

O/0396/23

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3672245
BY SKY GOLD TRADING LIMITED**

TO REGISTER:



AS A TRADE MARK IN CLASSES 4 & 34

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 428459 BY
OSAMA DIYAB
TRADING AS
OSAMA DIYAB COMMERCIAL ESTABLISHMENT**

BACKGROUND AND PLEADINGS

1. Sky Gold Trading Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the United Kingdom on 22 July 2021. The application was accepted and published on 10 September 2021 in respect of the following goods:

Class 4

Coal gas; Charcoal briquettes; Coal naphtha; Mineral coal; Coal; Charcoal for use as fuel; Coal dust (fuel); Lump charcoal; Coal tar oil; Dust controlling compositions; Fuels and illuminants; Briquettes; Dust absorbing, wetting and binding compositions; Lighter fluid for charcoal; Combustible briquettes; Hookah charcoal; Wood coal for grilling; Charcoal based products for use as a fuel; Combustible briquettes [charcoal briquettes]; Fuels made from anthracite coal and coke; Coal briquettes; Briquettes of coal; biofuels; Firelighters; Low ash content coal; Vegetable charcoals; Charcoal lighter fluid; Low sulphur coal; Lubricants and industrial greases, waxes and fluids; Barbecue briquettes; Charcoal [fuel]; Coal based fuels; Charcoal [fuel]; Lump charcoal; Vegetable charcoals; Charcoal briquettes; Hookah charcoal; Charcoal briquettes (tadon); Charcoal [for fuel]; Charcoal lighter fluid; Lighter fluid for charcoal; Combustible briquettes [charcoal briquettes]; Charcoal for use as a fuel; Coconut oils for industrial purposes; Charcoal based products for use as a fuel.

Class 34

Hookah tobacco; Pipes; Loose, rolling and pipe tobacco; Lighters for smokers; Electronic shisha pipes; Flavourings for tobacco; Cigarette lighters; Personal vaporisers and electronic cigarettes, and flavourings and solutions therefor; Cigarettes, cigars, cigarillos and other ready-for-use smoking articles; Smokers' articles; Ashtrays; Electronic hookahs; Tobacco containers and humidors; Hookahs; Matches; Tobacco and tobacco products (including substitutes); Hookahs; Hookah tobacco; Electronic hookahs; Steam stones for hookahs.

2. On 24 November 2021, the application was opposed by Osama Diyab, trading as Osama Diyab Commercial Establishment (“the opponent”). The opposition is based on

sections 3(6) and 5(6) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in the application.

3. The opponent claims to be the proprietor, either directly or through related businesses, of the brand ZAEEM, in both word and stylised form, and asserts that it has registrations for the brand in territories including Bahrain, Canada, China, the EU, Egypt, Indonesia, Jordan, Saudi Arabia, Lebanon, Oman, Syria, Turkey and Yemen, all of which predate the contested mark. It claims to have been using the brand since 2015 for goods in Classes 4 and 34.

4. The opponent asserts that it had business dealings with the applicant, with a view to the applicant becoming a distributor of its goods, including goods in Class 4, in the UK. It states that arrangements were made for a coconut product used for charcoal to be shipped from the Indonesian manufacturers PT Global Sukses Cemerlang to the applicant. The invoices that were prepared were dated 9 October 2021. The container of goods was not shipped to the applicants.

5. The opponent claims that the application for the contested mark was made in bad faith, offending against section 3(6) of the Act, as the applicants knew they were not the rightful owner of the brand and that they were to be the commercial distributor for the opponent in the UK. Consequently, according to the opponent, the application also offends against section 5(6) of the Act.

6. The applicant filed a defence and counterstatement denying the claims made. In particular, it denied having had any dealings with the opponent and claims that the contested mark is completely different in style to the opponent’s marks.

EVIDENCE

7. Only the opponent filed evidence. This is in the form of a witness statement from James Philip Cornish, a Trade Mark Attorney and Solicitor at the opponent’s representative. His witness statement is dated 13 June 2022 and is accompanied by seven exhibits. His evidence goes to the registrations owned by the opponent, the alleged business relationship between the opponent and the applicant, and the

similarities between the applied-for goods in Class 4 and those in Class 34. He states that the contents of the witness statement are based on his own knowledge, the results of internet searches or documents provided by the overseas attorneys of the opponents.

