

O-112-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 82402  
BY ARCADIA FOOD INDUSTRIES LIMITED  
FOR A DECLARATION OF INVALIDITY IN RESPECT OF  
TRADE MARK NO. 2396703 IN THE NAME OF  
SAHDAT RAJA**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF application No. 82402  
By Arcadia Food Industries Limited  
for a declaration of invalidity in respect of  
Trade Mark No. 2396703 in the name of Sahdat Raja**

### **DECISION**

1. Trade Mark No. 2396703 is for the mark FAMOS and is registered in Class 30 in respect of the following goods:

Flour and preparations made from cereals, rice, baking powder, spices.

2. By an application dated 30 January 2006, Arcadia Food Industries Limited applied for the registration to be declared invalid under the provisions of Sections 47(1) and 47(2)(b) of the Act. The application is made on the following grounds:

**1. Under Section 5(4)(a)** by virtue of the law of passing off.

**2. Under Section 3(6)** because the registration was obtained in bad faith.

3. The registered proprietor filed a counterstatement in which he denies the grounds on which the application is based.

4. The registered proprietor and the applicants for invalidity both ask for an award of costs in their favour.

### **BACKGROUND**

5. Only the applicants filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. The matter was appointed to be heard on Tuesday 21 November 2006, but on the Friday prior to this it became apparent that The Platinum Partnership who were the agents of record were not actually representing the registered proprietor. According to the Platinum Partnership, the person that had filed the Form TM33 had been an employee but had no authority to take this action. The employee has apparently since left the Partnership. As a consequence the hearing could not proceed as scheduled. By the official letter of 20 November 2006, the hearing was reappointed for 12 December 2006. The registered proprietor did not confirm he would be attending or be represented, the first contact being a telephone call on 11 December 2006 informing the Registry that due to an illness in the family the registered proprietor had left the country, and requested a postponement. The applicants' had already impressed upon the Registry that there was a need to have the matter determined and that they would object to any further delay. Given the history and circumstances of these proceedings, and the fact that the registered proprietors had delayed making their request, I determined that the hearing should go ahead on 12 December 2006, and that the registered proprietor would be given one month from that date in which to file written submissions. The hearing took place as scheduled on 12 December 2006, when the applicants were represented by Mr Alan Fiddes of Urquhart Dykes

& Lord LLP, their trade mark attorneys. The registered proprietor was not represented.

6. On 12 January 2007, a telephone call was received stating that submissions by the registered proprietors would be filed by 15 January 2007; none were received.

### **Applicants' evidence**

7. This consists of the following Witness Statements. Amjid Baig dated 3 May 2006, Managing Director of Arcadia Food Industries Limited, a position he has held since the incorporation of the company in 1990. Mr Baig states that the facts contained in his statement come either from his own knowledge, or from the records of his company to which he has full access.

8. Mr Baig recounts the purchase of Arcadia Food Industries Limited by his father on 8 December 1986, which, as can be seen from the copy of the Purchase Agreement shown as Exhibit AB1, included the trade mark FAMOS and the goodwill of the business. He says that he understood the previous owners had used the FAMOS brand for "a number of years". The transfer was never formally recorded and following non-payment of the renewal fee, the registration expired.

9. Mr Baig refers to Exhibit AB2, which, he says, is a list of his company's full product range taken from their website [www.famos.co.uk](http://www.famos.co.uk). The print was taken on 3 May 2006, and lists various foodstuffs under the FAMOS name, inter alia, flours, cereals, seeds, rice and spices. The bottom of the page contains a Copyright notice dated 1991 – 2006. He goes on to give the figures for turnover in the years 2001 to 2005, which are as follows:

|                      |            |
|----------------------|------------|
| Year to 30 June 2001 | £926,054   |
| Year to 30 June 2002 | £1,515,684 |
| Year to 30 June 2003 | £1,478,903 |
| Year to 30 June 2004 | £1,952,083 |
| Year to 30 June 2005 | £1,843,494 |

10. Mr Baig says that his company is one of the largest gram flour millers in Europe, producing somewhere between 25% to 35% of the gram flour market each year, and in respect of spices is one of four or five major producers in the UK and Europe producing approximately 5% to 10% of the milled spices.

11. Mr Baig states that his company advertises in selected magazines but does not have detailed records or copies of invoices. He says that Exhibits AB3 and AB4 consists of a chronological list of advertisements that have been placed, copies of related invoices, and where available also the advertisements, respectively. The earliest entry in the list is dated April and May 1987 and refers to a radio advertisement on Penine Radio for Famos products. Subsequent entries run through to October 2005 and mostly, although not exclusively, relate to advertising in Urdu in what appears to be media aimed at that particular ethnic group. The invoices relate to the placing of advertisements although do not mention FAMOS. Most advertisements mention FAMOS, even those in Urdu, clearly show the trade mark in the middle of the text, although in these examples it is not possible to say what the goods are. In the advertisements in English the FAMOS name is used in relation to gram flour, with one

appearing in the 10 December 2001 edition of Asian Eye mentioning FAMOS with (although not obviously as a brand) flours, spices, and natural wholefoods.

12. Exhibit AB5 consists of photographs and screen prints of various goods bearing labels showing the FAMOS name. None can be dated as originating from prior to the relevant date. Exhibit AB6 consists of copies of product labels. The only indication of their date of origin is the “Best Before” dates. However, as all of these are well after the relevant date, and I have no information such as the shelf life of the products, I am unable to assume that these would have been in use prior to the date on which the disputed application was made. Exhibits AB7 and AB8 consists of examples of packaging, but again there is no means by which to say that they show use prior to the relevant date. Exhibit AB9 consists of variations of the FAMOS logo and pack designs, Mr Baig saying that these had been worked on by designers “but not ultimately implemented and used in the marketplace”.

13. Exhibit AB10 consists of a copy of a picture of a bulk sack for cumin powder that Mr Baig says dates from 1999, and a zoomed-in version of the text that includes the “best before” date. I cannot tell what the date is on the “zoomed” version, but from the main photograph it is possible to make out the entry “End of ...2000”. Mr Baig says the product has a 1 year shelf life which would place the pack as being current in 1999. Exhibit AB11 consists of two photographs of “designs of packaging we have used in the past”. These relate to FAMOS branded cumin and coriander powder; there is no date shown. Exhibit AB12 is described as being examples of “generic packaging pouches” upon which the product type is printed when formed and filled. All show the FAMOS mark, but there is no means by which to date them.

14. Exhibit AB13 consists of a large collection of delivery notes and records of deliveries. The earliest dates from 6 August 1985 and refers to the delivery of , inter alia, FAMOS gram flour to a cash and carry outlet in Birmingham. The invoices show use of the FAMOS name throughout the UK on gram flour, extending to the following goods:

May 1989: dall masoor, dall green lentils, chick peas, Australian polished dall  
June 1990: red masoor  
November 1996: maize flour, rice flour, self-raising flour  
December 1996: ground rice, dhania powder, haldi powder, jeera powder, garem masala.  
March 1997: chana dahl.  
November 1997: cumin powder, tandoori powder.  
April 1998: corriander powder.  
June 1998: polenta.  
May 1999: white pepper.  
July 1999: ginger powder, cumin seeds, black pepper, chilli powder, yellow split peas, nigella seed

January 2000: mustard powder, fenugreek.  
June 2000: paprika, red split lentils.  
August 2000: curry powder  
November 2000: ajain powder  
April 2001: washed moong, moong Celera, red kidney beans, cardamom green powder.  
November 2001: chaat masala

January 2001: semolina, urid dahl  
May 2002: black eye beans  
July 2001: moth dahl  
September 2001: rice cones, black chana  
March 2003: crushed chillies  
June 2003: fennel powder  
September 2003: cinnamon powder  
July 2004: cloves powder, nutmeg

15. Mr Baig next refers to Exhibit AB14 which consists of sales invoices for the period 1991 to 1995. The exhibit shows the mark being used in relation to a range of goods falling with those I have listed against Exhibit AB13. The use is primarily in relation to gram flour.

16. Exhibit AB15 consists of a selection of invoices relating to the printing and supply of packaging in the period 1986 to 2005. The earliest dates from 2 December 1986, and relates to the purchase of 25,000 2 kilo bags for FAMOS GRAM FLOUR. Other invoices refer to bags that were to be branded FAMOS but without any mention of the product, and bags for flour, ground rice, rice flour, cumin powder, cinnamon powder and coriander powder. The exhibit also includes invoices for the re-registration of the FAMOS website address.

17. Exhibits AB16 to AB18 consist of photographs of the interior and exterior of the applicants' offices showing the word FAMOS being used on signage and as a table inlay, Mr Baig highlighting the use in the name of their registered office address, and also on their vehicle livery. Exhibit AB19 consists of correspondence and documentation relating to the registration and renewal of the domain name famos.co.uk in 1999.

18. Mr Baig goes on to recount the events leading up to and following his finding out about the registration of FAMOS by Sahdat Raja. He refers to Exhibit AB20, which consists of a record, not contemporaneous, of a meeting that he attended, inter alia, with the applicant, which makes reference to how Mr Raja came to register the name, and to his intentions having done so. In essence, Mr Raja considered Arcadia to have been "irresponsible" with something that belonged to Mr Baig's father, and that Mr Raja had become responsible for, and looked after it for the Baig's; he had done them a favour. The summary mentions Mr Raja would consider licensing Arcadia to use the FAMOS mark. It also states that Mr Baig informed Mr Raja of Arcadia's common law rights in the name.

