolutely. Yes.

MR SALTHOUSE: ... selling to a company which he was a director of, which was known as Samaa Galway Bay Marine Limited.

MR CASBURN: Correct. And again, we can show further evidence of that, including cheques made payable from Samaa International to Philip Casburn, director for the products.

16) Because of these claims regarding trading in the mark in suit, exceptionally, I sought additional evidence which might shed light upon the first use of the mark.

ADDITIONAL EVIDENCE OF SEA

17) SEA filed an additional affidavit, dated 23 October 2012, by Stephen Casburn. His statement merely serves to enter a number of documents into the case. Most of these documents do not have the words "SEA NYMPH" upon them and so are irrelevant. Only three documents have these words upon them and they are as follows:

- Letters between Mr Philip Casburn t/a Galway Bay Seaweeds International Ltd Ireland and Joseph Metcalf Ltd in Lancashire, relating to the offer and sale of 10,000kgs of seaweed meal. The documents also include an invoice dated 24 October 1988 for £2150 which has the legend ""SEA NYMPH" Seaweed products" upon it in the bottom right hand corner. There are also shipping and customs documents relating to the sale.
- A leaflet for Moss extract with the name SEA NYMPH and a picture of a static horse and also the name of Galway Bay Seaweeds International Ltd is attached to a letter dated 1 February 1991. However, the letter does not mention moss extract but concerns Seaweed meal.
- An invoice to a company in Sweden dated 26 April 1992 which has the name Galway Bay Seaweeds International Ltd Ireland at the top and relates to the provision of seaweed meal. It also has the legend ""SEA NYMPH" Seaweed products" upon it in the bottom right hand corner.

ADDITIONAL EVIDENCE OF CHAIN

18) Chain filed a witness statement dated 29 October 2012 by Harish Sharma. He also commented upon the evidence of SEA. He makes the point that most of the evidence provided by SEA does not show use of Sea Nymph, or when it does it relates to use of the words only and not the device element. He also provides a number of invoices which show that Chaingreen Ltd have used the mark SEA NYMPH in the UK on Seaweed products since 12 February 2005. He also provides invoices from Samaa International Limited showing use of the mark SEA NYMPH in the UK on seaweed products between 29 January 1999 and 5 May 2000.

19) That concludes my review of the evidence. I now turn to the decision.

DECISION

20) Section 47 of the Trade Marks Act 1994 reads:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

21) I shall first deal with the ground under Section 3(6) which reads:

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

22) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that...

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

23) In case O/094/11 [*Ian Adam*] Mr Hobbs Q.C. acting as the Appointed Person summed up the bad faith test in the following manner:

“31. The basic proposition is that the right to apply for registration of a trade mark cannot validly be exercised in bad faith. The invalidity of the application is not conditional upon the trade mark itself being either registrable or unregistrable in relation to any goods or services of the kind specified. The objection is absolute in the sense that it is intended to prevent abusive use of the system for acquiring title to a trade mark by registration. Any natural or legal person with the capacity to sue and be sued may pursue an objection on this ground: see the Judgment of the Court of Justice in Case C-408/08P Lancôme parfums et beauté & Cie SNC v. OHIM [2010] ECR I-00000 at paragraph [39] and the Opinion of Advocate General Ruiz-Jarabo Colomer at paragraphs [63] and [64]. Since there is no requirement for the objector to be personally aggrieved by the filing of the application in question, it is possible for an objection to be upheld upon the basis of improper behaviour by

the applicant towards persons who are not parties to the proceedings provided that their position is established with enough clarity to show that the objection is well-founded.

32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *'the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights'* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling

on the point from the Court of Justice, is taken to condemn not only dishonesty but 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*’: Gromax Plastics Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal und Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that ‘national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely’: Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starblade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

24) 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 (Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893; Hotpicks Trade Mark, [2004] RPC 42 and Nonogram Trade Mark, [2001] RPC 21). The relevant date is therefore 28 August 2009.

25) From the evidence provided by both parties and the cross examinations the following facts emerge:

- It is claimed, and not challenged (see paragraph 13 above), that the name SEA NYMPH was first used by Philip and Marie Casburn in 1988.
- From 1988 -1995 Mr Philip Casburn traded under his own company Galway Bay Seaweeds (International) Ltd dealing in seaweed products under the name SEA NYMPH. There is clear evidence of use of the mark SEA NYMPH by this company.
- From 1995 -1999 it is claimed that Mr Philip Casburn traded as a sole trader under the name Galway Bay Marine selling seaweed fertiliser under the name SEA NYMPH. There is no corroborative evidence regarding use.
- From 1994 Samaa International Ltd were selling seaweed products in the UK under the mark SEA NYMPH. Samaa International Ltd were not agents or distributors for Mr Philip Casburn, they simply purchased goods as would any other customer and then sold them on in the UK and Europe. It is claimed that the products were supplied by Mr Philip Casburn in plain bags and drums and that Samaa added the labels with the mark SEA NYMPH once the product was in the UK.
- The device element of two sea horses was devised by Sonal Vara (nee Sonal Pankhania). This is uncontested.
- In 1999 Samaa (Galway Bay Marine) Ltd was incorporated with the directors being Mr Philip Casburn, Mr Pankhania and Mr Sharma.
- Mr Philip Casburn acting as a sole trader sold seaweed products to Samaa (Galway Bay Marine) Ltd and also to Samaa International Ltd. The former sold in Ireland the latter in the UK and Europe. Both sold products under the Sea Nymph name. There is no evidence that the products were branded when sold by Mr Philip Casburn. The invoices between Mr Philip Casburn and both Samaa companies do not have any use of the mark SEA NYMPH upon them.
- 24 May 2002 Samaa International Ltd apply to register mark SEA NYMPH and device in the UK in relation to goods in Classes 1, 5 and 31. Mark registered 29 November 2002. The mark expired on 8 June 2012, was renewed on 27 July 2012 and assigned on 16 November 2012. This assignment is questionable given that the company was said in evidence to have been dissolved in 2005.
- In 2003 Philip and Marie Casburn are said to have given permission for Samaa Galway Bay Marine Ltd to use the name SEA NYMPH. There is no written record of this agreement, let alone an assignment.
- On 6 January 2004 Chaingreen Ltd was incorporated (directors Mr Sharma and Mr Pankhania). It is claimed that the company began using the mark SEA NYMPH on

seaweed products from its inception although documentary evidence of use dates from 12 February 2005.

- 18 March 2004 Samaa (Galway Bay Marine) Ltd changed its name to Sea Nymph (Galway Bay Marine) Ltd whose directors were Philip and Marie Casburn.
- On 15 November 2005 Samaa International Ltd was dissolved.
- Sea Nymph Galway Bay Marine Ltd applied for a CTM in respect of a device of two sea horses and the words SEA NYMPH on 11 June 2009.
- Chaingreen Ltd applied for the mark SEA NYMPH in the UK on 28 August 2009.

CHAIN OF TITLE / GOODWILL

26) It would appear that the mark SEA NYMPH was originally used by Mr Philip and Mrs Marie Casburn in 1988 presumably trading as a partnership and they would have owned the goodwill at that stage in the mark. No actual use of the mark by the partnership has been provided.

27) The mark is then said to be used by Galway Bay Seaweeds (International) Ltd from 1988-1995. This is supported by copies of letters between this party and a Lancashire based company in 1994 (paragraph 17 above). There was also a letter from 1989 (paragraph 6 (b) (ii) above) but it is not clear whether the clients were in the UK or just Eire. No documents regarding the transfer of goodwill between the partnership and the limited company have been filed. I presume that this company initially sold products to Samaa International Ltd in 1994, as according to Mr Philip Casburn's accountant he did not trade as a sole trader until 1995.

28) From 1995-1999 Mr Philip Casburn is said to have traded as a sole trader and is said to have used the mark SEA NYMPH. However, there is no corroborative evidence to support this claim and there is no documentation regarding any transfer of goodwill from Galway Bay Seaweeds (International) Ltd to Mr Philip Casburn. Also it is not clear if this business was in the UK or just Eire.

29) According to Mr Sharma, SAMAA International Ltd started selling seaweed manure "everywhere" (which must include the UK), other than in Ireland (North and South), in 1994 under the brand SN. Mr Sharma claims to have a brochure from 1994 showing such use albeit with a different device element (running horses rather than sea horse). Mr Sharma says that the products arrived in plain bags and were labelled in the UK. This is an important point because, if true, it points to the UK goodwill being that of the UK trader who added the brand rather than that of the manufacturers or intermediaries, such as Mr Casburn, who merely supplied the products.

30) Stephen Casburn appears to agree that his father traded with SAMAA International for "a couple of years" prior to 1999 when the business of Casburn was transferred to the newly formed SAMAA Galway Bay Marine Limited, or which SAMAA International was majority shareholder. Mr Casburn senior was a minority shareholder.

