

O-217-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2524911
IN THE NAME OF CHAINGREEN LTD
OF THE FOLLOWING TRADE MARK IN CLASSES 1 & 31:**

Sea Nymph

AND

**AN APPLICATION FOR INVALIDATION (NO 83958) BY SEA NYMPH
GALWAY BAY MARINE LTD**

The background and the pleadings

1) Chaingreen Ltd (“Chaingreen”) is the proprietor of registration 2524911 for the trade mark: **Sea Nymph**. It was filed on 28 August 2009, published in the Trade Marks Journal on 5 February 2010, and completed its registration process on 16 April 2010. The mark is registered for:

Class 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.

Class 31: Seaweed for animal and human consumption

2) Sea Nymph Galway Bay Marine Ltd (“SN Galway”) requests the invalidation of the registration. A number of grounds are relied upon, including one under section 3(6) of the Trade Marks Act 1994 (“the Act”); the claim is that:

- The directors of Chaingreen (Mr Harish Sharma & Mr Vinod Pankhania) were previously authorized distributors of “ours”, albeit they traded through a company called SAMAA International Ltd (“SAMAA Int”).
- Whilst it (presumably SAMAA Int) had permission to use the Sea Nymph name whilst representing us in the UK, the relationship ended in 2003 and Messrs Sharma and Pankhania were advised not to tell customers that they were still suppliers of “our branded products”.
- SAMAA Int was dissolved in November 2005, but Messrs Sharma and Pankhania set up a new company in January 2004 (Chaingreen) through which they continued to trade and through which they registered the **Sea Nymph** mark in August 2009.
- The registration of the mark in such circumstances is claimed to be an act of bad faith.

3) Claims are also made under sections 5(1) and 5(3) of the Act based on a single earlier trade mark, namely community trade mark registration 8356363. This mark was filed on 11 June 2009, completing its registration process on 12 January 2010. I will come back to the details of this earlier mark later.

4) Chaingreen filed a counterstatement denying the claims. The bulk of the counterstatement deals with the section 3(6) ground. The defence is based, essentially, on Messrs Sharma and Pankhania having been trading themselves under the name SEA NYMPH since 1994 and having built up a goodwill associated with that name. It is stated that they were not representing the applicant, but, in fact, were the owners of the mark. It is claimed that that were

the majority shareholders in SN Galway which, at the relevant time, was called SAMAA Galway Bay Marine Ltd (“SAMAA Galway”)¹. Given this, Chaingreen does not believe permission to carry on using the name was required.

5) Both sides filed evidence. A hearing took place before me on 10 February 2014 at which a number of witnesses (Mr Sharma, Mr Pankhania, Mr Philip Casburn and Mr Stephen Casburn) were cross-examined. In terms of submissions at the hearing, these were made by Mr Sharma (although Mr Pankhania made one minor submission) and Mr Stephen Casburn.

The previous decision and appeal

6) A substantive hearing/decision has already been held/issued in these proceedings. That decision was appealed to the Appointed Person by SN Galway. Ms Emma Himsworth QC, sitting as the Appointed Person, set aside the previous decision on account of a procedural irregularity and remitted the case back to the tribunal for re-determination. The procedural irregularity was, in summary, that the Hearing Officer had taken into account further evidence filed by the proprietor, evidence which the applicant had not been given an opportunity to comment or respond to. The proceedings are now to be judged afresh and the previous findings reached by the Hearing Officer play no part in my decision.

Case-management

7) By the time the proceedings were considered by the Appointed Person, a large body of evidence had already been filed by both parties. The primary witnesses were Messrs Sharma and Pankhania for Chaingreen and Mr Stephen Casburn for SN Galway. In addition to this, there was also evidence from some supporting witnesses and, also, hearsay evidence (in the form of various “to whom it may concern” letters) from others.

8) A case-management conference (“CMC”) was held on 24 January 2014 to take stock of the evidential position, to decide the extent of any cross-examination that was to take place, and to deal with requests (from both sides) to file further evidence. In summary, the following was decided:

- i) That the affidavit/notice of appeal filed by Mr Stephen Casburn and the witness statement/respondent’s notice filed by Mr Sharma, filed as part of the appeal process, should be regarded as part of the evidence in the proceedings; both sides accepted this.
- ii) That Mr Stephen Casburn, Mr Sharma and Mr Pankhania were to be cross-examined on their evidence; again, both sides accepted this.

¹ Although SN Galway and SAMAA Galway are the same legal entity, I will differentiate between them in this decision to assist with chronological context. I will, of course, bear in mind that they are the same company and any implications that may arise from this.

- iii) That Chaingreen's request to permit Mr Sharma to file further evidence (relating to an agreement between the parties and evidence relating to labelling) would be considered as a preliminary point at the hearing; the evidence had not been filed at the time of the CMC – Mr Sharma was directed to file it as soon as possible.
- iv) That SN Galway's request to permit Mr Philip Casburn to give oral evidence would also be considered as a preliminary point at the hearing; his new evidence had not been filed in writing at the time of the CMC and he was directed to file it in a witness statement as soon as possible on which he might be cross-examined at the hearing.

9) Mr Sharma filed his further evidence. Mr Philip Casburn also filed his evidence, albeit his first attempt was simply to provide a witness statement in which it was stated that he wished to give oral evidence on particular issues; he was directed to file a witness statement setting out the facts he wished to provide as evidence, facts upon which he could then be cross-examined. This direction was complied with.

