

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2127969
TO REGISTER TRADE MARKS
IN THE NAME OF HASSAN TALAL YOUSEF ASSALI
IN CLASSES 7 & 37

AND IN THE MATTER OF OPPOSITION THERETO
UNDER No 47718
BY PINMORE INVESTMENTS LIMITED & ABOUDI RAHMAN

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BY HASSAN TALAL YOUSEF ASSALI
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BACKGROUND

On 25 March 1997, Hassan Talal Yousef Assali of 103 Charlbert Court, Eamont Street, London, NW8 7DA applied under the Trade Marks Act 1994 for registration of the trade mark shown below:

P I M M O R E

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In respect of:

Class 7: "Electronic oil recycler and oil cleaning and reclamation equipment."

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Class 37 "Installation, repair and maintenance of electronic oil recycler and oil cleaning and reclamation equipment."

Following publication of the application, opposition to the registration was filed by Pinmore Investments Limited & Abboudi Rahman on 30 October 1997. The grounds of opposition are:

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i) Pinmore Investments Limited has used the trade mark PINMORE and / or the trading name Pinmore Limited and Pinmore Investments Limited continuously since January 1994 in relation to an oil recycler. Similarly Pinmore (U.K.) Limited used the trade mark PINMORE and / or the trading name Pinmore (U.K.) Limited throughout the period from
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September 1995 until May 1997 when it was put into liquidation.

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ii) In about July 1996 Pinmore Investments Limited and / or Pinmore (U.K.) Limited also began using a stylised version of the trade mark PINMORE in the form PI*MORE. Mr Rahman decided to use the trade mark in this form after a Chinese manufacturer incorrectly wrote the trade mark in this manner.

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iii) On 25 March 1997, Mr Assali filed UK Trade Mark Application No 2127969 for the mark PI*MORE without the consent of Mr Rahman, Pinmore Investments Limited or Pinmore (U.K.) Limited.

iv) the applicant's trade mark offends the provisions of the Act and should be refused on the following grounds:

(1) the application offends against Section 3(6) of the Act in that the application

has been made in bad faith. Without prejudice to the generality of the foregoing, the application was made in bad faith because the applicant was aware of the earlier use of PINMORE and / or PI*MORE, was not the proprietor of the trade mark and knows that use of the mark applied for will be likely to deceive, cause confusion or damage or take advantage of the reputation of the opponents' mark. Further or in the alternative the application was made in bad faith because the applicant did not have a bona fide intention to use the mark at the time the application was made, or did not have a bona fide intention to use the mark in relation to all the goods and services covered by the application.

(2) registration should be refused having regard to Section 5(4) of the Act since use of the mark of the application in relation to the goods and services for which registration is sought is liable to be prevented by a rule of law in particular the law of passing off having regard to the use of the opponents' trade mark.

(3) by virtue of the opponents' use and reputation in relation to the trade marks PINMORE and PI*MORE the mark applied for is of a nature to deceive the public and should be refused registration under the provisions of Section 3(3) of the Act. Without prejudice to the generality of the foregoing, registration should be refused because the public will be deceived into believing that goods and services supplied under the mark are connected with the opponents.

(4) registration of the mark sought to be registered by the applicant would erode the opponents' goodwill and would not be in the public interest. Registration should be refused in the exercise of the Registrar's discretion.

(5) in the event that it is established that the proprietor of the trade mark is Mr Rahman registration would be contrary to Section 60 of the Act since the applicant is or was the agent or representative of Mr Rahman.

v) The opponents have drawn the applicant's attention to their objections prior to the filing of this Notice of Opposition but the applicant has not withdrawn his application.

The applicant subsequently filed a counterstatement denying all the grounds of opposition. Both sides ask for an award of costs. Neither party wished to be heard in the matter. My decision will therefore be based on the pleadings and the evidence filed.

OPPONENTS' EVIDENCE

The opponents' evidence takes the form of a statutory declaration dated 7 September 1998, by Abboudi Kamel Abder Rahman. Mr Rahman states that his declaration is on his own behalf and on the behalf of Pinmore Investments Limited (Pinmore Gibraltar) and that he is authorised by the directors of Pinmore Gibraltar to make the declaration on its behalf.

