

O-391-15

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2575072 IN THE NAME OF V.S. VASOYA LIMITED IN RESPECT OF THE FOLLOWING SERIES OF TWO TRADE MARKS

 AND 

IN CLASSES 30, 35 AND 43

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO UNDER NO 84640 BY MILAN MITHAIWALA LTD

AND

IN THE MATTER OF REGISTRATION NOS 2235536, 2533629, 2534147 IN THE NAME OF MILAN MITHAIWALA LTD IN RESPECT OF THE TRADE MARKS

IN CLASSES 29 AND 30

IN CLASSES 29, 30 AND  
39

IN CLASSES 29, 30 AND  
43

AND APPLICATIONS FOR DECLARATIONS OF INVALIDITY THERETO UNDER NOS 500234, 500235 AND 500238 BY V.S. VASOYA LIMITED

**BACKGROUND**

1) V.S. Vasoya Limited (hereafter “Vasoya”) is the proprietor of the first marks (being a series of two) shown on the front cover. It applied for the registration on 14 March 2011 and the registration procedure was completed on 7 December 2012. The registration covers the following goods and services:



**Class 30:** *Confectionery and sweets.*

**Class 35:** *Retail and wholesale services connected with the sale of confectionery and sweets; retail and wholesale services in the field of the sale of confectionery and sweets via the internet or telephone.*

**Class 43:** *Services for the provision of food namely, confectionery and sweets.*

2) On 9 January 2013, Milan Mithaiwala Limited (hereafter “Milan”) applied for the registration to be declared invalid. The grounds of the application are:

- a) The registration should be invalidated under Section 47 of the Act because it offends under Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). This is because the registration is in respect of similar marks and similar goods and services when compared with three earlier marks in the name of Milan. The relevant details of the earlier marks are:

Relevant details	Specification of goods
<p>2235536</p>  <p>Filing date: 9 June 2000 Date of entry in register: 25 May 2001</p>	<p><b>Class 29:</b> <i>Pulses; prepared meals.</i></p> <p><b>Class 30:</b> <i>Prepared vegetarian meals; desserts.</i></p>
<p>2533629</p>  <p>Filing date: 4 December 2009 Date of entry in register: 26 March 2010</p>	<p><b>Class 29:</b> <i>Pulses, fruits.</i></p> <p><b>Class 30:</b> <i>Prepared vegetarian meals, sweets, desserts for takeaway, restaurant and catering.</i></p> <p><b>Class 39:</b> <i>transporting food to different venues for catering</i></p>

2534147



Filing date: 11 December 2009  
Date of entry in register: 23 April 2010

**Class 29:** *vegetable and fruit extracts; preserved, dried and cooked fruits and vegetables; prepared meals; snack foods; fruit preserves, vegetable preserves; sauces; desserts; milk; dairy products; edible oils and fats; nuts and nut butters; pickles; herbs; soups; pulses.*

**Class 30:** *Coffee; tea; cocoa; preparations made principally of cocoa; chocolate; chocolate products; sugar, couscous; flour and preparations made from cereals and/or rice and/or flour; nut paste, confectionery and sweet, breakfast cereals; pastry; bread; biscuits; cookies; cakes; preparations for making ice cream and/or water ices and/or frozen confections; sauces and preparations for making sauces; custard powder; prepared meals; mousses; desserts; puddings; chutney ; spices and seasonings; salad dressings; sandwiches.*

**Class 43:** *Services for providing food and drink; restaurant, bar and catering services; booking and reservation services for restaurants; retirement home services; creche services; wedding catering, takeaway food.*

b) The registration offends under Section 5(4)(a) of the Act. The applicant relies upon a claimed goodwill in its business since 1972 as identified by the sign MILAN and in respect of a restaurant and catering business specializing in Asian vegetarian catering that includes an extensive line of sweets and desserts.

3) Vasoya subsequently filed a counterstatement admitting that the respective marks and goods and services are similar, but denies that Milan has used its marks and in respect of the first mark relied upon, it puts it to proof of use. It also denies that the earlier marks are, in fact, earlier marks because Vasoya and its

predecessors in business have been using the later registered marks prior to the application date of Milan's marks. It also denies that Milan has goodwill dating back to 1972, claiming that it was not established until 2007. Vasoya also claims to have a concurrent and earlier goodwill identified by at least one of its own marks.

4) Vasoya signalled in its counterstatement that it intended to file invalidity actions against Milan's claimed three earlier marks and requested consolidation of these invalidations actions with the action brought by Milan. This, it subsequently did, and all four cases were consolidated.