19. Exhibit AB21 consists of photographs of the premises of Yorkshire Fruits, which he says is connected with the registered proprietor, Mr Baig pointing out the FAMOS branded products of his company that are displayed for sale. Exhibit AB22 consists of a copy of two delivery notes relating to the delivery of the applicants' FAMOS gram flour to AMM Wholesalers who occupy the premises of Yorkshire Fruits. Exhibit AB23 consists of sales notes from the applicants to RMI Foods in the period September 2005 to March 2006, after the relevant date Exhibit AB24 consists of records of deliveries from Arcadia to Ahmed Foods in the period July 1999 to March 2006, Mr Baig mentioning that as this company is also a customer of the registered proprietor's company, Mr Raja would have seen both their goods and signage when visiting the company. Mr Baig goes on to say that his company's signage is also displayed in the window and on the outside of the Bradford Superstore and Pakeezah Superstore in Bradford, photographs of which are shown as Exhibit AB25.

20. Exhibit AB26 consists of a copy of the 2005 Annual Return for Yorkshire Fruits Limited, which shows Mr Shaukat Iqbal, Mr Wasim Ahmed Bhatti, the registered proprietor's father and uncle, and Sahdat Rasul Raja, the registered proprietor, as officers of the company. Exhibit AB27 consists of a Companies House, current appointments report for Zaika Foods Limited that shows the registered proprietor to be a Director of that company. Exhibit AB28 consists of a Land Registry search, a letter and conveyance document dating from 1985 relating to 191 Garnett Street, showing the proprietor at that time as including Shaukat Iqbal, and Mr Rahmat Ali Baig, Mr Baig's father as the purchaser. Exhibit AB29 consists of a flyer sent to customers when his company relocated to their address in Pawson Street, the flyer bears the FAMOS name. Exhibit AB30 consists of a further list of the applicants' products, Mr Baig stating that this is similar to the website list shown as Exhibit AB2. The exhibit shows the FAMOS mark to be used in respect of, inter alia, spices and wholeseeds, ground spices, blended spices, whole grains, dahls, pulses and beans, culinary herbs, flours, canned chick peas and curries, kabil chana, sugar coated fennel seeds, poppadoms and sweet rewdi, gram flour, maize products, rice products, cereals and seeds. The list is not dated and Mr Baig does not give any further details.

21. Mr Baig next refers to Exhibits AB31 to AB33, which consist of the home page for four of the applicants' websites, a page from the applicants' previous famos.co.uk website and a product list, and pages from his company's current "famos" website. All clearly show the FAMOS name.

22. The next Witness Statement, dated 17 May 2006, also comes from Amjid Baig. In this Mr Baig introduces two exhibits:

AB34 a list of Yorkshire' top Asian businesses ranked by annual turnover, published in the 30 March 2006 edition. Mr Baig refers to the entry for Arcadia Foods at number 14.

AB35 pocket and desk diaries for the years 2004 and 2005. All have the applicants' name and address embossed on the cover, and the FAMOS "India" logo. Mr Baig says that these diaries have been produced since 2002 and are circulated to contacts and customers, including those at the market where Yorkshire Fruits are based.

23. The following Witness Statement is dated 3 May 2006, and comes from Sajid Baig, a Director of the applicants, a position he has held since 1991. Mr Baig states that the facts contained in his statement come either from his own knowledge, or from the records of his company to which he has full access.

24. Mr S Baig's Statement recounts events leading up to his becoming aware of the registration in suit, and his contacts with the registered proprietor prior to the commencement of these proceedings, which, in effect, is a repetition of the account given by his brother, Amjid Baig in an earlier Statement.

19 January 2006      Amjid Baig receives a telephone call from a person purporting to be a barrister, who stated that he owned the FAMOS trade mark. Details from the Patent Office showed the existence of a registration in the

name of Sahdat Raja, who he knew to be the son of Shaukat Iqbal, a Director of Yorkshire Fruit. A Baig telephones S Baig who asks him to come to the company office where he informed him of the telephone call and trade mark registration.

Mr S Baig telephones Tanweer Ahmed of Ahmed Foods, a close friend and customer, who comes to Arcadia's offices where he is told about the telephone call and trade mark registration.

Khurshid Ahmed, T Ahmed's older brother comes to the Arcadia offices, and is told of the events. T Ahmad telephones Yorkshire Fruits and speaks to Wasim Bhatti, a Director, who informs T Ahmed that neither S Raja or S Iqbal were available. W Bhatti says he has no knowledge of the application and to speak to his partners directly.

T Ahmed telephones K Ahmed and asks him to contact him. K Ahmed calls and says that he has managed to speak to S Iqbal, who had acknowledged that the FAMOS mark belonged to Arcadia and that a meeting had been set up for the following day where the trade mark would be signed over. Mr T Ahmed and K Ahmed were to act as intermediaries.

S Baig receives telephone call from Chandra Patel of P & B Foods, who asked whether it was true that someone had registered their trade mark. S Baig telephones A Baig to inform him of the telephone call.

20 January 2006

S Baig receives a telephone call from Mr Rashid, a wholesaler from Halifax, asking about the FAMOS brand, during which Mr Rashid recounted an earlier conversation with Sahdat Raja and Shaukat Iqbal relating to the ownership of the FAMOS trade mark, and a comment from another person which prompted his call to Mr Baig.

Scheduled meeting(s) cancelled.

24 January 2006

Meeting takes place at the private offices of Yorkshire Fruit, between A Baig, S Baig, K Ahmed, T Ahmed, W Bhatti, S Raja, S Iqbal, and Mr Mitti, the younger brother of S Raja. As Exhibit AB20, Mr Amjid Baig exhibits a record prepared by him after the meeting. The record is also exhibited by S Baig as Exhibit SB1, Tanweer Ahmed as Exhibit TA1, and Kurshid Ahmed as KD1. Mr S Baig confirms that he has read and believes the record to be a true summary of the events at the meeting. The record makes reference to a Witness Statement made on 3 May 2006 so this account would appear to have been written some months after the meeting.

27 January 2006

K Ahmed meets with Yorkshire Fruits, and then telephones Arcadia saying that S Raja wanted to enforce his trade mark and would require a yearly licence for them to use it.

T Ahmed telephones S Baig and informs him of a contact from Zafar Iqbal, telling Mr Ahmed that he wished to have a meeting with him and Yorkshire Fruits. A meeting between S Iqbal, Z Iqbal and K Ahmed takes place.

T Ahmed telephones S Baig to say K Ahmed had told him that the dispute has been resolved, that the trade mark will be assigned to Arcadia, and to stop the notice that was to be served by Leigh Martin of Lupton Fawcett the following day.

28 January 2006

A meeting at Ahmed Foods between S Baig, A Baig, T Ahmed, K Ahmed, during which K Ahmed confirms the dispute had been resolved and that S Raja would assign the trade mark to Arcadia. A Baig confirms the notice from Leigh Martin had been stopped but the invalidity case had been lodged, copies provided to T Ahmed and K Ahmed. A Baig confirmed that once the mark had been assigned the invalidity action would be withdrawn. Yorkshire Fruits barrister was to write to Arcadia and a meeting at chambers was to be attended by S Baig and A Baig, possibly to discuss the costs incurred by the registered proprietors. No contact received but S Baig hears that Yorkshire Foods were intending to launch a FAMOS product.

3 February 2006

K Ahmed meets Mr Raja and S Iqbal. K Ahmed expresses concerns about possibility of Yorkshire Foods launching a FAMOS product. S Iqbal confirms that they have no intention of using the FAMOS mark.

S Baig receives telephone call from S Iqbal. Call put on speaker phone and the conversation listened to by S Baig, A Baig and Gully Sahota. Mr Iqbal confirms that he had instructed his barrister about the assignment, and not to worry as "...we have no intentions for the trade mark and it is yours...".

7 February

S Baig telephones K Ahmed regarding not having been contacted regarding the assignment. K Ahmed tells S Baig that S Raja had decided not to assign the trade mark because he had received a letter from the Patent Office regarding the invalidation action.

25. The next Witness Statement is dated 2 May 2006, and comes from Tanweer Ahmed, a partner in Ahmed's Foods.

26. Mr T Ahmed refers to having known Amjid and Sajid Baig for up to 25 years as friends, that he is aware that their business produces gram flour and spices. He says that the FAMOS brand is one which he has always associated with their business. Mr T Ahmed confirms that he is also aware of Yorkshire Fruits and has known Shaukat Iqbal and Sahdat Raja (the registered proprietor) for most of his life, and recounts having conversations where they have asked him "How's Sajid FAMOS?" He says that he first became aware that there "may be an

issue” over the FAMOS trade mark when Sajid Baig approached him and told him of a telephone call they had received, and registration of the trade mark by Sahdat Raja.

27. Mr T Ahmed refers to a meeting that he attended on 24 January 2006, between the applicants and the registrant, along with the registrant’s father, Shaukat Iqbal and their partner Wassim Bhatti, and Mr Ahmed’s brother, Khurshid Ahmed. The meeting had been arranged by Shaukat Iqbal for the purposes of assigning the trade mark to Arcadia, with Mr Ahmed and his brother present as intermediaries. Mr T Ahmed says that he is aware that Mr Amjid Baig produced a summary of the meeting, which is attached as Exhibit TA1. Mr T Ahmed confirms that he has read this exhibit and that he believes it to be an accurate summary of the events and discussions that took place. He refers to having been involved in further discussions, including a meeting on 28 January 2006 involving his brother, Khurshid Ahmed, Amjid Baig and Sajid Baig, at which his brother had confirmed his understanding that the FAMOS trade mark was to be assigned to the applicants.

28. The next Witness Statement is dated 2 May 2006, and comes from Khurshid Ahmed, a partner in Ahmed’s Foods.

29. Mr K Ahmed refers to having known Amjid and Sajid Baig for over 20 years, and to their being a friend of his younger brother, Tanweer Ahmed. He states that he is aware that their business is that of millers and packers of various food ingredients such as flour and spices, and also importers and suppliers of other products. He says that these products are sold under the name FAMOS, which is a brand that he has always recognized as being associated with Amjid Baid, Sajid Baig and Arcadia Food Industries Limited. Mr K Ahmed confirms that he is also aware of Yorkshire Fruits and has known Shaukat Iqbal and Sahdat Raja (the registered proprietor) for most of his life. He recounts having had conversations where he has been asked “How’s Sajid FAMOS? Doing.”