8. There is also a witness statement from Mr Hanan Majed Atwah, a translator in Syria. He translated documents included in two of Mr Cornish's exhibits and states that he is fully familiar with the languages of English, Arabic and Indonesian. His witness statement is dated 12 October 2022.

9. Neither party requested a hearing or filed written submissions in lieu.

REPRESENTATION

10. The opponent is represented by Page White & Farrer Limited and the applicant is unrepresented.

DECISION

Section 3(6)

11. Section 3(6) of the Act is as follows:

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

12. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121, the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, *Hasbro, Inc. v European Union Intellectual Property Office (EUIPO)*, Case T-663/19, *pelicantravel.com s.r.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case

T-136/11, and *Psytech International Ltd v OHIM*, Case T-507/08.¹ Floyd LJ summarised the law as follows:

“The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

¹ Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts, although the UK has left the EU.

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]”.²

13. It is necessary to ascertain what the applicant knew at the relevant date: see *Red Bull GmbH v Sun Mark Limited & Anor* [2012] EWHC 1929 (Ch), paragraph 137. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: see *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors*, [2008] EWHC 3032 (Ch), paragraph 167.³

14. The relevant date for these proceedings is the date of application for the contested mark: 22 July 2021.

15. Mr Cornish states that he has been informed that the opponent first used the mark ZAEEM in 2015. Exhibit JPC1 contains details of the trade marks owned by the opponent, some of which are in Arabic script. The earliest that I can identify to include the word “ZAEEM” was filed on 28 June 2018 for protection in Lebanon.⁴



كوكو الزعيم
coco ZAEEM

16. The opponent is also the proprietor of a number of trade marks and applications in the following form:⁵



الزعيم

² Paragraph 67.

³ Approved by the Court of Appeal in *Hotel Cipriani Srl & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2010] EWCA Civ 110.

⁴ Lebanese Trade Mark No. 185824, shown on page 63 of Exhibit JPC1.

⁵ The example shown is Canadian Trade Mark Application No. 2105728, an application for which was made on 10 May 2021, shown on pages 21-22 of Exhibit JPC1. It is the clearest in the evidence.

17. Finally, the opponent is also the proprietor of UKTM No. 3705270, the application for which was filed on 30 September 2021, which is after the filing date of the contested application. That mark is shown below:



18. The table in Exhibit JPC1 shows that the opponent applied to the EUIPO to register a mark that appears similar. However, I believe that this is an error as the registration certificate for the EUTM earlier in the exhibit shows a mark similar to the one reproduced in paragraph 16 above and without the flaming letters that are a feature of the contested mark and the opponent's UKTM.⁶ Instead, the earliest application for the mark shown in paragraph 17 above appears to have been made to the US Patent and Trademark Office on 30 September 2021, i.e. after the relevant date.⁷

19. However, the presence of trade marks on a register does not indicate that they are used in the market. The only example of use on goods before the relevant date is an extract from Amazon UAE showing coconut shell charcoal, a product that was first available on 23 July 2021.⁸

⁶ Pages 27-28.

⁷ Pages 29-34.

⁸ Exhibit JPC1, page 73.



20. Exhibit JPC5 contains extracts from the applicant's website. The quality of the reproduction is not high but it is clear that the first of these extracts shows disposable shisha pipes offered for sale with the description that these are "provided from one of the best Syrian brand Zaeem".⁹ The second extract shows coconut charcoal cubes sold under the name "Coco Zaeem" and produced in Indonesia.¹⁰ Both these extracts are undated.



21. I now come to the evidence that has been adduced to show a commercial relationship between the parties.

⁹ Exhibit JPC5, pages 1-3.

¹⁰ *Ibid*, pages 4-6.

