

O-159-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2386191 BY
MERCHANT NAVY ASSOCIATION TO REGISTER
A TRADE MARK IN CLASSES 35 AND 41**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
NO 93857 BY THE MERCHANT NAVY ASSOCIATION**

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By Merchant Navy Association to register a
Trade Mark in Classes 35 and 41**

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**IN THE MATTER OF Opposition thereto under
No 93857 by The Merchant Navy Association**

BACKGROUND

1. On 4 March 2005 Merchant Navy Association, 37 Kingsley Avenue, Torpoint, Cornwall, PL11 2HF applied to register the following mark.



for a specification of services that reads

Class 35

Provision of consultancy and information to the maritime personnel and families, naval, shipping, navigational, and scientific sectors relating to advertising and publicity; advertising, marketing and promotion; provision of advice to businesses and sporting organisations; organisation of and arranging exhibitions, seminars and conferences; business and project management services; compilation, storage and provision of information; collection, storage and processing of customer requirements and data; public relations services; Internet advertising.

Class 41

Education, training, teaching and tuition services; provision of training facilities; provision of sporting, physical training and leisure facilities; arranging and conducting of training courses, conferences, seminars, exhibitions, symposiums and workshops; organising and presenting shows, fun days, fairs, fetes, concerts, dances, regattas, sporting events and live

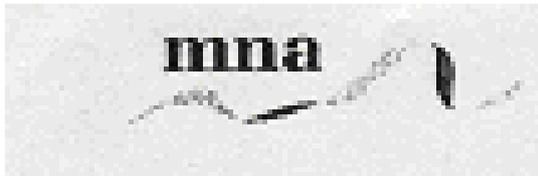
entertainment; production, presentation and rental of sound and video recordings and of films and radio and television programmes; entertainment, education and instruction; museum and library services; provision and publication of printed matter and information relating to maritime and merchant naval history, provision of exhibition and conference facilities.

2. On 8 December 2005 The Merchant Navy Association National Office, 9 Saxon Way, Caistor, Market Rasen, LN7 6SG filed notice of opposition to this application. Objection is raised under two heads. Under Section 3(6) the opponent says:

“The Applicant, Merchant Navy Association (UK company number 05253795) has filed an application to register a device mark for ‘MNA’ application number 2386191 (‘the Application’). The Opponent, The Merchant Navy Association was formed in 1989. It has used the word mark ‘THE MERCHANT NAVY ASSOCIATION’ and the logo mark ‘MN’ (shown below) since 1989.



The opponent has used the ‘mna’ logo (as shown below) since 2001:



Mr Ronald Carter, a director of the Applicant at the date of filing of the Application, was previously the National Secretary of the Opponent between 2001 and 2003. Following a number of actions conducted by Mr Carter which risked bringing the Opponent into disrepute, Mr Carter was expelled from The Merchant Navy Association by the National Council in September 2003, following his refusal to respond to requests to explain his behaviour. The Applicant association was incorporated as a UK company on 7 October 2004.

Since incorporation, the Applicant has held itself out to be the national office of The Merchant Navy Association and has claimed to own a ‘patent’ or a ‘patent trade number’ for the ‘MNA’ logo. In addition to affixing the registered trade mark symbol ® alongside the ‘MNA’ logo on its letterhead and referring to a ‘Company Trade Mark Number 3542759’ (which we have been unable to locate), the Applicant has issued groundless threats to the Plymouth and Southwest Merchant Seafarers Association and to the Torbay branch of The Merchant Navy Association. We enclose a copy of a letter

dated 25 April 2005 from the applicant association to Mr Geoff Davis of the Plymouth and Southwest Merchant Seafarers Association. The association chose to use the name 'Plymouth and Southwest Merchant Seafarers Association' rather than 'The Merchant Navy Association – Plymouth and Southwest branch' following threats of legal action from Mrs Veronica Carter on behalf of the Applicant.

In setting up The Merchant Navy Association (company number 05253795), the Applicant was not operating under honest business practices, as it was fully aware of the true ownership of the marks 'THE MERCHANT NAVY ASSOCIATION' and 'MNA'. The Applicant is seeking, both through its correspondence and its trade mark application number 2386191, to prevent the Opponent (this being the national association) and other branches of the Opponent association from using the following trade names: 'MNA' and 'THE MERCHANT NAVY ASSOCIATION'.

Registration of the Application will constitute a misrepresentation of the true ownership of the following marks 'MNA' and 'THE MERCHANT NAVY ASSOCIATION'. We therefore request that this opposition be upheld and the Application be refused. In addition, we request that an order for costs be awarded in the Opponent's favour."

3. In relation to Section 5(4)(a) based on the first of the above mentioned marks the opponent says:

"The earlier right has been used on the opponent's website at www.mna.org.uk, in quarterly magazines for the Opponent's members, newsletters, for advertising in relevant seafaring publications, in correspondence, on merchandise products, including ties and cufflinks, badges, pins, key fobs, diaries and calendars, for information stands for events, meetings, campaigns and lobbying.

The earlier right has been used in all 28 branches of the Opponent's association, including Boston and South Lincolnshire, The Ribble Valley, Dormanstown and Redcar, Immingham, Suffolk, Midlands, Crawley, Tilbury, Dover, Folkestone, Medway, Devon, Bristol, Somerset, Exeter, Taunton, Torbay, Caithness, Stornoway, Holyhead and Newport.

