

TRADE MARKS ACT 1938 (AS AMENDED) AND THE TRADE
MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION m 1532080
BY PHOTOSYNTHESIS (UK) LIMITED
TO REGISTER THE MARK



Green Gem

AND

IN THE MATTER OF OPPOSITION
THERE TO UNDER OPPOSITION m 42090 BY
TAIWAN CHLORELLA MANUFACTURING CO LIMITED

TRADE MARKS ACT 1938 (AS AMENDED) AND THE TRADE MARKS ACT 1994

IN THE MATTER of trade mark
application **m** 1532080 by
Photosynthesis (UK) Limited
5 register a mark in class 30

and

IN THE MATTER of opposition
thereto under opposition **m** 42090
by Taiwan Chlorella Manufacturing Co Limited

10 DECISION

Photosynthesis (UK) Limited applied on 6 April 1993 under section 17(1) of the Trade Marks Act 1938 to register the mark shown below in Class 30.



The application form contained the following disclaimer and translation:

Registration of the mark shall give no right to the exclusive use of the words "Green Gem".

15 The transliteration of the Chinese characters appearing in the mark is 'Qian' meaning 'Male'.

The specification of goods was amended during examination to:

“Noodles and honey, all containing the micro-algae *Chlorella*; all included in Class 30.”

5 The application was given the number 1532080. The application was published for opposition purposes on 30 November 1994. On 28 February 1995 Taiwan *Chlorella* Manufacturing Co Ltd (hereafter “Taiwan *Chlorella*”) formally opposed the application.

I summarise the grounds of opposition as follows:-

- 10 **M** Section 17(1) — On the ground that the applicant’s claim to ownership of the mark is not *bona fide*. The opponent claims that the applicant knew at the time of filing the application that the mark GREEN GEM belonged to the opponent.
- M** Section 11 — By reason of the goodwill and reputation arising from the use of the opponent’s mark, use by the applicant of the mark in suit would lead to deception and confusion.
- 15 **M** Section 17(2) — Registration of the mark in suit should be refused in the exercise of the Registrar’s discretion because of the applicant’s conduct in making and pursuing this application.

In response, the applicant filed a counterstatement denying each of the grounds pleaded.

Both parties seek an award of costs in their favour.

20 The matter came to be heard on 24 February 1999. At the hearing, the opponent was represented by Mr Guy Tritton of Counsel, instructed by Forrester Ketley & Co. The applicant chose not to attend the hearing, and was not represented.

25 By the time this matter came to be decided, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. Nevertheless, these proceedings having begun under the provisions of the Trade Marks Act 1938, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, and unless otherwise indicated, all references in the remainder of this decision are references to the provisions of the old law.

The Evidence

30 Only the opponent filed evidence in these proceedings. It comprises two statutory declarations, the first of which was sworn by William Tseng on 9 October 1997. Mr Tseng is the Sales Manager of Taiwan *Chlorella*, and has been employed by the company for twelve years. Mr Tseng was directly involved with a number of transactions that took place between the applicant and the opponent. Mr Tseng confirms that he is conversant with the English language.

The opponent's second statutory declaration is provided by Mr Yeh, Wan-Shun. Mr Yeh is the President of Taiwan Chlorella. His evidence was prepared in Mandarin Chinese and filed with a certified English translation made by Lori Chen Gerrard.

5 Taiwan Chlorella manufactures and sells several products containing the algae Chlorella, namely Chlorella tablets, extract powder and extract liquid and honey and noodles containing Chlorella.

10 Mr Yeh declares that the GREEN GEM trade mark has been used by his company, at least in Chinese characters, for more than two decades. He goes on to say that the words GREEN GEM in Chinese characters have been used in combination with the English words as a brand name in Taiwan for over fifteen years. He provides details of trade mark registrations in Benelux, Korea, Malaysia, Singapore and Taiwan.

