

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS INVOLVING:**

**1. TRADE MARK REGISTRATION 3008048  
IN THE NAME OF JOE JOHAL  
FOR THE FOLLOWING SERIES OF MARKS IN CLASS 5:**

**Hux D3 and huxD3**

**AND AN APPLICATION FOR INVALIDATION (NO 500157) BY  
DENNIS GORE (CHEMISTS) LIMITED**

**&**

**2. TRADE MARK APPLICATION 3021719  
BY DENNIS GORE (CHEMISTS) LIMITED  
FOR THE FOLLOWING SERIES OF MARKS IN CLASS 5:**

**Huxd3 and hux d3**

**AND OPPOSITION THERETO (NO 600000012) BY JOE JOHAL**

## **Background and pleadings**

1. Mr Johal filed the series of marks **Hux D3** and **huxD3** on 31 May 2013 in respect of the class 5 goods:

“Nutraceuticals for use as a dietary supplement; Nutritional supplements”.

The marks were published for opposition purposes on 21 June 2013; no opposition was received. The marks were subsequently entered on the register on 30 August 2013.

2. Dennis Gore (Chemists) Limited (“Gore”) filed the series of marks **Huxd3** and **hux d3** on 12 September 2013 in respect of the class 5 goods:

Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for humans and animals; Nutraceuticals for use as a dietary supplement; Medicine tonics”.

The marks were published for opposition purposes on 4 October 2013.

3. Gore requests that Mr Johal’s registration is declared invalid on a ground under section 3(6) of the Trade Marks Act 1994 (“the Act”). A number of claimed facts are put forward to support an allegation of bad faith but, in essence, it boils down to Gore’s claim that it developed and used its marks during 2011/2012 and that there is no evidence of Mr Johal using his marks. The essence of Gore’s claim can be seen in the following extract from its statement of case:

“[Gore] believes that based on its own evidence and in the absence of any (or otherwise any satisfactory) evidence from [Mr Johal], it can be shown either that [Mr Johal] has no intention to use the Mark, or otherwise (and more likely) that the registration of the Mark[s] was intended to be a spoiling mechanism aimed at preventing [Gore’s] own registration and use of the Mark. Equally, that [Mr Johal] intends to take action against [Gore] for damages for infringement of the Mark[s] which [are] registered to [Mr Johal] rather than, as would be appropriate, registered in the name of [Gore].”

4. Mr Johal filed a counterstatement denying the claims. In essence, he claims that his marks were independently developed and that Gore’s use was not something likely to be known in the industry. As well as defending his registration, Mr Johal has opposed Gore’s trade mark application under section 5(2)(b) of the Act, relying on his earlier registration.

5. The proceedings were consolidated. Both sides filed evidence. Neither side requested a hearing, both opting instead to file written submissions. Given the nature of the proceedings, the first task is to determine whether Mr Johal’s registration is valid.

## **Invalidation proceedings – bad faith**

6. Gore claims that Mr Johal applied for his trade mark registration in bad faith. I will firstly set out the relevant legislation and the leading case-law. Section 3(6) of the Act states that:

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

7. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

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

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

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

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

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

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

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

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

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

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

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

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

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

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without

any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

8. Whether Mr Johal made his application in bad faith must be assessed at a particular point in time. As stated in *Sun Mark*, the relevant date is the date on which the application for registration was filed, namely, in these proceedings, **31 May 2013**.

9. In an assessment of this type, much depends on the state of knowledge of Mr Johal at the relevant date and what his intentions/motivations were for making his application. Gore makes much of the fact that it was using its marks before Mr Johal made his application; I will begin by summarising this evidence.

### **Gore’s business and the origins of its marks**

10. Gore’s witness is Mr Marc Borson, one of its directors. He states that Gore’s trading style for business-to-business transactions is “Huxley Europe”. The use of that name began in 2008 when Gore took over the distribution of a product called Moducare in April that year. Mr Borson states that Aldous Huxley is one of his favourite authors which is why he came up with the name. The use of Huxley Europe can be seen in i) an extract from CAM Magazine (in 2008) containing an advertorial for Moducare, Huxley Europe being identified as the business to contact for more information, and, ii) a purchase order dated 14 January 2009 from The Health Food Store Limited which is addressed to Dennis Gore Chemists t/a Huxley Europe<sup>1</sup>.