31) In 1999 Samaa (Galway Bay Marine) Ltd was incorporated in a joint venture between Mr Philip Casburn and Samaa International Ltd. Samaa (Galway Bay Marine) Ltd sold SEA NYMPH products in the whole of Ireland, whilst Samaa International Ltd continued to sell SEA NYMPH products in the UK (excluding Northern Ireland). Both companies purchased the products from Mr Philip Casburn who acted as an intermediary between the actual manufacturers and the Samaa companies who were acting as wholesalers and retailers. There is no corroborative documentation to support the claim by Mr Philip Casburn that he was selling products under the SEA NYMPH mark to both Samaa companies, although he was undoubtedly supplying them both with seaweed products. If Mr Philip Casburn had been using the mark for a number of years as he claims, both as in a partnership, as the owner of a limited company and then as a sole trader one would have expected that he would have protected his rights in assigning the mark, effectively to himself, on each occasion. At the least one might expect him to give written permission for the limited company that he owned (Galway Bay Seaweeds (International) Ltd) to use the mark whilst retaining ownership in his own name. Similarly, when setting up a new limited company, Samaa (Galway Bay Marine) Ltd with outside partners one might have expected him to require the new limited company to only use the mark with his permission. It emerged in the evidence that Mr Philip Casburn had some reservations. For ease of reference I reproduce part of paragraph 15 where in cross examination Mr Stephen Casburn said:

“I suppose, my father, when he set up Samaa Galway Bay Marine Limited, was not going to hand over everything to a new company, entering into a partnership with anybody. You know he was entering into, I suppose, a business agreement with gentlemen that, okay yes, I suppose he had a couple of years trading with but I suppose his, the backbone of his business was always him, trading as, or previous to that, Galway Bay Seaweeds International.”

32) I have no doubt that Mr Philip Casburn and Mrs Marie Casburn initially created the mark SEA NYMPH. The problem is that the only evidence of use of this mark is by Galway Bay Seaweeds (International) Ltd during the period 1988 -1995. When Samaa International Ltd began purchasing seaweed products from Mr Philip Casburn in 1994 it is not credible that they independently chose the name SEA NYMPH. Samaa must have been aware of the use by Mr Philip Casburn at the point at which it adopted the mark for itself. Equally it is difficult to imagine that Mr Casburn was unaware of this use, particularly just prior to the time when he set up a limited company with Samaa. It would seem that as part of the discussions surrounding the setting up of this business that the question of which trade mark the new company would trade under took place. This would seem to be the basis of the claims by the directors of Samaa to have had a hand in devising the mark. Mr Pankhania and Mr Sharma say that the sea horse device was created by Mr Pankhania's daughter in 1994; this was not contested at the hearing. The composite SEA NYMPH and sea horse device appears to have been used by the newly created business from 1999. This appears to confirm that SAMAA Galway Bay Marine Limited was a vehicle for carrying on both businesses previously conducted by Mr Casburn and by SAMAA International Limited. However, Mr Sharma says that SAMAA International Ltd continued to operate and sell products everywhere except Ireland, and SAMAA Galway Bay Marine Ltd sold into Ireland with Mr Casburn senior as its salesman. This is borne out by Mr Sharma's witness statement of 29 October 2012, which includes invoices showing SAMAA International selling seaweed products into the UK under the SN brand between 1999 and 5 May 2000 (i.e. after SAMAA Galway Bay Marine Limited

started trading) Further, Mr Casburn junior expressly agreed with Mr Sharma's account about this during cross examination (see para14 above). As Mr Casburn senior transferred his prior business to SAMAA Galway Bay Marine Ltd, this suggests that his earlier business was also aimed at the market in Ireland.

33) Despite the various claims to have been using the mark the first, and virtually the only corroborated use of the mark SEA NYMPH is by Galway Bay Seaweeds (International) Ltd between the years 1988-1995. In normal circumstances goodwill would have continued to reside in this company, whilst it existed or until it sold the goodwill. However, in the instant case two other companies began using the mark from 1999-2004. These were Samaa Galway Bay Marine Limited (which later became Sea Nymph (Galway Bay Marine) Ltd and Samaa International Ltd/ Chaingreen Ltd). The evidence is particularly unclear, but the most likely factual situation was that by 2004 SAMAA International Limited owned the goodwill in the business selling seaweed manure products in Great Britain under the SEA NYMPH and sea horses device, and SAMAA Galway Bay Marine Limited owned the goodwill in the business selling those products in Ireland under the same mark. Given the involvement of Mr Philip Casburn as a director of Galway Bay Seaweeds (International) Ltd and Samaa Galway Bay Marine Limited and his relationship with the directors of Samaa International Ltd it is inconceivable that Mr Philip Casburn was not aware of this usage and did not acquiesce to it.

34) SAMAA Galway Bay Marine Limited changed its name to Sea Nymph Galway Bay Marine Limited when Mr Pankhania and Mr Sharma left in early 2004, but that change of name and company shareholders would not have affected the ownership of the goodwill in that business, which would have remained the company the applicant for invalidation (not any of the individual directors/shareholders). Mr Casburn has provided no evidence that after 2004 the company started to sell seaweed products to customers in Great Britain so as to extend the scope of the goodwill owned by that company. This means that SEA might (there is not enough evidence to go further than this) have owned goodwill under the SEA NYMPH brand in Northern Ireland by the date of the UK application for registration.