30. He says that he became aware of the issue over the FAMOS trade mark on 19 January 2006, when Tanweer told him of a telephone call he had received from Sajid Baig and a subsequent visit to his office.

31. Mr K Ahmed says that he arranged a meeting on 24 January 2006 at Yorkshire Fruits, between the applicants and the registrant, along with the registrant’s father, Shaukat Iqbal and their partner Wassim Bhatti, and Mr Ahmed’s brother, Tanweer Ahmed. He says that he and his brother were present as intermediaries. The meeting had been arranged through Shaukat Iqbal for the purposes of assigning the trade mark to Arcadia. Mr K Ahmed says that he is aware that Mr Amjid Baig produced a summary of the meeting, which is attached as Exhibit KA1. Mr K Ahmed confirms that he understands it to be accurate. He confirms having been involved in further discussions, including a meeting on 27 January 2006 with Mr Shaukat Iqbal, at which Mr Iqbal confirmed the details of the earlier meeting, in particular, Sahdat Raja’s demands in relation to licencing of the FAMOS trade mark. He says that on returning to his shop he telephoned Amjid and Sajid Baig to tell them it was up to them to proceed through the legal process. He says that he later went to a meeting with Shaukat Iqbal and Wassim Bhatti at which Mr Iqbal gave his, and his son’s personal guarantee that he would assign the trade mark to the Baig’s. He says he telephoned his brother to stop the notice being issued the following day.

32. Mr K Ahmed states that a further meeting took place on 28 January 2006, between himself, his brother Tanweer Ahmed, Amjid Baig and Sajid Baig, at which he reiterated that the trade mark would be assigned, and that a letter would be arriving from Mr Sahdat's barrister after which the Baig's would attend chambers to complete the assignment. Mr K Ahmed recounts receiving a telephone call from Sajid Baig on 2 February 2006 regarding the possible use of FAMOS by Yorkshire Fruits, and a subsequent conversation with Shaukat Iqbal and Sahdat Raja during which they repeated that the trade mark would be assigned. Mr K Ahmed says that on 6 February 2006, he visited Yorkshire Fruits on business and was told by Shaukat Iqbal that they had received some court papers and as a consequence had decided not to assign the trade mark.

33. The following Witness Statement is dated 2 May 2006, and comes from Ashraf Ali Ebrahim, a Director of Lubna Foods Limited. Mr Ebrahim states that the facts contained in his statement come either from his own knowledge, or from the records of his company to which he has full access.

34. Mr Ebrahim says that his company was established in 1968, and specializes in the wholesale distribution of non-perishable Asian Foodstuffs. He says that his relationship with the applicants goes back to the initial owner of the company, a Mr Hashami, who knew his father. Mr Ebrahim says that it was his father who had encouraged Mr Baig to purchase the business, which Mr Baig established at 191 Garnett Street, directly opposite Mr Ebrahim's cash-and-carry business. He says that the FAMOS name is synonymous with the applicants, having been established for gram flour and more recently spices, pulses, etc, and that Mr Ebrahim's company distributes FAMOS brand gram flour from its locations in Bradford. He concludes his statement saying that the applicants are reasonably well established within the ethnic trade, and that the FAMOS brand has always been utilised by Arcadia Food Industries to market its products, stating that the Asian market associates FAMOS with the applicants.

35. The next Witness Statement is dated 2 May 2006, and comes from Philip Calam, a Graphic Designer working for his own company named Synthetic Dominion Limited. Mr Calam confirms that the facts contained in his statement come either from his own knowledge, or from his business dealings with the applicants.

36. Mr Calam says that he has worked as Mr Baig's Graphics Designer since Amjid Baig took over the company following the death of Mr Baig's father. He says that he has known the family for over 25 years. Mr Calam states that he originally worked on revamping and modernizing the FAMOS brand image, focusing on the central map and logo combination, which was, and still is very prominent and recognizable throughout the domestic spice and flour market. Mr Calam states that to the best of his recollection, the designs were continually modified and improved, the first major re-design taking place around 15 years ago, with a more recent revamp taking place some 5 to 6 years ago. Mr Calam says that the design concepts were passed to a new design company to carry forward to production.

37. The next Witness Statement is dated 2 May 2006, and comes from Azhar Butt, a Partner in A R Butt, for over 40 years trading as a business in the wholesale of fruit and vegetables.

38. Mr Butt says that although his company does not stock FAMOS products, he has an extensive knowledge of the brand, especially their gram flour and spice products. He says

that to his knowledge, everyone is aware of Amjid and Sajid Baig and Arcadia Food Industries, and that they manufacture FAMOS. He further states that in his opinion the name FAMOS is synonymous with Arcadia as both are very high profile within our marketplace, and that anybody discussing Amjid or Sajid Baig referred to them as Amjid FAMOS or Sajid FAMOS.

39. Mr Butt says that he has known FAMOS for over 15 years, both as a consumer of their products and in his travels, citing by way of example that the unit next door to his sells FAMOS branded goods. He says that he has also seen trucks bearing the name FAMOS delivering within Bradford and refueling at a garage used by traders from the market. Mr Butt concludes by referring to the use of the applicants' Garnett Street property as a market during holidays, a fact mentioned in other Statements.

40. The following Witness Statement is dated 2 May 2006, and comes from Blake Harrison, a Studio Manager of Smurfit Kappa Ward, a UK division of Smurfit Kappa, a position he has held for some 11 years. Mr Harrison says that his company manufactures and supplies paper packaging such as bags and sacks.

41. Mr Harrison says that his company may have supplied packaging to the applicants for some 11-12 years although may not have produced the artwork or printing plates from the outset. He says that from his records he has located artwork for a FAMOS brand 20kg gram flour sack that was signed by Mr Amjid Baig on 14 December 1997, along with a delivery note for the printing plates dated 17 December 1997. He exhibits copies of both as Exhibit BH1. The artwork shows the name FAMOS on Arcadia Food Industries Limited gram flour packaging. One sheet is endorsed "Artwork approved after change ...14/12/97". The endorsement is initialed and whilst these may be Mr Amjid Baig's, I cannot be sure. Other similar artwork dating from 19 January 1998 can be seen to have been signed by Mr Amjid Baig.

42. Next is a Witness Statement dated 2 May 2006, which comes from Tim Law of Law Print and Packaging Management Limited, a company established on 15 January 2004 as the UK agents for an Italian paper bag manufacturer. Mr Law says that he was previously employed as a salesman for Ward Packaging Limited prior to it being sold to Smurfit Group, and had been instrumental in developing the applicants' account in 1994 to supply paper bags for FAMOS branded products. He confirms that he has known the applicants and Mr Amjid Baig since 1994 and has been involved in providing quotes for a range of flour bags, some of which were printed with the FAMOS brand. He concludes his Statement by saying that his company is actively involved in the supply of flour bags to the UK market, where he would consider it is well known that the applicants FAMOS brand relates to flour.

43. The next Witness Statement is dated 26 April 2006, and comes from David A Clegg, the owner of Dealbridge Limited, a company incorporated in 1987 to provide accountancy and business management consultancy and secretarial services.

44. Mr Clegg states that the first work that he did for the applicants was invoiced on 28 February 1998 when he prepared overdue accounts and dealt with a taxation query. His involvement continued with company until 2001 when a computerised accounting system was installed. He says that during his time working with the company he understood the

nature of the business to involve the purchase of spices, pulses and flour from around the world, which were then processed, packaged and distributed to a variety of traders and end users. He gives his views of the likely use of the FAMOS name although appears to have no actual knowledge.

45. Next is a Witness Statement dated 25 April 2006, which comes from Robert Simon, a Director of SPL Limited, a food importer and distributor to the food trade, including supermarkets cash-and-carry and manufacturers. Mr Simon says that he was responsible for the purchasing and selling operations.

46. Mr Simon says that he has known the applicants on a professional and personal level for probably 20 years, the applicants being suppliers to his company, and also its customers and contract packers. Mr Simon says that he and his company had a close working relationship with the applicants and their company employees, but that his knowledge of their business is limited. He is, however, aware that they own the FAMOS brand with which they mark and distribute themselves, and that they contract mill and pack under their customers own labels. He says that he considers the FAMOS mark to be synonymous with Arcadia foods in Bradford.

47. The next Witness Statement is dated 25 April 2006, which comes from Neil Whatmough, since November 2002, the owner of First Packaging Consultants. Mr Whatmough states that he supplies the applicants with corrugated cases as outer packaging for bags of gram flour, in FAMOS and other own label products. He says that prior to this the packaging was made by Mondi Packaging. Exhibit NW1 consists of a collection note for printing stereotypes, which although not stating that it relates to the FAMOS brand, Mr Whatmough confirms that this is the case.

48. He recounts having first become involved with the applicants in 1994, when he was Sales Director with Ward Packaging Limited, at which time his company was supplying paper bags for FAMOS branded, and the applicants' customers own label products. He says that the connection continued until 1999 when the bag making machines were sold. He left the company in 2004 when the company was sold to Smurfit, who, to his knowledge still supply the applicants.

49. The following Witness Statement is dated 24 April 2006, and comes from Richard Hudson, a Chartered Accountant and a partner in Stirk Lambert & Co. Mr Hudson says that his company has been acting for the applicants since July 1998 in the capacity of accountants, auditors and tax advisors, during which time he has been closely involved with the Baig brothers. Mr Hudson gives details of FAMOS sales figures for the years 2001 to 2005, which are those provided by Mr Amjid Baig in his Witness Statement. Mr Hudson confirms that although the audited accounts do not make specific reference to FAMOS, he can confirm that the applicants have extensively used the FAMOS name and that he has been involved as an advisor.