22. Mr Cornish states that it was arranged that the applicant would receive a container of the opponents' branded charcoal goods made in Indonesia. He adds:

“This was in the capacity as an indirectly appointed commercial distributor/agent of the Opponents, although the arrangement was informal and there was no formal distribution arrangements between the Opponents and Applicants.”¹¹

23. The applicant had denied having had any dealings with the opponent. In its counterstatement, it said that a Mr Al B had supplied them with goods previously and that they had arranged shipping with him.¹² Mr Cornish states that he understands that this was the same person who was a commercial distributor for the opponent, based in Lebanon.¹³

24. The shipping documents can be found in Exhibits JPC2-JPC4. The company responsible for the shipping appears to have been PT Yang Ming Shipping Indonesia.¹⁴ Later, Mr Cornish states that the opponent owns 99% of its shipping company in Indonesia and adduces a translation of an agreement to transfer to Mr Osama Diyab the shares in a company under the name of PT. SGT BERSARTU INDONESIA.¹⁵ The connection of this company to the applicants or to any transaction purported to involve the applicants is not clear.

25. The shipping documents do not state the brand of the goods that were to be shipped, but Mr Cornish says that this is typical. He asserts that these documents demonstrate that there is a connection between the opponent's branded goods and the applicant.

26. The shipment did not go ahead. The applicant states that this was cancelled when it was discovered that, while its logo was printed on one side of the packaging, a

¹¹ Paragraph 4.

¹² Counterstatement, paragraphs 4 and 5.

¹³ Witness statement of Mr Cornish, paragraph 4.

¹⁴ Exhibit JPC3.

¹⁵ Paragraph 9 and Exhibit HMA2.

previously used logo in Arabic was shown on the other side.¹⁶ The opponent does not provide any alternative explanation for the cancellation.¹⁷

27. The remaining evidence is adduced to show close links between charcoal and other goods in Classes 4 and 34 that are the subject of the application. These consist of website printouts about hookah pipes¹⁸ and extracts from the opponent's Facebook pages, much of which is in Arabic, and UK retailers selling both charcoal and tobacco. The second of the Facebook pages (for Coco Zaeem) was created on 21 January 2022, which is after the relevant date. The printouts from online retailers are undated.

28. This concludes my summary of the evidence before me.

29. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies. This means that it is not enough to establish facts which are as consistent with good faith as bad faith: see *Red Bull*, paragraph 133.

30. The opponent's evidence comes from the opponent's representative and he carefully states that parts of his witness statement are based on documents provided by overseas attorneys and that he believes that they are true. Some of the information that I have already summarised, notably concerning the relationship between the parties, is not corroborated by any documentary evidence. In the absence of such evidence, I would have expected to have been presented with a witness statement from either the opponent himself or his commercial distributor, who Mr Cornish understands to be the same person as the individual mentioned in the counterstatement.

31. As it is, I find very little evidence to link the applicant with the opponent. In its statement of grounds, the opponent had stated that the manufacturer of the goods that were intended to be shipped

¹⁶ Counterstatement, paragraph 5.

¹⁷ Witness statement of Mr Cornish, paragraph 4.

¹⁸ Exhibit JPC6.

“... can certify that they were authorised by the Opponents to ship a container by the Opponents of class 4 goods to be sold under the relevant trade mark to the Applicants.”¹⁹

32. The said manufacturer has provided no evidence to that effect.

33. The high point of the opponent’s evidence is the reference to Zaeem as a “Syrian brand” on the undated extract from the applicant’s website. However, the mere fact that the applicant knew that another party was using the word “Zaeem” in another territory does not in itself establish bad faith: see *Malaysia Dairy Industries*, paragraph 36. This point was further emphasised in *HOGS AND HEIFERS Trade Mark*, BL O/580/16, where the Appointed Person said that, given the territorial nature of intellectual property rights, the mere appropriation of a name registered or used abroad was not enough under UK law: there must be something else involved before this can justify a finding of bad faith.²⁰ The opponent has not, in my view, established a *prima facie* case of bad faith and so the opposition under section 3(6) fails.

Section 5(6)

34. Section 5(6) of the Act is as follows:

“Where an agent or representative (‘R’) of the proprietor of a trade mark applies, without the proprietor’s consent, for the registration of the trade mark in R’s own name, the application is to be refused unless R justifies that action.”

35. In *Mouldpro ApS v EUIPO*, Case T-796/17, the General Court summarised the case law about when a party may be regarded as ‘agent’ or ‘representative’ of an opponent or application for invalidation. The court stated that:

¹⁹ Paragraph 6.