15 Taiwan Chlorella first started shipping products into the United Kingdom in 1988 and initially supplied Mr Matsuda, a retailer based in Layer Gardens, London. The evidence, though not entirely clear, suggests that 24 cans of Chlorella tablets were supplied to Mr Matsuda in March 1988, with a further 72 cans in October 1990.

Taiwan Chlorella also shipped a consignment of goods to Photosynthesis in October 1990. On 20 August 1992 Taiwan Chlorella entered into an exclusive distributorship agreement with Photosynthesis. The agreement has since terminated; nevertheless Taiwan Chlorella continued to supply Photosynthesis with goods under the GREEN GEM mark between 1992 and 1996.

20 Mr Yeh exhibits at WSY 5 a bundle of correspondence between Photosynthesis and Taiwan Chlorella regarding the registration of Photosynthesis' logo and words GREEN GEM as a trade mark. Both Mr Yeh and Mr Tseng refer to several passages from this correspondence in their evidence. The following passages are particularly relevant to these proceedings:

25 On 31 December 1992, Gary Quelch of Photosynthesis wrote to Mr Tseng at Taiwan Chlorella:

30 "On another point, what are your thoughts on the Green Gem question, re the registration , and our logo?? I have since been informed that a search has revealed no identical marks, and now I am waiting to hear from the registration people regarding Green Gem and our logo together. Why have Taiwan Chlorella never registered "Green Gem". I hope that you see my point that if we do not register it then someone else can, and probably will !!!"

Mr Tseng replied on 4 January 1993:

35 "We haven't registered Green Gem in States and Europe, but in Asia and domestic. That is a good idea if you register this mark and your logo in States to avoid [sic] some conflict in future."

Photosynthesis then filed the application in suit on 6 April 1993. On 21 April, Mr Tseng wrote again to Mr Quelch:

“One thing could I ask you, the “Green Gem” brand name in States is registered by the name of our Taiwan Chlorella Company or the name of Photosynthesis (USA) Inc. If you have this registration [sic] approved sheet, please kindly fax us a copy.”

5 Mr Quelch’s reply is also dated 21 April 1993:

10 “You have not understood the situation, even though I have written to you before. Photosynthesis (UK) Ltd, of which I own 85% has registered the name “Green Gem” together with our chinese logo. This has now been officially registered in the U.K. This was done to protect the name “Green Gem”, since you had not registered the name in the west.”

On 23 April 1993, Mr Tseng again wrote to Mr Quelch at Photosynthesis:

15 “I discussed with Mr Chen this morning, suggested that all the money for registration [sic] of “Green Gem” should be paid by us, including the transferring [sic] fee. We later authorize to you this trade name for your distribution. Why we didn’t register this in Europe, the reason is that we have not a good market there, all of our customers in Europe are making their own brand name and so we don’t need to register. But as we met you, we are convinced that you can register “Green Gem” for us.”

On 24 April 1994, Mr Quelch wrote to the Chairman of Taiwan Chlorella:

20 “I do not wish to take money from your company, and most certainly do not wish to “STEAL” your name.”

“The U.K. and Europe registration has already been submitted and when I receive it I will transfer this to Taiwan Chlorella. However I have registered it with my logo, so this will have to be changed.”

25 At around this time, relations between the two parties appear to have worsened. On 20 July 1995, Dr Steven Huang of Taiwan Chlorella wrote to Mr Quelch:

30 “We are strongly unsatisfied on your action of our Green Gem brand name under your company who has not sent back to us. Undoubtedly, it is our brand name using over 2 decades and we don’t want to somebody using this name without approval by us, even though we once told you to be registered, but it doesn’t mean it will be used freely.”

Nevertheless, on 31 January 1996 Mr Quelch wrote again to Mr Tseng in what appears to be a genuine attempt to effect a reconciliation:

35 “You wish to resolve the “Green Gem” question, OK, let us resolve this now. You have made me aware that you are happy to send first, payment later and

this is all the help you can give us. OK, if you are willing to continue to do this, and guarantee to supply us, we will agree the following:

- 1: We will give you the "Green Gem" Trade Mark, if and when it is granted.
- 2: You will allow us to use the trade mark for your products.
- 5 3: You will grant us full use of our company logo."