5) The three invalidations actions brought by Vasoya are against each of the three earlier marks relied upon by Milan in its own invalidation action. The grounds in all three cases are:

a) The registrations offend under Section 5(4)(a) of the Act because Vasoya has goodwill indentified by the following five signs:



The use is claimed in Leicester and the surrounding area since 1984, 1986, 1989, 1993 and 1993 respectively and in respect of confectionery and sweets; savoury Indian food and snacks; retail, wholesale and catering services connected with the sale of confectionery, sweets and savoury Indian food and snacks; services for the provision of food namely confectionery, sweets and savoury Indian food and snacks.

b) The registrations offend under Section 3(6) of the Act because Milan was aware that Vasoya and other businesses in the Birmingham and Leicester area had used the mark **MILAN** in various colours and also the similar mark

“Milan” for the same or similar goods and services since the 1970s and that they were entitled to, and would continue to use these marks in the future.

6) Both sides filed evidence in these proceedings and both sides ask for an award of costs. Neither side wished to be heard and, therefore, I make my decision after careful consideration of the papers on file.

### **The Evidence**

7) Vasoya’s evidence takes the form of four witness statements by Mr Minesh Patel (hereafter referred to as “MP-Vasoya”), managing director of Vasoya and a document by his father, Mr Vinodchandra Shamjibhai Patel (“VSP-Vasoya”). This includes a statement of truth, but is not otherwise in the form of a witness statement. Milan’s evidence takes the form of three witness statements by Mr Paresh Ranchodbhai Patel (hereafter referred to as “PRP-Milan”), director of Milan since 2007. In addition to its registrations, he also claims that Milan is the owner of the unregistered mark MILAN and goodwill dating back to 1972 in respect of prepared meals, prepared vegetarian meals, pulses, sweets, desserts, the provision of food and drink and catering services.

8) In light of the evidence submitted by Milan, MP-Vasoya admits that Milan has used its 2235536 mark on the goods listed in that registration.

9) The following historical background is relevant. It is undisputed unless identified as being so:

#### **1971**

10) VSP-Vasoya and his brother, Mr Jadevji Punja Patel (“JPP”) jointly purchased a restaurant called MILAN at 50 Eggington Street, Leicester and changed the business to one of a vegetarian sweets and savouries takeaway.

#### **1974 (approximately)**

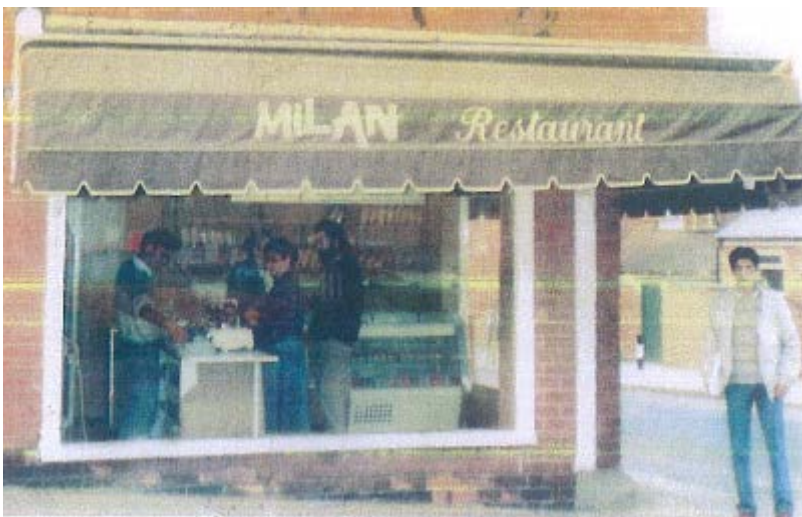
11) The stylised form of the word MILAN was first used in this year. VSP-Vasoya and JPP amicably separated as business partners. JPP continued to run the MILAN business until later in the same year when JPP’s son, Mr Mukund Jadevji Patel (“MJP”) became proprietor. VSP-Vasoya opened a new business in the form of a sweetmart, also in Leicester called “Nynza Sweetmart” (see paragraph 7 of PRP-Milan’s first witness statement). This business was subsequently sold to MP-Vasoya’s brother-in-law.

### **From about 1975**

12) PRP-Milan states, in his second witness statement, that the outside of the Eggington Road premises carried external signage on a cream board with red lettering. An undated photograph of the premises is provided at page 4 of his Exhibit PRP14 to illustrate this. This contradicts MP-Vasoya's statement at paragraph 39 of his first witness statement, where he claims that this particular colour-way was developed in 1989 for the East Park Road business (see paragraph 15, below).