35) SAMAA International Ltd ceased trading and was dissolved in 2005. Chain has used the SEA NYMPH mark since 2005. There is no claim that the UK goodwill previously owned by SAMAA International Limited was assigned to Chain or that it took over the earlier business as a going concern (and thereby implicitly took ownership of the earlier goodwill). However, Chain will have started to acquire its own goodwill in the UK as a result of the trade conducted under the SEA NYMPH mark from 2005 to the date of the UK trade mark in 2009.

36) The net result of the above is that Chain did own a business with at least 4 years goodwill in the UK under the SEA NYMPH mark by the relevant date. SEA may have owned a business with a longer goodwill in Ireland under the SEA NYMPH mark by the relevant date, but there is not enough evidence to find that it had a protectable goodwill in Northern Ireland by the relevant date in 2009, and there is nothing to indicate that it had any business elsewhere in the UK. As such Chain owed no obligation to SEA to avoid applying for a registration covering the UK. **Taking all of the above into account I find that the mark was not applied for in bad faith and the ground of invalidity under Section 3(6) fails.**

37) I now turn to the ground of opposition under Section 5(1) which reads:

5.-(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the earlier trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

38) In determining this issue I shall refer to the decision of the European Court of Justice (ECJ as it was) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“49. On the other hand, Article 5(1)(a) of the directive does not require evidence of such a likelihood in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services.

50. The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situations for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the directive.


51. There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.

52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

39) For ease of reference I reproduce below the marks of both parties:

SEA's Mark	CHAIN's Mark
	SEA NYMPH

40) Clearly, both marks have the identical words “SEA NYMPH”. I do not attach any importance to the fact that one mark is in upper case and the other in a mixture of upper and lower case. Nor do I believe that the slight stylisation of SEA’s mark is anything other than a difference so insignificant that it would go unnoticed by an average consumer. However, SEA’s mark has a device of two sea horses. The word “Nymph” has a well known meaning of a beautiful young woman or adolescent insect/ fly. With the word “SEA” in front of it, the image of a mermaid is brought to mind. To my mind, the average consumer seeing SEA’s mark would receive two very distinct conceptual images of a mermaid and a sea horse. In my view these are not interchangeable but are conflicting. Therefore, the device element would certainly be noticed and therefore cannot be regarded as an insignificant element. The marks are therefore not identical. **The ground of invalidity under Section 5(1) fails.**

41) I shall now turn to consider the ground of opposition under Section 5(3) of the Act which states:

“(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in 3 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.

42) The relevant principles can be gleaned from the case law of the Court of Justice of the European Union. In particular, cases *General Motors Corp v Yplon SA* [2000] RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Intel Corporation Inc v CPM United Kingdom Ltd* - [2009] RPC 15 and *L’Oreal SA and others v Bellure NV and others* - Case C-487/07. These cases show that:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26; but the reputation of the

earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel*, paragraph 51.

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account all relevant factors, including the degree of similarity between the respective marks and between the respective goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or from an economically connected undertaking; *Intel*, paragraph 57.

(f) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68: whether this is the case must also be assessed globally, taking account of all the relevant factors; *Intel*, paragraph 79.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal*, paragraph 40.

(j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; *L'Oreal*, paragraph 41.

43) The onus is upon SEA to prove that its earlier trade mark enjoys a reputation as per *General Motors* and it needs to furnish the evidence to support this claim. In the instant case it would appear that SEA may only have began using the mark in 1999 (under its

earlier name of Samaa (Galway Bay Marine) Ltd) and then only in regard of sales in Eire and possibly Northern Ireland. Use throughout the rest of the UK has been, for the five years leading up to the application has by Chaingreen Ltd. The only actual use corroborated is by Galway Bay Seaweeds (International) Ltd over fourteen years hence. SEA have not shown that they have been assigned the goodwill of this company. SEA have failed to provide a single instance of any sale under the mark "SEA NYMPH" and the only use they have shown is on the headed paper used post 2011 as part of their witness statements etc in the instant case. They have failed to provide any information regarding market share, promotion or sales figures. The only time a sale is mentioned is in the letter from a company in Germany, but this lacks any specific details. **As such the ground of invalidity under Section 5(3) fails at the first hurdle.**

CONCLUSION

44) The application for invalidity has failed on all grounds.

COSTS

45) Chain has been successful and is therefore entitled to a contribution towards its costs. In making a costs award I take into account that Chain was not professionally represented.

Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering and commenting on the other side's evidence	£500
Attendance at a hearing	£700
TOTAL	£1400

46) I order Sea Nymph Galway Bay Marine Limited to pay Chaingreen Limited the sum of £1400. This sum 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 25th day of January 2013

**G W Salthouse
For the Registrar
the Comptroller-General**