As I said above, Mr Tseng and Mr Yey both comment on this correspondence in their evidence. Referring in particular to Mr Tseng's letter of 4 January 1993, they say (in virtually identical terms):

10 "The letter does not say that Photosynthesis may apply for the Mark in their name in the U.K. It merely refers to the United States. At best, the letter can be interpreted as giving Photosynthesis permission to go ahead and apply for registration of the Mark and nothing more. There is no authorisation within the letter for Photosynthesis to apply for registration of the Mark in its name. Photosynthesis, being a U.K. company, was obviously much more able to initiate and arrange for registration of the "Green Gem"
15 Mark, and it therefore made sense for Photosynthesis to be told to register the Mark. Also, at that time, my Company had limited dealings in the U.K. and limited knowledge of protecting one's Mark."

I now turn to consider the grounds of opposition in the light of the evidence and Mr Tritton's submissions at the hearing. I am particularly grateful to Mr Tritton for his patience in
20 answering the many questions that I put to him at the hearing; I discovered much truth in the quotation ... "it is good to rub and polish our brain against that of others".

Section 17(1)

This section reads:

25 "17(1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar in the prescribed manner for registration either in Part A or in Part B of the register."

The issue in relation to section 17(1) is whether, at the time of filing, the applicant had a bona fide claim to be the proprietor of the mark, or whether, in making such a claim, they were making a false representation to the Registrar.

30 Initially, Mr Tritton drew my attention to two decided cases in this area, *K SABATIER*¹ and *SIDEWINDER*². Both cases concerned disputes between a manufacturer and a distributor where the distributor had applied to register the manufacturer's mark in this country. However, in both cases the mark at issue was purely the manufacturer's mark whereas the mark in suit in these proceedings is a combination of the applicant's logo and the opponent's trading name.
35 Given that the issue under section 17 is whether or not the applicant had a bona fide claim to

¹K SABATIER TRADE MARK [1993] RPC 97

²SIDEWINDER TRADE MARK [1988] RPC 261

proprietorship of the mark, I believe the distinction to be an important one. Consequently although I would regard both *K SABATIER* and *SIDEWINDER* as interesting decisions, they are not directly of assistance to me in deciding this opposition.

5 Mr Tritton then referred me to footnote 60 on page 20 of Kerly³ which summarises another, much earlier, decided case:

10 ⁶⁰*Thorne v. Pimms* (1909) 26 RPC 221. This case, however, is perhaps best considered as one where the names of both manufacturer and merchant formed part of the mark in dispute, and the merchant was not entitled to use the combined mark when the original joint venture broke up; *Van Zeller v. Mason, Cattley* (1908) 25 RPC 37 is similar. The marks should properly have been jointly registered: see the next paragraph. It may be added that by and large, the manufacturer in these cases is far more likely to succeed in an action against the merchant than the merchant in an action against the manufacturer.

15 At first sight, this case looks to be on all fours with the facts of the case before me. But upon reading the full report, it is clear that *Thorne v Pimms* concerned a writ for passing off, and that the Court only ordered that the corresponding trade mark be expunged from the register after concluding that the plaintiffs were entitled to an injunction against the supply of goods (whisky in that case) other than their own under the trade mark. There is no suggestion in *Thorne v Pimms* that the defendant was not entitled to register the mark in the first place. Indeed the Court concluded that:

20 “... by arrangement between the two firms, this label was allowed to go on the Register upon the footing that “Thorne’s Whisky” was the only whisky in which Pimms were dealing at that time, and neither party then had any notion of any severance of the connection between the two firms.”

