

O-345-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2390124  
BY MICHEL FARAH TO REGISTER THE TRADE MARK**

**PROSONE**

**IN CLASS 3**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 94771  
BY ELKO ORGANIZATION LIMITED AND TECMOMED S.R.L.**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF application No. 2390124  
by Michel Farah to register the trade mark**

**PROSONE**

**in Classes 3**

**and**

**IN THE MATTER OF Opposition thereto under No. 94771  
by Elko Organization Limited and Tecmomed S.r.l.**

### **BACKGROUND**

1) On 22 April 2005, Michel Farah, of 26 Cranes Park Avenue, Surbiton, Surrey, KT5 8BP applied under the Trade Marks Act 1994 for registration of the trade mark PROSONE in respect of the following goods in Class 3:

*Toilet preparations; preparations for the care of the skin, scalp and the body; preparations for toning the body; skin cleansers; dermatological preparations and substances; perfume, eau de cologne, toilet water; talcum powder; gels, foam and salts for the bath and the shower all for personal use; soaps for personal use; body deodorants; cosmetics; creams, milks, lotions, gels and powders for the face, the body and the hands; sun care preparations; make-up preparations; aftershaves; shaving foams and creams; preparations for the hair; shampoo for personal use; hair lacquers; hair colouring and hair decolorant preparations; permanent waving and curling preparations; essential oils for personal use; dentifrices; anti-perspirants; deodorants for personal use.*

2) The application was published in the Trade Marks Journal on 11 August 2006 and on 13 November 2006, Elko Organization Limited and Tecmomed S.r.l. ("Elko" and "Techmomed" respectively and collectively referred to as "the opponents") filed notice of opposition to the application. The two companies are connected by way of licences, agency agreements and by way of their shareholders.

3) The opposition is based upon a single ground, namely that the application is contrary to Section 3(6) on the basis of bad faith. It is claimed that the applicant, Mr Farah, is or was a director of Mitchell International Pharmaceuticals Limited. This company purchased goods from one of the opponents under the mark NEOPROSONE in 1992. Mr Farah and/or his companies purchased further goods, also under the mark NEOPROSONE, from the opponents during the

period 1995 to 2000. The opponents are the proper owners of the mark NEOPROSONE.

4) The applicant subsequently filed a counterstatement denying the opponents' claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 26 October 2010 when the opponents were represented by Phillip Roberts of Counsel, instructed by Page White & Farrer and the applicant represented by Christian Rowland Buehrlen of Beck Greener. Mr Farah attended for cross examination and Teresa Mezzarobba attended for cross examination on behalf of the opponents.

#### **Preliminary point: Applicant's further evidence**

6) An application was made, by Mr Buehrlen, at the hearing to submit further evidence in the form of a further witness statement by himself and dated 22 October 2010. This statement addresses issues relating to the accusation that official documents from the Nigerian trade mark office had been amended or tampered with. I granted leave for this to be submitted into the proceedings.

#### **Evidence and submissions**

7) The opponent's evidence consists of three witness statements by Teresa Maria Mezzarobba, chairman of Elko and sales manager of both this company and Tecmomed. Ms Mezzarobba also adopted into these proceedings her two witness statements originally provided in respect of earlier proceedings between the same parties relating to an invalidation action against Mr Farah registration of NEOPROSONE. Ms Mezzarobba is of the view that the facts relating to the proceedings against Mr Farah's now surrendered mark NEOPROSONE are also relevant here as they both involve the same factual issues. The applicant's evidence consists of two witness statements by Mr Buehrlen and one by Mr Farah

8) The thrust of the action against Mr Farah is that his filing of the application for the mark PROSONE is part of a pattern of behaviour and that it amounts to bad faith and that he copied the opponent's marks and other people's marks.

9) Further, it is submitted that he tampered with documents in order to support his case that he used PROSONE and NEOPROSONE before the opponents had used NEOPROSONE. Mr Farah denies this.

10) One of the opponents' most successful products is NEOPROSONE, a skin care gel and has been marketed in several countries, mainly in West Africa.