10) At the beginning of the substantive hearing that took place on 10 February 2014, I spent some time with the parties dealing with the matter of evidence. I reminded the parties why the case had been remitted back to the tribunal by the Appointed Person; I explained that I wished to ensure that no further irregularities were in play. In summary, both parties accepted that the other side's further evidence should be admitted into the proceedings, subject to the right to cross-examine the respective witnesses. I was assured by both sides that no further evidence was required to be filed and that neither side felt prejudiced in any way. From my perspective, I was satisfied that both sides new evidence had some potential relevance. For example, Mr Sharma's evidence contained further examples of the packaging/labelling that was being used at particular points in time and Mr Philip Casburn's evidence contained useful facts concerning the relationship between the parties and, in fact, Mr Philip Casburn was the best person to speak to such facts from the perspective of SN Galway given that, at the relevant times, he was running the business. In terms of why this evidence was late, Mr Sharma referred to difficulties in finding archived material and that his evidence dealt with points raised in the appeal papers; for SN Galway, Mr Stephen Casburn referred to a misunderstanding on his part in that when the proceedings were launched he assumed that Mr Philip Casburn would be permitted to give oral evidence at what he described as something akin to a trial. I can understand all these points. I also bear in mind that neither party has had legal representation to assist them in the proceedings. ***Given the various factors I have outlined, and given the assurances that the parties have given, I directed that both sides' further evidence should be admitted into the proceedings.***

Section 3(6) of the Act

11) The evidence in these proceedings is focused, almost completely, on the section 3(6) ground. I will therefore deal with this in the first instance. Before getting into the relevant facts, I will firstly set out the relevant legislation and the leading case-law. Section 3(6) of the Act states that:

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

12) In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C-529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes 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”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089 , paragraph 48).”

13) Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the application date of the application to register the trade mark. **The relevant date is 28 August 2009.** As opposed to going through each piece of evidence on a piecemeal basis, I will focus more upon the issues that it covers, particularly with reference to the various time periods which are of relevance. For the record, the witnesses are:

For SN Galway

- i) Mr Stephen Casburn, SN Galway’s sales director.
- ii) Mr Philip Casburn, a director of SN Galway.
- iii) Mr Kelly Murray, the Casburn’s accountant/financial advisor.
- iv) Ms Mary Conneely of Arramara Teo, a manufacturer of seaweed products.
- v) Mr Paul Mullins, of Brandon Products (and formally of Kerry Algae), another manufacturer of seaweed products.

For Chaingreen

- vi) Mr Sharma, a director of both SAMAA Int and, later, Chaingreen.
- vii) Mr Pankhania, a director of both SAMAA Int and, later, Chaingreen.
- viii) Sonal Vara (nee Pankhania), Mr Pankhania’s daughter.
- ix) Stewart King, secretary manager of an English golf club.
- x) Steve Gingall, an agronomist who previously worked for SAMAA Int.

14) Of those who were cross-examined, my view of them is:

- Mr Sharma, a sincere witness, albeit an emotionally charged person which meant that some of his answers lacked focus. He clearly felt a sense of indignation in the claims made against him. His biggest flaw was a continual tendency to conflate himself with the companies through which he has operated.
- Mr Pankhania, a straightforward person who came across as an honest person. He was more focused than Mr Sharma but he was not questioned to the same extent so there was not a terrific amount to take from his testimony. Mr Pankhania was ill during much of the relevant time periods (as confirmed during his cross-examination at the first hearing and alluded to at the hearing before me) so this must also be borne in mind.
- Mr Philip Casburn, a witness who was calm and to the point. He came across as an honest person who appeared to answer the questions put to him as clearly as possible, to the best of his recollections.
- Mr Stephen Casburn, a witness who came across as fundamentally honest, but at times he did have an argumentative tendency which affected the clarity of some of his answers. The questions put to him were not particularly detailed so the cross-examination before me did not add much.

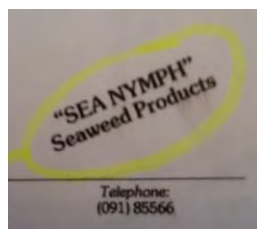
15) It is clear from the evidence that between 1999 and 2003 SN Galway (who were then called SAMAA Galway) and SAMAA Int (the directors of who were Messrs Sharma and Pankhania, now directors of Chaingreen) were engaged in some form of business relationship together selling SEA NYMPH branded products in the UK and Eire. The formal relationship could not have commenced before 21 October 1999 as this is when SAMAA Galway was set-up. However, it is important to consider what led up to this business relationship and what businesses the protagonists to this dispute (both as individuals and through any companies they were operating) were undertaking, particularly with reference to any trade under the name SEA NYMPH. Furthermore, it is important to consider what took place during the business relationship and, also, after it.

THE USE BY MR PHILIP CASBURN (OR HIS COMPANIES) OF SEA NYMPH UP UNTIL 1999

16) In one of his affidavits, Mr Stephen Casburn provides a “to whom it may concern” letter from Mr Declan Murray of the firm Kelly Murray, the longstanding accountants and financial advisors to the Casburn family. Mr Murray later provided a witness statement confirming the truth and accuracy of the contents of his letter. Mr Murray sets out the trading history of Philip Casburn which he says

is in the field of the manufacture and sale of seaweed products; during the time period up until 1999 the following is relevant:

- Before 1987, Mr Philip Casburn was the managing director of Feamainn Maighcuilinn Teoranta (Seaweed) Limited which he describes as a Casburn family company established in 1954 manufacturing a variety of seaweed products.
- Between 1988 and 1995 Mr Philip Casburn established and operated Galway Bay Seaweeds (International) Limited (“Galway 1”)² to manufacture and distribute a more focussed range of seaweed products concentrating mainly on fertilizers; this is a different legal entity to SAMAA Galway/SN Galway.
- Between 1995 and 1999 Mr Philip Casburn traded as a sole trader under the name Galway Bay Marine; Galway 1 had ceased trading and the business was transferred to Mr Philip Casburn “for tax reasons”.
- Mr Murray states that “throughout this time” (this is a reference not just to the business up to 1999, but, also, subsequent periods) he “understands” that the products sold were branded as Sea Nymph.
- Mr Murray provides a letter dated 13 March 1989 on the letter headed paper of Galway 1 (Philip Casburn and his wife Marie are identified as directors) which includes as part of the standard print on the letter “SEA NYMPH SEAWEED PRODUCTS”. It identifies trade in SEA NYMPH products (seaweed meal fertilizer) to 11 customers (mainly golf clubs), albeit only in Eire. The SEA NYMPH text, which appears towards the bottom right hand corner, looks like this:



17) The third affidavit of Mr Stephen Casburn includes various invoices, shipping documents, correspondence etc dated between 1988 and 1992 supposedly showing Galway 1 selling SEA NYMPH products to customers in the UK and Europe:

- i) A letter from Joseph Metcalf Ltd (in Lancashire) to Galway 1 dated 14 June 1988 regarding a seaweed meal sample it had received, but negotiating on price. No mention of Sea Nymph is made.