25 In the present case, the distribution agreement between the parties has also been terminated. But it is by no means clear to me that the opponent in these proceedings, Taiwan Chlorella, could bring a successful action for passing off against the applicant in respect of its GREEN GEM brand. I say this because the opponent’s own evidence suggests that the public in this country have not come to associate the mark GREEN GEM with Taiwan Chlorella. As Mr Tseng wrote in his letter of 23 April 1993 to Mr Quelch:

30 “Why we didn’t register this in Europe, the reason is that we have not a good market there, all of our customers in Europe are making their own brand name and so we don’t need to register.”

In the circumstances, it is difficult to see how the requirement of misrepresentation could possibly be proven.

35 But there is a further problem with the opponent’s case because I am required to determine what the position was at 6 April 1993 when Photosynthesis applied to register the mark in suit. That is the point in time at which I need to determine whether the applicant had a bona fide claim to describe itself as the proprietor of this mark. It seems to me that the subsequent

³Kerly’s Law of Trade Marks and Trade Names; Twelfth Edition.

breakdown in the relationship between the parties is therefore a matter of complete immateriality.

When Photosynthesis applied to register the mark in suit on 6 April 1993, having specifically asked Taiwan Chlorella for their thoughts, the matter rested with Mr Tseng's reply dated
5 4 January 1993:

“We haven't registered Green Gem in States and Europe, but in Asia and domestic. That is a good idea if you register this mark and your logo in States to avoid [sic] some conflict in future.”

10 Mr Tseng and Mr Yey have both sought to explain this exchange by pointing out that it merely refers to the United States, and that it does not authorise the applicant to apply for registration in the name of Photosynthesis. I can deal briefly with both of these points.

15 Firstly, given the nature of Mr Quelch's original enquiry, and the fact that Mr Tseng specifically states that Taiwan Chlorella had not registered its GREEN GEM mark in the United States *and Europe*, I believe that Mr Quelch was entitled to interpret Mr Tseng's approval as covering the United Kingdom as well as the United States of America. If
Mr Tseng had intended to give his approval for Photosynthesis to register the mark in the USA but not in this country, then he should have said so expressly. Moreover there has been no hint of any explanation as to why Taiwan Chlorella should want to treat the registration of this mark any differently in this country as compared to the United States of America.

20 The same applies to the question: in which name should the application be made? Given that the mark in suit includes the applicant's logo (the two Chinese characters meaning 'Qian') it is difficult to see how Mr Quelch could be expected to interpret Mr Tseng's reply as meaning that the application should be made in the name of Taiwan Chlorella. If that was Mr Tseng's intention, then I can only say that it could have been expressed a lot more clearly.

25 I am therefore satisfied that the applicant's claim to proprietorship of this mark was made in good faith. But that is not the end of the matter. *AL BASSAM*⁴ is recognised as the leading decided case in this field, and although it was not specifically raised as an authority at the hearing I do not think that I can easily ignore it. In the High Court in *AL BASSAM* Mr Justice Aldous posed the following two questions (see page 375):

30 “First, has the claim which is required by section 17(1) to be a claim which must on challenge be substantiated or is it enough for the applicant to have a bona fide claim? Second, what is the proprietary right that is referred to?”

These questions were subsequently answered by the Court of Appeal. Lord Justice Morritt said at page 523:

35 “In my judgment the position is clear from a consideration of the Trade Marks Act 1938 alone. As section 17(1) prescribes, an application may only be made by one who claims to be the

⁴AL BASSAM Trade Mark [1994] RPC 315 (High Court) & [1995] RPC 511 (Court of Appeal)

5 proprietor. At that stage all that is required is a bona fide claim. If no opposition on that ground
is raised and the claim is not obviously mistaken on the face of the application then no doubt the
Registrar is entitled to accept the claim as enough. But if, as permitted by section 18(2), a person
opposes registration it seems to me evident that lack of the proprietorship claimed must be a
permissible ground given the legal consequences of registration as the proprietor. Then, as
required by section 18(5), the Registrar must consider on the evidence whether registration,
which includes the name of the proprietor, is to be permitted. In my view this cannot mean
consideration only whether or not the claim is bona fide. In the case of an opponent who was
also a rival claimant the rights have to be determined. I see no reason why so different a test
10 should be required merely because the opponent is not a rival claimant. Accordingly in my
judgment the question of proprietorship has to be determined as a matter of legal right on the
basis of the evidence then before the Registrar.”