.....
The earlier right was first used in the Opponent's correspondence and on merchandise products in 1989, for advertising and newsletters in 1991 and for events, campaigns and lobbying in 1996. the earlier right was first used on the Opponent's website in 2001."

4. Similar claims are made in relation to the second of the above mentioned marks (minus the device) save that first use did not commence until 2001.

5. The applicant filed a counterstatement that in effect denies the above claims. It does so on the basis of the following statement of its own position.

“We of The Merchant Navy Association contest the rightful ownership of the name and the copyright to all items listed We have been in existence since the year 1987; we have documented proof of our conception. In 1999 we have copyrights to the wording mna through a company based in Exeter called Isca, again documented proof has been provided. Our records have never stated that we are the National Office of the Merchant Navy Association, are [sic] records do however show that we are the registered company and the registered address is indeed Torpoint.

The Birth of the Association was conceived within the National Union for Seaman Office on Vauxhall Street the Barbican Plymouth, the wording used as reference to our branch was The Merchant Navy Association it was the Admiralty at HMS Drake in Plymouth who informed us that Plymouth had to be added to the name and standard to make it legal. In fact the National Founders Fed Harrell and Barry Osborn arrived in Plymouth to seek advice on forming a National body, since its conception it has run illegally as there is no welfare account or welfare officer. As for passing off at no time have our members spoken to the National executives or any of its branch members, unlike the executives informing one of our ex-members Mr Jack Evans that he could form a branch in Plymouth and use our name. The letter on file was indeed sent to one of our own members Mr Geoff Davis; please see copy of this letter attached. As for the crest which has been completely re-designed by one of our members, Mr Jonathan Wickett again please refer to letter supplied to us, this crest is completely different from the crest supplied by the MOD. The companies who supply these items own the copyrights to all these items listed by this group.

Section 3(6) The trade marks shall not be registered if or to the extent that the application is made in bad faith because:

The Opponent claims rights to the logo mark the ‘MN’ this mark has been used on blazers badges before 1989 please refer to photo on Plymouth Hoe dated 1987, one of our founder members. We have used the mna logo (as shown below since 1996 well before this group introduced it for themselves) refer to invoice, the Logo which we lodged is completely different to the MOD’s logo this one was completely re-designed and colourised as the old MN pin was used by seafarers in the Second World War and made of silver, our mark also passed through your official checks before going into the journal.

Statement of grounds for opposition based on Section 5(4) of the Trade Marks Act 1994

5(4) by virtue of any rule of law (in particular the law of passing off) At no time have we passed off as the National Merchant Navy Association, in fact the National Merchant Navy Association still use the PO Box 35 in Torpoint Cornwall PL11 2WD. This is also used on the second web site at www.red-ensign.co.uk but as your records show that the National Office is Saxon Way Castor Market Resin, the PO Box has also been printed in the latest issue of the Full Ahead magazine. When my husband Mr Carter was the National

Secretary the executives bought the Red-Duster site from Mr Malcolm Pickhavour, but this site is registered to Mr Carter to this date and have never sought to change it. This again can be proven by the copy of the certificate from Nominat, yes we registered the Merchant Navy Association with Companies House on the 24 October 2004 no objection was raised in the first twelve months, we registered a trade mark one month before this other group who text the wording. Our trustees have had threatening letters from the company who are acting on this groups behalf Freeth Cartright LLP, demanding the company name and threatening court action if there demands are not met.

As to the rights and wrongs of this case which we are reminded off from time to time from this group's solicitor, it seems that we have proof of who stated what but this does not alter the fact that we have been penalised by these people masquerading as the merchant navy association. When in fact there title has been the National Merchant Navy Association since 1989, we registered the Merchant Navy Association with Companies House paying for the sensitive wording Association. Had this group even approached Companies House we would never had been allowed to register the title through them, there is not one group within the associations that do not carry forward the aims and objectives of the association which they state on there objections with the Patent Office.

I have also enclosed our constitution which all associations have.”

6. None of the enclosures referred to are attached to the statement of grounds and counterstatement that are before me but some of them form part of the evidence filed.

7. Both sides have filed evidence. Somewhat surprisingly in view of the issues between them neither side has asked for cross-examination nor requested a hearing. Written submissions have been received from Freeth Cartwright LLP on behalf of the opponent. The applicant has not filed written submissions. Acting on behalf of the registrar and after a careful study of the papers I give this decision.

8. For the record the evidence filed in this case is as follows:

Opponent's evidence in chief:

Witness statement by Katy Jane Spurrier with exhibits KJS1-KJS3

Applicant's evidence in support:

Witness statement by Sally Ann Schupke with exhibit SAS1

Statutory declaration by Veronica Carter with exhibits VC1-VC5

Opponent's evidence in reply:

Witness statement by Katy Jane Spurrier with exhibit KJS4

Witness statement by John Miles Rosslyn Sail with exhibits JMRS1-JMRS5

9. Ms Spurrier is a solicitor acting on behalf of the opponent. Mr Sail is the National Chairman of The Merchant Navy Association. Ms Schupke is a trade mark agent acting for the applicant. Mrs Carter was originally the Branch Secretary (from 2003)

and then Company Secretary of The Merchant Navy Association Plymouth & District Branch, a position she has held since 1 May 2005.