50. The next Witness Statement is dated 21 April 2006, and comes from Rashid Ahmad Awan, a President of the Pakistan Society of West Yorkshire, a position he has held since 1996. He says that the society is a voluntary organization set up to bring together all communities in West Yorkshire. Mr Awan says that as part of their activities the society

organizes two social events in Bradford, and to meet expenses produces a magazine funded by advertisements that is published on 14 August to coincide with Independence Day in Pakistan. Mr Awan says that from the records he can see that the applicants have placed an advertisement every year since 1997, with those from 2000 featuring the FAMOS brand. Copies of the advertisements are shown as Exhibit RAA1, and depict the FAMOS logo being used in connection with gram flour.

51. Witness Statement dated 20 April 2006, from Charles Kitchen, whom from November 2000 to 31 March 2006 had been engaged as an Advisor for Business Link for West Yorkshire based in Bradford. From 1 April 2006 Mr Kitchen has been a member of the Bradford Chamber of Commerce. Mr Kitchen says that Arcadia Food Industries Limited was on his first list of clients and has remained a client to the present day, during which time he assisted the company with a range of topics. He says that through this he is aware of the company's operations, including the FAMOS brand, which he noticed back in November 2000, thinking this was the deliberate misspelling of "famous". He notes that the company's e-mail address contains the same "quirky" spelling.

52. Witness Statement dated 10 April 2006, from Ghias El Yafi, Managing Director of Tahira Foods Limited. Mr Yafi says that his company has operated under the brand name TAHIRA in the UK since 1994, and has become the premier brand for Halal products. He recounts his company having registered a trade mark incorporating the word TAHIRA 1995. When renewing the registration in 2005 he became aware that Mr Sahdat Raja was attempting to register the name TAHIRA for himself. He says that his company filed notice of opposition and are currently awaiting the decision from the Registry.

53. Witness Statement dated 12 April 2006, from Fakhruddin Suterwalla, Managing Director of TRS Wholesale Company Limited, a specialist in Asian foods, and part of a group of companies that have been operating for over 40 years. Mr Suterwalla recounts his involvement with the applicants and their business, and to his knowledge of the applicants' FAMOS brand, which he considers the whole Asian trade is aware of as the brand of the applicants.

54. Witness Statement dated 21 April 2006, from Nainesh Vadera, currently the Sales Manager of Tilda Limited, and an employee of the company for over 15 years. Mr Vadera says that his company is the brand leader in the UK, and supplies all sectors of the grocery, food service, ready meal manufacturers and wholesale/cash and carry businesses.

55. Mr Vadera says that he is mainly responsible for the traditional sector of the business, including the applicants with whom they share a similar customer base. He says that he has personally been aware of the applicants and their FAMOS brand for over 15 years. His company has been actively trading with the applicants since 2004. Mr Vadera states that the FAMOS brand is a household name, confirming that he has been aware of it for many years. Mr Vadera states that the applicants' FAMOS Besan flour brand is widely seen and available at wholesale and retail units.

56. Witness Statement dated 21 April 2006, from T Aruliah, a retired Chartered Accountant. Mr Arulliah recalls a conversation with Mr Rehmat Baig in September 1970, in which he was asked to act for Mr Baig's business, a connection that lasted until 1996 when Mr Aruliah

retired. He recounts that in January 1987, Mr Baig bought Arcadia Food Industries, and other assets of the business including the FAMOS product name. He says that in 1987, the business moved to 191 Garnett Street, Bradford, as a packer of Asian foods, and that in the second year of business, sales of FAMOS products topped £250,000. He says that sales subsequently increased year on year.

57. Witness Statement dated 20 April 2006, from Amjad Pervez, Managing Director of Seafresh, which he describes as one of the largest food service companies in the North. Mr Pervez states that his company has been purchasing FAMOS branded products from the applicants since as early as 1983, and that he has known the Directors, Amjid and Sajid Baig since they became involved in the business. Mr Pervez says that he is also Chairman of the Asian Trades Link, a business support organization that works as a partner in helping Asian businesses, and through this capacity he has dealt with the applicants. He says that the applicants have also been sponsors of the organization's activities.

58. An undated Witness Statement from Gully Sahota, the owner of a marketing company called GSTM Creative Communications. Mr Sahota says that he had been aware of the applicants for a number of years, but was formally introduced to Amjid and Sajid Baig in 2004 by a mutual client. He says that informal discussions with the applicants took place in January 2005, and that in February 2005 his company was asked to look at updating their packaging for the brand FAMOS. The project commenced in April 2005 and will continue until at least 2007. Exhibit GS1 consists of copies of the "draft stages" for the work. The exhibit includes of a printout detailing computer files and the date modified, inter alia, for packaging used by the applicants. The main folder is titled "Famos disk" and shows this to have last been modified on 23 January 2006. Other files mention "Famous DG Brand, showing these files to have modified in various stages between 2 September 2005 and 11 November 2005, along with two other files named "famos.eps" and "famos.psd". The remainder of the exhibit Mr Sahota describes as "copies of the draft stages for the work undertaken for the Applicants.". These include various examples of packaging and/or labels, including those for FAMOS gram flour and garam masala. Mr Sahota says that his company has also provided business stationery, and was engaged to provide a new website for the applicants.

59. Mr Sahota goes on to recount a visit to the offices of Amjid Baig on 3 February 2006, during which Sajid Baig came into the office and said he was on the telephone to Shaukat Iqbal, and put the call on speakerphone. Mr Sahota goes on to recount the telephone conversation in which Mr Iqbal is said to have told Sajid not to listen to rumours and not to worry, the FAMOS trade mark was theirs (the Baig's) and would be returned, that he had no intention of using the trade mark and that his barrister was writing to them.

60. Mr Sahota says that in "late January 2006" he had been informed by Mahoob Hussain Malik (Junior) one of the founders of the NAWAAB Group of restaurants and clients of his company, that they were "being targeted in connection with their trade mark NAWAAB". On 27 January 2006, he recounts receiving a telephone call from Abdul Said, another Director of the NAWAAB Group telling him that he had been told by Sajid Baig that their brand FAMOS had been registered and that the NAWAAB brand was in the process of being registered. Mr Said said that the person behind both being the same. Mr Sahota goes on to detail various meetings, including a visit to Arcadia by Mahboob Hussain (Senior) of

NAWAAB on 1 February 2006, and subsequent discussions leading to the actions taken by NAWAAB and the applicants in relation to these trade marks.

61. Witness Statement dated 4 May 2006, from Mahboob Hussian (Senior), one of the founders of NAWAAB Group of restaurants, which commenced trading in 1988. Mr Hussain explains the nature of his business and their prominence in the restaurant industry in Bradford. Mr Hussain gives an account of events, starting with his being told on or around 24 January 2006 that an application had been made to register his company's NAWAAB, and the applicants' FAMOS brands by Sahdat Raja of Yorkshire Fruits. Mr Hussain says that he knew Yorkshire Fruits because they supplied fruit and vegetables to his company via Ahmed Foods, and that having purchased FAMOS products he is aware of Sajid Baig. He next refers to the telephone call from Gully Sahota and the meeting at Arcadia on 1 February 2006, and a subsequent meeting on 3 February 2006 between himself, G Sahota and S Baig. Mr Hussain says that he told G Sahota and S Baig that S Iqbal of Yorkshire Fruits had given assurances that everything would be ok and the transfer of the trade marks would be arranged through Yorkshire Fruit's barrister, to which S Baig had said that he had received the same assurance and this was a delaying tactic. Mr Hussain goes on to detail various discussions and meetings, including with trade mark attorneys. The dispute with NAWAAB was resolved by S Raja assigning the trade mark to the partners of NAWAAB for a sum of £200. A copy of the assignment is shown as Exhibit MH1.

62. Witness Statement dated 3 May 2006, from Mahboob Hussian Malik (Junior), one of the three original founders of NAWAAB Group of restaurants, which commenced trading in 1988. Mr Malik explains the nature of his business and their prominence in the restaurant industry in Bradford. He gives an account of events, starting with his being told around 24 January 2006, that an application had been made to register his company's NAWAAB trade mark, and the applicants' FAMOS brand by Sahdat Raja of Yorkshire Fruits. Mr Hussain says that he knew Yorkshire Fruits because they supplied fruit and vegetables to his company via Ahmed Foods. He also knew Sajid Baig since he had purchased FAMOS products.

63. He next refers to the telephone call that he made to Gully Sahota, and gives details of various discussions and meetings, including with trade mark attorneys. The dispute with NAWAAB was resolved by S Raja assigning the trade mark to the partners of NAWAAB for a sum of £200. A copy of the assignment is shown as Exhibit MHM1.

64. Witness Statement dated 3 May 2006, from Mohammed Rashid, a businessman since 1977, and over the past five years the owner of B & H Wholesalers. Mr Rashid says that he has known Amjid and Sajid Baig and their family since 1978/79. He says that the FAMOS brand is one that he recognises and has always associated with Amjid and Sajid Baig and Arcadia Food Industries Limited. He is a customer of Arcadia.

65. Mr Rashid says that he has known Shaukat Iqbal since around 1977, and Sahdat Raja for the past 6 years. He says that he regularly purchases products from their business, Yorkshire Fruits. Mr Rashid goes on to recount a visit to the premises of Yorkshire Fruits on 19 January 2006, during which S Raja engaged him in conversation and asked him who owned the FAMOS brand, Mr Rashid saying that his response was "...he should know that for a long time FAMOS belongs to Mr Rahmat Baig and Amjid and Sajid Baig and Arcadia". Mr Rashid says that S Raja led him to his fathers office stating that "...Dad (Mr Shaukat Iqbal)

would tell me who the brand belonged to”. Mr Rashid said that Mr Iqbal “berated Sahdat Raja and instructed him to “do your work – you don’t need to tell everyone what you are doing – just keep working”. He says that on the following day he received a telephone call telling him that Yorkshire Fruits had registered FAMOS and were registering other names, after which he contacted S Baig to tell him what had happened.