² Galway 1 was incorporated on 30 September 1988 and dissolved on 4 April 1998 (company records in Attachment 3 to Casburn 1, page 11)

- ii) A letter from Galway 1 to Joseph Metcalf Ltd dated 17 June 1988 replying to the above. A price is agreed. I note that this is because of a keenness to “establish new business in the UK”. No mention of Sea Nymph is made.
- iii) An invoice dated 24 October 1988 from Galway 1 to Joseph Metcalf Ltd in respect of seaweed meal. SEA NYMPH is not specifically mentioned as the invoiced product, but the invoice does carry the same print in the bottom right hand corner as per paragraph 16 above.
- iv) A consignment document and export document relating to the above invoiced transaction. No mention of Sea Nymph is made.
- v) A letter from Galway 1 to Joseph Metcalf Ltd dated 14 December 1988 about the above invoice not being paid. No mention of Sea Nymph is made.
- vi) A letter from Galway 1 to Dorwest Herbs (in Dorset) dated 25 October 1988 providing prices for kelp powder and the lead time for Irish Moss extract. No mention of Sea Nymph is made.
- vii) A letter from Dorwest Herbs dated 31 October 1988 ordering some kelp powder following a sample it had received. It also wishes to trial a small quantity of Irish Moss extract which it plans to market as a supplement for dogs and cats. No mention of Sea Nymph is made.
- viii) A further letter from Galway 1 to Dorwest Herbs dated 9 November 1988 confirming shipment of the kelp powder and providing further information about the Irish Moss extract. No mention of Sea Nymph is made.
- ix) A letter from Webberat Ltd in Stirlingshire dated 12 July 1988 to Galway 1 to arrange a meeting with Mr Philip Casburn in Londonderry. Mr Casburn responds to this in writing on 18 July 1988 informing that the date is not suitable but perhaps they could meet at another time. No mention of Sea Nymph is made.
- x) A letter dated 23 May 1989 from Mr Philip Casburn to a Mr Duncan Gray in Prestwick, Scotland. He thanks Mr Gray for his order for seaweed meal. He also encloses details of a liquid seaweed product for which he is the “distributing agent”. A further letter is provided dated 20 February 1992 about the delivery of a product which is “finer” than normal but still of good quality. There is no mention of Sea Nymph in either letter.

- xi) A letter from Mr Philip Casburn to Farmura Environmental Products Ltd (in Ashford) dated 5 September 1989. It is a follow-up letter subsequent to the provision of a seaweed meal sample. No mention of Sea Nymph is made.
- xii) A similar letter from Galway 1 to Mr David Morrison in Alloa, Scotland subsequent to the provision of a seaweed meal sample. No mention of Sea Nymph is made.
- xiii) A label is provided which is said to be an example of those used by Philip and Marie Casburn for Irish Moss Extract – it is headed SEA NYMPH. It is marketed for horses and carries the name of Galway 1.
- xiv) Documents relating to the ordering of Irish seaweed meal from Galway 1/Philip Casburn by a German company called Clauss & Paschke dated 28 January 1998 and 27 June 1998. No mention of Sea Nymph is made.
- xv) Documents relating to the supply of seaweed meal by Galway 1 to Fritz Koster in Germany in November 1988, March 1989 and October 1990. No mention of Sea Nymph is made.
- xvi) A letter from Galway 1 to Clauss & Paschke dated 14 May 1990 thanking them for an order of seaweed meal and discussing future pricing and a suggestion that the goods be promoted as suitable for use on golf courses. No mention of Sea Nymph is made.
- xvii) Letter dated 7 May 1990 from Clauss & Paschke to Galway 1 placing an order. No mention of Sea Nymph is made.
- xviii) Invoice from Galway 1 to Brim Ocean Produkter AB in Sweden dated 26 April 1992 in respect of seaweed extract shampoo. No specific mention of the Sea Nymph brand is made, but it is included on the letter as per paragraph 16 above.
- xix) A consignment note between the same parties dated 20 February 1990 and a subsequent bill of lading in respect of seaweed meal fertilizer and Irish moss extract. No mention of Sea Nymph is made.
- xx) Another consignment document between the same parties dated 4 July 1989 for Dillisk Seaweed. No mention of Sea Nymph is made.

18) As can be seen from my summary of these documents, little reference is made to the SEA NYMPH brand. Those that do (one invoice to the UK company Joseph Metcalf Ltd and one to a Swedish company) show it only on the pre-printed company paper, which may or may not be how it was presented to the

customer on the product itself. Furthermore, the extent of business in the UK appears extremely limited. Mr Sharma questioned Mr Philip Casburn on his business in the UK; the following gives a feel for the responses from Mr Philip Casburn:

“In 1988 when I started my own business I was dealing in England, Germany and Sweden eventually. He quotes one invoice³. Again, I am a bit like Mr. Sharma -- records tend to get lost over a period of time, so what I found I submitted. The answer is, yes, that was my business.”

and

“I did not have a huge business because I was a sole trader. It was, as Mr. Sharma says, pre-internet days. I had to get into my car and drive around England. I did not go into Scotland. He is quite correct. I did not go into Wales. He is quite correct. Certainly I was in contact with customers in London, in Norfolk, in the Midlands, but it was all done knocking on doors with support from the Irish Export Board, from which I got small a grant to try and promote my business. But he is quite right, I did not manufacture. I distributed, buying and selling from other companies at that time.”