### **1983**

13) VSP-Vasoya purchased the original MILAN business on Eggington Street from JPP (who moved to Birmingham and opened another shop and a restaurant there under the MILAN name). VSP-Vasoya's business provided catering services from at least this time (an advertisement from 1988 is provided at page 3 of the exhibit to MP's first witness statement illustrating these services were offered under the stylised MILAN mark). PRP-Milan's Exhibit PRP1 consists of a photograph showing the Eggington Street business in the early 1980s and is reproduced below. This shows the change to "brown or purple canopy with cream lettering" (PRP-Milan's description at paragraph 9 of his second witness statement):



### **1984**

14) MP-Vasoya joins his father's business and in his fourth witness statement he explains that from that time it was run as a partnership consisting of himself, his father, his mother and his wife. MP-Vasoya states that the business continued to be run by the partnership until Vasoya was incorporated in 2005. In making such a statement he appears to assume that the goodwill, associated with the original

business, moved with them after they sold the business and moved to the other premises (see next paragraph).

### **1986**

15) Vasoya opened a shop called MILAN SWEETS at 99 East Park Road, Leicester. Page 5 of MP-Vasoya's exhibit is a renewal notice for buildings and contents insurance dated in 1989. It records that the business was trading as MILAN SWEETS.

### **1989**

16) The majority of Vasoya's business was operated from East Park Road. The Eggington Street business (a restaurant, retailer of Indian food and sweets and "a developing catering business" as described at paragraph 17 of PRP-Milan's second witness statement) was sold as a going concern to PRP-Milan and his wife Mrs Gita Pareshkumar Patel (GPP-Milan). PRP-Milan claims that there was an agreement that the East Park Road premises, opened in 1986, would only be called VASOYA MILAN SWEETS and further that there was an agreement that Vasoya would not set up "a competitive business, with the same name, within a radius of 20 miles of 50 Eggington Street" (see PRP-Milan's second witness statement, paragraph 5). MP-Vasoya denies this and points out that the "Enquiries Before Contract" form provided by PRP-Milan at his Exhibit PRP2 is not evidence of this.

17) MP-Vasoya states that the sales agreement gave PRP-Milan and GPP-Milan the right to carry on the Eggington Street business using the name MILAN and MILAN RESTAURANT, but it did not give them the exclusive right to use MILAN or MILAN RESTAURANT. PRP-Milan states that whilst he accepts he never had exclusivity over the name MILAN, he claims that the sale included the name and goodwill of the business "that dates back to around 1970" (see paragraph 10 of his first witness statement). In support of this, at Exhibit PRP3, he provides a copy of the "statement of completion" of the sale that identifies £17,999 of the total purchase monies was in respect of the goodwill and is the majority of the £20k purchasing cost. Exhibit PRP4 consists of a copy of Milan's accounts for the year ending 31 March 1990 recording a value of over £18k in respect of the goodwill in the business.

18) However, MP-Vasoya states that he was involved in the sale and that, therefore, he has firsthand knowledge that there was never any assignment of the marks to PRP-Milan and GPP-Milan. Therefore, it is the view of MP-Vasoya that PRP-Milan and GPP-Milan never obtained any exclusive or "prior" rights to the name MILAN or MILAN RESTAURANT.

## **1991**

19) MP-Vasoya states that the MILAN S.W.E.E.T.S mark was developed (a letter dated 26 June 2013 from the graphic designer involved, confirming this, is provided at page 32 of MP-Vasoya's single exhibit). I note this used the stylised form of the word MILAN shown in the photograph at paragraph 13, attributed by PRP-Milan to the early 1980s. PRP-Milan challenges the creation of the MILAN S.W.E.E.T.S mark in 1991 stating that it is merely a copy of his own earlier mark MILAN R.E.S.T.A.U.R.A.N.T, but his evidence supporting this, in the form of undated photographs showing its earlier mark (Exhibit PRP14) are not clear enough for the mark to be seen.

20) PRP-Milan and GPP-Milan purchased the freehold of the premises at 50 Eggington Street and since that time have used the mark, the subject of Milan's 2235536 registration (use of which has been conceded by MP-Vasoya – see paragraph 8 above) and has been trading as MILAN, MILAN MITHAIWALA and MILAN MITHAIWALA E.S.T.1.9.7.2. PRP-Milan states that he chose these marks to differentiate his business from that of the other side's VASOYA MILAN SWEETS store, but also concedes (paragraph 28 of his first witness statement) that "Rather than trading as "Vasoya Milan" [as PRP-Milan claims was agreed], they [Vasoya] have changed their name to "Milan Sweets" using the same styling dating back to at least the early 1980s and which was used at the "Milan Restaurant" during that time.