11) It is conceded by Mr Farah that the mark PROSONE was first used by an Italian company called Medical and Chemical Agency (“MCA”), but that the Italian registration for the mark lapsed in 2006 and therefore there was nothing wrong with himself then adopting the mark. He claims that he has the earlier right in both the marks PROSONE and NEOPROSONE.

12) Tecmomed obtained registration rights in the mark NEOPROSONE in 1999 when it made an Italian national registration. This was used as a base application for an international registration where the UK was designated for protection (IR875219) on 2 March 2006. This was some 10 months after the filing date of Mr Farah’s PROSONE application and over 16 months after his application for the NEOPROSONE mark was made. All these marks were in respect of essentially identical lists of Class 3 goods. Ms Mezzarobba submits that Mr Farah’s application to register PROSONE was related to his interest in the mark NEOPROSONE and notes that Mr Farah himself states that NEOPROSONE means “new PROSONE”.

13) In respect of the mark NEOPROSONE, Ms Mezzarobba claims to have coined the name in October 1991, on behalf of Tecmomed, with name being created from derivations of the name of the important ingredients. Mr Farah, on the other hand, claims that he coined the mark in 1987 and manufactured various skin care preparations since at least 1989 sold in West Africa by his distributor, De Sears Pharmaceutical Ltd (often referred to in the evidence as “De Sears” or “Sears”). He identifies a Nigerian registration for the mark in the name of De Sears in November 1991 as an indication that De Sears was in fact the true proprietor of the mark. He further contends that a range of products was sold by De Sears and that the opponent was merely the contract manufacturer of one of these products.

14) Ms Mezzarobba claims that following the success of earlier skin care products Tecmomed discussed with De Sears, developing other skin gel products. Whilst it was discussed with De Sears, it was always clear that the product and the mark belonged to Tecmomed and De Sears have never disputed this. Mr Farah was not involved, at any stage, in these discussions. A product called NEOPROSONE was supplied to De Sears from 1991.

15) Mr Farah’s relationship with Tecmomed began in around 1992. Ms Mezzarobba submits that due to currency restrictions, De Sears were having difficulty purchasing products from Tecmomed in US dollars. Mitchell International Pharmaceuticals Ltd (“Mitchell”), of which Mr Farah was a director and his father, the owner, opened US dollar letters of credit in favour of Tecmomed. Products were delivered directly to De Sears, but sold to Mitchell, who then sold them on to De Sear. The commercial terms were, however, negotiated between Sears and Tecmomed. Mitchell was not involved in this, but simply acted as trading agent. A letter dated 6 June 1992 from De Sears to Tecmomed requesting further deliveries of NEOPROSONE was exhibited as

proof of this. The real commercial terms being negotiated between Tecmomed and Mr Nnamdi of De Sears.

16) Mr Farah version of events is that in about 1993, De Sears approached Tecmomed to manufacture a pharmaceutical preparation and Tecmomed wanted to call it NEOPROSONE. Mr Farah entered into negotiations with De Sears that resulted in Mr Farah becoming the sole purchaser of Tecmomed's NEOPROSONE products with Tecmomed relying upon a licence (not in evidence) from Mr Farah. In breach of this licence, Tecmomed began supplying third parties with NEOPROSONE products. Mr Farah cites this as the reason for the breakdown in the relationship between himself and Tecmomed. Ms Mezzarobba concurs that the relationship between Tecmomed and Mr Farah ended in 1993, but claims that the reasons are unknown to her other than De Sears "no longer availed itself of Farah".

17) Mr Mezzarobba provides at Exhibit TM6, Mr Farah's second witness statement, dated 27 January 2007, submitted in the earlier NEOPROSONE proceedings. Mr Farah stated that in around 1988, he had a business relationship with Mr Nwigwe of De Sears. Mr Farah claims that at that time De Sears sold a soap called PROSONE. He provided an exhibit in the form of a letter dated 16 February 1989 supporting this claim but Ms Mezzarobba claims that crucial parts of this letter have been altered to give the allusion that it relates to PROSONE when in fact it relates to another product. Mr Farah goes on to explain that after some problems with the PROSONE product, he suggested manufacturing it under a new formulation and calling it NEOPROSONE meaning, as he says, "new PROSONE". Mr Nwigwe and Mr Farah agreed that the trade mark rights in Nigeria would belong to De Sears. Mr Farah would be free to use and register NEOPROSONE outside of Africa. He provides, at Exhibit MMF6, a letter dated 21 March 1991 relating to a quotation for the sale of NEOPROSONE soap. Once again, Ms Mezzarobba contends that this document has been altered to favour Mr Farah's contentions.