Upon re-examination he added:

“Like I said earlier, and I will be very brief on this one, it was very much a question of, certainly in the UK and Ireland, getting into my car and going knocking on doors trying to establish a base for customers. I had come from one section of the seaweed industry, which was health foods, and I was anxious to get into the fertilizer side, which I felt was where the future lay. It was very much a question of getting in and trying to encourage people to start using seaweed as a fertiliser for the (unclear) market. That happened in Ireland, England and Sweden. I did not physically travel to Germany because I had a distributor, which I had already set up in Germany who was doing the trading for me there.”

and

“Apart from labels, which I have a good example of, apart from the letterhead, there was no major marketing ploy by me due to the fact that I did not have the capital to do it. Any correspondence that I had or invoices or correspondence would have been on the main letterhead. The copies of the invoices and other documentation would be on plain paper, which would be carbon paper and just plain copies, so I would not necessarily have any further documentation showing any letterheads because it was just a copy of the original which was sent out.”

³ This appears to be a reference to the invoice to Joseph Metcalf Ltd, per Para 17, bullet iii).

19) In his written evidence Mr Philip Casburn referred to the goodwill built up in the UK. This is disputed by Chaingreen. It is clear, and on Philip Casburn's own evidence, any business in the UK was small. He described it himself as "knocking on doors". The documentary evidence is wafer thin. The lack of reference to SEA NYMPH is explained away on the basis that the original letters (as opposed to retained copies) sent by him or Galway 1 would have been on company stationery, containing a reference to SEA NYMPH as per paragraph 16 above. This may be so, but I find it somewhat surprising that SEA NYMPH was not mentioned in any of the text in the letters provided. The number of contacts in the UK is very low. Mr Philip Casburn suggested that there may be more, but record keeping may have been an issue. This is easy to say, but without corroborative evidence it is difficult to take much from this. The sense I get from the evidence is that whilst Mr Philip Casburn/Galway 1 may have been trying to enter the UK market, the lack of resources (and perhaps the absence of a UK partner) meant that he did not do so in any meaningful way. The position was, though, better in Eire, the accountant has identified at least 11 customers there. ***I am therefore prepared to accept that there is evidence of Galway 1/Mr Philip Casburn trading between the years 1989 to 1999 in seaweed products under the name SEA NYMPH in Eire but the SEA NYMPH name will have had no real reputation in the UK market as a result of the direct activities of Mr Philip Casburn/Galway 1.***

THE USE BY MESSRS SHARMA AND PANKHANIA (OR THEIR COMPANY SAMAA INT) OF SEA NYMPH PRIOR TO 1999

20) There was a major conflict in the testimony of the witnesses at the hearing as to when Messrs Sharma/Pankhania first met Philip Casburn (or a representative of his business). Mr Sharma stated that they first met in 1994 whereas Mr Philip Casburn flatly denied this, stating that they did not meet until 1998/1999 shortly before the business relationship between SAMAA Int and SAMAA Galway began. This was surprising (Messrs Sharma/Pankhania were particularly surprised) because it does not appear to have been disputed at the first hearing that Mr Philip Casburn had been supplying SAMAA Int with seaweed products from around 1994.

21) What is clear is that Samaa Int was incorporated in 1994. Mr Sharma has stated that it began trading in seaweed products and that Philip Casburn was approached that same year to supply the products. He regards him/Galway 1 as his buyer. Messrs Sharma/Pankhania provided a number of letters from customers/suppliers:

- i) A letter from GreenBest Ltd to Chaingreen. The letter writer confirms to having known Messrs Sharma/Pankhania since 1998, Greenbest having been a manufacturer of granular and liquid fertilizer under "your own brand" for over 10 years. The letter is from December 2011 so the reference to "over 10 years" equates to being earlier than December 2001. The letter writer explains that labels with the name SEA NYMPH

on them were produced up until August 2010, but does not say for which company. The current labels for Chaingreen do not have the words SEA NYMPH on them and any future trade will be for the Chaingreen name only until they can legally prove that they are able to use the trade mark SEA NYMPH.

- ii) A witness statement from Stewart King the Secretary Manager of West Lancashire Golf Club. He states that SEA NYMPH has been known as a product name since at least 1996, a product supplied by Harish Sharma. He is unaware of any other SEA NYMPH name used by any other company in the UK.
- iii) A “to whom it may concern” letter from the course manager of the Royal Birkdale Golf Club who says that he has known Mr Sharma since 1996 when he first bought SEA NYMPH products; he is not aware of any other company selling products under that name.
- iv) A “to whom it may concern” letter from the course manager of the Three Rivers Golf and Country Club. The letter writer has been doing business with Mr Sharma since 2000. He knows the company as SEA NYMPH. He adds that the company he knows as SEA NYMPH, Chaingreen, exhibited at a green keepers show in Harrogate in the early 2000s.
- v) A “to whom it may concern” letter from Tyrrells Wood Golf Club. The letter writer has known Messrs Sharma/Pankhania for more than 15 years as the suppliers of SEA NYMPH products; the letter is from December 2011 so this puts the claimed knowledge to at least December 1996. Messrs Sharma/Pankhania are apparently known as “the seaweed men”. He would not associate the name SEA NYMPH with anyone else.
- vi) A “to whom it may concern letter” from Heathpark Golf Club. The letter writer has known Messrs Sharma/Pankhania since 1998 as the suppliers of SEA NYMPH products. He is not aware of any other company marketing SEA NYMPH products.