11. Mr Borson explains how the name **hux d3** was coined. He states that Gore decided to produce a generic colecalciferol product for the healthcare and food supplement market. Huxley was abbreviated to **Hux** and **d3** added because colecalciferol is a form of vitamin D3. It appears that the name was initially a code used internally, for example, it was used to name computer files relating to the product. An example of this can be seen in an email exchange between Mr Borson and Sandra Drawbridge of the publication *Chemist and Druggist Price List* (“C&D”); Mr Borson states that this is the leading publication in the UK for the pharmaceutical industry. In the email, he provided her with details of the new product. Whilst the product is referred to by its generic name (and the photograph of the product carries its generic name) one of the emails (dated 13 July 2011) contains a word file named “huxd3-data-sheet”. Mr Borson states that subsequent to this, Gore decided to use a brand name to differentiate its goods from other generic suppliers of colecalciferol; **Hux D3** was chosen for this purpose.

12. Mr Borson states that Gore has been “trading the product” since 2012. He provides over 20 pages of invoice numbers which relate to a product identified as “**HUXD3 20000iu Colecalciferol Caps 20**”. The invoices are to date and, so, a good number are from after the relevant date. The earliest order was in July 2012. As of 12 March 2014 (after the relevant date), 158,794 units had been sold. As of 28 May 2013 (the date on which Mr Johal purchased some domain names, a date very close to the relevant date) 33,000 units had been sold. The product has been sold on Amazon.co.uk from 15 May 2013; between then and the relevant date six orders were placed. Mr Borson states that whilst the sales are not significant, it shows

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<sup>1</sup> Both these documents are in exhibit MB1

orders from members of the public. In any event, he states that the general consumer market is not its target market as it targets the pharmaceutical industry (the NHS is apparently its primary customer) and the retail sector (Boots, Tesco etc). Later in his evidence Mr Borson provides further sales information. From 9 July 2012 until the 30 May 2013 sales totalled £102,789 consisting of 169 sales invoices representing just over 33k packs of the product. In 2012, 35,500 capsules (each pack contains 20 capsules) were prescribed in England and 1.5 million capsules in 2013.

13. Mr Borson (in response to a criticism in Mr Johal's counterstatement) states that the product is listed on Gore's website and that Gore is the manufacturer, distributor and seller of the product. Various points are made about Huxley Europe Limited, its status and its relationship with Gore; I do not consider it necessary to summarise this as it takes matters no further forward.

14. In its statement of grounds Gore refers to registering the name as a brand in the C&D on 26 April 2012. This is criticised in Mr Johal's counterstatement because this does not constitute registration of a brand. Mr Borson explains the significance of the C&D. He explains that it is a hard copy published price list distributed monthly to the pharmaceutical industry (including suppliers). It is used by the vast majority of pharmacists, dispensers and healthcare organisations in the UK. From this and the further evidence he provides in an accompanying exhibit, there is clear support for Mr Borson's contention that this publication is an important one used industry [pharmaceutical] wide. Mr Borson also provides information about the use of PIP codes (product codes used in the C&D). Each product in the C&D has such a code and they are used for ease of product ordering in the industry. They are clearly important designations which enable a supplier to operate effectively in the market. The copyright in a PIP code is owned jointly by UBM Information Limited (publishers of the C&D) and the National Pharmacy Association. There is further evidence about UBM (in response to criticisms from Mr Johal) but I do not consider it necessary to summarise this.

15. Mr Borson explains that the registration of the product in the C&D demonstrates trade under the product name **Hux D3** from that point (if not earlier). At pages 35-36 of his Exhibit MB1, Mr Borson provides further emails to Ms Drawbridge of C&D asking for an addition to its listings, a product identified by the brand name **Hux D3**. The email is dated 25 April 2012. What is described as the online data and order page from C&D for "HUXD3" is shown at page 36 of the same exhibit, showing an effective date of 1 June 2012. It is stated that the product would have appeared in every monthly publication since then, together with its PIP code. Mr Borson states that the registration in C&D means that no other party would have been able to register the disputed name in the C&D and, consequently, Mr Johal would not be able to market or distribute his product.