18) Further exhibits provided to support first use of NEOPROSONE are also criticised by Ms Mezzarobba as being altered to support Mr Farah's case.

19) Mr Farah submits that his reasons for surrendering his UK registration for NEOPROSONE was not because, as Ms Mezzarobba submits, to avoid cross examination in relation to allegedly forged documents but as the NEOPROSONE product only had a very limited market in the UK, it was not economic to continue with the proceedings.

20) I have provided an overview of the dispute between the parties based upon the evidence and submissions before me and as they may be pertinent to these proceedings.

## **Cross Examination**

### ***Cross Examination of Ms Mezzarobba***

21) As mentioned earlier, Ms Mezzarobba attended the hearing for cross-examination. I will begin by giving my assessment of her as a witness. Ms Mezzarobba struck me as a reasonably confident witness who answered the questions posed to her in what appeared to me to be an honest, straightforward and direct manner. She was a good witness. Mr Roberts introduced his witness by ascertaining her level of understanding of the English language. She confirmed that she was conversant in English but asked that when being addressed, the addressor did not speak too fast. I should say that Ms Mezzarobba appeared to have no difficulty in understanding the majority of questions or replying in English.

22) Mr Buehrlen's lines of questioning focused on the relationship between Tecmomed and De Sears, in particular, and the likely proprietary rights to the mark at issue.

23) In her written evidence, Ms Mezzarobba disclosed that the opponents' marks were registered in 1992, in Nigeria, by either De Sears Pharm and Chem Ltd or Duwin Pharmaceutical before the opponents began trading in Nigeria using these brands. Mr Buehrlen sought to clarify the circumstances surrounding this. Ms Mezzarobba conceded that these companies had indeed registered these marks in Nigeria, but insisted that the marks actually belonged to the opponents and De Sears and Duwin were only the opponent's distributors of these brands in Nigeria.

24) Further, Ms Mezzarobba stated that it was common practice for distributors in Nigeria to register marks owned by the manufacturer and that this did not cause any legal issues and that De Sears did not own, or claim to own, these brands. Ms Mezzarobba pointed to the fact that Tecmomed's logo and contact details appeared on the packaging.

25) Mr Buehren put it to Ms Mezzarobba that it was, in fact, De Sears that coined the name NEOPROSONE because they were already trading in their product PROSONE and that the latter was an extension of the former's product range. Ms Mezzarobba denied this, stating that NEOPROSONE was coined within Tecmomed. That is why the packaging contains the Tecmomed logo and contact details and not those of De Sears.

### ***Cross Examination of Mr Farah***

26) Mr Farah also attended the hearing for cross-examination. Mr Farah struck me as a confident witness who answered the questions posed to him in a straightforward and direct manner. Despite this, some of his answers appeared

somewhat implausible. Mr Roberts lines of questioning focused on the following areas:

*Authenticity of of documents submitted in evidence by Mr Farah*

27) Mr Roberts put it too Mr Farah that, what Mr Farah himself described as “embarrassing documents”, were in fact forged.

28) It was put to Mr Farah that the reason he surrendered his mark NEOPROSONE, the subject of an earlier invalidation action between the parties, was because he was “caught out” and that he did not want to be subjected to cross examination in relation to forged documents. Mr Farah denied this, explaining that there were two reasons for this. Firstly, he had issues regarding his green card in the United States and was unable to travel and, secondly, there was an “obscene amount of money” involved for a mark that had no market in the UK.