22) Some of the above supports the claim that SAMAA Int were supplying SEA NYMPH products to customers in the UK since at least 1996, before the more formal business relationship between the two SAMAA companies commenced. There are also three invoices from SAMAA Int dated 1999/2000 (earliest January 1999) selling SEA NYMPH products to companies in England (Attachment 1 to W/S Sharma 29/10/12). However, it is necessary to consider the capacity in which SAMAA Int were operating.

23) Mr Sharma has stated at various times in his evidence that the products SAMAA Int were selling were procured from Mr Philip Casburn, albeit they were manufactured by three Irish companies: Arramara Teo, Kerry Algae and, later, Brandon Products. Ms Conneely of Arramara Teo has provided evidence stating that her company has no knowledge of SAMMA Int or Chaingreen and that it has not supplied it directly, it has always dealt with “Philip Casburn trading as Galway Bay Seaweeds and presently as [SN Galway]”. Mr Paul Mullins is another manufacturer. He previously worked for Kerry Algae but left in 1998 to set-up Brandon Products. He met “the Casburn” family” in 1997 (whilst at Kerry Algae); at this time Mr Philip Casburn purchased “a number of seaweed products from Kerry Algae”. When Mr Mullins left to set up Brandon Products a larger range of seaweed products was developed for supply to Galway 1 (although given the date in 1998, this would have been to supply Mr Philip Casburn then trading as a sole trader) and the range of products has grown since then. Mr Mullins states that Mr Philip Casburn introduced him to SAMAA Int and Mr Sharma in 2000 or 2001. The point I take note of here is that prior to 1999, Mr Mullins does not appear to have known SAMAA Int or Mr Sharma. In terms of manufacturing, I also note that Mr Sharma provided a copy of a certificate issued by the UK Ministry of Agriculture, Fisheries and Food in March 1998 certifying that SEA NYMPH fertiliser is made by Kerry Algae on behalf of SAMAA Int and can be legally sold in the UK; the document is for the purpose of exporting the product to the USA. Whilst I also note Mr Sharma’s claim that SEA NYMPH was used on other goods manufactured elsewhere (as per the letter from Greenbest which Mr Sharma commented upon during cross-examination at the first hearing), it is not clear whether such activity took place during the period under discussion (as per my comments in relation to this letter above).

24) Mr Sharma has stated that the products initially came to him under the brand name Marigrow, but this “later” changed to SEA NYMPH (this is supported by the cross-examination of Mr Pankhania at the first hearing). Mr Sharma’s respondent’s notice/witness statement of 25 January 2014 states that the seaweed meal product was shipped to the UK in plain white bags and “*originally labelled by us in Slough and later bagged with our own printed bags in the UK with the brand name SEA NYMPH*”. In earlier evidence he referred to other products coming in plain drums. In terms of seaweed meal, SN Galway accepts that this product (which represented one out of around seven products) was shipped in plain bags and labelled in the UK; although its evidence is that other products were labelled in Eire. However, SN Galway’s evidence must be referring to the time period when the two SAMAA companies were in a business relationship or, perhaps in the time period leading up to this. Regardless of where the labels were printed, it is clearly important to consider what was printed upon them. Mr Sharma has provided a photograph of a plain white bag, but this adds nothing to the evidence. He also provides a printed bag claimed to date from 1995:



25) In the copy of this bag sent to the tribunal and to SN Galway, the words SEA NYMPH were cut-off. However, Mr Sharma provided the original copy at the hearing which clearly shows the SEA NYMPH name. I accept that this was merely an error of copying as it would have been against Mr Sharma's own point to provide a copy without SEA NYMPH on it. As can be seen (although it is not that clear in the image above) the label includes the name and address of SAMAA Int, albeit it identifies that the goods are "Distributed By" it. This seems a strange form of labelling for a company claiming to be the brand owner in the UK.

26) Another aspect of the evidence which sheds a degree of light on the capacity in which SAMAA Int were operating stems from the coining of the name itself. Mr Philip Casburn stated in his evidence that he was the originator of the SEA NYMPH name and brand in 1988. The evidence showing the SEA NYMPH name on the printed stationery of Galway 1 (the earliest from 1989) provides corroboration of this. Neither Mr Sharma nor Mr Pankhania have ever really explained (or even clearly claimed) when or how they coined the name SEA NYMPH. During Mr Sharma's cross-examination at the first hearing, he was very vague as to how SAMAA Int came up with and used the name SEA NYMPH prior to 1999. In my view, it is highly unlikely that Messrs Sharma/Pankhania (or anyone else connected with SAMAA Int) independently coined SEA NYMPH as a brand. Any use SAMAA Int made must, therefore, have been because it knew

that was the brand used by Philip Casburn/Galway 1 in Eire or because that was the brand of the goods they procured from that source. (I will come back to the creation of the sea horse logo which was later used when the business relationship between the SAMAA companies commenced.)

27) Assessing the evidence in the round, it seems clear to me that SAMMA Int must have been working with Mr Philip Casburn/Galway 1 in some capacity prior to the more formal relationship between the two SAMAA companies. This is supported by Mr Philip Casburn himself who refers in his evidence to he and David Casburn being present at an exhibition in Harrogate in 1998 and 1999 *“and were being introduced as the suppliers of “Sea Nymph” Seaweed products, with the role of educating Samaa International Ltd customers in the United Kingdom as to the benefits of using a high quality “Sea Nymph” seaweed product in the amenity sector”*. Whilst the reference to being introduced as “suppliers” is ambiguous and sheds no great light on matters, it at least shows some form of working relationship from 1998 and that SAMAA Int were clearly selling SEA NYMPH products.

