

O/250/20

TRADE MARKS ACT 1994

**CONSOLIDATED PROCEEDINGS**

IN THE MATTER OF APPLICATION NO. UK00003347304  
IN THE NAME OF MITVANA AND BIOLOGICAL INDUSTRIES LTD  
FOR THE FOLLOWING TRADE MARK:



IN CLASS 3

AND OPPOSITION THERETO UNDER NO. 414753  
BY MATXIN LABS PRIVATE LIMITED

AND IN THE MATTER OF APPLICATION NO. UK00003357445  
IN THE NAME OF MATXIN LABS PRIVATE LIMITED  
FOR THE FOLLOWING TRADE MARK:



IN CLASSES 3 AND 5

AND OPPOSITION THERETO UNDER NO. 415921  
BY MITVANA AND BIOLOGICAL INDUSTRIES LTD

## **BACKGROUND AND PLEADINGS**

### **The First Opposition**

1. On 22 October 2018, Mitvana and Biological Industries Ltd (“MBI”) applied to register the trade mark shown on the cover page of this decision in the UK (no. UK00003347304) (“the First Application”). The First Application was published for opposition purposes on 2 November 2018 and registration is sought for the following goods:

Class 3      Essential oils; Permanent waving and curling preparations; Hair and body wash; Hair care lotions; Hair care preparations; Hair colouring preparations; Cocoa butter for cosmetic purposes; Coconut oil for cosmetic purposes; Cold cream; Cold creams; Cold creams for cosmetic use; Collagen for cosmetic purposes; Collagen preparations for cosmetic application; Collagen preparations for cosmetic purposes; Colour cosmetics; Colouring lotions for the hair; Concealers; Concealers for lines and wrinkles; Concealers for spots and blemishes; Conditioners for treating the hair; Conditioners for use on the hair; Conditioning balsam; Conditioning creams; Conditioning preparations for the hair; Cosmetic bath salts; Cosmetic body scrubs; Cosmetic creams; Cosmetic creams and lotions; Cosmetic creams for dry skin; Cosmetic creams for firming skin around eyes; Cosmetic creams for skin care; Cosmetic creams for the skin; Cosmetic face powders; Cosmetic facial lotions; Cosmetic facial masks; Cosmetic facial packs; Cosmetic foams containing sunscreens; Cosmetic hair care preparations; Cosmetic hair dressing preparations; Cosmetic hair lotions; Cosmetic hair regrowth inhibiting preparations; Cosmetic hand creams; Cosmetic kits; Cosmetic masks; Cosmetic moisturisers; Cosmetic nourishing creams; Cosmetic oils; Cosmetic preparations against sunburn; Cosmetic preparations for bath and shower; Cosmetic preparations for baths; Cosmetic preparations for body care; Cosmetic preparations for nail drying; Cosmetic preparations for protecting the skin from the sun's rays;