29) When asked about PROSONE, Mr Farah confirmed that this too had very little market in the UK and was commercially insignificant here and in Europe. He explained that the reason he seeks to register it here is as part of a protection campaign for the United States, Canada and the Caribbean because counterfeit versions were being produced in the UK.

30) Mr Roberts questioned the necessity for the number of extensions of time requested for Mr Farah to file his evidence in respect of the invalidation proceedings, where the documents at issue were first filed, with the unsaid suggestion being that Mr Farah was preparing forged documents. The opponents had requested the originals of these documents on a number of occasions. Mr Farah explained that the reason these were not provided is because they had been handed over to administrators when his company entered into administration.

31) Mr Roberts contended that the reason for the originals not being produced was because it would have been very clear that they had been tampered with. Mr Farah maintained he did not have any originals as they had been handed over to the administrator. Mr Roberts took Mr Farah to specific documents. The first of these, submitted to support a claim that Mr Farah used the mark PROSONE in 1989 and before the opponents, was a letter provided at Exhibit MMF5 to Mr Farah’s witness statement. Using a ruler, Mr Roberts pointed out that despite the letter being printed in, what he described as “fixed width fonts”, the word PROSONE that appeared in the letter, does not conform to these fixed widths. Mr Roberts further contended that the same word was in a different font to the rest of the letter. Mr Farah explained that he had no time to pull together the evidence required and hired an outside contractor with the instructions to go through the files and find any references to PROSONE and NEOPROSONE and

that the results of this search were forwarded digitally by Mr Farah to his representatives.

32) Under further questioning, Mr Farah accepted that there was document production, in digital form, by an outside party, that alterations had been made and that he was extremely embarrassed by it. Mr Roberts put it to Mr Farah that this type of change would not be the result of quality enhancement by an electronic archiver to which Mr Farah replied "I maintain what I have told you. I have provided the files to an outside company. They have done whatever they have done to them." Mr Roberts further put it to Mr Farah that he altered, or got someone else to alter the documents, that he removed the word FARCO (because that is what the rest of the letter referred) and inserted the word PROSONE. Mr Farah denied this.

33) Mr Roberts pointed out that, despite claiming that an outside party being appointed, he has not provided any evidence of this or that the archiving process actually took place.

34) Mr Roberts conducted a similar physical examination, as above, of the document provided at Exhibit MMF6. Again it appears to be a document produced on a typewriter with fixed width fonts. Here the word NEOPROSONE appears out of alignment with the rest of the text in the document. Mr Roberts pointed out that it is in a list of MERCURY products and put it to Mr Farah that, originally, the document referred to a MERCURY product but that this reference was replaced by the word NEOPROSONE. Mr Farah said the documents were enhanced by a company in Florida called Digital Concepts, but did not know if this particular document had been "enhanced", but he denies that he altered, or instructed someone else to alter the document.

35) Next, Mr Roberts referred Mr Farah to the document at Exhibit MMF10 and MMF11 that were provided in support of the statement by Mr Farah that Mitchell was actually selling products bearing the mark NEOPROSONE since 1989. Once again, Exhibit MMF10 appears to be a fixed width font. Once again, with the exception of the word NEOPROSONE, the text of the letter appears to line up in a way consistent with fixed width fonts. Mr Farah conceded that this was the case but pointed out that, at that time, he had a secretary who suffered from Parkinson's disease and that the documents she produced contained many errors

36) Mr Roberts pointed out that "it is funny that it is always the word PROSONE or NEOPROSONE which looks odd in these documents".

37) Mr Roberts took Mr Farah to his Exhibit MMF11 and he pointed out that despite the document allegedly originating from 1990 the fax coding that appears at both the top and the bottom of the document, recording the area codes for Manchester and London respectively, that were not introduced until 1994. Mr



Farah's explanation was that during the search for relevant documents by the contractor, they had digitally enhanced the document and mistakenly thought that an indistinct date in 1996 was in fact in 1990 and, as a result, they "enhanced" the date by making the year clearer but erroneously changed the numeral 6 to a zero.