10. At this point I would normally expect to offer a full summary of the evidence provided. I do not propose to do so in this case but will extract what I consider to be material facts from the documents filed. Before doing so I should put on record that I am somewhat concerned at the state of the evidence filed in this case for a number of reasons:

- both sides have filed material that appears to be born of the proceedings in note or letter form. By way of examples, Mr Sail's information (and enclosures) in response to the counterstatement filed as exhibit KJS1 to Ms Spurrier's witness statement, the various letters attached to Ms Schupke's witness statement and letters bearing on the commissioning and creation of the applied for mark contained in Exhibits VC 3 and 5. These solicited documents should in my view have been put into proper evidential form complying with Rule 55 of the Trade Marks Rules 2000.
- some of the evidence relates to matters that are extraneous to the proceedings. Mrs Carter's evidence, for instance, contains much material, the relevance of which is not explained. Again Exhibit VC3 is a prime example of this.
- there has been little attempt to assemble the material in a logical manner or in a form likely to be helpful to the tribunal. In one case, Exhibit VC4, the exhibit does not even appear to be the right document.
- the parties appear to be using these proceedings in part to air other long standing issues between them that go beyond the proper confines of this trade mark dispute.

11. I have considered whether even at this late stage the parties should be asked to address the deficiencies in the evidence. However, the parties themselves have not sought to challenge the evidence filed save for some minor criticisms in Mr Sail's witness statement. I am conscious also of the additional costs and loss of time if evidential issues are re-opened at this stage. For those reasons I propose to make the best I can of the material before me but the parties should be aware that an appeal tribunal may take a less generous view of the matter should matters progress that far.

History of the Merchant Navy Association (MNA)

12. What follows is not an attempt to provide a full history of the MNA. Rather, it sets out to deal with the competing claims made by the parties and set events within an historical context in as much as that is possible from the evidence. In addition to the statements made by or on behalf of the parties I have drawn on Exhibit VC5 which is a book entitled 'The Pool Men', and is a brief history of The Plymouth & District Merchant Navy Association and its origins 1987-1999 by 'Shipmate' B.V.J. ("Tomo") Thompson. The author quite properly acknowledges that the opinions expressed are largely his own. However, he writes from a position of close involvement with the Association and key local and national figures. I note too that, although the book has been filed as part of Mrs Carter's evidence, Mr Sail's statement

exhibited to KJS1 also acknowledges a debt to this publication. The book, therefore, represents a degree of common ground between the parties.

13. It will be recalled from the parties' pleadings that the opponent claims that the MNA was formed in 1989 whereas the applicant says "we have been in existence since the year 1987". Mrs Carter relies on Exhibit VC5, the Pool Men book, in support of that earlier date though the identity and nature of whatever body that existed at that time is not clear.

14. For reasons that I will go on to explain I do not accept the 1987 date but 'The Pool Men' does shed light on events from that time. The book is a chronological account of the Plymouth MNA branch and touches on events leading up to its formation. It seems that there was discontent in late 1987 stemming from the Royal Navy's rejection of a merchant seamen presence at the Remembrance Day ceremony. Although probably most acutely felt by the merchant seaman community itself there was also wider public concern at the perceived slur.

15. The row appears to have simmered on into 1988 though Baz Gregory was invited to lay a wreath at the civil memorial on Plymouth Hoe. It is recorded that

"There being no association in Plymouth at this time, the central focus for all things Merchant Navy, as well as being the spokesman for the industry, was the National Union of Seamen Rep 'Baz' Gregory at his Vauxhall Street Office." (page 6. This and other page references below are to the relevant pages from 'The Pool Men')

16. Mr Gregory was still the contact point, in the absence of an alternative representative association, in the early part of the following year.

"Success came on the 18th February 1989, when Flag Officer Plymouth wrote to Baz' Gregory. It began "*As you are all aware, the last two Remembrance Day ceremonies were somewhat marred by upset over representation of the Merchant Navy. In order that all appropriate organisation can become involved in the planning of this years ceremonies, a meeting will be held at Mount Wise to agree on the roles of all non Regular Service participants, who they should be, and how they should be nominated*". The Branch Secretary of the National Union of Seamen, Mr B R Gregory was one of those invited!

At the meeting on March 14th, four opinions were put forward for Merchant Navy representation. There could be a marching body of Merchant Navy ratings or Cadets in uniform (it was thought unlikely that such a body could be found). Alternately they could lay a wreath with the Royal Navy Association at the "Cenotaph" or at the Civic Memorial as on the previous year (both suggestions were not acceptable). The final suggestion was that a Merchant Navy wreath could be laid at the "Cenotaph" but it must be by a "senior Merchant Navy officer in uniform" who would lay his wreath in company with other senior Naval Officers. Of the four options this was the only one acceptable." (page 8)

17. One of the issues at the heart of the dispute had been the refusal to allow a merchant seamen's representative to parade a red ensign. It seems that only a Standard could be paraded and there was no Standard in Plymouth. The problem was not unique to Plymouth. Liverpool had encountered a similar problem with ceremonial etiquette (see pages 8 and 9 of the book).

18. One response was:

“City Council ceremonial Officer Alf Palmer, said “They should form a Branch” (of what?) “which can be registered and they could then commission a Standard. This is a military parade”.” (page 9)

19. The author's interpolation “of what?” is a telling indication that no formal association existed at this point. Moving on, the author records that

“The year the Branch was founded, 1990, was now dawning” (page 11)

20. It is perhaps notable that he refers to it as the Branch and not an Association in its own right. The explanation lies in the fact that:

“During the first half of the year a new organisation had indeed become publicised. Formed in Solihull, they called themselves The Merchant Navy Association. Their Secretary was Mr Barrie Osborne.