28) On the face of it, Philip Casburn’s claim not to have met Messrs Sharma/Pankhania much before the SAMAA business relationship started and Messrs Sharma/Pankhania’s claim that SAMAA Int were procuring goods from Philip Casburn since 1994, is a difficult one to rationalise. However, the truth of the matter is probably somewhere between the two. The most plausible explanation, when all the evidence is considered, is that SAMAA Int began procuring goods from Philip Casburn/Galway 1 earlier than Philip Casburn recalled. Whether this was as early as 1994 is, however, doubtful. It is probable that Philip Casburn saw this as a good opportunity to gain a foothold in the UK market (which had hitherto been limited) and over time their business relationship became closer leading, ultimately, to the more formal business relationship between the two SAMAA companies. ***There is strong evidence that SAMAA Int was selling SEA NYMPH products in England from at least 1998. The evidence relating to earlier sales is less strong, but on the balance of probabilities, I am prepared to accept that sales took place earlier than this, from around 1996. The products were purchased from Philip Casburn; earlier sales may have been through Galway 1. SAMAA Int was a re-seller or, eventually, a de facto distributor of the products. There is insufficient evidence to show that either SAMAA Int or Galway 1/Philip Casburn was identified as being responsible for the products (and thus owner of any goodwill in England).***

THE USE BY SAMAA GALWAY AND SAMAA INT OF SEA NYMPH BETWEEN OCTOBER 1999 AND 2004

29) This is the period during which the above identified parties have acted in what I have so far described as a business relationship. Mr Murray (the Casburn family accountant) describes the following:

- Mr Casburn set up a new company called SAMAA (Galway) and transferred his existing business to it. The purpose of the new company was to act in partnership with a UK company called SAMAA Int; his new company traded the Sea Nymph brand of seaweed products.

30) SAMAA Galway was incorporated on 21 October 1999. Mr Philip Casburn states in his evidence that he met with Mr Sharma in Eire, that he gave permission for the SEA NYMPH mark to be used by SAMMA Int in the UK as part of this business relationship and that he immediately asked (by telephone) his accountant to set-up SAMAA Galway for the purposes of this business relationship. He claims to have bankrolled the company. It is a matter of public record that SAMAA Int (owned by Messrs Sharma/Pankhania) was the majority shareholder in SAMAA Galway until 2003/4 (see company records attached to the Notice of Defence). Philip Casburn and David Casburn were minority shareholders; the directors of the company were Mr Philip Casburn and Messrs Sharma/Pankhania.

31) There is little in either side's evidence that spells out in exact terms what the business relationship was. Mr Sharma provided a Memorandum of Understanding between Philip Casburn personally and Samaa Int dated July 1999 (i.e. before they together formed SAMAA Galway in October of that year). It covers confidentiality and non-competition between the parties, but the nature of their joint venture is not spelt out. It is likely to have been connected to their business together in relation to the seaweed products business, but does not appear to reveal anything important. The cross-examination of the various witnesses was not particularly telling in so far as providing any greater focus on the nature of the business relationship. It was accepted by both sides at the first hearing that Mr Philip Casburn continued in his personal capacity to sell seaweed products that he procured in Ireland both to SAMAA Galway (the joint venture company) and to SAMAA Int.

32) Both side's evidence refers to the labelling of products and where the labels etc were printed. There is a degree of conflict and a degree of consistency as observed earlier. However, I do not consider it necessary to go into the ins and outs of this. This is because the question of who printed the labels is less relevant than who was attributed on those labels as being responsible for the goods to which they were attached. What is clear, from the evidence of both sides, it that both the names of SAMAA Int and SAMAA Galway appeared on labelling and both companies would, therefore, be taken as being responsible for the goods sold. One of the labels provided includes a sea horses device claimed to have been created by Mr Pankhania's daughter. She (Ms Sonal Vara (nee Pankhania) gave evidence in which she states that she designed it in 1994 as part of her school work and provides corroborative documents. She states that she allowed Mr Sharma and her father to use this it, but no one else. During cross-examination Mr Sharma questioned Mr Stephen Casburn on whether copyright existed in the logo. He could not say whether copyright existed or not,

but he did not dispute that the seahorse logo was created by Ms Vara. This further supports the view that the new business relationship was some kind of joint venture in which Mr Casburn's word mark was combined with Mr Pankhania's daughter's creation.

33) In terms of the trade conducted, Mr Sharma accepted in cross-examination at the first hearing that SAMAA Int did not trade in Eire or Northern Ireland. The sense one gets from the totality of the evidence is that SAMMA Int focused its sales in the UK (save for Northern Ireland) and SAMMA Galway focused on Eire; however, it is also clear from Mr Philip Casburn's evidence that SAMMA Galway also traded in Northern Ireland, at least between 2001-2004 (see exhibits 3-6 of Mr Philip Casburn's witness statement). The two companies were effectively selling the same product albeit in different places, but both have sold in the UK – SAMAA Galway in Northern Ireland, SAMAA Int mainly in England. ***On the basis of the evidence before me, I conclude that the two SAMAA companies were operating some form of joint venture. They were working together, selling SEA NYMPH products which were probably labelled in the same way. The use of SEA NYMPH in the UK between 1999 and 2004 was attributed to both the SAMAA companies. They would therefore both have had a share in the goodwill created by such (and each other's) use. This means that the applicant for invalidation, SN Galway, which was known as SAMAA Galway in this period, is entitled to some share in the goodwill created from 1999-2004 on the basis of its own trade in Northern Ireland and the trade of SAMMA Int in England.***

34) It is clear that the relationship between the main protagonists was strained by the end of 2003. Various letters to/from Sharma/Pankhania on the one hand and Philip Casburn on the other are provided. It is not altogether clear what led to the falling-out but there are claims of debts being owed etc. Whatever the reason, the difficulties led to SAMAA Galway changing its name to SN Galway in 2004 after SAMAA Int passed/sold its shares in the company to the Casburn family. The parties disagree as to whether permission to use SEA NYMPH was then formally withdrawn or not; there is insufficient evidence to support either side on this point.

