



**CANCELLATION No 8723 C (INVALIDITY)**

**Food Processors International Ltd**, Ghana Sanyo Complex Heavy Industrial Area, P.O. Box 2952, Tema, Ghana (applicant), **De Clercq Attorneys-At-law & Civil Law Notaries**, Hoge Rijndijk 306, Leiden, 2314 AM, The Netherlands (professional representative).

a g a i n s t

**Jose Tomas Lopez Sanchez**, C/de las Herrerias, 19, San Vicent de Raspeig (Alicante), 03690, Spain (CTM proprietor), represented by **Padima, Agentes de la Propriedad Industrial**, Calle Gerona, 17, 1º A-B, Alicante, 03001, Spain (professional representative).

On 31/10/2014, the Cancellation Division takes the following

**DECISION**

- 1. The application for a declaration of invalidity is upheld.**
- 2. Community trade mark No. 3 080 769 is declared invalid in its entirety.**
- 3. The CTM proprietor bears the costs, fixed at EUR 1 150.**

**REASONS**

1. The applicant filed a request for a declaration of invalidity against all of the goods (the 'contested goods') of Community trade mark ('CTM') No. 3 080 769 (the 'contested mark'), namely:
  - Class 29: *Palm cream; meat, fish, poultry and game; meat extract; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.*
  - Class 30: *Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.*
  - Class 31: *Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.*
2. The applicant has invoked the following grounds for invalidating the contested mark:
  - (i) Article 52(1)(b) CTMR, based on the claim that the CTM proprietor acted in bad faith when seeking to register the contested mark.
  - (ii) Pursuant to Article 53(2)(c) CTMR, the applicant claims that the contested mark is under copyright and the applicant is the exclusive

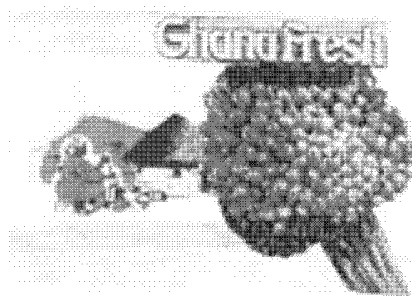
owner of the copyright in the Logo and name 'GhanaFresh'.

3. Based on the evidence and arguments presented in this case, the Cancellation Division considers, for the reasons given below, that the contested mark was applied for in bad faith on 13/03/2003.
4. Consequently, the Cancellation Division will only summarise the parties' arguments in relation to the bad faith issue.

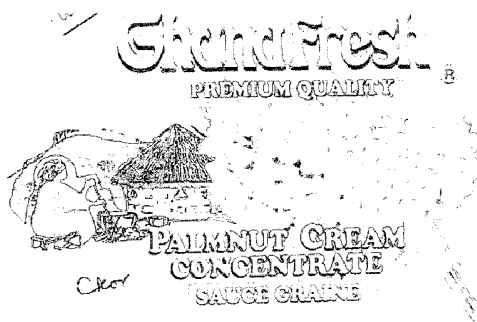
### SUMMARY OF THE PARTIES' ARGUMENTS

#### *The applicant's case in relation to Article 52(1)(b) CTMR and bad faith*

5. The applicant claims that the contested mark was filed in bad faith, since there was a dishonest intention on the filer's part to copy the applicant's mark.
6. The contested mark is the following:



7. The applicant claims to have been a leader in processing and exporting raw foodstuffs from growers in Ghana under the trade mark and trade name 'GhanaFresh' since 1998. The applicant has exported goods to other parts of Africa and worldwide, including the European Union ('E.U.').
8. The applicant has provided a sample label of its canned palm nut oil:



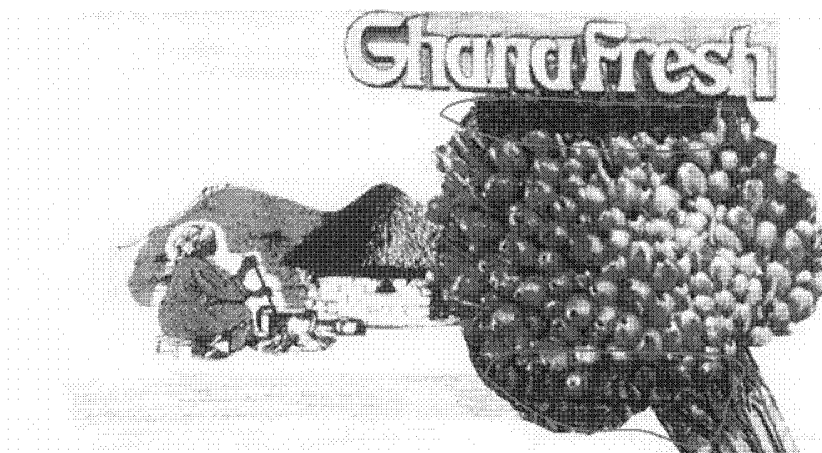
9. The applicant explains that it has been using the above mark in the marketing and sale of instant fufu (a dough made from boiled and ground plantain or cassava), canned palmnut cream concentrate and aubergine for fifteen years, and that the use of the sign by the applicant in the E.U. predates the filing date of the contested mark by at least four years.

10. The applicant has filed documents which show four large shipments (eighteen thousand kilograms per shipment) of Ghana Fresh palmnut cream concentrate to the United Kingdom. Three of the shipping invoices are dated in 2003 and one of them is dated 2002. The applicant has also filed documents showing similarly large shipments to North America in 1998 to 2001.
11. The applicant has also filed a shipping invoice for 2,642 kilograms of palmnut cream concentrate and palm oil to The Netherlands, dated 1999.
12. The applicant has filed a Ghana trade mark registration certificate for trade mark No. 29,734, dated 14/04/1999, in relation to *preserved, dried and cooked fruits and vegetables, jellies, jams and all other goods included in Class 29*. The registration protects the following sign:

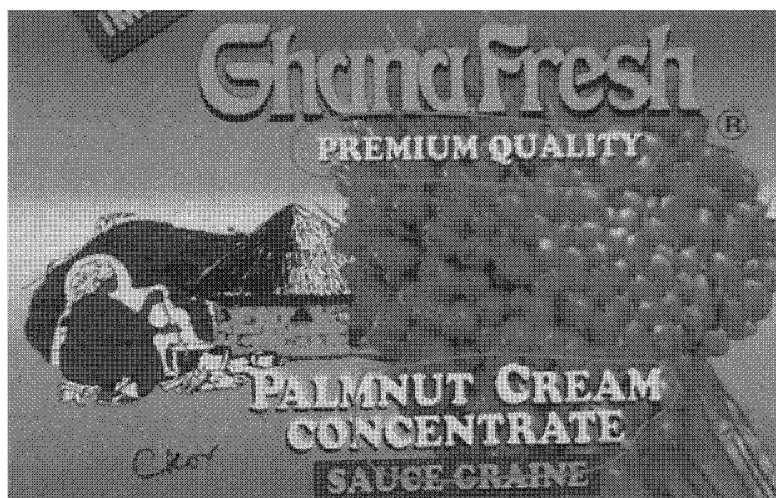


13. The applicant describes how the Ghana Fresh logo came into existence in 1998. The sign was designed by Mr. Safo, an employee of the applicant. The applicant has filed an affidavit from Mr. Safo in which the creative process that led to the sign is described.
14. The applicant states that the CTM proprietor has copied almost exactly the sign used by the applicant. The applicant invites the Cancellation Division to enlarge the image of the contested mark, in order to reveal quite clearly that two of the elements on the applicant's label (see paragraph 8 above) have been scrubbed out from the contested mark, while the rest of the mark remains virtually identical (see below).

Contested mark:



Applicant's sign:



15. The applicant states that the remains of the words 'premium quality' and 'palmnut cream concentrate' are visible on the enlarged version.
16. There have been three owners of the contested mark: Mr. Javier Ruiz Perez (the original owner and filer of the application to register the contested mark); Ms. Susana Espinosa de los Monteros Rosanes (to whom the mark was transferred in 2007); and the CTM proprietor (to whom the mark was transferred in 2012).
17. Ms. Susana Espinosa de los Monteros Rosanes owns Esmon International Food S.L., which is a distributor company based in Madrid. The applicant has filed an extract from the Spanish Mercantile Register to confirm her ownership of the company. In 2002 (before the filing of the contested mark) the applicant sold 'GhanaFresh' products to Esmon International Food S.L. (a fact confirmed by an invoice filed by the applicant). Ms. Susana Espinosa de los Monteros Rosanes was already the owner of Esmon International Food S.L., in 2002 and Mr. Javier Ruiz Perez was working for Esmon International Food S.L. (the applicant has filed several written communications between the applicant and Esmon International Food S.L. which attest to this fact).
18. In short, a few months after the applicant started to sell its products in Madrid Mr. Perez filed to register the contested mark and thereafter transferred the mark to Ms. Susana Espinosa de los Monteros Rosanes. Ms. Susana Espinosa de los Monteros Rosanes was the person Mr. Perez had been distributing GhanaFresh products for in Spain.
19. The applicant argues that this is a clear case of bad faith, which is fully confirmed by the fact that throughout these proceedings the CTM proprietor has denied any knowledge of the applicant, or its products, or its sign, and denied that any of the previous owners had any such knowledge, which is obviously untrue. Indeed, the CTM proprietor has sent 'cease and desist' letters to the applicant's distributors in the E.U., an example of which has been filed by the applicant, so that can be no question of the CTM proprietor's knowledge in this

regard.

*The CTM proprietor's case in relation to Article 52(1)(b) CTMR and bad faith*

20. The CTM proprietor's defence is essentially as follows:
- (i) The fact that two marks are identical or confusingly similar does on its own not prove bad faith.
  - (ii) A presumption of knowledge is less likely when the (earlier) sign was registered in a non-E.U. country and there was only a short time between the application for registration of the contested mark and the application for registration of the older mark.
  - (iii) The contested mark has been registered since 17/11/2004 without complaint from the applicant.
  - (iv) There is a presumption of good faith in favour of the CTM proprietor.
  - (v) The CTM proprietor is not the party which applied to register the contested mark. The applicant has not proven that the CTM proprietor knew of the existence of the applicant's sign.

## **GROUNDS FOR THE DECISION**

*Article 52(1)(b) CTMR - bad faith*

21. According to Article 52(1)(b) CTMR, a CTM must be declared invalid if the CTM proprietor 'was acting in bad faith when it filed the application'.
22. There is no precise legal definition of the term 'bad faith' (see in this respect Opinion of the Advocate General of 12 March 2009, C-529/07, 'Lindt Goldhase', paragraphs 35 and 36).
23. In the aforesaid opinion, the Advocate General mentions that bad faith appears as an inherent defect in the application and suggests that bad faith involves conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices (see Opinion of the Advocate General of 12 March 2009, C-529/07, 'Lindt Goldhase' paragraphs 41 and 60).
24. In order to determine whether there was bad faith, consideration must be given to the applicant's intention at the time when it files the application for registration (see judgment of 11 June 2009, C-529/07, 'Lindt Goldhase', paragraph 41).
25. 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 (see judgment of 11 June 2009, C-529/07, 'Lindt Goldhase', paragraph 42).
26. Whether the CTM proprietor was acting in bad faith, within the meaning of Article 52(1)(b) CTMR, must be the subject of an overall assessment, taking into account all the factors relevant to the particular case (see judgment of 11 June 2009, C-529/07, 'Lindt Goldhase', para. 37). As a general rule, good faith

on the part of the CTM proprietor is presumed until the opposite is proven and the burden of proof for that rests on the invalidity applicant. The problem with applying burden-of-proof rules is that it gives an unfair advantage to the party that is first to file in situations where both parties have been commercially connected with the same trade mark. Therefore, the burden of proof ought not to be so strenuous that the applicant is forced to overcome a significant disadvantage from the very start.

