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TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION m 2103674
BY MULTIPLE MAKETING LIMITED
TO REGISTER A TRADE MARK
BE NATURAL
IN CLASS 30

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AND IN THE MATTER OF OPPOSITION THERETO UNDER
OPPOSITION NO.46529 BY SURENE PTY LIMITED

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IN THE MATTER OF APPLICATION No 2103674
by MULTIPLE MARKETING LIMITED
5 TO REGISTER A TRADE MARK IN CLASS 30

AND IN THE MATTER OF OPPOSITION THERETO
by SURENE PTY LIMITED

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DECISION

BACKGROUND

15 On 26 June 1996, Multiple Marketing Limited of 95 Camberwell Station Road, London SE5 9JJ applied under the Trade Marks Act 1994 for registration of the Trade Mark BE NATURAL in respect of the following goods in Class 30:

20 “Confectionery; preparations made at least partly from cereals; confectionery bars made at least partly from cereals; snack foods; but not including lozenges and chewing gum”.

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On the 3 March 1997 Surene Pty Ltd of 14 Boola Place, Dee Why, New South Wales, Australia filed notice of opposition to the application. The grounds of opposition are:

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i) The opponent is the owner of the trade mark BE NATURAL and has applied to register the mark in the UK for goods in class 30 under application no 2113901.

ii) The applicant for registration was a distributor in the UK for the applicant’s goods.

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iii) The applicant for registration is not the true owner of the trade mark and the application should therefore be refused under the terms of section 3(6) of the Trade Marks act 1994 on the grounds that the application has been made in bad faith.

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iv) The applicant for registration’s use of the trade mark in the UK is liable to be prevented under the law of passing off and the application should therefore be refused under the terms of Section 5(4) of the Trade Marks Act 1994.

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v) The opponent has requested that the applicant transfer the application to the opponent and whilst, initially, a transfer was agreed, the applicant has since refused to complete the necessary documentation.

vi) The opponent requests that the application be refused.

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

OPPONENT'S EVIDENCE

This takes the form of a statutory declaration by Mr Cliff Dipo Wachjo, dated 11 December 1997, the Managing Director of Surene Pty Ltd, a position he has held for ten years.

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Mr Wachjo states that the opponent is the manufacturer of a non-medicated confectionery health bar, which was first made and distributed in Australia under the name BE NATURAL in "early 1992". In November 1993 the opponent applied to register the mark with the Australian Trade Marks Office for goods in class 30. The mark was accepted with a registration date of 8 November 1993. Attached at exhibit A is a status report dated 7 May 1996 which confirms the Australian registration for "Confectionery, yoghurt confectionery and health bars".

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During 1993 the opponent engaged the services of a consultant, Ashley Perry, to source overseas distributors for their products. Mr Wachjo claims that "In mid 1995, Ashley Perry suggested First Choice Worldwide Food and Beverage Company Limited (First Choice) as a distributor for the product in the UK." Following negotiations a distribution agreement was signed for the exclusive distribution by First Choice of the 50 gram version of the opponent's product. A copy of the distribution document is attached at exhibit B. The date of commencement is 1 October 1995. Mr Wachjo claims that it was only at the time of entering into the agreement that he discovered that Mr Perry and his wife were directors of First Choice. He says that although he was surprised it did not concern him as he trusted Mr Perry.

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Deliveries of promotional products began in January 1996 (copies of the order and consignment note are filed as exhibits C & D). In May/ June 1996 Mr Wachjo states that he became aware of a problem (via Mr Perry) with one of the sub distributors, the applicant Multiple Marketing Ltd(MM), regarding the price of the product. Mr Wachjo states that he understood that MM undertook the physical sub-distribution and warehousing of the product. He claims that by mid-June 1996 he was aware that the relationship between First Choice and MM had broken down. A facsimile received, on 12 April 1996, by the opponent from First Choice giving details of the role of MM is provided at exhibit E. This letter states that MM "have had four people on the road presenting your product and all at a great deal of expense."

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It is Mr Wachjo's understanding that the relationship between First Choice and MM broke down because First Choice misquoted the price that the product would cost in the UK, and when this was realised and the price increased MM did not want to purchase at the new price.

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In June 1996 MM deposited (by telegraphic transfer) monies into the opponent's bank account as a prepayment for an order. A copy of the bank documentation for the payment and subsequent refund has been provided. Mr Wachjo queried with First Choice whether this order should be fulfilled, and was told by a Mr Mark Hurley that the order should not be prepared and also that Mr Perry had left First Choice. In July the opponent discovered that MM had purchased the opponent's products from an Australian distributor (owned by Mr Perry). The opponent wrote to Mr Perry asking if he was involved in shipping the goods to the UK and reminding him of the agreement between the opponent and First Choice regarding distribution in the UK. In August 1996 the opponent also wrote to a number of UK companies who had been purchasing their product via unauthorised sources informing them of the correct distribution network. In his declaration Mr Wachjo refers to these letters as having been written in 1997 when the dates on

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the exhibits clearly show them all to have been written in 1996.

In September 1996 Mr Wachjo states that he became aware of the application by MM to register the mark BE NATURAL in the UK. Letters were exchanged which resulted in MM offering joint ownership of the mark. The letter from MM, dated 27/3/97, also states “Your attitude disappoints me for as you are well aware Multiple Marketing Ltd have expended considerable time and investment in building a market for these products.”

Mr Wachjo points out that at no time did the opponent appoint MM as a distributor of their product, and as far as can be ascertained MM distributed approx. two shipments of the products on the behalf of First Choice in the UK. The only other distribution of the opponent’s products was of products acquired in Australia without the opponent’s knowledge, believed to be only one shipment. Whilst First Choice remains the opponent’s exclusive distributor for 50gram bars none have been ordered in the past 12 months due to pricing issues. At the present the opponent uses a broker to distribute the 40 gram version of their cereal bars in the UK. Mr Wachjo claims that the opponent has established goodwill and reputation in the UK in its product and the BE NATURAL trade mark. They have subsequently applied to register the mark in the UK.

The applicant did not file any evidence and so that concludes my review of the evidence. I now turn to the decision.

DECISION

The first ground of opposition is under Section 3(6) which states:

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

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:

(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;

(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;

(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.)

5 In asserting that the application was made in bad faith the onus rests with the opponent to make
a prima facie case. The opponent has shown that they were attempting to sell their product under
the BE NATURAL mark in the UK. It is also clear that the applicant was a party to this product
10 launch. Indeed the applicant acted as a sub-distributor, warehousing the product and actively
promoting it to various customers. They were also ordering goods directly from the opponent.
The allegations made are such that in my view they should have been met with some comment
from the applicant in evidence. The applicant filed no evidence in rebuttal of the opponent's
15 claims. It is my view that the applicant was fully aware of the opponent's intention to use the
mark BE NATURAL in the UK. They clearly had a business relationship with the applicant
effectively operating as the opponent's agent in promoting the product.

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

20 In the light of that finding I see no need to consider the further ground of opposition under
Section 5(4) of the Act.

The opposition having succeeded the opponent is entitled to a contribution towards their costs.
I order the applicant to pay the opponent the sum of £635.

25 Dated this 8 day of April 1999

30 George W Salthouse
For the Registrar
The Comptroller General