THE USE BY CHAINGREEN OF SEA NYMPH FROM 2005 ONWARDS

35) Mr Sharma has provided 16 invoices to English companies showing use of SEA NYMPH by Chaingreen between 2005 and the relevant date (attachments to witness statement dated 29 January 2012). This shows that it had goodwill in the UK dating back to 2005 when that company was formed. However, there is nothing to show that there was any assignment of the goodwill of the earlier business conducted by SAMAA Int to Chaingreen.

36) There was an exchange of evidence between the parties as to whether Chaingreen is known as The Seaweed People. I do not find this aspect of the

evidence helpful in any way so will say no more about it. ***Chaingreen will likely have established its own goodwill in association with the words SEA NYMPH in the UK by the relevant date in 2009 dating back to its formation in 2005. However it was not entitled to a share in the goodwill established from earlier use of that name.***

THE USE BY SN GALWAY OF SEA NYMPH SINCE 2004

37) Mr Murray (the Casburn family accountant) states that the partnership between SAMAA Int and SAMAA Galway ended by mutual consent, after which Philip Casburn and his family acquired the shares in SAMAA Galway that were owned by SAMAA Int. Its name was changed to SN Galway and it continues to trade under the Sea Nymph brand. In his evidence Mr Stephen Casburn provides an example of the labelling used by SN Galway since 2004 (Casburn 3 page 7); it shows continued use of the SEA NYMPH name together with the sea horses device. The use of the sea horse logo (created by Mr Pankhania's daughter) after the break down of the business relationship has no significant pertinence to the matters that need to be determined by this tribunal. Evidence of continued trade in Eire and Northern Ireland after 2004 (see pages 9 to 26 of Casburn 3) under the name SEA NYMPH is provided. In his further evidence (at appeal stage) Mr Stephen Casburn provides sales figures and invoices to various businesses (mainly golf courses) in Northern Ireland.

38) SN Galway had goodwill in Eire and Northern Ireland at the relevant date in 2009 which would have dated back to at least 1999. It is also likely to have been entitled to a share in any residual goodwill that existed in England as a result of the trade conducted between 1999 and 2004 when the joint venture was in operation; however, the subsequent use by Chaingreen may mean that (apart from in Northern Ireland) the name was distinctive of Chaingreen at the relevant date in 2009.

OVERALL FACTUAL POSITION

39) Taking into account the findings I have already made, the following can be taken as my view of the overall factual position:

- i) The SEA NYMPH name was coined by Mr Philip Casburn (and/or his wife) at least by 1988; neither Mr Sharma nor Mr Pankhania coined the name independently.
- ii) Prior to the joint venture, Mr Philip Casburn/Galway 1 made sales of SEA NYMPH products in Eire.
- iii) Prior to the joint venture, any sales made by SAMAA Int of SEA NYMPH products in the UK would have been as a re-seller or de-facto distributor for Mr Philip Casburn/Galway 1.

- iv) Prior to the joint venture, neither Mr Sharma nor Mr Pankhania made any SEA NYMPH product sales as individuals, be it as sole traders or in partnership with each other.
- v) Mr Philip Casburn set up SN Galway to work as part of a joint venture with SAMAA Int. Mr Casburn gave permission for the SEA NYMPH name to be used by either company. Both companies were responsible for the goods sold and both would have been entitled to a share in any goodwill from the sales of each other.
- vi) SAMAA Galway focused more on Eire (and Northern Ireland) whereas SAMAA Int focused more on the rest of the UK (but mainly England).
- vii) The joint venture ended in 2003. SAMAA Galway carried on trading in Eire (and Northern Ireland) as SN Galway. SAMAA Int was dissolved.
- viii) Chaingreen was set up in 2005 by Messrs Sharma/Pankhania and began using the SEA NYMPH name. Prior to it being dissolved, SAMAA Int did not assign its share of any goodwill to Chaingreen (or anyone else).

BAD FAITH

40) My decision must be based upon the knowledge that Chaingreen had at the relevant date of 28 August 2009 and to then consider whether, in the face of such knowledge, the filing of a trade mark application for the SEA NYMPH name would be viewed as an act of bad faith (which includes not only dishonesty, but also dealings which fall short of the standards of acceptable commercial behaviour) by reasonable and experienced men in the area being examined. Chaingreen's knowledge falls to be assessed on the basis of what Messrs Sharma/Pankhania knew at the relevant date as they are the controlling minds behind Chaingreen. It is not relevant whether Messrs Sharma/Pankhania felt their conduct was acceptable – the judgment must be based from the perspective of reasonable and experienced others.

41) As I have already observed, Mr Sharma's testimony signalled to me a common misconception about the role of incorporated companies. He referred on a number of occasions to "his" (Mr Sharma) or "our" (Messrs Sharma/Pankhania) trading and goodwill when, in fact, the trade at all material times was conducted either by SAMAA Int (initially as a re-seller or de facto distributor, later as part of a joint venture with SAMAA Galway) and, later, by Chaingreen. Messrs Sharma/Pankhania knew this, even if they did not understand it.