.....

The Midlands Branch of the new MNA had discovered that there were no other Merchant Navy Associations and their Chairman Fred Harrell had advertised with a view to expanding the MNA. John Beresford had responded to say that he would like to start a group in the South West. Baz' and John Beresford were soon in close liaison with a view to getting a Plymouth Branch up and running” (page 11)

21. Whilst precise dates are lacking it seems that the national MNA was set up in the first half of 1990 with the Plymouth branch being formed, or at least arrangements for its formation being put in train, sometime later that year. (There is a later reference to the Inaugural Committee of October 1990 – page 15). On the basis of these references I am uncertain of the reason for Mr Sail's acceptance of a formation date for the Plymouth branch of 1989.

22. It seems that, once formed, the national MNA grew rapidly. The author records that on 1 December 1992 there were branches in Blackpool, Bolton, Birmingham, Exeter, Kingston-Upon-Hull, Oldham, Plymouth, Runcorn, Scarborough, Salford, Southampton, Worrall and Northern Ireland.

23. The Plymouth branch appears to have a history of enjoying an uneasy relationship with the national association. ‘The Pool Men’ does not cover the period after 1999 but even before events in 2004 there were breaks with the centre. Thus, in 1994

“It was, however, more to do with a proposed increase in subscriptions to National Funds, which led, on January 25th, to the Plymouth Branch unanimously deciding to break away from national and to consolidate within their own Branch. This would lead to a subtle change of title from “The Merchant Navy Association Plymouth Branch” to “The Plymouth Merchant Navy Association”.” (page 30)

24. But in 1995:

“At the Branch AGM, attended by nine Shipmates, a vote was put to the floor on whether the Plymouth group should remain as the independent Plymouth Merchant Navy Association or rejoin the (national) Merchant Navy Association as the Plymouth Branch. Each option received four votes, with one member abstaining!

.....

All members were asked to vote again, by postal ballot on whether or not the PMNA should rejoin National, and by 18 February, sufficient support had been given to prompt Secretary Jan Northcote-brewer to write to the MNA National Chairman with a request to rejoin the MNA. The MNA were, quite obviously, delighted to welcome their Plymouth Shipmates back again.” (page 35)

25. In 1997:

“At the January Meeting of the Plymouth Branch of The Merchant Navy Association, it was voted 11 to 2 in favour of leaving the (national) MNA once again, and again becoming the independent Plymouth Merchant Navy Association.” (page 48)

26. That “independent” status appears to have continued into 1999 despite calls for it to “rejoin National”. At that point in time the book closes but it would seem in the light of the subsequent decision to withdraw the Plymouth Branch from the MNA (communicated to the National Executive by letter dated 20 October 2004 – see Exhibit JMRS2) that at some point in the period 1999 to 2004 Plymouth must have rejoined the MNA. The constitutional and legal implications of these actions do not appear to have been thought through.

Events surrounding the formation of the applicant company

27. The applicant was incorporated at Companies House on 7 October 2004. Ronald Carter, the husband of Veronica Carter who has given evidence in her position as Company Secretary, was a founding director and prime mover in the new organisation. Mr Carter had previously been an official of the national MNA. He was its Secretary. Mr Carter was expelled from the Merchant Navy Association by letter dated 2 October 2004 (Exhibit JMRS1). The Plymouth branch subsequently took the decision to withdraw from the MNA and conveyed this decision to the Acting Secretary of the National Executive (of the MNA) by letter dated 20 October 2004 (Exhibit JMRS2).

28. It will be apparent from this sequence of events that the company was incorporated in the period between Mr Carter's expulsion from the MNA and the Plymouth branch's withdrawal.

29. Mrs Carter describes events in the following terms:

“a) The Merchant Navy Association was registered with Companies House, while Ron Carter was the National Secretary. When Ron resigned his post from the National Office of Merchant Navy Association (hereinafter referred to as “national”), national refused to pay for the company name and company seal which Ron had been paying for the last two years before he resigned. The national chairman denies that he told Ron Carter to register it with Companies' House and informed the whole national membership of Ron Carter's misdoings and he had acted outside of his remit. A letter from Freeth Cartwright, national's own solicitors, to Bond Pearce acknowledges that the chairman was fully aware of the registration with Companies' House. So Ron Carter passed over the complete registration to Plymouth & South East Cornwall. This is also the reason why both branches have borne the costs. A further advancement to the Plymouth branch, the committee registered the mna-Plymouth Ltd with Companies house to go alongside the logo.”

30. The opening claim is strictly speaking inconsistent with the facts as borne out by the documentary evidence as Mr Carter had been expelled shortly before the company registration was effected. More importantly, on Mrs Carter's own admission, the process was initiated while Mr Carter was engaged in acting in an official capacity for the national body.

31. According to Mr Sail:

“I asked Ronald Carter to apply to register a trade mark for “THE MERCHANT NAVY ASSOCIATION” name when he was Secretary of the opponent but I did not request that he arrange to incorporate a UK company under the opponent's name. When Ronald Carter was Secretary of the opponent, there did not appear to be any need for a registered company as it could not serve any additional purpose and would incur additional auditing and administrative costs.”