Cosmetic preparations for skin care; Cosmetic preparations for skin renewal; Cosmetic preparations for the care of mouth and teeth; Cosmetic preparations for the hair and scalp; Cosmetic products for the shower; Hair lacquers; Hair lotion; Hair moisturisers; Hair moisturising conditioners; Hair moisturizers; Hair mousses; Hair nourishers; Hair oils; Shampoos; Shave balm; Shave creams; Shave gel; Shaving oils; Moisturising skin creams [cosmetic]; Moisturising skin lotions [cosmetic]; Moisturizers; Mousses [cosmetics]; Makeup; Make-up preparations; Make-up remover; Milks [cosmetics]; Lotions for cosmetic purposes; Gels for cosmetic use; Baby body milks; Baby care products (Non-medicated -); Baby lotions; Baby oils; Baby powder; Baby powders; Baby shampoo; Baby shampoo mousse; Baby suncreams; Baby wipes; Bath and shower oils [non-medicated]; Bath and shower preparations; Bath herbs; Bath oils; Bath salts; Beauty balm creams; Beauty care cosmetics; Beauty lotions; Beauty milks; Beauty soap; Body and facial butters; Body and facial creams [cosmetics]; Body care cosmetics; Body creams [cosmetics]; Body gels [cosmetics]; Body moisturisers; Body oils; Body oils [for cosmetic use]; Body shampoos; Body soap; Body sprays; After-shave gel; Aftershave moisturising cream; Aftershaves; After-sun creams; After-sun lotions; After-sun milks [cosmetics]; After-sun oils [cosmetics]; Anti-aging creams; Anti-aging moisturizers; After-shave gel; Aftershave moisturising cream; Aftershaves; After-sun creams; After-sun lotions; After-sun milks [cosmetics]; After-sun oils [cosmetics]; Anti-aging creams; Anti-aging moisturizers; Cleansing creams; Cleansing foam; Cleansing gels; Cleansing lotions; Cleansing masks; Cleansing milk; Cleansing oil; Cleansing creams; Cleansing foam; Cleansing gels; Cleansing lotions; Cleansing masks; Cleansing milk; Cleansing oil; Dandruff shampoo; Day cream; Day creams; Day lotion; Dental polish; Dyes (Cosmetic -); Dyes for the hair; Dandruff shampoo; Day cream; Day creams; Day lotion; Dental polish; Dyes (Cosmetic -); Dyes for the hair; Exfoliant creams; Exfoliants; Exfoliants for the care of the skin; Exfoliants for the cleansing of the skin; Exfoliating body scrub; Exfoliating creams; Eye concealers; Eye cosmetics; Eye cream; Eye creams; Eye gel; Eye makeup; Exfoliant creams; Exfoliants;

Exfoliants for the care of the skin; Exfoliants for the cleansing of the skin; Exfoliating body scrub; Exfoliating creams; Eye concealers; Eye cosmetics; Eye cream; Eye creams; Eye gel; Eye makeup; Facial oils; Facial washes; Facial washes [cosmetic]; Nail cosmetics; Oils for cosmetic purposes; Vaginal washes for personal sanitary or deodorant purposes.

2. On 17 December 2018, Matxin Labs Private Limited (“Matxin”) opposed the First Application based upon section 3(6) of the Trade Marks Act 1994 (“the Act”). In this regard, Matxin states as follows:

“The Opponent was founded in 2011 and made Herbal Pharmaceutical and Personal Care Products. By now the Opponent have expanded to 22 countries and going stronger to take their products to more countries. 150 and more research based quality products are being sold all around the world.

The Opponent not only use but also has trademark registrations in India, Russia, Indonesia, and Malaysia for the brand name “MITVANA” in class 03.

Recently, the Opponent had approached for distribution rights in UK, the Applicant came to India and visited the Opponent’s factory and discussed to get into the distribution of product/brand in UK. Now the applicant has filed trademark “MITVANA” without permission from the Opponent.

For the reason, and the fact that the Applicant is well aware about the Opponent’s brand name and products and filed the trademark in their name, the Opponent submits the application was made in bad faith and should be refused under section 3(6). And the Opponent requests an award of costs in its favour.”

3. MBI filed a counterstatement denying the claim made.

## **The Second Opposition**

4. On 30 November 2018, Matxin applied to register the trade mark shown on the cover page of this decision in the UK (no. UK00003357445) (“the Second Application”). The Second Application was published for opposition purposes on 15 February 2019 and registration is sought for the following goods:

Class 3      Cosmetics.

Class 5      Pharmaceutical and medicinal preparations.

5. On 1 April 2019, MBI opposed the Second Application based upon sections 5(1) and 5(2)(a) of the Act. For the purposes of its opposition, MBI relies upon UK registration no. 3347304 (the trade mark application which is the subject of the First Opposition).

6. MBI claims that there is a likelihood of confusion because the marks are identical, and the goods are identical or similar.

7. Matxin filed a counterstatement denying the claims made.

## **Consolidation**

8. On 12 June 2019, the Tribunal wrote to the parties to confirm that the proceedings were being consolidated pursuant to section 62 of the Trade Marks Rules 2008.