## **1994**

21) PRP-Milan and GPP-Milan opened a new branch of their business, at 111, East Park Road, only "a few yards away" from the other side's existing business.

## **1995**

22) A year later, PRP-Milan and GPP-Milan closed down their East Park Road business.

## **1998 or around then**

23) MP-Vasoya claims Milan "closed down" its retail business operated from Eggington Road and that, from this time, it commenced its catering business from this address. PRP-Milan explains that they did not close down the retail side, but temporarily closed it for periods (especially at weekends) whilst resources were diverted to cope with the increased volumes of business on the catering side.



## **2005**

24) Vasoya was incorporated by VSP-Vasoya with himself and family members (including MP-Vasoya) as directors. All of the assets including the goodwill owned by the partnership were transferred to Vasoya.

## **2006 (according to MP-Vasoya) or 2007 (according to PRP-Milan)**

25) Milan's food production business that was developed from its Eggington Road premises was moved to Gough Street in the city. The catering business remained at the Eggington Street premises.

## **2007**

26) Milan was incorporated.

## **2009**

27) Vasoya opened a new business called MILAN'S DHOSA EXPRESS.

28) On 1 October 2009, the goodwill owned by PRP-Milan and GPP-Milan was assigned to Milan (see copy of assignment documents at PRP-Milan's Exhibit PRP5 where the business is described as being "engaged in selling Indian sweets and meals to the public, providing catering services, and supplying catering products to other businesses").

## **Present time**

29) Vasoya conducts a retail business and more recently a food preparation/catering business from East Park Road. Milan operates a catering business from Eggington Street and its food preparation business from Gough Street, all in Leicester. With some variations in colour ways, Milan has continued to use the stylised MILAN marks to identify its business. As shown on PRP-Milan's Exhibit PRP12, Vasoya's premises currently have the following appearance:



### **Other evidence**

30) PRP-Milan provides turnover figures for Milan's business from 2001 to 2012. This shows a generally rising trend from £115k in 2001 to £285k in 2012. Advertising spend for the same period varied from between £5,200 and £15,400. Examples of print advertisements are provided by PRP-Milan at Exhibit PRP6. These show both of Milan's marks in Milan's advertisements for "pure vegetarian sweets" and its "nationwide" catering service in the publications *Leicester Divali Guide*, *Lohana Prakashan* and *Bhakti Darshan* dated from 1998, 1999, 2001, 2011 and 2012. In the last two, the "MILAN" element appears with a logo and slightly different text as follows:



31) Other promotional activities include marketing flyers and brochures with the mark appearing thereon (see Exhibit PRP7), marks printed on serviettes, after dinner chocolates, clothing, food boxes, and delivery van livery (see Exhibit PRP8) and a website launched in 2000 (see Exhibit PRP9). It is also claimed that, in 1993, advertisements were also aired on *Sabras Radio*, an Asian radio station based in Leicester. A CD-ROM claimed to contain the advertisement (at Exhibit PRP10) erroneously contained the wrong advert and PRP-Milan states that he has been unable to locate the correct one, but three invoices dated in 1998 relating to the same are provided at pages 10 and 11 of his Exhibit PRP14.

32) MP-Vasoya identifies two other businesses also using MILAN. The first is Milan Supari, an Indian food imported since 1975 and uses the same stylised MILAN mark as the parties in these proceedings (see pages 113 – 119 of MP-Vasoya's exhibit). The second is an Italian restaurant in Southampton named MILAN (see page 120 of the exhibit). He claims that Milan has no exclusive right to the marks MILAN or MILAN RESTAURANT at the time that it purchased the Eggington Street business in 1989. He also provides Internet extracts at pages 149 to 157 relating to other restaurants and takeaways in the UK called MILAN.

33) At page 121 of MP Vasoya's exhibit is a letter from Vasoya's accountant showing its turnover for the years 2008 to 2013. These figures begin, in 2008, at £267k and increase to £387k by 2013. Mr Patel states that these figures do not include turnover from its MILAN'S DHOSA EXPRESS business. Further figures are provided back to 1996 in MP-Vosaya's third witness statement and show sales around the £220k mark for each year.