15 Thus notwithstanding that the applicant had good grounds for believing that Taiwan Chlorella
had consented to this application, I need to go further and decide whether “as a matter of legal
right” the applicant was actually the proprietor of the mark.

It is said that the mark will be referred to in use as the GREEN GEM mark, since the majority
of people in this country will not recognise the meaning of the Chinese characters, and that
this suggests that the mark belongs to Taiwan Chlorella. Mr Yey says in his statutory
declaration:

20 “... there is no basis for the Mark being registered in Photosynthesis’ name which gives
them exclusive rights in the United Kingdom and not my company.”

25 But I do not forget that the application form contains a disclaimer of the words GREEN
GEM. The result of this disclaimer, in the event of registration, is that whoever owns the
registration will have *no* exclusive rights in the words GREEN GEM. Consequently, if
Photosynthesis had applied to register the mark in the name of Taiwan Chlorella (or if they
subsequently assign the mark to Taiwan Chlorella upon registration), not only would the
registration provide no protection for Taiwan Chlorella’s mark, but there is strong possibility
that Photosynthesis would have to obtain the consent of Taiwan Chlorella to use its own logo
— the two Chinese characters — since they form a significant element of the mark.

30 The question of ownership also had to be determined by the Court of Appeal in *AL BASSAM*,
and it is instructive to see how Lord Justice Morritt decided the issue. At page 524 he says:

35 “The fact that the Alajlans may have devised the mark, have been registered as proprietors of the
equivalent mark in Saudi-Arabia and regard themselves as having rights in the mark here is
irrelevant once it is appreciated that only Courtaulds have any goodwill or business in the United
Kingdom in which there could have been use in accordance with the common law principles. In
my view the judge and the registrar were right on this point and the appeal founded on want of
proprietorship fails.”

40 The facts in the present case are not entirely dissimilar. The mark in suit has only been used
by the applicant, although Mr Tritton did argue that the opponent had used part of the mark,
specifically the words GREEN GEM, in the United Kingdom from an earlier date. I have
carefully examined the evidence in support of this claimed earlier use of the words GREEN

GEM. The prior use appears to be extremely meagre, and is matched only by the paucity of the evidence that supports it. It comprises copies of two letters from Mr Chen, a Sales Manager at Taiwan Chlorella, to Mr Matsuda, a customer based in London. Only the first letter (dated 3 March 1988) refers to ‘Green Gem’ cans — it appears that 24 cans were sent to Mr Matsuda in London on this occasion. The second letter (dated 30 October 1990) describes the product as ‘three lots of Chlorella Tablets’, although this letter does include the words GREEN GEM as part of the preprinted letter heading.

Even if Photosynthesis had applied to register the words GREEN GEM, I would be slow to infer from this evidence that the opponent had the necessary goodwill or business in the United Kingdom to assert a better claim to proprietorship than anyone else. The fact that Taiwan Chlorella devised the GREEN GEM mark, is registered as proprietor of the GREEN GEM mark in a number of other countries, and regards itself as having rights in GREEN GEM here becomes irrelevant in the light of Morritt LJ’s judgment in *AL BASSAM* (see above).

Lord Justice Morritt also deals with the issue of consent in his judgment in *AL BASSAM*. It was not in doubt in *AL BASSAM* that the application for registration in the United Kingdom was made by Courtaulds with the consent and encouragement of the Alajlans. As Aldous J had previously recorded:

“As the evidence established, there is a relationship of trust between the applicants and the Alajlans and the arrangement is that the trade mark is only used for goods produced by the applicants and supplied to the Alajlans. Mr Abdulaziz Alajlan believes that the mark belongs to the Alajlans, but that the business between the applicants and himself is for their mutual benefit. If the applicants went into liquidation, then he would expect that the trade mark registrations would be transferred to him.”