He provides some background:

“ Pinmore Investments Limited was incorporated in Gibraltar on 23 September 1993 and held as a 'shelf' company until its purchase by me in about December 1993 or January

1994. Since that time 49% of the shares of Pinmore Gibraltar have been held by the son of Mr Ramirez referred to below and 51% have been held continuously by me, an associate of mine and a company controlled by me, through nominees. I am also a director of Pinmore (U.K.) Limited (in liquidation) and an investor, businessman and civil engineer. Since 1993, I have been involved in the development and testing of a new form of vehicle engine oil recycler, formerly known as the Pinmore Electronic Oil Recycler (The Recycler) with a view to bringing it to market. The recycler was launched on 1 November 1996 and a sales campaign for it is now being undertaken. I expect it to be very successful.”

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10 Mr Rahman states that the design work on the recycler was carried out mainly by a Spanish business acquaintance, Jose Gonzalez Ramirez, and the development work was carried out by Pinmore Gibraltar (PG). He also states that, starting in 1995, Mr Assali “did some work for Pinmore Gibraltar from time to time” and that on 20 September 1995 Pinmore (UK) Limited (PUK) was formed. Mr Rahman states that Mr Assali had no significant involvement in designing the recycler. He explains that Mr Assali was only named as a joint applicant / inventor on the three
15 patent applications filed as he was resident in the UK whereas Mr Rahman and Mr Ramirez were resident in Spain and Gibraltar. This allowed the joint applicants to take advantage of certain provisions of the Patent Co-operations Treaty. He continues that the drawings of the product although bearing the name Telemetry Consultants (Mr Assali’s company) were paid for by Mr Rahman on behalf of PG and that rights in them belonged to PG.

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Mr Rahman claims that PG has used the trade mark PINMORE and / or the trading name Pinmore Limited and Pinmore Investments Limited continuously since January 1994 in relation to the recycler. At exhibit A he provides a brochure which he states was produced in “early 1995”. The brochure has the name PINMORE Ltd at the top along with a cartoon figure of the recycler with an oil derrick on top of it, and Mr Rahman describes this as the “oil drum or garden gnome logo”. The brochure gives details of the product and its function. It is not dated and the only address shown is in Spain.

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30 At exhibit B is a slightly revised version of the brochure, still showing the name Pinmore Ltd and the cartoon figure. The brochure is not dated but Mr Rahman claims that it was produced at “the beginning of 1996”. This brochure gives a full address in Spain and a telephone number in London.

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Mr Rahman claims that PUK used the trade mark Pinmore, PI*MORE and / or the trading name Pinmore (UK) Limited “throughout the period from September 1995 until May 1997.

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Mr Rahman states that:

“I am the beneficial owner of both of the issued shares of Pinmore UK. One is registered in my name and the other is registered in the name of Mr Assali. This is, however, subject to a dispute between Mr Assali and me in proceedings currently on foot in the Chancery Division of the High Court.”

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Mr Rahman claims that Mr Assali began to work for PUK looking after its day to day business and that he continued to be paid a salary of £1,200 “which he had previously been paid by me on behalf of PG”. He also claims to have personally paid expenses incurred by Mr Assali until PUK opened its own bank account in September 1996. After September 1996 Mr Rahman claims that he forwarded money to the PUK bank account for items such as Mr Assali’s salary, expenses and fees payable to suppliers. At exhibit C he provides various copies of expense claims sent to him by Mr

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Assali. These are dated August 1995 - September 1996. These expense claims include a number of references to “drawings” provided by CBS

Mr Rahman states that:

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“In the summer and autumn of 1996 I learnt some disturbing facts about Mr Assali which he had not told me about before and which bore on his suitability for the position he occupied. For example, he was officially persona non grata in Jordan and had been convicted in 1985 of making timing devices for bombs for which he served six years of a
10 nine year prison term in the UK. (I previously only knew that he had had some kind of trouble with the police). In the light of these facts and because the whole question of what corporate entities would be needed to commercialise the Recycler world-wide was under review, I decided to reassess Mr Assali’s role in Pinmore UK.”

15 Mr Rahman claims that Mr Assali “reacted badly to this” and began to obstruct the business of PUK. At exhibit D are copies of correspondence, one of which is a letter, dated 6 January 1997, from Mr Assali to Mr Rahman which sets out a number of personal issues between the men in a somewhat emotive manner. In another letter in exhibit D, dated 14 April 1997 Mr Assali wrote to Mr Ron Parker of Maidstone Streamline informing him that the company had restructured and no
20 longer traded as PUK but as Platinum EOR.