34) At PRP-Milan's Exhibit PRP13 is a copy of a page from the publication *Sanatan Sandesh* dated November – December 2002. This shows advertisements of the predecessors of both parties appearing on the same page. PRP-Milan cites this as an example of where confusion is likely to be caused. The page is reproduced in full below:

Happy Diwali & Best Wishes  
for the New Year

There is only one Vasoya's

**MILAN**  
**S·W·E·E·T·S**

Makers of  
Pure Vegetarian Quality Sweets

99 East Park Road,  
Leicester  
Tel: (0116) 246 0136

Happy Diwali & Best Wishes for the New Year

*Original*

**MILAN**  
**MITHAIWALA**  
E·S·T·1·9·7·2

**NATIONWIDE SERVICE**

PROFESSIONAL CATERER SINCE 1972  
WITH INTERMEDIATE FOOD HYGIENE CERTIFICATE HOLDER. No. 0024010

સૌથી સ્વાદિષ્ટ, સૌથી સ્વચ્છ અને સૌથી સમયસર  
શાકાહારી લોજન માટે  
આપના માંગલિક પ્રસંગોમાં જગ્યા પર તળવાની તથા પીરસવાની સગવડ સાથે.

50 Eggington Street, Leicester LE5 5BB  
Tel: (0116) 254 4639 - Mobile: 0411 935 754  
<http://www.milanmithaiwala.co.uk/>

આપણો અહંકાર જ આપણી શક્તિ માટે ક્ષયરોગની ગરજ સારે છે.



35) PRP-Milan also provides two further copies of Vasoya's advertisements from the same publication, dated Sept – Oct – Nov 2006 and November 2010. Whilst similar to the advertisement shown above, they also include the additional text "We also provide vegetarian catering for all types of functions, weddings, birthday parties, etc".

## DECISION

### The legislation

36) The cases have proceeded to final determination variously on the basis of Section 5(2) (b), Section 5(4)(a) and Section 3(6) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section

47(1) and (2) of the Act. The relevant parts of Section 47 of the Act read 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).

...

(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.

Section 3(6) reads:

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

Section 5(2)(b) and Section 5(4)(a) read:

“(2) A trade mark shall not be registered if because –

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(3) ...

(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

b) ...

37) Vasoya's consolidated invalidation actions have the potential to be determinative of the proceedings brought by Milan in that if they are successful, Milan will not have any earlier marks to rely upon, consequently, I will begin by considering Vasoya's case first.

### **Vasoya's case under Section 5(4)(a)**

38) Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It 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 the 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."

39) 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.”

40) The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP).

41) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC sitting as the Appointed Person, considered the relevant date for the purposes of Section 5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.



41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

42) In the current case Milan has been trading for some time prior to Vasoya bringing its action before the Registry. Taking account of all the above guidance, I must therefore consider what the position would have been at the date Milan began using the mark and then assess whether the position would have been any different at the date Vasoya commenced its action against Milan.

43) The history of the use of the MILAN marks is not contentious up to 1989. There appears to be a clear chain of ownership of the original business up to then. In 1971 the business was established by VSP-Vasoya and JPP. In 1974, VSP-Vasoya left with JPP continuing to run the business. It is not clear whether the business and associated goodwill changed ownership at this time, but both parties arguments are presupposed upon the fact that the goodwill remained with

the person or persons running the business at these early stages. So, when in 1983, VSP-Vasoya purchased the business from JPP, it appears likely that the goodwill would of also been transferred. Once again this appears to be common ground. From 1984, the business was run as a partnership of a number of family members including VSP and MP-Vasoya.

44) Therefore, by 1989, the business in the form of a restaurant, retailer of Indian food and sweets and a developing catering business was being run by the Vosaya family partnership and was enjoying the goodwill accrued since the business was set up in 1971. In 1989, the family partnership sold the business as a going concern to PRP-Milan and GPP-Milan. MP-Vasoya claims that the mark was never assigned. This must be true because the mark was not registered, so it was not property and therefore not capable of being assigned. However, the goodwill in the business is capable of being transferred. MP-Vasoya is of the view that the goodwill in the business moved with the family partnership in their other business venture, being the MILAN SWEETS shop that they had opened at 99 East Park Street in 1986. The evidence provided by PRP-Milan does not support this. He provides a copy of the “statement of completion” relating to the sale of the business that records that he paid £17,999 for the goodwill associated business. Further support for the goodwill being sold with the business lies with the accounts for the year ending 31 March 1990 recording a value of over £18k in respect of the goodwill in the business. In light of this evidence, it appears that the goodwill associated with the Eggington Street business was transferred to PRP-Milan and his wife’s business and does not support MP-Vasoya’s view that the goodwill associated with that business was transferred to the business that the Vosaya family ran from the East Park Road premises.