42) It will also have been known that SAMAA Int's goodwill, generated as part of the joint venture, was not assigned to Chaingreen. Therefore, when Chaingreen decided to adopt SEA NYMPH in 2005 it had no pre-existing rights. If the matter

were to be assessed at that point in time then it would have been clear to me that adopting the SEA NYMPH mark in such circumstances was an act of bad faith. I say this because SEA NYMPH had been a brand of Mr Philip Casburn/Galway 1, a brand which SAMAA Int had resold in the UK. Later, Mr Philip Casburn set up SAMAA Galway to work in partnership with SAMAA Int, and gave permission for the SEA NYMPH brand to be used by both SAMAA companies. When that relationship broke down SAMAA Int ceased trading but SAMAA Galway continued. Messrs Sharma/Pankhania knew all this but they decided to set up a new company and, through that company, began using SEA NYMPH, the mark of SAMAA Int's previous Irish suppliers and partners in a joint venture. It seems to me that the whole purpose of the joint venture was for Mr Philip Casburn's business to have a mechanism to gain sales in the UK through a company based here. But it was still his brand, albeit that any personal rights were transferred to SAMAA Galway. In such circumstances SAMAA Galway may have sought a different partner in the UK or pursued the business itself. This should have been easily foreseeable by Messrs Sharma/Pankhania. They should not, in my view, have adopted the SEA NYMPH name as the trade mark of their new company.

43) Regardless of the above, time has moved on since 2005 and the matter must be determined at the relevant date of August 2009, some four years later. By such a time Chaingreen had been trading under the SEA NYMPH name in its own right and would have created its own goodwill. Nevertheless, the filing of a trade mark registration providing rights throughout the whole of the UK (including Northern Ireland) would still in my view represent an act of bad faith. Chaingreen's subsequent trade does not immunize itself from the consequences of the decision to adopt a mark in the UK in which SN Galway still held a share of the associated goodwill when Chaingreen held none. There is nothing in the evidence to suggest that SN Galway knew what Chaingreen were doing. That Chaingreen have been able to trade for four years using the SEA NYMPH name is one thing, but to apply for the mark which would give it an exclusive right to prevent SN Galway from using the mark in Northern Ireland and other parts of the UK is another. I consider that Chaingreen's conduct falls below the standards of acceptable commercial behaviour. Much of Chaingreen's argument is based upon the fact that Messrs Sharma/Pankhania have previously used the mark. This is not, however, the factual position. Messrs Sharma/Pankhania have no personal rights of any sort. No goodwill has been assigned to them prior to SAMAA Int being dissolved. Neither does it matter that SAMAA Int was the majority shareholder of SAMAA Galway. At this time they were working as part of a joint venture, a joint venture that ended with the shares in SAMAA Galway being passed to the Casburn family. ***The claim under section 3(6) of the Act succeeds.***

THE 2002 TRADE MARK

44) One issue discussed at the hearing was a further trade mark for SEA NYMPH registered in 2002 by SAMAA Int under number 2301346. Mr Philip

Casburn states that whilst permission was given for SAMAA Int to use the SEA NYMPH in the UK, he never gave permission for it to be registered. The mark was later assigned to Chaingreen Ltd, but this assignment appears to have been reversed after it came to light that SAMAA Int was dissolved in 2005 prior to the date of the supposed assignment. There are two points to note here. Firstly, the assignment (which has now been reverted) to Chaingreen gives no greater or lesser weight to the bad faith finding I have already made. It is simply symptomatic of the same behaviour. Secondly, these proceedings have no impact on the status of this registered trade mark. Clearly, though, the mark is now ownerless property given that SAMAA Int no longer exists and the ownership of the mark is, therefore, classed as *bona vacantia* and is, strictly speaking, now owned by the Crown.

Section 5(1) and 5(3) of the Act

45) Having already found in favour of SN Galway, it is not strictly necessary to deal with these grounds. However, I will explain briefly why the grounds would, in any event, have failed. Both grounds are based upon the following earlier trade mark EU008356362:



Class 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.

46) Section 5(3)⁴ states that:

“5-(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 the United Kingdom (or, in the case of Community trade mark, in the European Community) and the use of the later mark without due cause

⁴ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the CJEU in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“Addidas-Salomon”) (C-408/01)).

would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

47) It is clear that the earlier mark must have a reputation. In *General Motors Corp v Yplon SA* (Chevy) [1999] ETMR 122 and [2000] RPC 572 the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

48) Whilst the evidence provided by SN Galway demonstrates use, it falls a long way short of establishing that the mark is known by a significant part of the public for the goods concerned. ***The claim would, therefore, have failed at the first hurdle.***

49) Section 5(1) of the Act states that:

“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 trade mark is applied or are identical with the goods or services for which the earlier trade mark is protected.

50) Sections 5(1) requires identical marks to be in play. However, literal identity is not always required. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA* [2003] FSR 34 the CJEU stated:

“54. In those circumstances, the answer to the question referred must be that Art.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.”

51) There is one main difference between the earlier mark and the subject mark, namely that one has the device of sea horses whereas the other does not. This is not something that will go unnoticed. **Plainly the marks are not identical and the claim would, therefore, have failed on this account.**

Costs

52) In her appeal decision, the Appointed Person set aside the previous costs order and directed that they should be re-determined at the end of these proceedings and that such re-determination should include the costs of the appeal. In relation to the appeal, this was lodged by SN Galway and it succeeded on a procedural point; SN Galway is entitled to some costs in relation to that. SN

Galway has also succeeded in invalidating the registered mark. I consider it appropriate to make an award in its favour on the basis of the standard scale, albeit reduced to take into account that it was not professionally represented so would not have incurred any legal fees:

Application fee - £200

Preparing a statement and considering the other side's statement- £200

Considering and filing evidence - £500

Attending the hearing - £400

Appeal costs - £300

53) I have not awarded anything for SN Galway's witnesses having to attend for cross-examination. Stephen Casburn was attending anyway as he was acting as its representative. Mr Philip Casburn filed his evidence very late in the day and so it was only fair for Chaingreen to cross-examine him on it and it should not have to pay, in such circumstances, any contribution for doing so. Neither have I made any award for the less than helpful way the parties have approached the filing of evidence in these proceedings; it is a case of six of one, half a dozen of the other.

54) I hereby order Chaingreen Ltd to pay Sea Nymph Galway Bay Marine Ltd the sum of £1600. This should 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 19th day of May 2014

**Oliver Morris,
For the Registrar,
The Comptroller-General**