32. The evidence does not satisfactorily resolve the conflicting claims as to what Mr Carter was instructed to do (register a trade mark or a company). If there were no written instructions, board minutes or such like there may simply have been a misunderstanding. What is, however, clear is that the process Mr Carter was asked to initiate commenced when he was serving as an official of the national body and was undertaken for and on behalf of that body.

33. Subsequent events are a matter of record. The trade mark application was filed on 4 March 2005. The new or breakaway organisation established its own Constitution and Rule Book at an (unspecified) date in 2005 as evidenced by Exhibit VC1. That document refers to the organisation as being Merchant Navy Association Plymouth & District Branch. Somewhat confusingly the same exhibit contains another

constitution document, this one being for Plymouth Merchant Navy Association. This document does not appear to carry a date but it looks to be an older document possibly dating from the early days when Plymouth was a branch of the national body. It is another example of a document filed without adequate explanation.

34. The only other point I need to record is that Mr Carter resigned from the applicant on 3 May 2005 (see Exhibit KHS4) and appears to have distanced himself from the applicant at least so far as any personal liability or responsibility is concerned (see the letter of 5 June 2005 to Freeth & Cartright contained in Exhibit VC3).

The signs used

35. At this point I need to comment briefly on the signs that are the subject of this action. One of Mrs Carter's claims is that

“6. The said mark has been used on blazers badges before 1989 please refer to photo on Plymouth Hoe dated 1987, one of our founder members. We have used the mna logo since 1996 (as shown in the evidence filing of VC5). I declare that the logo which we lodged is complete different to the MOD's logo this one was completely re-designed and colourised as the old MN pin was used by seafarers in the Second World War and made of silver.”

36. The reference to “The said mark” is to a photograph contained in ‘The Pool Men’ and separately reproduced and annotated in Exhibit VC5 pointing to blazer badges of two merchant seamen staging their own Remembrance Day ceremony in Plymouth in 1987. The photograph and accompanying article are from the Evening Herald of 9 November 1987. The reproduction of the photograph is very indistinct but appears to be the MN crest logo that is the first of the signs referred to by the opponent.

37. Given that this was a Plymouth event in 1987 it might at first sight appear to support Mrs Carter's claim that her association was in existence in 1987. It is, however, inconsistent with the rest of the evidence which I have referred to above.

38. The point has not been adequately addressed or explained in the parties' evidence but the answer may lie in a comment in ‘The Pool Men’ in relation to the merchant navy's fight for official recognition at key events (from the period 1988/9).

“Sir Walter was quoted as “a respected expert on heraldry” and he bears the title Surrey Herald of Arms Extraordinary. This “expert” appreciated that the Merchant Navy did not have an all embracing organisation which may have dealt with such a matter in the past, but recalled “seeing one emblem; the letters MN within an oval surmounted by a Naval Crown – but apparently this was not well received by MN people because of the (Royal) Naval Crown”. So much for experts who obviously hadn't a clue that the Merchant Navy have been using the Naval Crown for decades.” (page 9)

39. Furthermore, Mrs Carter's evidence refers to the applied for logo being “completely different to the MOD's logo as the old MN pin was used by seafarers in the Second World War” (see also Mr Wickett's letter of 29 July 2005

quoted below though Mr Wickett may simply be repeating information passed to him by Mrs Carter).

40. It seems, therefore, that the logo in question may have been in existence for some time as an unofficial(?) symbol of the merchant navy. Hence its appearance on blazer badges in 1987.

41. The evidence is not clear as to the precise dates when logos were adopted and introduced by the opponent. The first is an old established badge. The second of the logos relied on by the opponent appears to have been introduced sometime in 2001 or 2002. The minutes of the national AGM held on 30 November 2002 show both of the logos relied on by the opponent along with the name of the association and the strapline "from ship to shore, from past to present". It seems, therefore that, when Mr Sail says that Mr Jonathan Wickett was instructed to design the logo for the opponent in 2003 when he was engaged as webmaster, he must have been referring to the MNA logo that is the subject of the application in suit.

42. Mrs Carter says

"b) As of the 29 October Plymouth and Southeast Cornwall in conjunction with each other registered the MNA colour logo, this logo was designed by Jonathan Wickett's father-in-law from the S./E. Cornwall."

But she is not specific as to year.

43. Mr Sail gives evidence and documentary support in relation to payments to Mr Wickett:

"There is now produced and shown to me Exhibit JMRS3, copies of Honoraria for Web Master provided from the opponent to Jonathan Wickett dated 16 September 2003 (covering the period between 1 September 2003 and 20 February 2004) and 29 March 2004 (covering the period between 1 March 2004 and 31 August 2004) which are signed by Jonathan Wickett and receipts for payment by the Opponent for web page support provided by Jonathan Wickett and activities as Web Master for the MNA website, which included services in designing the Logo. Jonathan Wickett was instructed by Ronald Carter (when Ronald Carter was Secretary of the Opponent) to be the Opponent's Web Master and Jonathan re-designed several elements of the Opponent's website at www.mna.org.uk during his engagement. At no point did the Opponent transfer ownership of the logo or any copyright subsisting in the logo to the Applicant or to MNA Plymouth."