16. A further series of emails is provided in pages 40-42 of Exhibit MB1 showing that **Hux D3** was also added to the Dictionary of Medicines and Devices ("DMD") as of 1 June 2012. This is described by Mr Borson as the primary database used by the NHS Business Services Authority to price prescriptions. The emails were solicited for the proceedings, but I have no reason to doubt the response (providing the date from which registration took place) from Mr Ambleton who works for this organisation.

17. Mr Borson accepts that Gore failed to register its mark as a trade mark, but emphasises that this is not a legal requirement and does not show a lack of use. He replies to criticisms made in Mr Johal's counterstatement regarding inaccuracies in Gore's statement of case concerning trading names and addresses. Mr Borson accepts that one inaccuracy was made (a registered office address). I do not consider it necessary to summarise this aspect of the evidence further as there is nothing in Mr Johal's points which seriously undermines the evidence Mr Borson has given.

18. In his counterstatement Mr Johal criticised the photographs of product packaging provided by Gore which were "purported" to have been distributed. Mr Borson states that prior to the proceedings Mr Johal was sent photographs of the product, photographs which included time stamps. These are provided to the tribunal and are dated as early as May 2012. Actual packaging examples are also provided clearly showing the brand name as **Hux D3**.

19. Mr Borson also provides documents from a number of NHS regions in England detailing prescribing guidance in which Hux D3 is mentioned, some of these are, however, from after the relevant date. Gore has also retained the services of a mailing house (Prospect Mailing Services) who sent flyers to 1319 of Gore's contacts about the Hux D3 product. The flyer explains that the product is available from wholesalers. It appears that this was around October 2012. Pages 105-127 of Exhibit MB1 contain a call log of Gore's incoming calls from customers about vitamin D3 or Hux D3. Between 1 September 2012 and 24 October 2013 a large number of calls were received, but from what I can see only eight specifically mentioned Hux d3.

20. Mr Borson states that its C&G and DMD evidence (in both its statement of grounds and in its formal evidence) was obtained following a simple internet search and that this shows how easy it would have been for Mr Johal to have discovered the same information. The rest of Mr Borson's evidence constitutes either criticisms of Mr Johal's evidence, or is otherwise more in the nature of submissions, I will come back to this as and when relevant.

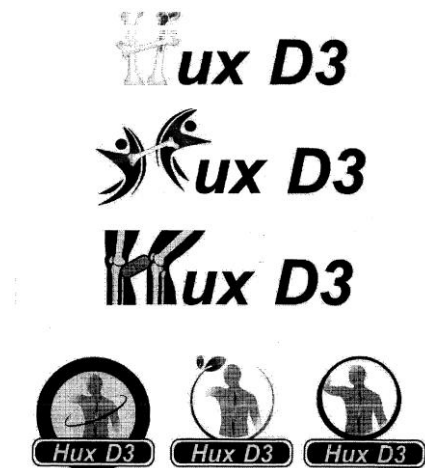
### **Mr Johal's business and the origins of his marks**

21. Mr Johal states that he is an individual who acts for a Mr Robert Jovard, the latter having an address in Dubai. Mr Jovard, in turn, acts for Haque Enterprises, a food manufacturer based in Pakistan. Mr Johal met Mr Jovard (who he describes as a business development consultant to the food industry) at an international food and beverage exhibition in February 2012 in Dubai. Mr Jovard explained to Mr Johal that he acted for Haque Enterprises, a South Asian food manufacturer, who was developing a product under the brand name Hux D3. Prior to the launch, Mr Jovard wished to register the name as a brand name in the UK along with an associated .com domain name. Mr Jovard understood that it was preferable to use local agents and instructed Mr Johal to make the application in his (Mr Johal's) name.

