

O-012-07

TRADE MARKS ACT 1994

**IN THE MATTER OF Trade Mark Registration
Nos. 2256959A and 2256959B
standing in the name of Fahad Ahmad**

and

**IN THE MATTER OF consolidated requests for
declarations of invalidity thereto under
Nos. 82385 and 82386 by
Karl Storz Imaging, Inc.**

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BACKGROUND

1. Trade mark number 2256959 was applied for on 30 December 2000. During the course of the examination process, the application was divided into two parts: 2256959A and 2256959B. Part A proceeded to registration on 26 October 2001, whilst Part B became registered on 31 August 2001. The mark which is the subject of Part A is



(a series of two), whilst the mark the subject of Part B is the unstylised word VISION 1. Both marks are registered in Classes 9 and 41 for the following goods and services:

Class 9: Apparatus for recording, transmission or reproduction of sound, data, or images; computers; computer hardware and computer software; computer games and computer game software; CD-ROMS; game consoles; computer game controllers; accessories for computer game consoles; pre-recorded compact discs, cassettes and DVD's; pre-recorded video cassettes; mobile telephones and accessories therefor, including covers, clips, carry cases, hands-free kits, chargers and car kits; parts and fittings for all the aforesaid goods.

Class 41: Provision, arrangement and staging of entertainment; organisation of shows, concerts, gigs and dances; organisation, arrangement and staging of Asian music events.

2. On 18 January 2006, Karl Storz Imaging, Inc applied for declarations of invalidity against both registrations. The statements of case accompanying the applications were identical and set out the ground of the actions as being that the marks were registered in breach of section 3(6) of the Trade Marks Act 1994 because it is alleged that the registered proprietor did not have a bona fide intention to trade in all the goods for which he filed the trade mark application. This attack was made in respect of part of the registrations only, namely against certain goods in class 9:

“apparatus for recording, transmission or reproduction of sound, data or images; computers; computer hardware, computer software; CD-Roms”.

The ground for invalidity is therefore section 47(1) of the Act. The applicant requested that these goods should either be deleted from the specification or that they be limited to a specific field, such as “all relating to car audio equipment”. It also asked for an award of costs in its favour. Additionally, the statement of case stated that the applicant for invalidity had applied to register the trade mark VISION 1 in the UK (2338798) and that 2256959A and 2256959B had been cited as obstacles to the acceptance thereof.

3. On 23 January 2006, a copy of the applications for invalidation and the statements of case were sent to the professional representatives of the registered proprietor, Forrester Ketley & Co, recorded as the address for service. In the accompanying letter, it was stated that the registered proprietor would need to file a Form TM8 and counterstatement on each registration to defend them on or before 6 March 2006. The registered proprietor did not file a Form TM8 and counterstatement for either registration.

4. It does not follow, however, that the uncontested nature of these actions will automatically mean success for the applicant for the declarations of invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant to prove why it is that the registrations should be declared invalid and, with this in mind, the Registry invited the applicant, by letter dated 17 March 2006, to file evidence or submissions to substantiate a prima facie case in support of its invalidity actions by 28 April 2006. The letter drew the applicant’s attention to the Hearing Officer’s comments in *Firetrace* [2002] RPC 15:

“17. 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.”

5. The rationale behind this is section 72 of the Trade Marks Act 1994, which says:

“72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) 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 transmission of it.”

6. The applicant filed three witness statements and accompanying exhibits, which were admitted to the proceedings on 6 June 2006, at which time the two cases were also consolidated. In a letter from the registered proprietor’s representatives, dated 18 May 2006, Forrester Ketley & Co informed the Trade Mark Registry that they had received no instructions from the registered proprietor in relation to these actions and

that all future correspondence concerning the invalidation applications should be sent directly to the registered proprietor, Fahad Ahmad.

7. The applicant's attorneys, in a letter dated 24 May 2006, asked to be heard on its applications for declarations of invalidity and, in a further letter, dated 12 June 2006, said that there may be no need for a hearing if the Trade Marks Registry would give a preliminary indication as to the likely success or failure of the applications. In the event that the Registry was not prepared to issue a preliminary indication, the applicant wished to avail itself of its right to a hearing on the substantive ground. No preliminary indication was given and, on the 9 August 2006, the applicant's attorneys confirmed that they were content for the Hearing Officer to make a decision on the basis of the papers filed.