Nevertheless, Lord Justice Morritt, after concluding that the applicant was the proprietor of the mark, went on to observe:

“Before leaving this part of the appeal it is necessary to consider the validity of the reliance Courtaulds placed on the fact that their application was supported by the Alajlans. In my view that is immaterial. The statutory right to registration is given to he who is the proprietor. Proprietorship depends on use in the case of a used mark and the right to the unregistered mark cannot be assigned separately from the associated goodwill. As shown by *Apollinaris Company’s Trade Mark* (1891) 2 Ch. 186 at pages 225/6 and *Guiterman’s Registered Designs* (1886) 55 L.J. Ch. 309 the consent of the proprietor cannot clothe a non-proprietor with that qualification and the possibility of an assignment sufficient to do so is limited. In appropriate cases no doubt the court would not go behind a bona fide compromise of a dispute as to proprietorship. But there is no suggestion in this case that there has been either an assignment or a compromise of disputed rights.”

Thus although I have found Photosynthesis were entitled to believe that Taiwan Chlorella had consented to the present application being made in the name of Photosynthesis, and that this belief was in turn sufficient to satisfy the initial requirement that an applicant must have a bona fide claim to proprietorship, it does not follow that the right to proprietorship can be determined simply by examining whether or not consent, in the strict legal sense, was actually given. This must be true since, according to the Court of Appeal in *AL BASSAM*, Taiwan

Chlorella were not in a position to bestow proprietorship of an unregistered mark upon the applicant even had they wanted to — which Mr Tritton resolutely denied.

5 I return then to a closer inspection of the mark itself. It is, as I have already observed, a combination of the applicant’s logo and the opponent’s unregistered mark. It is not clear to me from the authorities in this field whether I should dissect the mark into different components and decide the question of ownership separately in relation to each part. This would undoubtedly be one way of reaching a decision. However, given the scale of the opponent’s prior use of the words GREEN GEM, and the weakness of the evidence attesting to that use, I would be reluctant to decide the matter on such a narrow basis. Alternatively, I could regard the mark as a single entity; it is clear that only the applicant has used the mark precisely in this form. But I am not entirely happy with this approach either, for it cannot be right in general terms to allow a trader to incorporate someone else’s mark as part of his own and claim that he is the proprietor of the resulting ‘new’ mark; notwithstanding that other provisions of the Act preclude registration of confusing or deceptive marks (eg section 11, section 12 and the corresponding provisions of the Trade Marks Act 1994) and the common law would prevent the trader from passing off his goods as those of another.

10 In the circumstances, I have concluded that I should pay particular regard to the precise right(s) which the applicant is seeking to protect through registration under the Act, and decide whether the applicant is entitled to be regarded as the legal owner of those rights. As Lord Justice Morritt said in the passage already quoted from *AL BASSAM*:

“In the case of an opponent who was also a rival claimant the rights have to be determined. I see no reason why so different a test should be required merely because the opponent is not a rival claimant. ... Accordingly in my judgment the question of proprietorship has to be determined as a matter of legal right on the basis of the evidence then before the Registrar.”

25 The applicant has not applied for exclusive rights in the words GREEN GEM — any such rights were specifically disclaimed on the application form. Rather the applicant has sought statutory protection of a mark which includes its own logo (the two Chinese characters) and the two words GREEN GEM. If the application is successful, the resulting registration would protect the words GREEN GEM only insofar as they are used in combination with the applicant’s own logo. At the time the application was filed, that was an entirely accurate reflection of the applicant’s business. Taking the best view I can of the matter I am satisfied that, at the material date, the applicant was the proprietor of the rights claimed in this application. The opposition under section 17 fails accordingly.