22. Mr Johal explains the origin of the name. HUX comes from the Urdu word HUQ, meaning right or true. There is also, apparently, a family connection with the name Haq. This, Mr Johal, states, is a very popular name in Asia. As Haq is such a popular name it would have been difficult to register this consistently across the world.

Therefore HUQ and HAQ were turned into HUX as this retained a lot of the phonetic similarities between the words. D3 was added as this is the vitamin contained in the food supplement to which the mark relates. I highlight at this stage that what Mr Johal has described must have been told to him by someone else and, therefore, his evidence constitutes hearsay evidence, the source of which is not divulged. This is because Mr Johal states that he was told about the Hux D3 product when he met Mr Jovard, by which time the name must have already been coined; Mr Johal does not suggest in any way that he was involved in the coining of the name.

23. Mr Johal states that no opposition was received when his marks were published. He states that Gore then applied to invalidate his registration and that he had no knowledge of them prior to this. He states that had his marks been filed in bad faith then he would have entered into discussions to sell the trade marks to Gore, which he did not. He refers to a document in his counterstatement which he says shows that a design process had started. The document is in fact some branding which, when the counterstatement was filed, was apparently poised to be launched in the UK; the branding is as follows:



24. Mr Johal states that he has invested heavily in the brand and is poised to launch in the UK. He then refers to the application by Gore, highlighting that it is virtually identical and, he states, was made in bad faith<sup>2</sup> given Gore's knowledge of his trade mark. Mr Johal concludes by stating that Haque Enterprises is an established food supplement manufacturer and does not wish to reveal full details of its brand as Gore could exploit this. He believes Gore is trying to disrupt the business of Haque Enterprises.

25. In response to Mr Johal's evidence, Gore filed evidence in reply by Mr Mark Hilton, a solicitor at Hilton Law. Much is by way of critique including that:

- Mr Johal's evidence is scant at best.
- There is no evidence as to the actual relationship between Mr Johal, Mr Jovard and Haque Enterprises.
- There is no evidence of product development.

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<sup>2</sup> The reference to Gore's trade mark being filed in bad faith lacks pertinence because the opposition against it was founded on section 5(2)(b) of the Act only, not section 3(6).

- It is not intuitive to believe that Mr Johal was the best placed person to file the application for registration when the manufacturer is Haque Enterprises.
- There is no evidence of any other marks in other jurisdictions to evidence a business plan.
- Mr Johal has no intention to use the marks, the use would be by Haque Enterprises.
- The information regarding the coining of the name is convoluted and lacks credibility.

26. The main additional factual evidence is that on 17 June 2014 Mr Borson emailed Mr Hilton after he (Mr Borson) made contact with Haque Enterprises. Mr Borson explains in the email that:

“I have just called Haque enterprises of Pakistan and do not know Robert Jovard, Joe Johal or make single ingredient Vitamin D3 product. The person on the end of the phone spoke good English.”

### **Assessment and conclusions under section 3(6)**

27. In terms of Gore’s use of its mark, and despite the criticisms that have been levelled at it by Mr Johal (including in the written submissions on his behalf), I am easily persuaded that the facts given by Mr Borson are true in terms of the origins of the name **HUX D3**, the use that has been made of it, and its registration in the C&G and DMD. The evidence is wholly credible.

28. It is true, in line with Mr Johal’s submission, that Gore’s trade prior to the relevant date cannot be classed as particularly longstanding or particularly significant. It is not the sort of overwhelming use that someone was bound to have known of. However, in circumstances where:

- i) the marks in dispute are identical (or virtually identical),
- ii) the marks in dispute are inherently distinctive,
- iii) the word HUX is not the sort of word which has suggestive or allusive characteristics, so meaning that the chance of co-incidental coining is low,
- iv) Gore’s mark has been used and has been included on public records such as C&G and DMD, and,
- v) the goods sought by Mr Johal are, even if not pharmaceuticals per se, are closely aligned with those of Gore,

a reasonable *prima facie* case is established that Mr Johal’s application was made in bad faith.