EVIDENCE

8. The applicant's evidence takes the form of three witness statements and exhibits to support the claims made in the statement of case. The latter starts with the statement that the applicant for invalidity had applied to register the trade mark VISION 1 in the UK and that the registrations had been cited as obstacles to the acceptance thereof. The main points in the statement of case are that, in relation to the contested part of the specification:

- (i) the description is excessively wide and encompasses goods the proprietor, Mr Ahmad could not reasonably have had a genuine intention to trade in;
- (ii) the specification covers a vast range of goods, eg. fibre optic cables, telecommunications apparatus, satellite apparatus and all types of imaging equipment;
- (iii) it is unlikely that any company would have the capability to trade in such a wide range of goods;
- (iv) investigations into the registered proprietor's business indicating that Mr Ahmad neither has or had a business manufacturing or selling products branded with the mark VISION 1;
- (v) Mr Ahmad is connected to a small retail shop called Vision Car Audio which appears to sell car audio equipment;
- (vi) a significant amount of time has passed since the mark was applied for without use of the marks suggests there was no intention to use the marks on such a diverse range of goods.

9. One of the three witness statements is from David Chatenever, Vice President of Technology Development at Karl Storz Imaging, the applicant for the declarations of invalidity. He says that the applicant company manufactures sophisticated imaging systems for medical use and exhibits extracts from his company website and catalogues (exhibits DC1 and DC2) showing the type of company which is capable of manufacturing computer hardware, software and imaging systems in the medical

field. He states that it would be rare for manufacturers of goods such as car audio equipment, to be capable of entering the medical electronics field, in terms of knowledge and experience of such a market. Mr Chetenever's evidence appears to have been filed to show that the registered proprietor has specification cover for these types of goods but no intention to trade in them.

10. The other two witness statements are from Jeffrey Michael Green and Nicola Helen Amsel, both partners in the firm of Amsel & Co which offers an independent research facility into the use and abuse of trade marks and other intellectual property rights. Amsel & Co was instructed by the applicant on 10 June 2004 to conduct investigations into the use of the mark VISION 1 by the registered proprietor.

11. Exhibit NHA1, to Ms Amsel's witness statement, is the initial report made to the applicant, dated 23 June 2004. It reveals the chronology of steps taken in the initial investigation, beginning with internet searches for VISION 1. A search of the register at Companies House produced one match for Fahad Ahmad, at the address recorded on the trade mark register for the registrations in issue. Mr Ahmad was recorded as Company Secretary for three companies: Car Tec Audio Limited, Basant Limited and Vision 1 Digital Limited. The Memorandum of Association of this last company shows its object as being that of a "General Commercial Company". An individual at the same address, named Rashid Choudhry, was appointed as Director at the same time as the company was incorporated and Mr Ahmad was appointed as Company Secretary, on 28 November 2003.

12. Jeffrey Michael Green says that Amsel & Co was instructed by the applicant on 6 September 2004 to conduct further investigations into the use of the trade mark VISION 1 by the registered proprietor. Exhibit JMG1 is the report produced, dated 21 September 2004. During the initial internet searches, a postal address was found for the keyword VISION 1, under the hit for VISION 1 DIGITAL. The address was 46 New John Street, New Town, Birmingham B19 3NB. Mr Green was instructed to conduct an on-site investigation at the premises of VISION 1 DIGITAL at this address to ascertain whether the mark VISION 1 and logo was in use by the company occupying the premises at that address.

13. Mr Green exhibits at Appendix I to his statement a photograph of the frontage of the premises, which shows the word "VISION CAR AUDIO" and the "V" logo which is present in the 'A' part of the trade mark registration. Mr Green did not see any use of the marks in issue on the shop frontage, on any of the goods displayed in the window, nor on any of the goods inside the premises. Mr Green says he questioned an employee in the shop named "Rashid" who said that the premises were that of VISION CAR AUDIO, but that he would not be drawn on any previous name or further company name. The witness statement says, of 'Rashid', that "Whilst he was quite prepared to discuss the various branded products seen on display he was more guarded in respect of any enquiry about the company or its branded products. He would neither confirm nor deny the existence of any branded products of the company."

14. Mr Green says that a telephone call was subsequently made to the premises, which was answered by "Rashid" who said that the business supplied car audio

equipment “but responded (without hesitation) that none of their goods were under the brand name prefix of *VISION*.”

15. This concluded the investigation by Amsel.

DECISION

16. The action has been brought under section 3(6) of the Act. This reads:

“3.-

....

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

The ground of invalidity, based upon the above, is section 47(1):

“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).

....”

The applicant has attacked only part of the specification of goods. Section 47(5) provides for a declaration of invalidity, should this be the outcome:

“47. –

....

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.”

Also relevant to this decision is section 32 of the Act, which states:

“32. – (1) An application for registration of a trade mark shall be made to the registrar.

(2) An application shall contain –

(a) a request for registration of a trade mark,

(b) the name and address of the applicant,

(c) a statement of the goods or services in relation to which it is sought to register the trade mark, and

(d) a representation of the trade mark.