66. Witness Statement dated 2 May 2006, from Asim Saleem, Managing Partner of Kashmir Crown Bakeries. Mr Saleem confirms that his business has been trading since 1968 and that its main activity is the manufacture of bakery products, savoury snacks and Asian sweets, and has been using FAMOS gram flour from the applicants since 1990, and also uses FAMOS branded spices.

67. Witness Statement dated 15 May 2006, from Sukhjit S Dulai, Managing Director of Flying Trade Limited, a business established in 1988 as rice millers. He says that they supply rice to the applicants, and that he has known of their FAMOS brand for at least 6 years, in particular in relation to gram flour. He says that he has generally known the applicants as an own label grinding business and one of the major players in this type of ethnic speciality product.

68. Witness Statement dated 16 May 2006 from Salim Siddique, a Partner in Quality Foods, business established in approximately 1967 as a manufacturer of foil takeaway food containers, and provider of Chinese food provisions to the wholesale market. He says that his company’s premises are close to those used by the applicants.

69. Mr Siddique says that his business has been aware of the FAMOS brand and Arcadia Food Industries since the 1970s when it was owned by Mr Hashmi, with whom his father had many dealings. He says that the connection continued when Mr Rahmat Baig purchased the business, and subsequently with Amjid and Sajid Baig who are the manufacturers of the FAMOS branded flours, spices and wholefoods. He confirms that within the last 6 years his company has supplied the applicants with some of their articulated lorry trailer stock, and had provided assistance in the arrangement and placing their FAMOS livery onto the curtains. Mr Siddique says that he has seen these trailers and trucks on almost a daily basis delivering around Bradford and fuelling near the market. He confirms that his company has an extensive knowledge of FAMOS brand products, and have seen advertisements in local papers and in markets that they have visited. Mr Siddique says that his company and the applicants have shared radio sponsorship, and that he remembers Arcadia providing sponsorship for charity events and ceremonies. He says that Amjid and Sajid Baig are locally referred to as Amjid FAMOS and Sajid FAMOS and that he cannot imagine that there is anyone, especially in the Bradford area that has not heard of them, or the FAMOS brand of flour and spice products.

70. Witness Statement dated 4 May 2006, from Michelle Anne Ward, a trade mark attorney with Urquhart-Dykes & Lord LLP, the firm handling the invalidity proceedings on behalf of the applicants.

71. Ms Ward introduces Exhibit MAW1, which consists of documentation relating to the formation of Arcadia Foods Limited on 11 June 1990, and statutory forms such as notification of a change of directors, the registration of mortgages and Annual Returns in the

following years. The only mention of Famos is in the company address, which first appeared when the company notified a change of address from 191 Garnett Street, Bradford in the Annual Return filed in September 1993.

72. Ms Ward says that she has been advised by the applicants that they operate a website [www.famos.co.uk](http://www.famos.co.uk), that features their FAMOS mark, and that over the years this has undergone a number of changes. Exhibit MAW2 consists of a print of the front page of the website taken on 3 May 2006, which shows the FAMOS name. Exhibit MAW3 is an extract from the WHOIS, a domain name information source provided by Nominet, which shows the [www.famos.co.uk](http://www.famos.co.uk) website to have been registered by Arcadia Food Industries on 1 October 1999. Exhibit MAW4 consists of an extract from an internet archive site that tracks changes to websites, and which details the updates to the FAMOS website from 29 March 2002. Exhibit MAW5 consists of a print from the website as it was on 29 March 2002.

73. Ms Ward mentions that the applicants are members of the Bradford Chamber of Commerce, and are listed in the online directory called Touch Bradford. The prints shown as Exhibit MAW6 confirm both facts, the only mention of FAMOS is in the company address. Exhibit MAW7 consists of a print from MultiMap which shows the proximity of the addresses referred to in evidence, namely, Essex Street, Garnett Street and Pawson Street. Exhibit MAW8 consists of company accounts for Yorkshire Fruits, Ms Ward pointing to the entries for Shaukat Iqbal and Wassim Bhatti as Directors. Ms Ward next refers to Exhibit MAW9, which consists of a print taken from Marquesa relating to an expired registration for FAMOS in the name of Mohammed Shafi Hashmi, Amat Aslam Hasmi and Arcadia Hashmi, registered in relation to goods in Class 30.

74. Ms Ward refers to the registered proprietor having applied for a number of trade marks, details of which she exhibits as MAW10. Exhibit MAW11 and MAW12 consist of prints of the historical records for the NAWAAB and TAHIRA applications, showing the NAWAAB application to have been assigned to the NAWAAB Group partners, and the TAHIRA application to be the subject of opposition proceedings. Exhibit MAW13 consists of prints taken from the TAHIRA Foods website and details of this company taken from the Companies House online register. Exhibit MAW14 consists of pages from the websites and the Companies House online register for various companies that have provided Statements on behalf of the applicants.

75. That concludes my review of the evidence insofar as it is relevant to these proceedings.

## **Decision**

76. The application for a Declaration of Invalidity is made under the provisions of Section 47 of the Act, which reads as follows:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been

made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration

(2A)\* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only

of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

77. I turn first to the ground under Section 5(4)(a) of the Act, which reads as follows:

“5.-(4) 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

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.”

78. A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of England* (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff'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 defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff;

and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal, definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

79. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

80. In *Reckitt & Colman Products Ltd v Borden Inc and others* [1990] RPC 341, (also known as the "*Jif Lemon*" case) Lord Oliver (page 880) summarised the law this way:

"It has been observed more than once that the questions which arise are, in general, questions of fact... The law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it

consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff".

81. To the above I add the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, and others*, [2002] RPC 19, in which he said:

"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 RPC 97 as qualified by *BALI Trade Mark* [1969] RPC 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 possibilities that passing off will occur."

82. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced, as per the comments in *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429.

83. The starting point is to ascertain whether the applicants have goodwill. In *IRC v Muller and Co's Margarine* [1901] AC 217 at 223, Lord Macnaughton explained what is meant by “goodwill” in the following terms:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

84. It is clear from this and other authorities that goodwill in a sign is acquired by using it in some form of commercial activity. In *Kean v McGivan* [1982] FSR 119, Ackner LJ stated:

“It is well-settled--and I do not need to refer to the text books; it is amply set out in the text books and in particular in Halsbury and in Clarke and Lindsell--that apart from statute there is no property in a name as such; and, in the absence of misrepresentation or some malicious motive, a man or woman has the right to use not only his own name but to adopt the name of another for himself or his property. This is so despite the fact that this can give annoyance and inconvenience, and there are decided cases dealing with the consequences which can occur when a house is given a particular name which is also the name of another house or a telegraphic address. However, if the particular name is used in connection with a business or a profession, it may achieve a right to prevent another person from using that name in a manner likely to cause confusion in the minds of members of the public. But the basis of a right of action in passing off is that the conduct of the defendant is such that the public may be led to believe that the goods which the defendant is offering or the services which he is offering are in fact the goods or services of the plaintiff. The property which is said to be injured in that situation is not the name or the description of the goods but the right to the goodwill of the business which results from the particular commercial activity. Therefore the courts do not in general interfere to protect a non-trader. I hasten to add that of course the word "trade" is widely interpreted and includes persons engaged in a professional, artistic or literary occupation. Thus the action lies where there is a real possibility of damage to some business or trading activity. Therefore the plaintiff must establish that in some sense he is carrying on a business with which the trade or public will be led to associate the defendant's activities.”

## **Goodwill**

85. The applicants have provided a considerable amount of detailed evidence relating to the origins and development of their business, which started with the purchase of Arcadia Food Industries by Rahamat Ali Baig, the father of the current owners of the company. The Purchase Agreement dated 8 December 1986 (Exhibit AB1) refers to Arcadia Food Industries as being in the business of a dealer and manufacturer of gram flour and grams under the trade mark FAMOS, and states that the said trade mark, and all goodwill of the business are included in the sale. Although Mr Amjid Baig says that he understands the FAMOS trade mark had been used “for a number of years” prior to its purchase by his father, there is no evidence of this.

86. Arcadia Food Industries had registered FAMOS (No.1056419) in respect of “Curry powder, flour, rice, farinaceous products, for food for human consumption, spices (other than poultry spice), sauces, condiments and preparations included in Class 30 for use in making curries.”. The application had been made on 16 December 1975. Although the Purchase Agreement shows the sale to have included the trade mark, for whatever reason the transfer to the new owners of the company was never recorded. In 1996 -7 when the next renewal fees became due, the new owners did not take any action and the registration was removed from the register. That the mark was no longer registered did not necessarily mean that it had been abandoned or that any rights Arcadia may have established also lapsed and the mark was open for acquisition by another. If Arcadia had been using FAMOS in connection with their business, they still had common law rights to the name and any attached goodwill and reputation.

87. Exhibit AB15 consists of a collection of invoices relating to the printing and supply of packaging in the years 1986 to 2005, the earliest dating from 2 December 1986. These mention 2 kilo bags intended to contain FAMOS GRAM FLOUR, and other bags to be branded FAMOS but without any indication of the intended contents.

88. Exhibits AB13 and AB14 consist of a large number of invoices, delivery notes and records of deliveries dating from 6 August 1985 onwards in relation to sales of FAMOS gram flour to cash & carry outlets in the North of England. By May 1989 this trade extended throughout the UK and although still primarily in relation to gram flour, also included sales of the following goods: “dall masoor, dall green lentils, chick peas, Australian polished dall, red masoor, maize flour, rice flour, self-raising flour, ground rice, dhanian powder, haldi powder, jeera powder, garam masala, chana dahl, cumin powder, tandoori powder, coriander powder, polenta, white pepper, ginger powder, cumin seeds, black pepper, chilli powder, yellow split peas, nigella seed, mustard powder, fenugreek, paprika, red split lentils, curry powder, ajain powder, washed moong, moong Celera, red kidney beans, cardamom green powder, chaat masala, semolina, urid dahl, black eye beans, moth dahl, rice cones, black chana, crushed chillies, fennel powder, cinnamon powder, cloves powder and nutmeg.”. Each product description is preceded by FAMOS indicating that that is the brand name used for these goods.