38) Mr Roberts also referred Mr Farah to his Exhibit MMF22, being the minutes of a meeting Mr Nwigwe of De Sears. There is mention in this document, dated 2 February 1994, that "Neoprosone de-pigmentation cream and repair gel will be ready next week". Once again, Mr Roberts points to the fact that the word NEOPROSONE is not aligned to the other text in the document and, further, that the rest of the document discusses "Dermacare de-pigmentation cream". Mr Farah's response was that other parts of the document also look "odd" such as two words being conjoined, namely "willbe".

39) Mr Roberts put it to Mr Farah that all the documents put in to support the contention that he had traded in products under the marks PROSONE and NEOPROSONE from a time that pre-dated the opponent's use of the marks, were all faked. Mr Farah denied this.

#### Proprietorship in Nigeria

40) Mr Roberts drew Mr Farah's attention to Ms Mezzarobba's evidence to the effect that the opponents were the proprietors of the disputed mark and that they licensed it to De Sears. Mr Farah's position was that the opponents' only had proprietorial rights in Italy and De Sears were the proprietors in Nigeria and had been for some years before the opponents obtained their Italian rights. Further, he explained that Tecmomed's mark appeared on the packaging because "no Nigerian wanted to buy a product with a Nigerian name on it. It is well known in the industry. They wanted the appearance of a product being imported from Europe".

#### Nature of Mr Farah's involvement in introducing the product to Nigeria

41) Mr Roberts put it to Mr Farah that at the outset in the early 1990s, his company, Mitchell acted only as a financial intermediary to overcome the financial difficulties involved when doing business in Nigeria. Mr Farah denied that this was the extent of his involvement stating that he was opening letters of credit to guarantee production and delivery to De Sears. However in 1993 Mr Farah fell out with De Sears after which time, Mr Farah bought NEOPROSONE directly, purchasing directly from Elko and selling into the Bahamas and Jamaica.

#### UK trade mark application

42) Mr Roberts pointed out that Mr Farah's UK application to register the mark LEMONVATE was withdrawn in light of Tecmomed's CTM registration for the

same mark. Mr Farah acknowledged this stating that he did not wish to spend the money on filing an invalidation action. But Mr Farah pointed out that he owned the mark in the USA.

43) Mr Roberts put it to Mr Farah that he did not come up with the names PROSONE and NEOPROSONE, but Mr Farah maintained that he did come up with NEOPROSONE with Mr Nnamdi. He added that he knew that, in 1992, these marks were registered by De Sears in Nigeria. Mr Farah went on to explain that, at that time, he was manufacturing his products in the UK and had eighty staff and was not, as Mr Roberts alleged, buying NEOPROSONE products from the opponents.

44) It was also put to Mr Farah that he made the applications to register PROSONE and NEOPROSONE in the UK because he knew that the applicants were doing good business (but as I understand it, there is no claim that the opponents were making or selling its products in the UK). By way of response Mr Farah stated that the PROSONE business “had died” and the opponents had changed it to “PRO-ONE”. He added that the opponents could not trade in their NEOPROSONE products in the UK as “the Trading Standards and the Customs have banned NEOPROSONE in the United Kingdom..., as well as LEMOVATE.”

45) On the basis of this cross examination and the documents on file, I was invited by Mr Roberts to conclude that Mr Farah, or someone acting on his behalf, deliberately altered these documents.

## **DECISION**

46) Section 3(6) of the Act reads as follows:

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

47) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date (*Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 paragraph 35).

48) In *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J. considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

“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. Parliament has wisely not attempted to explain in detail what is or is not

bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

49) In *Harrison v. Teton Valley Trading Co* [2005] FSR 10, the Court of Appeal confirmed that bad faith is to be judged according to the combined test set out by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164. Paragraphs 25 and 26 of the Court of Appeal decision are of particular assistance and read as follows:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36. .... Therefore I consider .... that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

50) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant’s views about standards of honesty is required. The majority of their Lordships were also in agreement with Lord Hutton’s comments in *Twinsectra*. They then went on to state:

“15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant’s mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to

“what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships’ view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about what those standards were.”

51) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant’s state of mind regarding the transaction if I am satisfied that his action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct. Thus, in considering the actions of Mr Farah, the test is a combination of the subjective and objective. Furthermore, it is clear that bad faith in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behaviour i.e. unacceptable or reckless behaviour in a particular business context and on a particular set of facts.

52) There are two strands of enquiry that require comment. The first of these is the issue of whether or not Mr Farah forged documents in order to provide evidence to support his claim to earlier use than by the opponents of a number of marks including PROSONE. The opponents have focussed much of their energies in attempting to discredit elements of Mr Farah’s evidence. Whilst to my mind they have been largely successful in doing this, the relevance to the claim of bad faith is not obvious. Firstly, the alleged acts of forgery took place after the application filing date which is the relevant date for these proceedings. Secondly, the same documents all go to the dispute relating to which party had the legitimate rights to trade in products, identified by the mark, in West Africa and Nigeria in particular and not the UK.

53) Therefore, the second strand of enquiry relates to whether such a dispute has a bearing on an application to register PROSONE in the UK where the opponents have no recorded rights in the mark and has failed to provide any evidence of sales of manufacturing activity in the UK. In light of this, does Mr Farah’s application amount to an act of bad faith?

54) To support their claim that Mr Farah’s actions amount to bad faith, the opponents state that he has been adopting a pattern of behaviour of copying the

their well-known brands and that there is a history of companies, where Mr Farah is a director, registering brands that are similar or identical to the opponent's brands. Ms Mezzarobba also refers to proceedings between Mr Farah and a third party regarding similar behaviour in the USA. Ms Mezzarobba alleges that Mr Farah also registered, in the UK, the opponent's mark LEMONVATE and also the mark NEOLEMON that she claims was inspired by their marks LEMONVATE and NEOPROSONE. Ms Mezzarobba contends that Mr Farah applied to register PROSONE for the same reasons.

55) Mr Farah counters that it was, in fact, he who coined/first used NEOPROSONE and that he adopted the mark PROSONE only when MCA's Italian registration for the mark lapsed.

56) The opponents have no recorded rights in the UK that predate Mr Farah's application. Further, there is no evidence that they either sold or manufactured its goods in the UK. In considering the impact of this upon the proceedings, I note the comments of the Hearing Officer in *Hankook trade mark*, BL O/521/01:

"In considering the issue of ownership of a trade mark in a third country it is necessary to be circumspect. If any person in a third country could claim successfully that an application was made in bad faith simply because it consisted of his trade mark or was similar to his trade mark the long established geographical limitations of trade mark rights would be thrown into confusion."

57) I fully agree with the cautionary comment. Bad faith is not a carte blanche to enjoy trade mark rights across national boundaries.

58) I also note that in *DAAWAT trade mark*, [2002] RPC 12, the Hearing Officer posed three questions when facing similar considerations:

"21. In order to make out a prima facie case of bad faith in this case the applicant must show that the registered proprietor:

a) had knowledge of the applicant's use of the mark DAAWAT in India prior to the date of its application for the registration of the same mark in the UK;

b) had reasonable grounds to believe that the applicant intended to enter the UK market for rice under that DAAWAT mark;

c) applied to register the mark DAAWAT in order to take unfair advantage of the applicant's knowledge of the registered proprietor's plans."

59) Applying such a test to the current circumstances, it is common ground that Mr Farah had knowledge of the opponents' use of PROSONE in West Africa. However, there is no evidence that the opponents intended to enter the UK market with either a product called PROSONE or NEOPROSONE. In fact, it is stated by Mr Farah (and not contradicted by the opponents) that there is no market for such goods in the UK and the dispute between the parties is focused on the West African territories. It follows that, by making the application, Mr Farah was not intending to take unfair advantage of the opponent's plans to expand into the UK as no such plans existed.