Mr Rahman states that after Mr Assali had sought to have a consignment of filters sent directly to him, and after Mr Assali had incorporated a company called Pinmore (UK) 1997 Limited in January 1997 he took proceedings against Mr Assali. This resulted in a Court Order restraining
25 Mr Assali from interfering in PUK’s business, until after a trial. Copies of the affidavit that Mr Rahman swore for this action and the subsequent Court Order are provided at exhibit E. The Order, dated 24 March 1997 made by Mr Justice Ferris, inter alia, restrained the applicant from diverting business from Pinmore (UK) ltd to Mr Assali’s new company called Pinmore (UK) 1997 Ltd. The order was intended to protect the current opponents’ position before trial.

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Mr Rahman claims that he personally has funded the £250,000 of various costs incurred by PUK, with Mr Assali providing no monies. Mr Rahman decided to put PUK into liquidation with the winding up order being made on 7 May 1997.

35 Mr Rahman makes reference to a court case between the two parties resulting from Mr Assali claiming to Customs and Excise that he was the owner of IPR and trademark PI*MORE. This caused a shipment of goods to be seized as counterfeit. At exhibit F is a copy of the application form completed by Mr Assali and a judgement from Ipswich Magistrates Court. In the judgement the Stipendiary Magistrate refers to the findings of Jacob J. in the Chancery Court dated 23 July
40 1997 in the following manner:

“On 23rd July 1997, pursuant to those civil proceedings Jacob J. made, inter alia, the following declaration; (1) that the filters do not infringe any design right of Mr Assali, (2) that the filters do not infringe any registered trademark of Mr Assali, and (3) that the
45 12,576 filters seized by HM Customs at Felixstowe do not infringe any copyright, design right or registered trademark of Mr Assali. Further Mr Assali was prohibited from asserting publicly that he did hold such rights, save that he was not prohibited from asserting his rights in these proceedings before me or in any relevant proceedings in the Trade Marks Registry”.

Mr Rahman also claims that Mr Assali only used the trade mark PI*MORE whilst employed by PUK.

5 Mr Rahman states that it was Mr Assali who arranged for the filters and the packaging to carry the mark in question whilst he was employed by PUK. Finally, Mr Assali made his application to register the mark in suit the day after the judgement was made by Mr Justice Ferris. This and his subsequent actions with Customs and Excise, claims Mr Rahman, shows bad faith by Mr Assali.

10 APPLICANT'S EVIDENCE

This consists of a statutory declaration, dated 4 March 1999, by Mr Hassan Talal Yousef Assali. It appears to have been signed Talal Elasalay. This appears to be to the same person as Mr Assali.

15 Mr Assali states that in 1994 he made the acquaintance of Mr Rahman who, later that same year, introduced him to Mr Ramirez in order that he (Mr Assali) could help with the development of an "electric oil filter". This invention was patented in Spain and a copy of the registration is claimed to be provided at exhibit JGR1. However, exhibit JGR1 consists of a document in what appears to be Spanish with no translation provided.

20 Mr Assali claims that the design was inoperable and that he and Mr Ramirez cooperated in designing a new mark II version. At exhibits FJC1 and JGR1 are copies of the letter to the patent agent and the publication of the International application for a patent published by WIPO under the Patent Co-operation Treaty. This shows an International filing date of 23 February 1996 and a priority date of 23 February 1995. The three named applicants were Pinmore limited, Mr Ramirez and Mr Assali, with the last two being shown as the inventors.

30 At exhibit JGR6 is an affidavit sworn by Mr Jose Gonzalez Ramirez, dated 16 May 1997, in relation to a High Court case between Mr Assali and Top High Development Limited, a company which Mr Rahman has an interest in. In this affidavit Mr Ramirez credits Mr Assali with jointly inventing the Oil recycler and stating that he never agreed to Pinmore Ltd being a joint applicant for the patent.

