

O-235-04

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2325425
IN THE NAME OF INDO EUROPEAN FOODS LIMITED**

AND

**IN THE MATTER OF AN APPLICATION FOR A
DECLARATION OF INVALIDITY NO. 81703
THERE TO BY MATCO RICE PROCESSING (PVT) LIMITED**

IN THE MATTER OF trade mark registration No. 2325425
in the name of Indo European Foods Limited

AND

IN THE MATTER OF an application for a Declaration of Invalidity
No. 81703 thereto by Matco Rice Processing (Pvt) Limited

BACKGROUND

1. The trade mark “FALAK” was the subject of an application for registration filed on 5 March 2003 and has been registered since 12 March 2004 under number 2325425 and stands in the name of Indo European Foods Limited (subsequently referred to as IEF). It is registered in respect of:

Class 30:
Rice, spices, flour.

Class 31:
Seeds, lentils, pulses.

2. On 15 April 2004, Matco Rice Processing (Pvt) Limited (subsequently referred to as Matco) filed an application for a declaration of invalidity of the registration. The action was filed on Form TM26(I) together with the appropriate fee. The statement of case accompanying the application set out the grounds of action, which are under sections 47(1), 3(6) and 60(3)(a) of the Act.

3. In the statement of case the applicant, Matco, asserted that the registered trade mark is their own trade mark and that the registered proprietor became aware of this mark at a food fair in Paris in October 2002. The registered proprietor approached Matco with a view to becoming their agents and distributors for “FALAK” branded rice in the United Kingdom and Europe. They were not appointed as agents or distributors but nevertheless applied to register the trade mark, the application for registration was therefore made in bad faith. A detailed account of the contact between the parties and documentary evidence to support this was supplied as part of the statement of case and is referred to below.

4. On 27 April 2004 a copy of the application for invalidation and the statement of case were sent to the address for service recorded on the register. The registered proprietor did not file a counter-statement to defend their registration. The consequences of failure to defend the registration were set out in the letter dated 27 April 2004, namely that the application for declaration of invalidity could be granted in whole or in part.

5. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to make the case that the registration should be declared invalid.

6. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

7. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transaction of it.”

8. With this in mind, on 21 June 2004, the Registrar wrote to the applicant’s representative stating that there was sufficient information and evidence, already filed with the statement of case, to establish, at the least, a prima facie case. They were informed that a decision from the papers filed would be issued in due course.

9. In the statement of case, Matco state that it was originally established in 1964 in Pakistan dealing in plant and machinery for rice husking, polishing plants, grain dryers, grain handling, seed cleaning and grading plants. They continue in the business of plant and machinery but now also process rice which is sold under the “FALAK” trade mark. Matco first commenced sales of rice under the trade mark “FALAK” in the USA in 1999 via Shah Distributors (USA); sales of rice under the “FALAK” brand have taken place in a number of countries around the world and Matco is the proprietor of trade mark registrations for “FALAK” in Oman, Qatar, United Arab Emirates, the USA and Pakistan; Matco state that there were exports to Kuwait and the USA in 1999, Australia in 2000, Qatar in 2002 and that sales to the UK also commenced in 2002. They state that after the launch of the “FALAK” brand Matco attended food industry fairs looking for agents and distributors to sell their products around the world and throughout Europe. In October 2002 Matco were exhibiting at the SIAL Food Fair in Paris and representatives of IEF approached Matco about obtaining distributorship for the “FALAK” brand in the UK and Europe; an e-mail, dated 26 November 2002, was sent from Dr. Tariq Ghori of Matco to IEF following the SIAL Exhibition and asking IEF how they would proceed if they were given rights to distribute the “FALAK” brand in the UK and Europe (attachment A to their statement of case); an e-mail, dated 3 March 2003, was sent from

Super Kohinoor (Super Kohinoor is the trading style of IEF) to Matco stating that they had a distribution network and asking how they could work together to promote the “FALAK” brand (attachment A to their statement of case). The SIAL food fair in Paris was held on 19 to 24 October 2002, a number of months prior to the filing of trade mark no. 2325425 (5 March 2003). When Matco became aware of the application for registration they contacted IEF; an e-mail, dated 26 March 2003, was sent by Matco to IEF/Super Kohinoor requesting a reply to their e-mail of the 22 March 2003 which states that “FALAK” is the brand of Matco who have the trade mark registered in Pakistan, United Arab Emirates, Amman, Qatar, Bahrain, USA and many other countries and asking that IEF/Super Kohinoor withdraw their trade mark application (attachment A to their statement of case); following a meeting, IEF indicated to Matco that they would withdraw the application; in a fax, dated 16 April 2003, sent by IEF to Matco they agree to withdraw their application (attachment A to their statement of case). Matco subsequently appointed agents and distributors for the “FALAK” product in the UK – these agents were not IEF. Following the appointment of distributors in Europe, Matco filed a European Community trade mark application to register their trade mark, Community Trade Mark Application No. 3160801 “FALAK” in Classes 29 and 30 in the name Matco Rice Processing (PVT) Ltd which was filed on the 9 May 2003. Further messages were sent to IEF by Matco reminding them of their agreement to withdraw the trade mark application but the application was not withdrawn and subsequently matured to registration.

10. Acting on behalf of the Registrar and after a careful study of the papers before me I give the following decision.

DECISION

11. The applicant claims that the registration should be declared invalid as per section 47 of the Act on the basis of the provisions of sections 3(6) and 5(4)(a). The relevant parts of the Act are 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.”

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

“60. - (1) The following provisions apply where an application for registration of a trade mark is made by a person who is an agent or representative of a person who is the proprietor of the mark in a Convention country.

(2)

(3) If the application (not being so opposed) is granted, the proprietor may-

(a) apply for a declaration of the invalidity of the registration, or

(b)”

“55. - (1) In this Act-

(a) “the Paris Convention” means the Paris Convention for the Protection of Industrial Property of March 20th 1883, as revised or amended from time to time,

(aa) , and

(b) a “Convention country” means a country, other than the United Kingdom, which is a party to that Convention.”

12. With regard to the ground of action based on section 3(6) of the Act, that the application for registration was made in bad faith; recent case law has indicated that bad faith is a serious allegation. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J 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 behaviour 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.”

13. In the statement of case the development of Matco as a business is referred to, in particular the sales of rice worldwide, and the effort they made to find suitable distributors. Following a food fair in Paris in October 2002, at which IEF became aware of the “FALAK” brand and approached Matco about being appointed as UK and European distributors of the brand, Matco contacted IEF in November 2002 requesting information about how they would launch the brand; over three months elapsed before IEF responded in vague and general terms and two days later, on 5 March 2003, they filed an application to register the trade mark “FALAK”. IEF were immediately approached and were requested to withdraw the application as Matco were the rightful owners of the trade mark and following meetings between the parties IEF appear to have agreed to this course of action but never withdrew the application and it eventually matured to registration.

14. The facts set out in the statement of case, which have not been challenged by the registered proprietor, in my view, establish that a prima facie case of bad faith has been made out in that, at the date of the application, Indo European Foods Limited were not entitled to claim proprietorship of the trade mark the subject of the application for invalidation. In the absence of defence by the registered proprietor, the application for a declaration of invalidity made under sections 47(1) and 3(6) of the Act succeeds.

15. As the applicant has been successful I do not need to go on to consider the grounds based on section 60(3)(a) of the Act.

16. As to costs, the applicant, Matco Rice Processing (Pvt) Limited, has been successful, and I order Indo European Foods Limited to pay them £600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6th day of August 2004

**Graham Attfield
For the Registrar
the Comptroller-General**