45) Having found that the goodwill in the original business founded in 1971 was passed to PRP-Milan and his wife as part of the sale of the business in 1989, it follows that PRP-Milan and his wife were entitled to use the sign associated with that goodwill. Therefore, PRP-Milan and his wife acquired the earliest goodwill in issue in these proceedings, namely, the goodwill associated with the restaurant, Indian food retail and catering business established in 1971 on Eggington Street and which had used the stylised word MILAN since about 1974 (see paragraph 12, above).

46) It is equally clear that both MP-Vasoya and the family partnership and PRP-Milan and his wife continued to build goodwill in their respective businesses, the former from the opening of its East Park Road business in 1986. Since 1989, both sides, or their predecessors in business, traded side-by-side in the city of Leicester under the unregistered signs featuring as their dominant and distinctive element the identically stylised word MILAN. The former, at the least, was in the business of the retail of vegetarian sweets with the goodwill associated with this business being first established in 1986. The latter operated as a restaurant, Indian food retailer and catering business and benefited from the goodwill established since 1971 and sold with the Egginton Street business to PRP-Milan

and his wife in 1989. The goodwill in PRP-Milan and his wife's business was assigned to Milan in 2007 and the goodwill in MP-Vasoya's family partnership business was assigned to Vasoya in 2005.

47) In summary, the evidence illustrates a clear line of ownership of the goodwill originally established by the Eggington Road business from at least 1974. This goodwill is now owned by Milan. Vasoya enjoys goodwill in its own business dating back to 1986. From the time Milan purchased the goodwill associated with the Eggington Road business in October 2009, it has been able to rely upon it from its origins back in 1974. Such goodwill predates the goodwill in Vasoya's business that can be traced back to the opening of its East Park Street business in 1986. Therefore, I conclude that Milan owns an earlier goodwill and, consequently, this prevents Vasoya from bringing a successful passing-off invalidation action against Milan's trade mark registration 2575072.

48) Whilst Milan has moved part of its business to Gough Street in Leicester, the evidence reflects that it, or its predecessors in business, have traded continuously since 1989 and the move of premises does not impact upon the case.

#### **Vasoya's grounds based upon Section 3(6)**

49) Despite unsubstantiated claims that PRP-Milan has become increasingly "hostile" towards MP-Vasoya and his staff and on one occasion it is alleged that he entered Vasoya's premises brandishing a knife, it is quite clear from the discussion of the facts, above, that Milan enjoys a long-standing and earlier goodwill identified by the stylised MILAN marks. In the context of this, its registration of the same marks, is seen as a natural extension to the property of the business. The mere knowledge of the other party also using the same or very similar marks to identify its own goodwill does not amount to the registrations being obtained in bad faith. It is necessary to also consider the intentions at the time of filing the registrations (see the comments of the Court of Justice of the European Union ("the CJEU") in *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* at paragraphs 37 to 42). As I have already observed, Milan, being the owner of its own long-standing goodwill is entitled to try and protect the sign identifying that goodwill by way of registration.

50) Consequently, I find that Milan did not act in bad faith when registering its marks.

#### **Conclusions regarding Vasoya's attack upon Milan's registration 2575072**

51) Vasoya's invalidation action against Milan's registration has failed in its entirety. As a consequence, Milan can rely upon its three earlier marks in its invalidation action against Vasoya's registration.

## **Milan's grounds based upon Section 5(2)(b)**

52) Vasoya put Milan to proof of use in respect of its earlier mark 2235536, but later conceded use has been made in respect of all the goods listed (see paragraph 8, above). Nevertheless, I do not consider Milan's case to be any better when relying upon this mark than when it relies upon its other two marks that are not subject to the proof of use provisions contained in Section 47(2A) of the Act because they were registered on 26 March 2010 and 23 April 2010 respectively, being within five years ending with the date of the application for the declaration of invalidity, namely 9 January 2013. Further, for administrative convenience, I will restrict my considerations to just one of these two earlier marks not subject to proof of use, namely 2534147, that represents Milan's best case by virtue of having a broader list of goods and services.