44. Contained in a bundle of loose papers in Exhibit VC5 is a copy of a letter addressed to Mrs Carter dated 29 July 2005 from Jonathan Wickett, Membership Secretary South East Cornwall MNA. The contents of the letter are as follows:-

"Further to our telephone conversation this morning, I understand that your solicitor needs some information on the differences between the "MOD" owned MN crest and that of the one I created to use on the MNA web page

(amongst other places). The original crest is normally depicted in black and white with the letters MN in the middle.

My version of the new 'MNA' crest has the majority of the crown and ship, plus the surrounding rope and letters colourised. I also altered the letters MN to 'MNA' using a totally different font, than that used in the original MOD one.

I give the Plymouth MNA and South East Cornwall MNA my full permission to use the crest I created for whatever purpose they wish, providing it does not in any way bring the Merchant Navy into disrepute."

45. Unfortunately the letter gives no information on the date of creation of the new logo but it would appear from Mr Sail's evidence that late 2003/early 2004 is the most likely time and that it was the national association (which was paying Mr Wickett) that commissioned it. Mr Wickett's letter does not appear to go so far as to assign any copyright that he enjoyed as creator of the logo but purports to give permission to use. I interject at this point that it appears from a separate letter that in fact a Mr Mullis, Mr Wickett's father in law, actually created the logo and not Mr Wickett (I comment below on the letter from Mr Mullis). Nor does Mr Wickett's letter address issues surrounding his right to authorise someone other than the commissioner to use it. I bear in mind also that Mr Wickett was an official in the South East Cornwall MNA which Mrs Carter says was acting in concert with her own branch in connection with the logo.

46. Certainly Mr Carter started to use the applied for logo in 2004. The redacted letters at Exhibits JMRS4 and 5 show it in use. These letters are dated 6 and 7 July 2004. These letters also show the words "Merchant Navy Association National Office" as part of the footer but Merchant Navy Association South East Cornwall Branch and Mr Carter's Torpoint address in the header. Though somewhat confusing, this may have been justified to the extent that these letters preceded Mr Carter's expulsion from the national association in October 2004 and may simply have reflected the fact that the letters were written on branch issues but duly acknowledged the branch's affiliation to the parent association.

47. There is one other piece of evidence I need to refer to in connection with the applied for logo. Ms Schupke has filed three letters from individuals claiming that they have been aware of use of the logo by (in two cases) the Plymouth branch since 2002. They exhibit the logo they are referring to, namely the applied for mark. I am unable to give this evidence weight. The letters are variously addressed to Chancery Trade Marks or The Registrar of Trade Marks and are either undated or dated 29 June 2006 (in one case). The overwhelming probability is that they were solicited for the purpose of these proceedings in which case they should have been in proper evidential form. The basis for the selection of these individuals is not explained. They all have addresses in Plymouth suggesting that they might at least be sympathetic to the applicant's cause. Furthermore, I fail to see how recognition dating back to 2002 squares with the likely creation date of the logo. Although reference is made in one case to use of the logo on "posters, business cards and authentic material" no examples are exhibited.

48. There is a further piece of evidence bearing on the commissioning of the applied for mark that I must briefly touch on because it offers a somewhat different perspective on the design of the badge and may be said to support an alternative version of events.

49. The document in question is a letter contained in Exhibit VC3 from S F Mullis, Mr Wickett's father in law. He describes an approach from his son in law in 2002 for assistance in designing a recruitment poster for the South East Cornwall branch of the MNA. He was also asked to help set up a local version of the National Magazine. He goes on to say that:

“Various pieces of freely available clip art were passed to me to aid this project and I used these items to design various badges for the exclusive use of the S E Cornwall Branch, including various designs of the MNA badge”.

and

“...I gave my full permission to the S E Cornwall Branch for the usage of my work on their webpage (www.themerchantman.co.uk) the Merchantman Magazine and their poster. I also gave Jonathan [Wickett] temporary permission for use of my MNA Crest on the National web page only for so long as he was involved.”

50. The suggestion is, therefore, that the design of the logo was undertaken for the local branch but with permission being given to Mr Wickett to use it on the national web page.

51. The document is dated 14 June 2006 and is in the form of a “To whom it may concern” letter. The circumstances which gave rise to the writing of the letter are not explained but it seems most likely that it was solicited for the purpose of these proceedings. If so it should have been in proper evidential form and cannot otherwise be expected to carry weight.

52. The waters are muddied further by the claim in the letter that permission was given for its use on the national association's web page “...so long as he [Mr Wickett] was involved”. That raises questions about Mr Wickett's role and involvement as an intermediary that it is not possible to answer on the basis of the material before me though it does appear to reinforce the claim that Mr Wickett was working for the national association.

53. There is a further issue in relation to dates. Mr Mullis says he was approached in 2002. That conflicts with Mr Sail's claim that Mr Wickett was instructed to design the logo in 2003. Mr Sail exhibits (JMRS3) receipts from Mr Wickett under the national association's logos with dates running from June 2002 to March 2004 (the dates on two of the receipts are not legible). It is conceivable therefore that Mr Sail was wrong to place the instruction to Mr Wickett to design the logo in 2003. But the position is not clear because Mr Wickett had been commissioned to do other things for the national association in his role as webmaster so the 2002 work may have related to these other tasks.