89. Exhibit AB3 consists of a chronology of the advertisements that have been placed by the applicants; Exhibit AB4 consisting of related invoices and/or copies of the advertisements. A number of the invoices are for the placement of radio advertisements, primarily on Pennine Radio, from May 1987 onwards, but they do not say that they were in relation to FAMOS. The remainder of the Exhibit relates to advertising in printed publications. The earliest invoice is dated 29 December 1987 and relates to the placing of an advertisement in the Daily Jang International Edition in that month. Whilst the invoice does not mention FAMOS, the accompanying copy of the advertisement, although written in Urdu, has the word FAMOS in the second line, but beyond the reference to “Arcadia Food Industries – Asian & Continental Food Canners & Millers” it is not possible to ascertain what goods are being promoted. This invoice and the advertisement are typical of those placed in the Daily Jang and other Asian publications such as The Daily Millat. An invoice dating from 28 December 1992 has a copy of an advertisement from the 26 December 1992 edition of The Daily Jang. This has the name FAMOS imposed over a background consisting of a representation of the Indian continent, FAMOS being used in the Urdu text, the goods being stated as “Pure 100% Chana

Dahl Besan GRAM FLOUR”. The contact details give Amjid & Sajid Baig, Arcadia Food Industries Limited”. The advertisements state ““FAMOS” AND THE FAMOS MAP ARE REGISTERED TRADE MARKS.”

90. The Exhibit also includes invoices for an advertisement placed in the West Yorkshire Metropolitan Police Federation Diary 1994, which included the applicants’ “FAMOS MAP” trade mark, a letter dated 10 February 1994, from White Rose Films relating to the production of two “FAMOS Gram Flour” television advertisements to be broadcast on 21 occasions on “TV ASIA” from 21 February 1994, and an advertisement placed in the 25 March 1999 edition of the Telegraph & Argus that uses FAMOS and the FAMOS MAP in connection with Gram Flour. There are many more examples of such advertising in publications such as “chilli international” (July 2000), The Pakistan Society of West Yorkshire 54<sup>th</sup> Independence Day of Pakistan Publication (August 2001), Asian Focus (October 2001), Asian Eye (December 2001), Bradford Asian Eye (February 2002), Telegraph & Argus (November & December 2002), The Pakistan Society of West Yorkshire 56<sup>th</sup> Independence Day of Pakistan Publication (August 2003) which show “FAMOS<sup>®</sup>”, FAMOS logo adverts placed at the Yorkshire Area Business Convention July 2003, invoices for advertisements placed in “Asian Eye” and “SPICE”, the applicants’ address including “FAMOS HOUSE” (January – March 2004), The Pakistan Society of West Yorkshire 57<sup>th</sup> Independence Day of Pakistan Publication (August 2004), invoice for advertising with “Radio Ramadan Halifax”, “Bell Magazine”, “The Pakistan Society of West Yorkshire” and “Radio Ramazan FM Leeds” which show “FAMOS HOUSE” in the applicants’ address (November 2004 – November 2005). The advertisements primarily shows FAMOS used in relation to gram flour, although from as early as the 10 December 2001 edition of Asian Eye the name is used in relation to flours, spices, and natural whole-foods.

91. All of the previous evidence shows use by means of business documentation, promotional materials, etc, generated in the course of business by the applicants’ company. What is more revealing is the evidence from those in the same, similar and allied trades. Mr Tanweer Ahmed, a partner in Ahmed’s Foods, attests to having known Amjid and Sajid Baig for up to 25 years as friends, and is aware that their business produces gram flour and spices, and that the FAMOS brand is one which he has always associated with their business. Mr Khurshid Ahmed, a partner in Ahmed’s Foods states that he has known Amjid and Sajid Baig for over 20 years, and that he is aware of their business as millers and packers of various food ingredients such as flour and spices, and also importers and suppliers of other products. He confirms that these products are sold under the FAMOS name, which is a brand that he has always recognized as being associated with Amjid Baig, Sajid Baig and Arcadia Food Industries Limited. Mr Asraf Ali Ebrahim, a Director of Lubna Foods Limited, says that his relationship with the applicants goes back to the initial owner of the company, a Mr Hashami. Mr Ebrahim says that it was his father who had encouraged Mr Baig to purchase the business. He says that the FAMOS name is synonymous with the applicants, having been established for gram flour and more recently spices, pulses, etc, and that his company distributes FAMOS brand gram flour from its locations in Bradford. He states that the applicants are reasonably well established within the ethnic trade, and that the FAMOS brand has always been utilised by Arcadia Food Industries to market its products, and that the Asian market associates the brand with the applicants.

92. Mr Azhar Butt, a Partner in A R Butt, for over 40 years trading in the wholesaling of fruit and vegetables. Mr Butt says that although his company does not stock FAMOS products, he has an extensive knowledge of the brand, especially their gram flour and spice products, and that to his knowledge, everyone is aware of Amjid and Sajid Baig and Arcadia Food Industries, and that they manufacture FAMOS. He states that in his opinion the name FAMOS is synonymous with Arcadia as both are very high profile within the marketplace.

93. Mr Blake Harrison, a Studio Manager of Smurfit Kappa Ward, a UK division of Smurfit Kappa, says that his company has supplied packaging to the applicants for some 11-12 years. Mr Tim Law of Law Print and Packaging Management Limited confirms that he has known the applicants and Mr Amjid Baig since 1994 and has been involved in providing quotes for a range of flour bags, some of which were printed with the FAMOS brand. He says that his company is actively involved in the supply of flour bags to the UK market, where he would consider it is well known that the applicants FAMOS brand relates to flour.

94. Mr Robert Simon, a Director of SPL Limited, a food importer and distributor to the food trade, says that he has known the applicants on a professional and personal level for probably 20 years, the applicants being suppliers to his company, and also its customers and contract packers. He says that he and his company had a close working relationship with the applicants and that he is aware that they own the FAMOS brand, and that the name is synonymous with Arcadia Foods in Bradford. Mr Neil Whatmough, of First Packaging Consultants states that he supplies the applicants with corrugated cases as outer packaging for bags of gram flour, in FAMOS and other own label products, and that he first became involved with the applicants in 1994 when he was Sales Director with Ward Packaging Limited.

95. Mr Fakhruddin Suterwalla, Managing Director of TRS Wholesale Company Limited, recounts his involvement with the applicants and their business, his knowledge of the applicants FAMOS brand, stating that he considers the whole Asian trade is aware of the FAMOS brand of the applicants. Mr Nainesh Vadera, of Tilda Limited says that he has personally been aware of the applicants and their FAMOS brand for over 15 years, and that his company has been actively trading with the applicants since 2004. He further states that the FAMOS brand is a household name and that he has been aware of it for many years.

96. Mr Amjad Pervez, Managing Director of Seafresh, states that his company has been purchasing FAMOS branded products from the applicants since as early as 1983. Mr Mohammed Rashid, a businessman and the owner of B & H Wholesalers states that he has known Amjid and Sajid Baig and their family since 1978/79, that he has always associated FAMOS with Amjid and Sajid Baig and Arcadia Food Industries Limited, and that he is a customer of Arcadia. Mr Asim Saleem, Managing Partner of Kashmir Crown Bakeries confirms that he has been using FAMOS gram flour from the applicants since 1990, and also uses FAMOS branded spices. Mr Sukhjit S Dulai, Managing Director of Flying Trade Limited, says that they supply rice to the applicants, and that he has known the FAMOS brand of the applicants for at least 6 years, in particular in relation to gram flour. Mr Saleem Siddique, a Partner in Quality Foods states that his business has been aware of the FAMOS brand and Arcadia Food Industries since the 1970s, and that within the last 6 years has supplied the applicants with some of their articulated lorry trailer stock and provided assistance in the arrangement and placing of their FAMOS livery onto the curtains. He says

that Amjid and Sajid Baig are locally referred to as Amjid FAMOS and Sajid FAMOS and that he cannot imagine that there is anyone, especially in the Bradford area that has not heard of them, or the FAMOS brand of flour and spice products.

97. To my mind the company documents and evidence from other traders clearly show the applicants to have a longstanding connection with FAMOS, and to have made significant use of, and widely and consistently promoted the name in connection with their business. Their commercial activity is centred on the West Midlands, but is by no means confined to this area; there is evidence of a trade extending throughout the UK. Likewise, the focus of their promotion of the name has been in, but not limited to their core area. There is ample evidence that the local wholesale and retail food trade, as well as a number of national businesses from within the same and allied trades recognise the applicants' ownership and connection with FAMOS. Early use was of the name FAMOS without any added matter. In later years, use of the name FAMOS has primarily, although not exclusively been in conjunction with a map device, but in my view FAMOS has always been by far the dominant, distinctive element, with the map being little more than a background. The applicants first used the name in connection with Gram Flour, which is still the cornerstone of their business. Over the years this use has expanded into a more widespread trade in spices and goods such as flours, semolina and other products made from cereals. This is a case where I have no hesitation in accepting that at the relevant date the applicants possessed a goodwill and reputation in the FAMOS name that extended throughout the UK, albeit to a diminishing extent as it traveled from their home area.

## Misrepresentation

98. The next question is whether use of the trade mark by the registered proprietor would amount to a misrepresentation. *In Harrods Ltd v Harrodian School Ltd* [1996] RPC 697, at page 713, Millett L.J stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

And, at page 714:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations.”

99. In essence the question I have to address is whether the relevant public, on seeing the mark FAMOS being used on flour, preparations made from cereals, rice, baking powder or spices, would be likely to believe these goods were being offered by the applicants.

100. There is a reference in the evidence to FAMOS being close to the ordinary English word FAMOUS. Whilst the two words have a certain visual resemblance, the removal of the letter “U” changes the appearance to the extent that I do not consider that the consumer of the relevant goods will see FAMOS either as the word FAMOUS, or a misspelling of that word. The removal of this letter also alters the way that the word will be enunciated. As far as I am concerned, FAMOS is a word with no reference to a characteristic of the goods for which the applicants use it, and it should be regarded as an invented word.