(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.

....”

17. To repeat, with emphasis, section 3(6) says that “a trade mark shall not be registered if or to the extent that **the application** was made in bad faith”. It is well established that the relevant date for consideration of whether or not an application was made in bad faith is the application filing date or at least a date no later than that (*Hotpicks* Trade Mark [2004] RPC 42 and *Nonogram* Trade Mark [2001] RPC 21). In these actions, therefore, the relevant point in time for assessment as to whether the registered proprietor acted in bad faith is therefore at the date at which the trade mark application was made: 30 December 2000.

18. Having established the relevant date, I must also satisfy myself as to the test I am to apply: what is “bad faith”? Lindsay J in *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367 stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes 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.”

The particular field being examined here is the breadth of the specification applied for on 30 December 2000 in Class 9.

I must determine whether the application for these goods under the mark in issue fell short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in this particular area. Of concern to me, is what acceptable commercial behaviour might be in relation to the framing of specifications for trade mark applications, particularly in Class 9, as observed by reasonable and experienced men.

19. In *Knoll Ag’s Trade Mark* [2003] RPC 10, the defendant had made an application for “pharmaceutical preparations and substances, sanitary preparations; dietetic substances adapted for medical use, food for babies” in Class 5. Attacking the registration, the applicant for invalidity claimed that its investigations revealed that the application had been made in bad faith because the mark had only been used on prescription drugs for treating obesity. Neuberger J (as he was then) said:

“22. Although the role of the Classes in Sch.3 to the Trade Mark Rules 2000 (“the Order”) can be overstated, it is nonetheless not without significance that the defendant made its application by repeating the first part of Class 5 of that Schedule, the remainder being “plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.” The defendant made its application by reference to the terms set out in a Class identified in the Order, and, presumably consciously, only applied for registration in respect of some of the goods in that Class. That is scarcely redolent of greed, let alone bad faith.

23. More significantly, perhaps, there is no doubt that the defendant had a firm and settled intention to use the mark in issue for goods which fell within the class claimed and granted. In those circumstances, I think it is a little difficult to describe the defendant as wanting in good faith simply because it failed to draft its application more critically or with greater precision.

.....”.

20. In this regard, I note a certain similarity with the specification of the instant case. The heading for Class 9, at the time of the application, was:

Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire extinguishing apparatus.

The application was made for:

Apparatus for recording, transmission or reproduction of sound, data, or images; computers; computer hardware and computer software; computer games and computer game software; **CD-ROMS;** game consoles; computer game controllers; accessories for computer game consoles; pre-recorded compact discs, cassettes and DVD's; pre-recorded video cassettes; mobile telephones and accessories therefor, including covers, clips, carry cases, hands-free kits, chargers and car kits; parts and fittings for all the aforesaid goods.

The applicant for invalidity objects to the emboldened items. The application was not made for the class heading; indeed, if it had been, the examiner of the original trade mark application would have raised an objection under section 3(6) of the Act, as was (and is) the practice. The 1996 edition of (the then) Chapter 5 of the Trade Mark Registry Work Manual was current at the time the application for the trade mark was made. At section 5.10, page 47, the guidance was that:

“Therefore, while the Registrar does not wish to be obstructive, in certain cases examiners will make an enquiry seeking confirmation and/or justification for wide ranges of goods or services. The practice outlined below

takes into account the likely capacity of most applicants to trade in a wide range of goods or services.

The following instances usually cause a Section 3(6) objection to be raised:

- (i) where the specification is for “All goods” or “All services” (which is no longer allowed in any specification).
- (ii) where the specification covers all or virtually all the goods or services in the WIPO Class headings,
- (iii) where a wide range of goods or services are listed (e.g. virtually a “class claim”), or
- (iv) where a disparate range of goods and/or services appear over a number of classes which although are narrow within each individual class would be viewed as wide in the context in the total scope of goods and/or services.
- (v) where “accessories”, “components”, “parts” or “fittings” are not qualified. For instance “parts and fittings” is far too broad but is acceptable if expressed eg in Class 12 as “Parts and fittings for land vehicles.

It should be emphasised that these are general guidelines. For the different practices applied in each class, see below.”

The practice guide went on to state that, in relation to Class 9 specifications, “Wide claims should be justified. This is a very broad based class and even “Electrical and/or electronic apparatus and/or instruments” at large should be challenged”.