9. Matxin is represented by Bayer & Norton Business Consultant Ltd and MBI is represented by EHL UK. During the evidence rounds, Matxin filed evidence and MBI filed written submissions. MBI also filed evidence in reply. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## EVIDENCE

### Matxin's Evidence in Chief

10. Matxin filed evidence in chief in the respective oppositions in the form of two witness statements of Dr Shankar Mitra dated 7 May 2019 and 8 July 2019. The substance of these statements is, for the most part, identical. Dr Mitra is the Director of Matxin, a position he has held since 2015.

11. Matxin has been operating since 2011 in India and has since expanded into 20 countries worldwide. Dr Mitra explains that the trade mark 'MITVANA' was adopted on 23 May 2014 in India in respect of cosmetics, herbal and pharmaceutical preparations. Dr Mitra states that, since then, the mark has been in continuous use by Matxin.

12. Dr Mitra has provided various pictures of advertising material and Matxin's products being sold in retail outlets.<sup>1</sup> Only one of these images displays a date, with a background stand displaying the words 'Nepal 2017'. Similarly, Dr Mitra has provided a range of brochures and leaflets which display the mark in issue, as well as screenshots of various ecommerce websites which sell Matxin's products and Matxin's social media accounts, but none of these are dated.<sup>2</sup>

13. Dr Mitra has also provided print outs showing that it has the mark in issue registered in various countries including Malaysia, Nepal, Russia and India.<sup>3</sup>

14. Dr Mitra has provided an email chain detailing the correspondence between the parties.<sup>4</sup> I have read these documents in their entirety and, in particular, I note the following:

- a. An email entitled "UK Premium Hotel Range box and the MITVANA packs" from Matxin to MBI dated 30 August 2018 in which it is stated "based on our

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<sup>1</sup> Exhibit MA01

<sup>2</sup> Exhibits MA02, MA03 and MA04

<sup>3</sup> Exhibit MA05

<sup>4</sup> Exhibit MA06

discussion last month, are we on for our launch in November 2018, just in time for Charismas [sic] this year?”

b. The response from MBI’s representatives to Matxin dated the same day reads as follows:

“Why are you constantly concentrating on a Christmas launch.

1. We are not initially pitching in shops as we explained.

2. We are focusing on contract use. IE

Hotels

Airlines

Etc for fast every day replenishing.

Shops are long term and will be looked at BUT not in our immediate sales programme.”

c. An email dated 6 September 2018 from MBI’s representatives to Matxin stating that they are “now focused on getting our products through process as soon as is possible”.

d. An email dated 12 October 2018 from MBI’s representatives to Matxin stating: “I have the designs now signed off [...] and the product is currently with our legal dept, applying all appropriate Licensing. So all going to plan here.”

e. An email dated 27 October 2018 from Matxin to MBI’s representatives stating: “We are very happy to note that the face creams are in the final stages of receiving the licensing approvals. Hope you planning to get blanket approval for the full product range.”

f. An email dated 12 November 2018 from Dr Mitra to MBI’s representatives stating:

“[...] I came to know [...] that you have filed a trade mark application for Mitvana and Mitvana kind in UK under your company’s name knowing

fully well that the name MITVANA and the logo (The scrub design) belong to Matxin Labs Pvt Ltd. We are really surprised and dismayed that you went ahead and filed the application knowing well that the trade mark owner is Matxin. Since it's a complete a breach of trust, I request you to please withdraw the application immediately and inform us so that we can work together and take the business forward.”

g. An email from MBI's representatives to Dr Mitra dated 12 November 2018 stating that there has been an attempt to 'cut them out of the deal' by liaising directly with one of MBI's contacts abroad. The email goes on to state:

“As regards jurisdiction, we are not under any obligation or at liberty to withdraw the Application and will not to that affect. If you were intending to distribute into the UK market without our assistance, expenditure and time, then I am sure you would have undertaken to license the name on your own accord prior to meeting us. Not rely upon the assistance of our Company which time and costs have been accrued in excess of over 20k which I will look to recover.