101. As I have already said, the applicants’ use of FAMOS has been in relation to gram flour, spices and goods such as flours, semolina and other products made from cereals. The use has therefore been in respect of a mark that is the same as that of the subject registration, and in relation to the self-same goods of that registration. Apart from the use in the “map logo” style, I do not see that the registered proprietors could use it much differently to the applicants. Nor do I see any reason why there should be any difference in the manner in which they would ply their trade, or that they would have a different supplier – customer base. Use by the registered proprietors would not be use in a competing trade, or in an area that could be considered to be a natural extension of the area in which the applicants have established their reputation and goodwill; it is a trade that is potentially identical in all respects. To my mind, use of the mark by the registered proprietor in connection with the goods for which he has achieved a registration would amount to a misrepresentation that will lead the consumer into mistakenly believing that they are dealing with the applicants, or some business connected to them.

## Damage

102. Whilst there is a reference in the evidence that suggests the registered proprietors may have been considering using the mark, there is no evidence that he has, or intended to. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 [1939] RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

103. Consequently, having found the applicants to possess goodwill in the name appropriated by the registered proprietor, in relation to the same and similar goods, and that use of the mark as registered would amount to a misrepresentation/deception, then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off have been established.

104. In *South Cone Incorporated v Jack Bessant and others*, Pumfrey J stated that once raised, the applicant, or in this case, registered proprietor “...must rebut the prima facie case...” and whilst he does not need to show that passing off will not occur, “...he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.” The registered proprietors have not provided one shred of evidence or even seen fit to respond by providing written submissions in defence of their registration. To my mind this is as clear a case of passing off as I have ever been required to decide, and the ground of invalidation under 5(4)(a) succeeds.

105. My decision under Section 5(4)(a) effectively decides the matter, but for completeness I will go on to look at the allegation of bad faith founded under Section 3(6). That section reads as follows:

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

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

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behavior observed by reasonable and experienced men in the

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

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

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

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

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

108. Thus, in considering the actions of the registered proprietor, the test is a combination of the subjective and objective. Furthermore, it is clear that bad faith in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behavior i.e. unacceptable or reckless behavior in a particular business context and on a particular set of facts.

109. I am reminded of the comments of Nicholls LJ in the Privy Council judgment *Royal Brunei Airlines Sdn Bhd v. Tan* [1995] 2 AC 378, when he described dishonesty as “...to be equated with conscious impropriety”. This was in the context of accessory liability in the misapplication of trust assets to the detriment of a beneficiary. However, I think the same general principles would apply in trade mark law in the context of the current proceedings. He added:

“In most situations there is little difficulty in identifying how an honest person would behave. Honest people do not intentionally deceive others to their detriment. Honest people do not knowingly take others’ property .... The individual is expected to attain the standard which would be observed by an honest person in those circumstances. It is impossible to be more specific. Knox J captured the flavour of this, in a case with a commercial setting, when he referred to a person who is “guilty of commercially

unacceptable conduct in the particular context involved”: see *Cowan de Groot Properties Ltd v. Eagle Trust Plc* [1992] 4 All ER 700 at 761. Acting in reckless disregard of others’ rights or possible rights can be a tell-tale sign of dishonesty. An honest person would have regard to the circumstances known to him, including the nature and importance of the proposed transaction, the nature and importance of his role, the ordinary course of business, the degree of doubt .... Ultimately, in most cases, an honest person should have little difficulty in knowing whether a proposed transaction, or his participation in it, would offend the normally accepted standards of honest conduct.”

110. In the Privy Council judgment in *Barlow Clowes International Ltd v. Eurotrust International Ltd* [2005] UKPC 37, their Lordships took the opportunity to clarify the speculation that *Twinsectra* had changed the law. The judgment confirmed the House of Lords’ test for dishonesty that had been applied in *Twinsectra*, i.e. the combined test, and clarified their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. In the judgment Aldous L.J., quoted Lord Hutton’s statement at paragraph 36 of *Twinsectra* and continued:

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

111. In my determination of the ground under Section 5(4)(a), I referred to the reference in the evidence which indicated that the registered proprietor “may” have been considering putting the mark into use. There is no evidence that he has ever used the mark, or any statement from him that that had been his intention. In fact, there is a statement in the evidence to the effect that the registered proprietor had no intention of using the mark. This goes unanswered, as does all of the evidence.

112. I consider that the motive for registering the FAMOS name can be found in a summary of a meeting (AB20) said to have taken place on 24 January 2006, involving the registered proprietor, his father and uncle, the applicants, and Tanweer and Kurshid Ahmed who acted as a form of arbiter. That the record was made by Amjid Baig some time after the event could give cause to question the accuracy of his recollection. However, Sajid Baig, and Kurshid and Tanweer Ahmed exhibited copies of the record (SB1, KA1 and TA1 respectively) confirming that it is an accurate account of what was said and occurred. I am also mindful of the fact that the registered proprietors have not challenged the veracity or accuracy of the record.

113. Statements attributed to Mr Sahdat Raja, the registered proprietor during the course of that meeting indicate that he considered the applicants to have been careless in looking after their asset, and as a consequence they had lost the right to it. It seems that the proprietor of record became aware that the registration of the FAMOS trade mark had lapsed, and saw an opportunity to take the mark for himself. From the evidence there can be little doubt that this

was a trade mark that he knew full well was being used as the main brand of what, on the face of it appears to be a successful business, and had been for quite some time. The account of the meeting mentions the possibility of the registered proprietor licensing the applicants to use the FAMOS name.

114. This is not the only instance of Mr Raja trying to gain control of a trade mark that he knows to be the property of another. Mr Ghias El Yafi, the Managing Director of Tahira Foods Limited states that his company has operated under the brand name TAHIRA in the UK since 1994, and is the premier brand for Halal products. His company registered the trade mark in 1995, and when it came up for renewal in 2005 he found out that Mr Raja was trying to register the name. Mr Mahboob Hussian Malik (Junior) and Mr Mahboob Hussain (Senior), both of NAWAAB Group, the operator of a prominent group of Bradford restaurants recounts having found out that Mr Raja had made an application to register their company's NAWAAB trade mark. The dispute with NAWAAB was resolved by Mr Raja assigning the trade mark to the partners of NAWAAB for a sum of £200. A copy of the assignment is shown as Exhibit MHM1. These actions are put forward as an indication that Mr Raja is of dishonest character; he has not sought to challenge these allegations.

115. The impression I get from the evidence, particularly that provided by other traders who are customers or competitors of the applicants, and also that of local organisations such as The Pakistan Society of West Yorkshire, is that of an Asian business community that is close knit and well informed of who does what. I do not consider that there can be much doubt that Mr Raja knew that the applicants had been using FAMOS as a trade mark for many years, and had built a strong reputation and goodwill in the name. He may not have considered that having let the registration lapse that there was anything wrong in taking the name for himself, but as can be seen from the case law, what Mr Raja believed is of no consequence if the act of applying for registration would be regarded as in bad faith by persons adopting proper standards. From the report of the meeting it seems clear that Mr Raja cannot have been under the impression that the applicants had abandoned the FAMOS name. If that had been the case he would not have proposed that they used the mark under a license granted by him.

116. In the summary of the meeting that took place on 24 January 2006, Mr Wassim is recorded as having stated that the applicants had been irresponsible with something that had belonged to their father, and to have used the analogy of a fish caught in the Baig's net, jumping into his net, then the fish (FAMOS) would be his. In allowing an asset that is so obviously an important part of their business to lapse the applicants were indeed careless. On seeing the expired registration for a trade mark that he clearly knew the registered owners were actively using in their day to day business, Mr Raja did not say to them "do you know your trade mark registration has lapsed". He saw an opportunity and pocketed the property for himself. The motive is not entirely clear, it may just be financial or the exercise of power, but whatever, Mr Raja sought to deprive the applicants of their asset and to control their use. Taking all of the circumstances into account, I find his actions to be an act of bad faith, and accordingly, the ground under Section 3(6) also succeeds.

## **Costs**

117. The applicants having been successful are entitled to an award of costs. The long established practice in proceedings before the Registrar is that costs be awarded to the

successful party, with the amount of the contribution being determined by reference to a published scale of figures. This scale sets amounts for the statutory fees paid, and reflects the stage in the proceedings reached. Whilst “scale” costs will be the norm in most cases, it is not a substitute for consideration of what it would be reasonable for the Registrar to award. In fact, even where the scale is to be followed, for certain actions such as the compilation of evidence, and the preparation for, and attendance at the hearing, the scale is expressed in “ranges” thus requiring the Hearing officer to assess the amount based in relation to the circumstances of the case.

118. In his skeleton argument, Mr Fiddes put his case in relation to costs are as follows:

“We refer the Hearing Officer to Rizla Limited’s Application [1993] RPC 365 in which Anthony Watson QC sitting as a Deputy Judge in the High Court clearly stated that in regard to Section 107 of the Patents Act 1977 (the equivalent section to section 68 of the Trade Marks Act 1994) that the Controller has “a very wide discretion with no fetter other than the overriding one that he must act judicially”. Anthony Watson QC went on to say that “As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any *bona fide* belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs.” At page 377 of Anthony Watson QC’s Judgment, he goes on to say that “If it can be shown that the losing party has abused the process of the Comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried” and that there would be exceptional cases in which an exceptional award of costs would be made. Anthony Watson QC also said in *vires* in that decision that there are of course a number of other circumstances such as deliberate delay, unnecessary adjournment etc where the Controller would be entitled to award compensatory costs, but it is unnecessary to define what is clearly a wide discretion.”