35 Mr Assali claims that Pinmore Gibraltar never traded and further that neither Mr Ramirez, Mr Rahman nor himself are shareholders in this company. Exhibit PG1 is said to be a search dated May 1997 which shows the shareholder as Basinghall Nominees Ltd. Mr Assali claims that he and Mr Rahman agreed to form a "quasi-partnership in a new company Pinmore (UK) Ltd (PUK) and we owned one founder share each". At exhibit MJM1 he provides minutes of a meeting with Michael John Moore ACA, which relates to the formation of PUK. This shows that Mr Moore attended a meeting with Mr Rahman and Mr Elasalay (aka Mr Assali). This note states that the product had been developed by Mr Elasalay. It also states that:

45 "The rights to the project were with Pinmore Gibraltar and MJM confirmed that the licence could be given to Pinmore (UK) limited and royalties will be payable to Pinmore Gibraltar in respect of all sales."

In an affidavit sworn on 12 March 1997, also at exhibit MJM1, Mr Moore states that PUK was to be formed to undertake the manufacture and marketing of the oil recycler and that both Mr Rahman and Mr Assali were directors in the firm, each holding one share. Mr Moore states that

Mr Assali held his share in his own right as if the intention had been any different then he would have worded the transfer differently.

5 Mr Assali states that during the development of the product from early 1994 until September 1996 he paid for the premises in London where he kept a workshop / laboratory. At these premises Mr Assali states that he traded as Telemetry Consultants. In September 1996 new premises were obtained and, claims Mr Assali, Pinmore (UK) Ltd activated. At exhibit BTI1 and ECON1 Mr Assali provides copies of articles published in the Business Times of India (4 January 1997) and The Economist (23 November 1996) respectively which name him as the inventor of the product. 10 The Economist article refers to the product as the Pinmore Oil Recycler.

At exhibit JDF1 Mr Assali provides an affidavit, dated 21 February 1997, by Mr John D Freeman the proprietor of Computer Bureau Services (CBS). Mr Freeman states that he has dealt with Mr Assali trading as Telemetry Consultants since January 1995, with all invoices being sent to the trading name. He claims that payment for these invoices was made by cheques from Mr Assali's 15 personal bank account. He also says that during 1996 invoices were addressed to Pinmore Ltd although sent to the same address as Telemetry Consultants. Mr Freeman states that he only sent one invoice to Pinmore (UK) Ltd at the address in Kilburn Lane, and this was paid by a cheque in the name of PUK. 20

Mr Assali continues, that Mr Rahman tried to divert business from PUK to PG. At exhibit PG3 evidence is a letter dated 21 March 1997 which confirms that PUK was trading and had goodwill and customers at the relevant date.

25 Mr Assali claims that Mr Rahman attempted to get Mr Assali's share in PUK transferred to himself by Mr Moore, the company accountant. He claims that Mr Rahman then swore an affidavit and had an injunction served in order to "take PUK away from me". A copy of this affidavit is provided at exhibit AKAR1. The affidavit covers almost identical ground to Mr Rahman's statutory declaration summarised earlier in this decision. 30

Mr Assali denies ever drawing a salary from Pinmore (UK) Ltd. He claims that both he and Mr Rahman funded the work of Telemetry Consultants, and he disputes that Mr Rahman contributed £250,000, claiming the figure to be nearer to £73,000. He also states that the paperwork submitted by Mr Rahman did not show him as receiving a salary, he claims that "It is normal for two people 35 expending money on a project to keep each other accurately informed of such expenses".

He claims that he is not in breach of Mr Justice Ferris's order as this order has been dismissed. At exhibit HCO1 he produces a document from the High Court discharging paragraph three of the original order on the basis that the parties have agreed terms. 40

Mr Assali claims that from mid 1994 to September 1996 all the development, testing, marketing and production preparation was done by Telemetry Consultants with Mr Rahman providing some of the funding. At exhibit SLS1 Mr Assali provides an oil test result sheet addressed to Telemetry Consultants dated March 1996 which shows results for a period of March 1995 to March 1996. 45 At SLS2 is another analysis sheet addressed to Telemetry Consultants for results during the period April 1995 - April 1996.

Mr Assali claims that the reversed N in the name PI*MORE was not the result of the Chinese supplier mistakenly spelling PINMORE as claimed by Mr Rahman, but rather as them misspelling

the phrase “WARNING HOT” they reversed both N’s in the word warning. Mr Assali claims that he decided to exploit the mistake in creating the Pinmore logo with a reversed N. This he claims symbolised the recycling process by reversing the process of deterioration of combustion engine oil, which is what the product does. At exhibit CMEC1 Mr Assali provides a letter, dated 27
5 November 1996, from the Chinese company confirming that the factory would comply with the instructions that he says he provided regarding the markings on the product. Attached to the letter is the sheet stipulating the use of the reversed N in Pinmore. At exhibit FIL5 Mr Assali provides a sheet of paper which purports to show two rubbings taken from the product showing the name Pinmore spelt correctly and the misspelling in the WARNING HOT message. It also claims to
10 show a copy of a photograph of the item where the word PINMORE can be seen.