53) The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### ***Comparison of goods***

54) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

55) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

56) The issue of identity of goods and services was considered by the General Court (“the GC”) in *Gérard Meric v OHIM*, T-133/05 (“*Meric*”), where it commented:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

57) For ease of reference, the respective goods and services are:

<b>Milan’s most relevant goods and services</b>	<b>Vasoya’s goods and services</b>
<p><b>Class 30:</b> ...; <i>chocolate; chocolate products; ..., confectionery and sweet, ...</i></p> <p><b>Class 43:</b> <i>Services for providing food and drink; restaurant, bar and catering services; ...; wedding catering, takeaway food.</i></p>	<p><b>Class 30:</b> <i>Confectionery and sweets.</i></p> <p><b>Class 35:</b> <i>Retail and wholesale services connected with the sale of confectionery and sweets; retail and wholesale services in the field of the sale of confectionery and sweets via the internet or telephone.</i></p> <p><b>Class 43:</b> <i>Services for the provision of food namely, confectionery and sweets.</i></p>

Vasoya’s Class 30 goods

58) In respect of Vasoya’s Class 30 goods, it is self evident that, when applying the principle set out in *Meric* that they are identical to the Class 30 goods of Milan’s registration, as listed in the table above.

Vasoya’s Class 35 goods

59) In respect of Vasoya’s Class 35 services, namely *retail and wholesale services connected with/in the field of the sale of confectionery and sweets ...*, there is nothing in Milan’s registration that is identical. However, when comparing these services with Milan’s *services of providing of food and drink* in Class 43, I find that the nature and methods of use share some similarity where the former

will normally involve the self-selection of food before the transaction taking place either over a counter or at a checkout. The latter, is broad in nature covering services of providing food to customers seated at tables provided (as in a cafe for example) or by providing food to a given premises or location to be consumed by guests at an event such as a wedding or corporate event. However, in both cases, the selection of food products may also take the form of selecting from displays or catalogues. The similarities in nature are enhanced where purchases in respect of both sets of services take place online. The intended purpose of both sets of services is to provide food for consumption by the consumer and, consequently, their intended purpose is highly similar, if not identical. Both sets of services may be in competition with each other where the consumer has a choice whether to purchase food for consumption later or to purchase it and consume it on the premises. Finally, trade channels may be the same in that the same trader may provide both services of both the retail of food and the provision of the same by some other means other than retail.

60) Taking all of the above into account, I conclude that there is a high level of similarity between *retail and wholesale services connected with/in the field of the sale of confectionery and sweets ...*, in Class 35 and *services of providing of food and drink* in Class 43.

#### Vasoya's Class 43 goods

61) In respect parties' Class 43 services, *Services for providing food* listed in Milan's specification will include services for providing confectionery and sweets and is, accordingly, self evidently identical to *Services for the provision of food namely, confectionery and sweets*.

#### ***The average consumer and nature of the purchasing process***

62) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is

typical. The term “average” does not denote some form of numerical mean, mode or median.”

63) Generally, there is nothing in the nature of the respective goods and services to suggest that the consumer for such goods and services pays anything other than an average level of care and attention. Food products are everyday grocery products where the consumer consists of the general public as well as a wide range of corporate entities. Considerations are similar for the services of retailing the same goods and the services of otherwise providing food. However, I keep in mind that in respect of the provision of food in particular, such services may be procured for a special event, such as a wedding, where the desire of the consumer may be to provide food that is somehow “special” and good quality. In such cases the level of care and attention will be enhanced.

64) The purchasing process will normally be visual in nature, with food being selected from a shelf, catalogue or from a display. Therefore, selection will normally be visual in nature, but I keep in mind that some goods and services may be ordered over the phone where aural considerations become a factor.

### ***Comparison of marks***



65) Vasoya’s registration is in respect of a series of two marks. Its best chance of success lies with the mark least similar to Milan’s mark, namely the mark that has additional matter other than the stylised word MILAN. I will therefore conduct my analysis based upon its MILAN S.W.E.E.T. mark.

66) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

67) It would be wrong, therefore, to artificially dissect the marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks are:



Milan's mark	Vasoya's mark
	

68) Milan's mark consists of the stylised word MILAN in white appearing on a rectangular block red background. Whilst the red block background contributes to the visual impact of the mark, the dominant and distinctive element is the stylised word MILAN. Vasoya's mark, does readily divide into the MILAN element and the word SWEETS separated by dots and with two lines parallel to each other, one appearing above the word, the other below it. However, as claimed by PRP-Milan, the word "sweets" is descriptive in respect of the goods and services of interest to Vasoya. Nevertheless, there is an element of stylisation that contributes to the overall visual impact of the mark, but once again, the dominant and distinctive element of the mark is the stylised word MILAN.