21. In my view, the trade mark applicant had made a conscious effort, not only to avoid repeating the class heading in its application, but to subcategorise further the goods on which it intended that the mark would be used at the time it made the application. There was no practice ‘prohibition’ on the terms it used. Indeed, it is worth noting that there is still no prohibition on the contested items under current Registry practice, despite the views of the courts in the *Mercury Communications Case* [1995] FSR 850 and *Roadrunner* [1996] FSR 818, reproduced in the current 2004 edition of the Work Manual’s Classification Chapter. In *Knoll AG*, Neuberger J said:

“27...it is important to bear in mind that s.3(6) of the 1994 Act, upon which the claimant’s case hinges, involves alleging not merely that the applicant has framed its claim too widely, but that it was guilty of bad faith. The precise meaning of “bad faith” may vary depending on its linguistic context and purpose, but it must, I think, always involve a degree of dishonesty, or at least something approaching dishonesty. To say that one intends to use a mark in connection with a specific category of “pharmaceutical substances”, when one intends to use the mark in connection with a specific category of pharmaceutical substances, does not appear to me, as a matter of ordinary

language or concept, to amount to want of good faith. Of course, it might well be different if it was clear from the document in which the statement is made, or from information supplied to the person making the statement, or from well-established principles of law, that the intention concerned has to apply across the whole range of goods and services concerned. There is nothing to support such a contention in the words of the 1994 Act or the Order.”

22. In constructing its specification, the applicant for the trade mark had not transgressed Registry practice. It had not simply repeated the class heading; nor had it lifted large chunks of the heading. The applicant had also not applied for a disparate range of goods and/or services over a number of classes. It appears to me that the specification was drafted in a conventional manner, having regard to such constraints as limiting the parts and fittings. As Neuberger J said in the above case, at paragraph 31,

“Secondly, it is germane to mention that it appears common practice for drug companies to register marks, which have been developed as logos for a specific range of pharmaceutical products, in relation to products without limitation. Indeed, the defendant has put in evidence to show that that is precisely what the claimant has done in relation to two marks for which it has obtained registration. Of course, the fact that a certain type of conduct is common practice in a particular commercial field cannot of itself validate that conduct, even to the extent of rendering it good faith: two, or a greater number of wrongs cannot make a right. However, given one should have regard to “the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”, it seems to me that this evidence reinforces the defendant’s case.”

23. The applicant has endeavoured to show that the registered proprietor is only interested in in-car entertainment systems because that is all that their investigations have revealed. I consider that, in relation to automotive entertainment equipment, that the specification was a fair reflection of that intended use. There is nothing to prove (and it would be difficult to prove a negative) that the applicant did not also intend to widen the scope of the application of that technology. Audio-visual entertainment is now highly sophisticated and was not significantly less so in 2000; it is closely associated with information technology. Many people are educated in information technology and can program and repair computer software and hardware. Furthermore, when viewed alongside the services applied for in Class 41, the goods seem to me to be naturally affiliated to the provision of entertainment. The wording of section 32 (3) implies futurity of intent and, although that section does not set a time limit during which use must commence, the provisions of section 46 allow a period of five years from the date of completion of the registration procedure for use to start.

24. Once a mark has been registered for five years, it can be attacked for reasons of non-use and the onus of establishing use falls on the proprietor. These proceedings have been filed as an invalidation attack and the onus, by virtue of section 72, falls on the applicant for invalidation. The use or lack of use of the mark on the full specification would be a matter for examination under an attack for revocation on the grounds of non-use: section 46(1)(a). This is an attack under section 47(1) of the Act;

it is the proprietor's intention at the date of the application which I must determine, not the use made of the mark since. It can be the case that matters which occur after the application date can shed some light upon the applicant's intention when the application was made; see *Kinder* Trade Mark [2004] RPC 29 and the comments made by David Kitchin Q.C., as he was then, sitting as the Appointed Person. However, I have already found that the application in Class 9 was made for a specification couched in conventional and sufficiently accurate subcategories given the area of business which has since been carried out: "the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined". There was (and is) no requirement for business areas to be specified for the goods claimed, even if there is, technically, cover for the medical imaging goods which the applicant for invalidity is interested in, in relation to its own trade mark application. If the eventual use is less than for the specification originally claimed, then the proper course would be to apply to the Registrar for that specification to be reduced by way of a successful revocation application under section 46(1) (which could not be made until 27 October 2006 for Part A and 1 September 2006 for Part B). That is altogether different from saying that the application was never made because the applicant applied for it in bad faith.

25. The applications for declarations of invalidity under section 47(1) on the ground of section 3(6) of the Act fail.

Costs

26. The applicant has been unsuccessful. However, the registered proprietor did not defend the application and there is no evidence that it has been put to any expense in these proceedings. As a consequence, I make no order as to costs.

Dated this 9th day of January 2007

**JC Pike
For the Registrar
The Comptroller-General**