The fact you have not does not constitute any legal breach on our part and accordingly we will continue to proceed to completion as agreed.

Last of all, I am perplexed as to why the UK application is all of a sudden deemed an issue as no concern was raised in last weekends meeting when informed to [your contact] & not as he lied your “SOLICITOR raised this BUT HIMSELF”.”

h. Dr Mitra's response dated 14 November 2018 stated: “[...] you have been approached by him to distribute Matxin products in UK. We have neither signed any agreement with your not I have given you any IP rights of my brand Mitvana, then how could you file trade mark applications of our brand Mitvana and Mitvana kind under your company's name in the UK without our permission? Is this not a breach of trust?”



i. An email from MBI's representatives to Dr Mitra dated 27 November 2018 which states:

“Now should you want our trade marks, licenses then our costs are £34,000.00 plus legal costs, so if you wish to carry on down this route as all is ready to go for yourself [...].”

### **MBI's Evidence**

15. MBI filed evidence in reply in the form of the witness statement of Mr Ryan Stainsby, a Director of MBI, dated 29 November 2019.

16. Mr Stainsby states as follows:

“11. First and foremost, we did not approach [Matxin]. Our Director Mr Gary Stainsby was introduced to [Matxin] through a close friend. [...] Subsequent introduction came from [MBI] on or about 22<sup>nd</sup> March 2017 following the issuance of a reference and negotiations successively proceeded from there.

12. [The close friend] cited upon introducing [Matxin] to [MBI] that he was undergoing a number of distribution negotiations with them as they were seeking expansion into the UK market [...].”

17. Mr Stainsby then goes on to state:

“15. Following the parties briefly conversing, a representative of [Matxin] attended the UK on or about 23<sup>rd</sup> May 2017 to meet with our representatives [...] in London [...]. This meeting was arranged to effectively discuss and approve terms.

16. [Matxin's] representative [...] brought various products with him for us to sample and review. Those products, amongst other various items, are the products in which they sought to expand upon, namely the Mitvana Range. We

thoroughly appreciated the products and their natural benefits. At this point, it was then we saw a potential distribution opportunity in the UK market.”

[...]

“18. After the products were tested, we made the decision to proceed on the proposition of UK Distribution resulting in further negotiations commencing thereafter. [...]”

19. [...] discussions began to commence comprehensively. This included negotiating terms and other important factors that would ultimately form the latter agreements.”

18. Mr Stainsby explains that around 8 to 12 months after that, negotiations seemed to have come to a standstill. However, Matxin then approached MBI again in around 2018 to enquire as to whether they were still interested in the distribution proposition. As a result, negotiations recommenced. Following Matxin’s renewed interest, Mr Stainsby states that MBI started “the process of designing the products’ external appearance. Those designs comprised the Mitvana and the Mitvana Kind range.”

19. Mr Stainsby states that following meetings between the parties in July and August 2018, MBI finalised the designs for the products, cosmetic licensing, domain registration, IPO registration and all other formalities required to commence distribution. Mr Stainsby states:

“25. All licensing and trademark registrations were undertaken by our Company to ultimately protect our financial interests and our extensive investment into the same. We understandably sought to avoid any party having the opportunity to acquire the name or else our designs [...]”

20. Mr Stainsby notes that in August 2018 a representative of Matxin approached one of MBI’s contacts regarding distribution in Dubai without discussing it with MBI first. Mr Stainsby describes this as underhanded and states that it caused a “deterioration in

confidence hence why we (and any Company would in fact) sought the requisite licensing protection”.

21. Mr Stainsby states:

“32. [Matxin] had no intention of entering the UK market themselves and even if they did, which they will no doubt contest, they would have sought to enter the UK market back in 2011 without our involvement. We have expended significant expense in the process, something of which we may never see a return.