Section 11

35 This section is in the following terms:

11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

The established test for objection under section 11 has been laid down in the *OVAX* case⁵ by Mr Justice Evershed and subsequently adapted by Lord Upjohn in *BALI*⁶. Applied to the facts of the present case, the test may be expressed as follows:

5 Having regard to the user of the opponent's mark, is the tribunal satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

10 I have already observed that the opponent's prior use of the mark GREEN GEM in the United Kingdom is absolutely minimal, and I have also already referred to Mr Tseng's letter of 23 April 1993 to Mr Quelch in which he writes:

"Why we didn't register this in Europe, the reason is that we have not a good market there, all of our customers in Europe are making their own brand name and so we don't need to register."

15 At the time this application was filed, Photosynthesis was the exclusive distributor of all Chlorella related products manufactured by Taiwan Chlorella. Regarding what is normal and fair use in this case, I note that Mr Quelch (Photosynthesis) says in a letter dated 20 July 1995 to Taiwan Chlorella:

"5: We only use Green Gem for promoting YOUR products. We do not sell any other products. We use the logo and not the words Green Gem, as our company logo."

20 On this basis alone, it is difficult to see how there could be any likelihood of confusion or deception if the mark in suit is used in a normal and fair manner. But regardless of how the mark may be used, the evidence suggests that, with the exception of the applicant, only one person in the United Kingdom, Mr Matsuda, has ever had cause to associate the words GREEN GEM with the opponent. Thus I do not consider that use of the mark will be
25 reasonably likely to cause deception and confusion amongst a *substantial number of persons*; even making allowances for 'judicial gloss' (per Lord Upjohn in *BALI* at page 496).

30 The fact that the distribution agreement subsequently broke down is not relevant here either, since the registrability of the applicant's mark must be decided as at the time of application. Whether or not use of the mark in suit outside the terms of the distribution agreement is likely to cause confusion is a separate matter, and one which is not directly before this tribunal.

For all these reasons, the opposition under section 11 also fails.

Registrar's Discretion

There remains the matter of the Registrar's discretion. I am only aware of one reason for exercising the Registrar's discretion in favour of the opponent in these proceedings, and that is

⁵Smith Hayden & Co Ltd's Application [1946] 63 RPC 97

⁶BALI Trade Mark [1969] RPC 472

the subsequent termination of the exclusive distribution agreement between the two parties. This agreement was terminated *after* the material date in these proceedings, but I am not aware of any reason why the Registrar should not have regard to events and circumstances arising after the material date in deciding how to exercise his discretion under section 17(2).

5 In this context I note particularly the footnote from Kerly regarding *Thorne v Pimms* which I have reproduced at page 6 above. The footnote suggests that where the names of both manufacturer and merchant form part of a mark, the merchant should not be entitled to use the combined mark when the joint venture breaks up. But in *Thorne v Pimms*, as stated above, the Court only ordered that the corresponding trade mark be expunged from the register after
10 concluding that the plaintiffs were entitled to an injunction against the supply of whisky other than their own under the trade mark, and, more significantly in this context, that the mark "... began to be calculated to deceive when *Pimms* ceased to supply "*Thorne's Whisky*" ". In the present case, the evidence does not persuade me that the mark should be considered as 'calculated to deceive' after the applicant ceased to supply the opponent's goods. I say this
15 because the evidence does not show that anyone in this country would associate GREEN GEM with the opponent — except possibly one man, Mr Matsuda, who purchased a small quantity of GREEN GEM Chlorella directly from the opponent over eight years ago.

In view of this, and having regard also to the reasons for my decision in relation to section 17 and section 11, I do not think that it would be appropriate for the Registrar to refuse to
20 register this mark in the exercise of his discretion.

The applicant, having been successful in these proceedings, is entitled to a contribution towards the costs of defending the application. I therefore order the opponent to pay to the applicant the sum of **£235**.

Dated this 22nd day of March 1999

25 **Mr S J Probert**
Principal Hearing Officer
For the Registrar, the Comptroller-General