60) Therefore, at the relevant date of 22 April 2005, the opponents had no prior legal rights in the mark in the UK. Further, there is no evidence that there was a declared intention to expand its activities into the UK. In fact, there is a suggestion that there is no UK market for the goods marketed under the mark PROSONE. At the hearing, when I asked Mr Roberts for the opponents' position on this point he replied as follows:

“The fact is that my clients would be inhibited in selling any products, be they products of the current formulation or indeed any other products under that mark in the United Kingdom”

61) I am not persuaded by this. In *Chocoladenfabriken Lindt & Sprungli AG v Franz Hauswirth GmbH*, C-529/07 the CJEU stated that, when determining if the applicant is acting in bad faith it is necessary to take into consideration all relevant factors “specific to the particular case which **pertained at the time of filing the application** [my emphasis]” and, in particular, a number of points that includes “the applicant's intention to prevent that third party from continuing to use such a sign”.

62) Mr Farah's application is not preventing use of the opponent's NEOPROSONE mark because there appears to be no market for such products in the UK. It would be wrong for trade mark law and precedent to allow the opponents to succeed in keeping the UK clear of identical or similar marks JUST IN CASE it may wish to use its mark for unspecified, future uses. This would not be consistent with the test that the hearing officer set out in *DAAWAT* and the comments of the CJEU in *Chocoladenfabriken Lindt & Sprungli AG v Franz Hauswirth GmbH*.

**63) Having regard for all of the above, I find that the opponent has no earlier property or right that will be damaged by allowing the mark in suit to be registered and used in the UK. Therefore, I find that Mr Farah's application was not made in bad faith and the opposition therefore fails.**

64) There is one further issue upon which I should comment. As I have already noted, the evidence of Mr Farah discloses that:

- there is “no market in the UK” for the skin lighting product sold under the mark PROSONE, and;
- the reason he filed his application for PROSONE was to allow him to take action against UK-based counterfeiters affecting his business in the USA and Canada.

65) Taking these two points together, there is a suggestion that Mr Farah had no bona fide intention to use the mark PROSONE in the UK, but rather the intention was for it to be used as a defensive mark. However, this point has not been pleaded by the opponents and is not one open for me to make a finding upon this point.

## **COSTS**

66) At the hearing, it Mr Roberts argued that submissions on the issue of costs (in respect to the current proceedings and in respect of the earlier proceedings in respect of Mr Farah’s application to register the mark NEOPROSONE) should only be considered after the substantive issue has been decided. This argument was supported by a submission that a significant amount of evidence is involved that goes to this point and that it may include material “without prejudice save as to costs” and Mr Roberts argued that I would be prejudiced if I heard the costs issue at the same time as the submissions regarding the substantive issues in the current proceedings. He also pointed out the high degree of history and overlap between the two sets of proceedings.

67) I note that the issue of costs involves three different elements:

- ***Interlocutory hearing:*** I must consider the issue of an award of costs in respect of an interlocutory hearing held on 9 December 2009 where the decision was in favour of Mr Farah.
- ***Current substantive proceedings:*** The issue of costs in respect of the substantive elements of the current case. Having been successful, Mr Farah would normally be entitled to a contribution towards his costs. However, in this case, such a contribution may be off-set by the costs incurred by the opponent in respect of the work undertaken to discredit Mr Farah’s evidence.
- ***Earlier proceedings involving Mr Farah’s application to register the mark NEOPROSONE:*** Following a case management conference before my colleague, Allan James, it was agreed that the issue of costs should be suspended pending the final outcome of the current proceedings. Mr Buehrlen, for the applicant, argued that such costs should be off-scale. Central to the issue of costs in both sets of proceedings is the opponents allegations that Mr Farah, or somebody acting on Mr Farah’s instructions,

tampered with documents in an attempt to support his claim to have earlier use of the marks PROSONE and NEOPROSONE.

68) Taking account of Mr Roberts' submissions and the fact that Mr Buehrlen did not disagree, I agreed that I would hear submissions on costs at a later stage. Accordingly, the parties are invited to submit written submissions of the issue, or to request a hearing to present oral submissions. This should be done within twenty one days of the date of this decision. Following the completion of this process or if no submissions or request for a hearing is received, I will issue a supplementary decision on costs. At that stage the appeal period will begin for both this decision and the supplementary decision on costs.

**Dated this 12 day of October 2011**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**