27. The applicant has proven to the satisfaction of the Cancellation Division that it was using a sign which is almost identical to the contested mark at least three or four years before the contested mark was filed on 13/03/2003. The sign which appears at paragraphs 8 and 14 above (on labels for the applicant's palmtree cream concentrate) is in all material respects the same as the contested mark. A highly similar version of the sign was registered in Ghana by the applicant in 1999 (see paragraph 12 above). The applicant has proven that it was exporting large amounts of palmtree cream concentrate to the U.K. before the contested mark was filed. There is also evidence of sales in The Netherlands and Spain.
28. The singularity of the applicant's sign, which contains complex figurative elements, has been replicated in the contested mark. The details match in every regard. No alternative explanation to copying is proffered by the CTM proprietor to explain the exact congruity of the marks. This in itself is suspicious. But the case gets worse for the CTM proprietor.
29. The CTM proprietor's representative argues that the 'most important arguments' that the applicant needs to prove are the following:
  - (i) The previous knowledge of the applicant's sign (or general knowledge in the economic sector).
  - (ii) The dishonest intention of the applicant.
  - (iii) The similarities between the signs.
30. The CTM proprietor simply relies on a defence of 'not proven'.
31. However, the similarities between the marks are profound. The marks are to all intents and purposes identical. A coincidence in all the features of the marks is of course so highly improbable as to be practically inconceivable as a quirk of chance. But improbability is placed upon improbability when an enlargement of the image of the contested mark reveals the presence of further coincidences which appear to have been ineptly airbrushed out, namely, the words 'premium quality' and 'palmtree cream concentrate' (see paragraph 14 above). This is as close as one could expect to get to a 'smoking gun' in a bad faith case.
32. The applicant has provided a pro-forma invoice dated 17/12/2002, which was issued by the applicant to Esmon International Food S.L. in Madrid. The owner of Esmon International Food S.L., according to the Spanish Mercantile Register, is Ms. Susana Espinosa de los Monteros Rosanes, the person from whom the CTM proprietor acquired the contested mark. Correspondence between Ms. Susana Espinosa de los Monteros Rosanes and the applicant in 2003 has been filed by the applicant. There can be no question based on the evidence in this

case that Ms. Susana Espinosa de los Monteros Rosanes, and Mr. Perez (the original owner of the contested mark), knew of the existence of the applicant, its products and sign, when the contested mark was filed for registration as a CTM. The CTM proprietor has actively sought to enforce its trade mark right by contacting at least one of the applicant's distributors with a 'cease and desist' letter. The claim that the CTM proprietor has only recently become aware of the existence of the applicant and its sign are not credible under the circumstances.

33. It may well be that since the owner of the original sign is based in Africa, rather than in Europe, the filer of the contested mark believed that it would be far easier to conceal the fact that the mark has been copied and registered as a CTM. Indeed, the applicant seems not to have been aware that the contested mark was on the CTM register until quite recently.
34. In any event, the evidence is overwhelming that when the contested mark was filed on 13/03/2003, the application was made dishonestly and with full knowledge of the applicant's trading activities in the E.U. under the contested mark. The Cancellation Division has no serious doubt that the contested mark was a deliberate copy of the applicant's mark. This amounts to a classic bad faith situation. Moreover, the evidence shows that the contested mark was almost certainly doctored in order to disguise the fact that it was a replica of another trader's mark.
35. Under the circumstances, the Cancellation Division considers that the application to file the contested mark was made in bad faith within the meaning of Article 52(1)(b) CTMR .

#### *Article 53(2)(c) CTMR*

36. Since the applicant has been entirely successful in its request for invalidity based on bad faith there is no useful purpose served in examining the request for invalidity based on Article 53(2)(c) CTMR.

#### *Conclusion*

37. In the light of the above, the Cancellation Division concludes that the application is totally successful and the contested mark should be declared invalid for all the contested goods.

#### **COSTS**

38. Pursuant to Article 85(1) CTMR and Rule 94 CTMIR, the losing party in cancellation proceedings shall bear the fees and costs of the other party. The CTM proprietor, as the losing party in the cancellation proceedings shall bear the fees and costs of the applicant for cancellation.
39. The amount of the costs to be paid by the CTM proprietor to the applicant pursuant to Article 85(6) CTMR in conjunction with Rule 94(3) CTMIR shall be: EUR 1 150 (EUR 450 - representation costs - and EUR 700 - invalidity fee).



### The Cancellation Division

Lucinda CARNEY

Rhys MORGAN

Ruxandra MANEA

#### **Notice on the availability of an appeal**

Under Article 59 CTMR, any party adversely affected by this decision has a right to appeal against this decision. Under Article 60 CTMR, notice of appeal must be filed in writing at the Office within two months from the date of notification of this decision and within four months from the same date a written statement of the grounds of appeal must be filed. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 800 has been paid.

#### **Notice on the review of the fixation of costs**

The amount determined in the fixation of the costs may only be reviewed by a decision of the Cancellation Division on request. Under Rule 94(4) CTMIR, such a request must be filed within one month from the date of notification of this fixation of costs and shall be deemed to be filed only when the review fee of EUR 100 (Article 2 point 30 of the Fees Regulation) has been paid.