33.[Matxin] asserts that they have sole and exclusive rights to the UK when in actual fact they do not. We have proceeded through the proper channels to protect our financial interests and have expended significant effort in doing so. All UK rights are to be equitably with [MBI]. Failing that, it is deemed reasonable to respectfully seek recompense for all effort and expense that we have incurred to date.

34. The purpose of the registration was not to prohibit [Matxin] from marketing the MITVANA name in the jurisdiction on which we applied (although they would be required to seek reasonable permission from [MBI] before undertaking any such campaigns); rather it was to guarantee a form of protection. Any sales or royalties that may result from it would solely belong to [MBI] (unless agreed otherwise). [Matxin] would be entitled, subject to contract, any agreed proportions of those sales/royalties or if not their reasonable costs of producing and manufacturing the products. As per the majority of correspondence nonetheless, [Matxin] was simply seeking ‘brand awareness’.”

22. He further submits:

“[...] We were very transparent with our intentions; most importantly registration for a UK trademark and the Opponent had no objections at that time. Objections only came to light in writing some weeks after the final meeting had concluded [...]”

23. As noted above, MBI also filed written submissions. However, these contain almost exactly the same information as set out in Mr Stainsby's witness statement. I do not, therefore, intend to summarise those submissions here but have taken them into consideration in reaching my decision.

## **DECISION**

### **The First Opposition**

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

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

25. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), as follows:

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

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

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v*

*Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

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

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

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

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

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

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

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

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

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

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

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that

product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

26. The relevant date under section 3(6) is the date of the First Application i.e. 22 October 2018.

27. Mr Stainsby makes reference to the fact that Mitvana was merely seeking "brand awareness". I am not clear on what, if any, distinction Mr Stainsby intends to draw between this and the idea that Mitvana were seeking to enter the UK market. In any event, it does not appear to be disputed that Matxin, having established the Mitvana brand in India in 2014 (and, according to Matxin's evidence, 20 other countries worldwide), had plans to expand into the UK market. Indeed, it is Mr Stainsby's evidence that MBI was approached by a mutual contact about acting as a UK distributor for Matxin as early as March 2017. From that date, at least, MBI were aware of Matxin's intention to expand into the UK market. Having met with a representative of Matxin and tested their products (including those from the Mitvana range) sometime in May 2017, MBI made the decision to proceed with the proposed distribution arrangement and further negotiations were commenced.

28. Negotiations between the parties appear to have been ongoing for some time (albeit with periods of inactivity) and plans continued to be put in place for the UK distribution arrangement right up to (and indeed beyond) the relevant date. Clearly, there was an ongoing commercial relationship between the parties in which Matxin was the principal and Mitvana was the proposed UK-based agent for the purposes of distribution of the Mitvana range at the relevant date.

29. I note that Mr Stainsby refers to the fact that the trade mark registration was important to avoid any other party having the opportunity to acquire the name and that MBI had been transparent about their intentions, including in relation to the trade mark registration. However, there is nothing in the evidence to suggest that MBI had Matxin's consent to make the application in issue when it did and MBI have not pleaded as such. Rather, Mr Stainsby has provided the following explanation for MBI's decision to make the application in issue:

“34. The purpose of the registration was not to prohibit [Matxin] from marketing the MITVANA name in the jurisdiction on which we applied (although they would be required to seek reasonable permission from [MBI] before undertaking any such campaigns); rather it was to guarantee a form of protection. Any sales or royalties that may result from it would solely belong to [MBI] (unless agreed otherwise). [Matxin] would be entitled, subject to contract, any agreed proportions of those sales/royalties or if not their reasonable costs of producing and manufacturing the products. As per the majority of correspondence nonetheless, [Matxin] was simply seeking ‘brand awareness’.”