54. What seems to be beyond dispute is that Mr Wickett was paid honoraria by the national association for work which included the design (or the commissioning of a design) for a new logo and that this took place at a time when Mr Carter was national secretary with responsibility for such matters. Mr Sail's uncontested evidence is that Mr Carter instructed Mr Wickett. Without the benefit of formal evidence from (and possibly cross examination of) Mr Wickett and Mr Mullis I regard their views as likely to have been heavily influenced by whatever they were told by Mr or Mrs Carter and hence unreliable in terms of providing independent corroboration of the applicant's case.

55. Even if Mr Mullis is right in saying that he was asked to design something exclusively for the local branch Mr Carter was still instrumental in the commissioning and adoption of that mark which was based on, and very similar to, the sign used by the national association. And this took place at a time when Mr Carter was employed in an official capacity by the national body.

56. For the sake of completeness I should say that there is evidence to suggest that the Plymouth branch was using its own logo at least up to the end of 2002. This consisted of the words Merchant Navy Association Plymouth & District Branch in a banner device (exemplified by letters of 1 February 2002 and 5 December 2002 in Exhibit KJS1).

57. That completes my review and analysis of the evidence to the extent that I consider it necessary to deal with the issues in this case.

DECISION

Section 3(6)

58. Section 3(6) provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith. In *China White* [2005] FSR 10, the Court of Appeal decided that the 'combined test' they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under Section 3(6) of the Act. In *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 Lloyd's Rep 225, the Privy Council clarified that the House of Lords' judgment in *Twinsectra* required only that a defendant's state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct. There is no additional requirement that a defendant (or applicant in trade mark proceedings) must also have reflected on what the normally accepted standards were. The applicability of these principles to trade mark cases has since been confirmed in *Ajit Weekly Trade Mark* [2006] R.P.C. 25. The standard itself is that set down in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367. It includes dishonesty but also includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.

59. The opponent's concern is that, if the application in issue is allowed to proceed to registration, the applicant will be able to prevent the MNA and its branches from using the signs/logos that have hitherto formed part of their identity. Mr Sail puts it more starkly than that when he suggests (paragraph 11 of his witness statement) that it

would be used as ammunition to threaten branches of the opponent with trade mark infringement.

60. The applied for mark differs in certain respects from the logo referred to in the opponent's statement of grounds. It is nevertheless clearly a derivative of the first of the logos. The letters MNA replace MN and there are minor stylistic changes to the crown device. Mr Wickett's letter in Exhibit VC5 about the new logo makes no secret of the debt that the new mark owes to the original MN crest. The overall visual and conceptual significance of the mark on which it is based has been retained. It is scarcely credible that the relevant public would not assume that the applied for mark was merely a restyling of the mark they already know. To that extent the capacity for it to be used in the manner feared by Mr Sail is clearly present.

61. The similarities with the MNA's second mark turn on the letters themselves rather than the associated logo but a similar danger is still present bearing in mind that the relevant public (or a significant proportion thereof) is likely to be thoroughly acquainted with the significance of the letters. I might just add that it would seem both the logos relied on by the opponent are still in use and sometimes used together.

62. In the circumstances that I have described above can the application be said have been made in bad faith? The applicant's claims about its own history and adoption of the mark do not on my reading of the evidence correlate with the documentary evidence. The Plymouth Branch may well have been one of the early founding branches of the MNA but it was not necessarily the first and did not in practice formally come into existence until 1990. I can see no basis for finding that it had a claim in its own right to the 'old' MN logo.

63. The events surrounding the split with the national association in 2004 leave me in no doubt that Mr Carter acted improperly by failing to distinguish between his duties to the national association in his capacity as secretary and his activities on behalf of the local branch (or branches if one also includes South east Cornwall) after Plymouth withdrew from the national body. Whilst he resigned from the applicant on 3 May 2005, he was still a director on 4 March 2005 when the application was filed and was likely to have been a prime mover in making the application. Mrs Carter was also made a director a couple of days before the application was filed. In my view the new logo was commissioned for the national association during Mr Carter's tenure of office and with his full knowledge and active involvement. It was inappropriate in these circumstances for the applicant to claim ownership of the applied for mark for itself.

64. The alternative position which the applicant appears to argue for is that the new logo was all along commissioned for the Plymouth and/or South East Cornwall branches. But that is scarcely consistent with the fact that Mr Wickett was receiving payment from the national association. Nor would this view of events aid the applicant. It would not have been acceptable commercial behaviour for Mr Carter, whilst an official of the national body, to commission a logo based so clearly on the national emblem to be used and registered as a trade mark by the local branch save on the clearest authority of the national body.

65. The inevitable consequence of registering the application in suit is that there will be confusion with the national association and the logo that has long been used. The opponent has also referred to the fact that the applicant has already shown itself to be keen to assert various intellectual property rights. Reference is made in this respect to Exhibit KJS3, a letter of 25 April 2006 from Mrs Carter where the applied for logo is shown with an ® symbol and the name of the Merchant Navy Association Plymouth & District Branch is shown with a © symbol. These issues are beyond the scope of this decision but I would suggest in passing that the applicant might be well advised to discuss the proper use of these symbols (and other references to intellectual property rights) with its professional advisers to ensure that inappropriate claims are not being made.