²⁰ Paragraph 45.

“It is apparent from the wording of Article 60(1)(b) of Regulation 2017/1001 that, for an opposition to succeed on that basis, it is necessary, first, for the opposing party to be the proprietor of the earlier mark; second, for the applicant for the mark to be or to have been the agent or representative of the proprietor of the mark; third, for the application to have been filed in the name of the agent or representative without the proprietor’s consent and without there being legitimate reasons to justify the agent’s or representative’s action; and, fourth, for the application to relate in essence to identical or similar signs and goods. Those conditions are cumulative (judgment of 13 April 2011, *Safariland v OHIM — DEF-TEC Defense Technology (FIRST DEFENSE AEROSOL PEPPER PROJECTOR)*, T-262/09, EU:T:2011:171, paragraph 61).²¹

36. The European Courts have also given the following guidance:

(a) The terms ‘agent’ and ‘representative’ must be interpreted broadly, covering all kinds of relationships based on a contractual agreement where one party represents the interests of the other. It is sufficient that the agreement or commercial cooperation between the parties gives rise to a fiduciary relationship by imposing on the applicant, whether expressly or implicitly, a general duty of trust and loyalty as regards the interests of the proprietor of the earlier mark (*EUIPO v John Mills Ltd & Jerome Alexander Consulting Corp.*, Case C-809/18 P, EU: C:2020:902, paragraph 85);

(b) It does not matter how the contractual relationship between the proprietor or principal, on the one hand, and the applicant for the EU trade mark, on the other, is categorised (*FIRST DEFENSE AEROSOL PEPPER PROJECTOR*, T-262/09, EU:T:2011:171, paragraph 64, and *Moonich Produktkonzepte & Realisierung v OHIM — Thermofilm Australia (HEATSTRIP)*, T-184/12, not published, EU:T:2014:621, paragraph 58);

²¹ Paragraph 21.

(c) Nevertheless, some kind of agreement must exist between the parties. A mere purchaser or client of the proprietor cannot be regarded as an ‘agent’ or as a ‘representative’ (*FIRST DEFENSE*, paragraph 64);

(d) The misuse of the mark may occur both where the earlier mark and the mark applied for by the agent or representative are identical, and where the marks at issue are similar (*EUIPO v John Mills Ltd*, paragraphs 70-73);

(e) The protection also extends to cases where the goods and services are only similar and not identical (*EUIPO v John Mills Ltd*, paragraphs 98-99);

(f) The specific protection afforded by Article 8(3) is not to be assessed on the basis of whether the similarity between the marks results in a likelihood of confusion (*EUIPO v John Mills Ltd*, paragraph 92);

(g) The assessment of similarity between the goods and services should take all relevant factors into account, including, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (*EUIPO v John Mills Ltd*, paragraph 100 and *The Tea Board v EUIPO*, C-673/15 P to C-676/15 P, EU:C:2017:702, paragraph 48).

37. As I noted earlier in my decision, the opponent characterises the applicant as “*an indirectly appointed commercial distributor/agent of the Opponents, although the arrangement was informal and there was no formal distribution arrangement between the Opponents and the Applicants*”. It seems to me from the case law quoted above that informal arrangements would not necessarily fall outside the scope of the provision. However, I must weigh this evidence given by the opponent’s representative and uncorroborated by documentary evidence or other witnesses against the applicant’s denial in its counterstatement, which is of course covered by a statement of truth, that it had no prior dealings with the opponent. In my view, the evidence falls short of what would be required to demonstrate that there was a fiduciary relationship between the applicant and the opponent. The opposition under section 5(6) fails.

Outcome

38. The opposition has failed and Application No. 3672245 will proceed to registration.

Costs

39. The applicant has been successful. As it is an unrepresented party, the Tribunal invited it to complete a proforma setting out the time that had been spent on various activities associated with these proceedings. The applicant was informed that, if a completed proforma was not received, costs, other than official fees arising from the action, may not be awarded. As no proforma was received, and the applicant has incurred no official fees, I make no award of costs.

Dated this 26th day of April 2023

Clare Boucher

For the Registrar,

Comptroller-General