29. In view of the above, much, therefore, comes down to the credibility of Mr Johal’s evidence. In terms of the coining of his mark, Mr Johal’s evidence, as stated earlier, is hearsay. Furthermore, I do not follow the logic of the (hearsay) explanation as to how combining the Urdu word HUQ with the family name HAQ resulted in HUX.

This seems somewhat far-fetched. The evidence as to how the mark was coined, therefore, lacks credibility. Also lacking in credibility is the explanation that a manufacturer in Pakistan has invited someone from the UK to register a mark it intends to use in his own name. The explanation may have been credible if Mr Johal was a prospective UK distributor of the product and there was an existing commercial relationship of some sort, but there is no indication of that or even what business Mr Johal is in. It seems far-fetched to think that a representative of a Pakistan business would invite someone from the UK to register its mark in the UK on the basis of a single meeting at an event in Dubai. The credibility of Mr Johal's evidence is also affected by what he could have filed and has not done so. In particular, if he was acting on behalf of a Pakistan principal, even if this is through Mr Jovard, it is incongruous as to why he has not filed any evidence showing that such a relationship exists, and/or the true nature of that relationship. This is so even after Gore filed evidence casting doubt on that matter (as per Mr Borson's email after speaking to someone at Haque Enterprises); whilst this may not be the strongest evidence per se, it does cast doubt and Mr Johal could have asked to file evidence to rebut that doubt, but did not.

30. Mr Johal does refer to the document in his counterstatement showing branding which, apparently, is poised to be launched in the UK. Despite it being so poised, no evidence whatsoever has been filed to support this. Even Mr Johal's explanation as to why more detailed evidence has not been provided is unsatisfactory. It is put down to Haque Enterprises being an established food supplement manufacturer who does not wish to reveal full details of its brand as Gore could exploit this. Given that Gore has already established a trade under the mark in the UK this lacks credibility.

31. I take the view that the evidence of Mr Johal as to the coining and prospective use of his mark is incredible. The net effect of this, when measured against Gore's wholly credible evidence which, as I have already stated, establishes a *prima facie* case, means that I come to the view that Mr Johal filed the application in order to gain control over the mark that Gore was known to be using, which absent any credible plans to use the mark for an unconnected purpose, had an improper motive at its heart. This also leads to the likelihood that he had no intention to use it legitimately himself. **The application for invalidation succeeds.**

### **Opposition proceedings**

32. The only ground pleaded by Mr Johal is under section 5(2)(b). However, as I have held that his earlier mark is not valid, he no longer has any basis upon which to make such a claim. **The ground and the opposition proceedings are, therefore, dismissed.** If I am found to be wrong on the validity of Mr Johal's mark then he clearly would have succeeded, at least to a large extent. The marks are self-evidently identical and/or highly similar and they have been applied for in respect of identical or highly similar goods. The only goods I would not have found to be similar are "sanitary preparations for medical purposes"; I see no relationship whatsoever between a sanitary product and the goods of the earlier mark. They are far removed in terms of nature, purpose, methods of use and channels of trade.

33. I additionally note that in Gore's defence it also referred to itself as a senior user. If Mr Johal's mark had survived, this would not have been a tenable defence

because whilst this may have been relevant in the invalidation proceedings if a claim under passing-off had been launched (which was not), it is not a self-standing basis upon which to defend an opposition grounded on likelihood of confusion<sup>3</sup>.

### **Outcome**

34. Gore's application for the invalidation of registration 3008048 succeeds. Mr Johal's registration is, in accordance with section 47(6) of the Act, deemed never to have been made.

35. Mr Johal's opposition against Gore's application 3021719 fails.

### **Costs**

36. Gore has been successful and is entitled to a contribution towards its costs. In the circumstances, I award it the sum of £2000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

*Preparing statements and considering the other side's statements - £600*

*Filing and considering evidence - £800*

*Opposition fee - £200*

*Written submissions - £400*

**Total - £2000**

37. I therefore order Mr Johal to pay Dennis Gore (Chemists) Limited the sum of £2000. The above sum should 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 1st day of December 2014**

**Oliver Morris  
For the Registrar,  
The Comptroller-General**

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<sup>3</sup> As set out in TNP 4/2009