Mr Assali claims that as Mr Rahman was not aware of the above “correct” version of events then he cannot have created the trade mark. Mr Assali also claims that:

15 “PG did not trade even long after 21 March 1997, when I had made the application to register the logo PINMORE. At that time, I had searched the name thoroughly and knew that PG was never active and had never traded, but if it did identify itself before trading, then it was by the garden gnome figure and not the stylised form of PINMORE.”

20 **OPPONENTS’ EVIDENCE IN REPLY.**

Mr Rahman states that Mr Assali’s claim to have funded the first fourteen months of the enterprise contrasts with requests made during that time for funds, and he refers to his exhibit C. He refutes
25 Mr Assali’s claim that these notes were merely to keep him (Mr Rahman) informed. At exhibit F Mr Rahman provides a bundle of faxes and copy schedules from Mr Assali and relevant bank statements. These appear to show regular payments to Mr Assali from January 1995. The documents provided by Mr Assali also show receipts from A.K.A.R. Arab Bank.

30 Mr Rahman claims that Mr Ramirez assigned all rights regarding the Oil recycler to him in February 1997. At exhibit H is a copy of an assignment between Mr Ramirez and Pinmore Investments Ltd, which assigns the rights covered by Patent Application PCT / GB96 / 00424.

Mr Rahman disputes that he was arrested at the offices at Pinmore UK, at exhibit K he provides
35 a witness statement by Mr James Hall, dated 24 April 1998. In this statement, for the High Court case Mr Hall states that, from September 1996, he was employed by Pinmore (UK) Ltd as the marketing manager. He says that the Recycler was launched at a conference in Sheffield on 1 November 1996. He states that Mr Assali referred to Mr Rahman as the chairman and that all decisions had to be approved by Mr Rahman. He claims that Mr Assali was deferential to Mr
40 Rahman and also that, in private, Mr Assali often complained about his status within the company. He also claims that Mr Assali informed him that the recycler was developed by Mr Ramirez.

45 **DECISION**

The request by the opponents for the Registrar to refuse application No 2127969 in the exercise of her discretion cannot be agreed. Under the Trade Marks Act 1994 the Registrar does not have a discretion to refuse an application as she did under the old law. An application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

I first consider the ground of opposition under Section 3(3)(b) which states:

(3) *A trade mark shall not be registered if it is -*

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(a) *.....*

(b) *of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).*

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The opponents have contended that the mark applied for would deceive the public into believing that the goods and services supplied under the mark are connected with the opponent. However, I note that Section 3(3)(b) is intended to apply where the deception alleged arises from the nature of the mark itself. This is consistent with the heading of Section 3 of the Act which is entitled “Absolute grounds for refusal” and is to be contrasted with Section 5 of the Act which deals with the “Relative” rights of the applicant and other parties. Consequently, the opponents cannot succeed under this heading based upon their use of the same mark.

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I next consider the ground opposition under Section 5(4)(a) which is as follows:

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(4) *A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -*

(a) *by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade*

25

(b) *.....*

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

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(5) *Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.*

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I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

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“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

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A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc [1990] RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

'The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

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

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

15 *The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'*

20 *"Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:*

25 *To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:*

30 *(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*

35 *(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*

40 *While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.*

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

45 *(a) the nature and extent of the reputation relied upon;*

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed....”. The relevant date is therefore 25 March 1997, the date of the application.

With these considerations in mind I turn to assess the evidence filed on the behalf of the parties in the present proceedings as set out earlier in this decision.

It seems to me that it is common ground that Pinmore (UK) Limited traded in the United Kingdom from September 1996 under the name PINMORE. This is borne out by the article in The Economist (exhibit ECON1) dated October 1996 which refers to the PINMORE OIL RECYCLER.