66. Of more immediate concern in the context of these proceedings is the copy letter exhibited at JMRS5 from Mrs Carter to Mr Geoff Davis of the Plymouth and Southwest Merchant Seafarer's Association, the concluding paragraphs of which read:-

“As for using the terminology branch, we are quite within our rights as we belong to the Southwest Federation of Merchant Seafarers, this also include Southeast Cornwall and Falmouth and this company has also been registered with Companies House and again been trade marked with the Patent Office. In fact all of the Merchant Navy Associations are acting illegally now that we own the patent; permission must be obtained from the legal owners of that name. While the name was registered with Companies House, know [sic] one else could register that name with them, but with the added bonus of an official patent then this becomes a different ball game altogether.

So please take back to your Secretary and branch members of the Plymouth & Southwest Merchant Seafarers Association, legal advice has been sought but until we received our patent trade number, which we now do. Legal action will be taken on anybody who uses our trade name and our patented badge at the top of the page, which was designed by Mr Jonathan Wickett for and on the behalf of the Southeast Cornwall MNA and was placed on the MNA's Web Site when he was the Web Master for the MNA. Please find copies of legal paperwork referring to these points.”

67. That confirms the opponent's concern about the applicant's intentions if registration were to be achieved.

68. Neither side's evidence deals adequately or explicitly with the point touched on above in relation to earlier use of the MN logo as an historical badge of recognition for merchant seamen generally. Mrs Carter refers to 'the MOD's logo', a point that is picked up by Mr Wickett when he refers to the 'MOD owned MN crest'. I am unable to say, therefore, whether the opponent itself acquired rights by grant or custom. But I cannot see that this would materially affect the position which is that, by seeking to register a mark that is acknowledged to be based on the MN logo, the applicant would have been placing itself in a position to interfere with other legitimate uses and users of the traditional logo.

69. In all the circumstances I find that the applicant's behaviour fell short of the standards of commercial behaviour that should have been observed. The opposition succeeds under Section 3(6).

70. In the light of this finding I have not found it necessary to address in detail a supplementary issue that has arisen in the opponent's evidence. Mrs Carter's declaration refers to her association as being The Merchant Navy Association Plymouth & District Branch. This is also the name shown on the Constitution & Rule Book 2005 exhibited at VC1. The opponent points out that that is not the name given on the trade mark application which is simply Merchant Navy Association (but with the Torpoint address). I assume that the name on the application form reflects the name of the company as registered at Companies House on 7 October 2004.

71. The opponent has made much of the distinction between the Plymouth Branch and the company. Thus, for instance, Ms Spurrier questions the relevance of the three letters attached to Ms Schupke's evidence to the extent that the writers associated the mark with the Plymouth Branch and not the applicant. I do not necessarily accept that criticism as third parties may or may not be aware of changes of legal status (though, for the reasons I have already given I have given little weight to this evidence).

72. There is, however, a wider point in all this in as much as use of the applied for mark by a company whose name is indistinguishable from that of the opponent's unincorporated association is highly likely to exacerbate the problems inherent in use of the mark itself.

73. Finally, one of the opponent's claims is that the applicant has wrongly held itself out to be the national office of The Merchant Navy Association. I find the evidence inconclusive on this point. The evidence for it is principally Exhibit JMRS4 but these letters were written prior to the Plymouth branch withdrawing from the national association. As I have indicated above the reference in the footers of the letters to the national body was not without justification at the time.

Section 5(4)(a)

74. The second ground of objection is under Section 5(4)(a) which reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented

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

(b).....

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

75. The elements of an action for passing off are:

- (1) that the opponent's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent; and
- (3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

76. In *REEF Trade Mark* [2002] RPC 19 Mr Justice Pumfrey observed that:

"27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

77. The above passage sets out the evidential burden on an opponent relying on a passing off claim and also refers to the necessity of establishing the claim at the relevant date. The Act is silent on the matter of the relevant date but Article 4.4(b) of First Council Directive 89/104 makes the position clear:

"(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;"

78. I understand that the opponent was at all relevant times an unincorporated association. Because this case has not been to a hearing I have not had the benefit of submissions in relation to the right of such an association to pursue a passing off

action. I propose, therefore, to follow the position adopted in *The Law of Passing Off* by Christopher Wadlow (Third Edition) at 3-42:

“There is no difference in principle between an association which is incorporated and one which is not, although there are procedural differences reflecting the fact that an unincorporated association has no legal existence and so cannot hold property or sue in its own name. Nothing turned on the unincorporated nature of the *Imperial Merchant Service Guild* in *Toms & Moore v Merchant Service Guild Ltd* and in *British Legion v British Legion Club (Street) Ltd*. Farwell J expressly rejected the submission that a change in the status of the *British Legion* from an unincorporated association to an incorporated one made any difference, even though the defendant had started the conduct complained of before the plaintiff was incorporated.”

79. I recorded the substance of the opponent’s claim at the start of this decision that is to say use is claimed in relation to magazines for members, newsletters, advertising in relevant seafaring publications, in correspondence and on merchandising products of various kinds for use at events. Evidence as to the nature, extent and duration of activities that might support a claim in passing off in terms of the case as pleaded is hard to find. Most of the evidence filed in the case along with the opponent’s submissions is directed at the bad faith ground. It establishes the continuous existence of the Merchant Navy Association (the opponent) since 1990 but not the pleaded facts that are said to underpin the passing off claim. On the material before me I find that the Section 5(4)(a) objection fails.

COSTS

80. The opponent has succeeded and is entitled to a contribution toward its costs. I order the applicant to pay the opponent the sum of **£1300**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of June 2007

M REYNOLDS
For the Registrar
the Comptroller-General