“In this instance the Registered Proprietor deliberately sought to register a mark which he knew was the property of a third party. Such an act of dishonesty should result especially where the registered proprietor had been given ample opportunity to deal with the matter without the necessity of incurring the expense of this Application particularly where the costs have been entirely borne by the Applicant given that no evidence or submissions have been made by the Registered Proprietor, therefore the Applicant should be in a position to recover all of their costs

We draw the Hearing Officer’s attention to *British Telecommunications plc and Others v One in a Million Ltd* where in an analogous situation a third party with knowledge taking ownership of a domain name the courts not only held that the rights should be transferred back to the legitimate owners but also awarded full indemnity cost. We submit that this case in on all fours with “One in a Million and that indemnity costs would be justified in this case. We also believe that as a matter of public policy such a decision would demonstrate to others who attempted to dishonestly appropriate third parties’ legitimate brands that there could be substantial costs in commencing such an action. This would not conflict with the Registry’s current practice of providing a low cost Tribunal to settle legitimate disputes between

individuals and/or commercial businesses where each side is acting in accordance with honest practices in industrial and commercial matters, but rather demonstrating that it is unacceptable to abuse the Registration process.”

119. I do not consider that my role in these proceedings is to set up the losing party as an example and deterrent to others. That said, he has lost his registration and that will no doubt give others contemplating applying for registration of a mark that they know to be rightfully owned and used by another cause to consider the honesty and consequences of their actions.

120. The use of an open costs regime makes it possible for the Registrar to assess costs without need for further investigation. It also allows parties to enter litigation with a reasonable degree of certainty of their liability for costs, or the costs they may receive if successful. This approach to the assessment of costs has been retained for the reasons identified in Tribunal Practice Note 2/2000, to which Mr Fiddes referred me. However, under the provisions of Section 68(1) and Rule 60, the Registrar has the discretion to award costs off the scale. That section reads as follows:

**68.-** (1) Provision may be made by Rules empowering the registrar, in any proceedings before [her] under this Act –

(a) to award any party such costs as [she] may consider reasonable, and

(b) to direct how and by what parties they are to be paid.”

121. Rule 60 states:

“**60.** The registrar may, in any proceedings before her under the Act or these Rules, by order award to any party such costs as she may consider reasonable, and direct how and by what parties they are to be paid”

122. The circumstances in which costs are awarded in proceedings before the Registrar were considered in the decision of Anthony Watson QC, sitting as a Deputy Judge of the High Court in *Rizla Ltd's Application* [1993] RPC 365, a case referred to by Mr Fiddes. At page 374 the Deputy Judge held:

"The wording of section 107 could not in my view be clearer and confers on the Comptroller a very wide discretion with no fetter other than the overriding one that he must act judicially. I see no reason why the previously adopted practice could not be altered by the Comptroller in the same way as from time to time an important decision leads the courts to adopt a different attitude to what had previously been accepted practice. Thus, if the Comptroller felt it was appropriate, a form of compensatory costs could become the norm.

and:

As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any *bona fide* belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used

other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs."

123. He went on to say on page 377 that:

"Counsel was unable to refer me to any reported case where such a strong order for costs had been made by the Comptroller and therefore there is no established yardstick to measure what might be regarded as exceptional. I believe a case such as the present can only be regarded as exceptional if it can be shown that the losing party has abused the process of the Comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried. In my view, this is not shown to be such a case." (page 377)

And:

"There are of course a large number of other circumstances such as deliberate delay, unnecessary adjournments *etc.* where the Comptroller will be entitled to award compensatory costs, but it is unnecessary to define what is clearly a wide discretion."

124. In proceedings before the Registrar, an award of costs off the scale is generally accepted as being appropriate in "exceptional" circumstances, with each decision being made on a case-by-case basis according to the facts. This approach mirrors the Civil Procedure Rules. Although the CPR do not make it clear exactly when indemnity costs orders are appropriate, in the case of *Bowen Jones -v- Bowen Jones* [1986] 3 All ER 163 it was suggested that indemnity costs should only be awarded in "exceptional circumstances" but did not give any direction as to what "circumstances" should be considered "exceptional". Conduct that is considered to be wholly unreasonable will frequently be a significant deciding factor in determining whether costs on an indemnity basis are appropriate. Other circumstances in which an order for costs on an indemnity basis may be appropriate is where a party makes an offer to settle a case and beats that offer at a subsequent trial or assessment. That is not the case here so I need say no more. It is also worth noting from the outset that the Civil Procedure Rules in relation to indemnity costs states that advancing a case which is unlikely to succeed or which fails in fact is not a sufficient reason for an award of costs on the indemnity basis. (*Shania Investment Corp v. Standard Bank London Ltd*, November 2, 2001 (unreported)).

125. Section 44.5 of the Civil Procedure Rules sets out certain factors to be taken into account in assessing the amount of costs. It reads as follows:

"44.5 Factors to be taken into account in deciding the amount of costs

44.5(1) The court is to have regard to all the circumstances in deciding whether costs were

(a) if it is assessing costs on the standard basis –

- (i) proportionately and reasonably incurred; or
- (ii) were proportionate and reasonable in amount, or

- (b) if it is assessing costs on the indemnity basis –
  - (i) unreasonably incurred; or
  - (ii) unreasonable in amount.
- (2) In particular the court must give effect to any orders which have already been made.
- (3) The court must also have regard to –
  - (a) the conduct of all the parties, including in particular –
    - (i) conduct before, as well as during, the proceedings; and
    - (ii) the efforts made, if any, before and during the proceedings in order to try to resolve the dispute;
  - (b) the amount or value of any money or property involved;
  - (c) the importance of the matter to all the parties;
  - (d) the particular complexity of the matter or the difficulty or novelty of the questions raised;
  - (e) the skill, effort, specialised knowledge and responsibility involved;
  - (f) the time spent on the case; and
  - (g) the place where and the circumstances in which work or any part of it was done.”

126. Apart from taking account of the extent of the evidence provided, and the time and effort that is likely to have been expended in its compilation, I have little on which to say whether the costs claimed on behalf of the applicants are reasonable. What I am able to say with a little more certainty is that given the heavy burden placed upon the applicants in proving their case under Section 5(4)(a), and Section 3(6) in particular, the evidence is relevant, and in the circumstances the expenses appear to have been reasonably incurred.

127. The CPR states that I must have regard to the conduct of the parties, before, as well as during, the proceedings. Unfortunately the evidence is one-sided; the registered proprietors have not seen fit to answer any of the statements or allegations made. However, I do not see that they should be in a better position through silence; they have had the opportunity to say their piece. I must therefore proceed on the basis that the applicants’ have provided an accurate account of events. This paints a picture of the registered proprietor leading the applicants a bit of a dance with promises of resolving the dispute by assignment of the trade mark to Arcadia. Meetings were arranged and postponed and when the parties did actually sit down to discuss the issues, the registered proprietor appears to have been vague in his intentions. Whether this is because they were looking at the options available, or trying to delay the impending application for invalidation, I do not know. The time period over which

these events took place is not particularly long; there does not appear to have been any undue delay in the prosecution of this case.

128. With the exception of some inconvenience caused by a copy of an extension of time request not having been copied to the applicants for invalidation, the proceedings before the Registrar proceeded at a reasonable pace. A matter of days before the scheduled hearing date, it became apparent that the agent of record was not acting for the registered proprietor. The firm for whom he had worked told the Registry that he had not been authorized to file the form TM33 appointing him as agent, and in any event, had now left the firm. The apparently unauthorized representative seems to have been well informed about the currency of proceedings, but there is no evidence that the registered proprietor was in any way involved. Shortly before the reappointed hearing date the registered proprietor sought a postponement because he had to leave the country on family business. This having been refused, he then sought further time to file written submissions, which never materialized. I have no evidence that would give me grounds to question the veracity of the request for the postponement, or that establishes that the request and subsequent failure to provide submissions was a delaying tactic.

129. From the evidence it is quite clear to me that if there had been any efforts to resolve the dispute, these had come from the applicants, but as desirable as it may be to reach agreement rather than litigate, there is no onus upon any party to come to the table.

130. It is difficult to place a value on the trade mark. It is clearly of enormous importance to the applicants. Otherwise, all I can say is that having registered the trade mark I can only assume that Mr Raja also saw value in the name.

131. From the case law I have cited above, it is obvious that the law in respect of passing off (Section 5(4)(a)) and bad faith (Section 3(6)) is fairly well settled, and that any party seeking to rely on these grounds will be well aware of the evidential requirements. They do not present any real complexity, difficulty or novelty. What is required in terms of skill and knowledge is how and where to focus the evidence. Whilst the assistance of a trade mark attorney or other legal practitioner is an advantage, it is by no means beyond the wit of the man in the street.

132. Some of the actions listed on Mr Fiddes "accrued costs" sheet appear to be charged at a fixed rate. The most significant amounts are for time spent on various actions, but beyond giving the dates on which the action or event took place, Mr Fiddes has not given any indication of the actual time spent. I am not therefore in a position to say whether the time taken to complete each action appears reasonable. What I can see is that some of the costs, such as those relating to the preparations for, and aftermath of the cancelled hearing have been included. Whilst it is regrettable that the hearing had to be rescheduled, there is no evidence that the registered proprietor was to blame, and it is unreasonable that these costs should be laid at his door.

133. Under Part 44.4 of the Civil Procedure Rules, the Court will generally not allow costs that have been unreasonably incurred or which are unreasonable in amount. Any doubt will always be resolved in favour of the paying party. I believe the same position must apply where it cannot be seen that the costs have been reasonably incurred. To my mind Mr Fiddes

must have been aware of what would be required in proceedings of this nature, and that, in every likelihood, the applicants would not receive their actual costs, but a contribution towards them. I therefore reject Mr Fiddes claim for costs on an indemnity basis and will make an award on the usual basis from the scale.

134. I therefore order that the registered proprietor, pay the applicants, the sum of £3,700 towards their costs. This sum 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 23rd day of April 2007**

**Mike Foley  
for the Registrar  
the Comptroller-General**