It is clear that Pinmore (UK) Limited was created with the purpose of marketing this product. It is to be inferred from:-

a) The Order of Mr Ferris dated 24 March 1997 restraining the applicant from diverting business from PUK;

b) The fact that PUK had a trading address in London from September 1996 at which a Marketing Manager, Mr James Hall, was employed;

c) Mr Hall says that the recycler was launched at a conference in Sheffield on 1 November 1996;

d) The letter from Mr Assali to Maidstone Streamline dated 14 April 1997, to the effect that PUK was no longer trading as such;

e) The letter of 23 March 1997 (exhibit PG3) from Mr Rahman to one of PUK’s UK customers;

that PUK was trading in oil recyclers prior to the date of the application, and that it had acquired goodwill under the name by that date.

It is clear from the evidence that the proprietor of the goodwill (and hence the unregistered mark)

was neither Mr Assali nor Mr Rahman. It was Pinmore (UK) Limited. Mr Assali's trade under the name PINMORE (with or without the reversed "N") was not on his own account but on account of PUK, of which he was a Director.

5 This is clear from Mr Assali's own evidence and is confirmed by the contents of James Halls' affidavit and the affidavit of John D Freeman, who provided services to Mr Assali and says that during 1996 invoices were sent to PINMORE LTD, and were paid by that company.

10 There is authority which supports the proposition that a member of an organisation who promotes a trade only as a member of the organisation cannot claim the benefit of the organisation's goodwill. See *Artistic Upholstery v Art Forma (Furniture Ltd)* 2000 FSR 311.

15 Consequently, Mr Assali's personal use of the mark would have amounted to passing himself off as PUK. The fact that PUK is not an opponent is not fatal to the opposition because an opponent does not currently have to be the proprietor of the earlier right relied upon under Section 5(4)(a). The opposition under Section 5(4)(a) is therefore successful.

20 Because of the tenuous evidence of goodwill at the relevant date I will go on to consider the ground of opposition under Section 3(6) which is as follows:

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

25 The Act does not define the term bad faith, leaving it to the Tribunal or the Court to determine whether an application was made in bad faith based upon the circumstances of a particular case. The Notes on Sections, published by the Patent office, and based upon the Notes on Clauses provided to Parliament during the passage of the Trade Marks Bill in relation to Section 3(6) provides examples of where bad faith might be found, these are:

30 (i) where the applicant had no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application;

35 (ii) where the applicant was aware that someone else intends to use and /or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;

40 (iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of a personal name or reputation - these remain unprotected under English law, but the nexus between unregistrability and the name of a well-known person is that of bad faith in which the application is made.)

45 I also take account of the views of Lindsay.J. in *Gromax Plasticulture Ltd v Don and Low Nonwovens Ltd* (12 June 1998 unreported) who said:

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area

being examined.”

I also note the comments made by The Appointed Person, Mr G Hobbs, in the *Demon Ale* case [2000 RPC 345 at page 356]. Where he stated:

“I do not think that Section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn Bhd v. Philip Tan* [1995] 2A.C. 378 (PC) at page 389 do seem to me to provide strong support for the view that a finding of bad faith may be fully justified even in a case where the applicant sees nothing wrong in his own behaviour.”

In asserting that the application was made in bad faith the onus rests with the opponent to make a prima facie case. In addition to the points already outlined in the Section 5(4)(a) ground there is also the fact that Mr Assali’s considered himself to be a Director of Pinmore (UK) Ltd, a position he held at the date he filed his own application. Further, it was filed the day after Ferris J. issued an Order restraining Mr Assali from diverting business from PUK, which had traded under the PINMORE name. Against this background it is difficult to see that, however much Mr Assali felt wronged by Mr Rahman as a co-director in PUK, he could legitimately file an application to register the companies common law mark and name in his own name. Therefore, at the relevant date, the proprietor of the mark in suit was Pinmore (UK) Ltd.

Both Mr Assali and Mr Rahman made insufficient distinction between their own efforts and rights and those of the company PUK, of which they are or were officers and shareholders.

In all the circumstances, I take the view that I should find in favour of the opponents. I therefore find the opponents successful in their opposition under Section 3(6) of the Act.

In the light of that finding I see no need to consider the further ground of opposition under Section 60 of the Act.

The opposition having been successful the opponents are entitled to a contribution towards their costs. I order the applicant, Mr Findlay, to pay the opponents, the sum of £635. 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 1st day of November 2000.

George W Salthouse.
For the Registrar.
The Comptroller General.

Please note that the representation PI*MORE has to be read as per the representation on page 1.