30. It seems clear to me from Mr Stainsby’s evidence, that there was some concern about the reliability or, indeed, trustworthiness of Matxin on the part of MBI. This was, at least in part, caused by the incident that took place in August 2018 when Matxin approached one of MBI’s contacts in Dubai without their permission. This, combined with the amount of time and money expended on the project, was a cause for concern for MBI. Mr Stainsby explains that, MBI having applied for the trade mark in issue, Matxin was required to “seek reasonable permission” from MBI if they were to proceed with their expansion into the UK market independently of MBI. Further, it is Mr Stainsby’s evidence that the purpose of the registration “was to guarantee a form of protection”.

31. I note that when Matxin raised concerns about the application by email, MBI responded requesting payment of £34,000 as a licensing fee to use the Mitvana mark in the UK. This email, which was sent on 27 November 2018, was sent after the relevant date. However, it does, in my view, cast light back upon the intentions of MBI at the relevant date, particularly when taken in the context of Mr Stainsby’s own explanation for the application. It seems clear to me that the decision to apply for the trade mark in issue was made in order to ensure some sort of security against any losses MBI might incur should Matxin decide not to use them as their UK distributor.



32. It is well-established that knowledge of a trade mark in another jurisdiction alone does not amount to bad faith.<sup>5</sup> Indeed, there must be something else involved, over and above mere knowledge of the mark, for an application to have been made in bad faith.<sup>6</sup> In my view, this is a case which goes beyond merely registering a trade mark in the UK in the knowledge that it has already been registered by another party in another jurisdiction. Clearly, MBI had knowledge of that trade mark (either its registration or use in India, or indeed, both) prior to the relevant date. However, the decision to apply for the trade mark in issue without Matxin's consent and with the apparent intention of obtaining some advantage in the negotiations or commercial relationship between the parties gives rise to a prima facie case of bad faith. In this case, the explanation given by Mr Stainsby in his evidence, further supports the view that there was an intention to obtain an advantage by way of security conferred through closing off the possibility that the proposed principal could not enter the UK market using a different agent and, if they did so, they would need to compensate MBI financially by way of a licence fee. Judged by the ordinary standards of honest people, this falls short of acceptable commercial behaviour.

33. I recognise that MBI may well have considered their actions to be justified in order to avoid the financial losses that may have arisen if Matxin had, indeed, defaulted on their agreement to use MBI as their UK distributor. Further, I recognise that MBI may have considered their actions to be justified as a result of Matxin's previous conduct, which they considered raised questions about their trustworthiness and reliability. However, MBI's beliefs about the standard of their conduct are not relevant to the decision I must make. I must assess whether MBI's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. Viewed from this perspective, I find that MBI's conduct amounts to bad faith.

34. Consequently, the First Opposition based upon section 3(6) of the Act succeeds.

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<sup>5</sup> *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12

<sup>6</sup> *Wright v Dell Enterprises Inc.* (HOGS AND HEFFERS), BL O/580/16

## **The Second Opposition**

35. As I have found the trade mark upon which MBI relies in the Second Opposition to have been applied for in bad faith, the Second Opposition must fail.

### **CONCLUSION**

36. The opposition against application no. UK00003347304 is successful and the application is refused.

37. The opposition against application no. UK00003357445 is unsuccessful and the application can proceed to registration.

### **COSTS**

38. Matxin has been successful in both opposition proceedings and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In making this award, I have taken into consideration that the two statements filed by Matxin in the respective opposition proceedings are largely duplicates. I have also taken into account the fact that the submissions initially filed during the evidence rounds by MBI were largely duplicated as MBI's evidence in reply. In the circumstances, I award Matxin the sum of **£1,350** calculated as follows:

Preparing a Notice of opposition in the First Opposition and a Counterstatement in the Second Opposition and considering MBI's statements	£400
Preparing evidence and considering MBI's evidence	£750
Official fee in the First Opposition	£200
<b>Total</b>	<b>£1,350</b>

39. I therefore order Mitvana and Biological Industries Ltd to pay Matxin Labs Private Limited the sum of £1,350. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 22<sup>nd</sup> day of April 2020**

**S WILSON**

**For the Registrar**