69) Visually, the marks share similarity because both contain the word MILAN, appearing prominently in both marks and being of virtually identical typeface. I say "virtually" because Milan's mark appears to be slightly more "stretched" in the horizontal plain. Other differences are the presence of the additional SWEETS element in Vasoya's mark and the coloured background present in Milan's mark. PRP-Milan claims that the various colour-ways do not affect the outcome of the assessment of similarity. I agree. This has been confirmed by the courts in cases such as *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) and *Mary Quant Cosmetics Japan Ltd v. Able C&C Co Ltd - O-246-08* (AP). Vasoya's mark is registered in black and white and provides it with the right to use it in any colour combination, including the same colour combination as used by Milan. Taking all of this into account, I conclude that there is a high level of visual similarity between the marks.

70) Aurally, both marks begin with the same two syllables MIL-AN. Vasoya's mark also contains the additional word SWEETS that creates some aural difference. However, overall, I conclude the respective marks share a moderate to high level of aural similarity.

71) Conceptually, both marks contain the word MILAN, being a well known city in Northern Italy. PRP-Milan also states (at paragraph 12 of his first witness statement) that Milan's mark MILAN MITHAIWALA means "sweet maker" in Indian Gujarati. It therefore appears that in respect of the consumers currently being targeted by the parties that the MILAN element may be allusive in some way, but of course, neither of the parties' lists of goods and services are limited to Gujarati speaking consumers. Whichever meaning is attributed to the word MILAN is of less importance than the fact that the consumer will see the same

meaning in both marks. Taking this into account, together with the presence of the additional S.W.E.E.T.S element in Vasoya's mark, I conclude that there is a high level of conceptual similarity.

### ***Distinctive character of the earlier trade mark***

72) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier trade mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91).

73) There is some suggestion that MILAN has some allusive meaning in Gujarati, but the primary meaning is as a name of a city in Northern Italy. Such a name is not endowed with a particularly high level of inherent distinctive character in the same way as an invented word is. However, the mark benefits from some stylisation of the letters, together with a block background. Taking all of this into account, I conclude that it is endowed with, at least, a moderate level of inherent distinctive character.

74) I must also consider if the distinctive character of the mark is enhanced because of the use made of it. PRP-Milan has provided evidence of use in respect of Milan's business with turnover reaching £285k in 2012. This is in relation to its business activities in Leicester. Whilst there is evidence of Milan advertising the fact that its catering services are available nationwide, there is nothing to suggest that its sales relate to anything other than its local business in Leicester. As I am assessing distinctive character of a national trade mark, it is use throughout the UK that is being assessed. Use in just one town does not amount to a wide geographical scope of use. Further the turnover figures do not indicate that it has any appreciable market share in what is, self evidently, the huge business sector in the UK for food and the provision of the same. I conclude that Milan's mark has not been enhanced through use.

### ***Likelihood of confusion***

75) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods or services designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*)

76) I have found that the respective goods and services are either identical or share a high level of similarity, that the purchasing act is not normally well

considered (and therefore increases the likelihood of confusion when imperfect recollection is factored in), that Milan's earlier mark is endowed with a moderate level of distinctive character and that the purchasing act is mainly visual in nature and generally involves an average level of care and attention. In addition, I have found that the respective marks share a high level of visual and conceptual similarity and a moderate to high level of aurally similarity.

77) Taking all of the above into account, and in particular the striking similarity in the distinctive and dominant element of both marks and the identity or high similarity of the respective goods and services, I conclude that there is a strong likelihood of confusion.

78) Having reached such a conclusion, it follows that the same conclusion is reached in respect of the Vasoya's other mark in the series which, in the absence of the S.W.E.E.T.S element is visually and aurally even more similar to Milan's earlier mark. Therefore, Milan's application for invalidation insofar as it is based upon Section 5(2)(b) of the Act is successful in its entirety.

#### **Milan's Section 5(4)(a) grounds**

79) Milan's application for invalidation was also based upon Section 5(4)(a) of the Act. It is not necessary for me to consider this in light of my findings in the preceding paragraph.

#### **COSTS**

80) Milan has been successful in its application for invalidation of Vasoya's series of two marks and is entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 4/2007. I take account that the proceedings involved four sets of consolidated proceedings, three of which were virtually identical in nature. I also take account that both sides filed evidence but that no hearing took place. I award costs as follows:

Preparing a statement, considering the counterstatement and considering other side's three statement of cases and preparing counterstatements thereto:	£600
Application fee in respect of Milan's invalidation action	£200
Evidence	£900
<b>Total:</b>	<b>£1700</b>

81) I order V.S. Vasoya Limited to pay MILAN Mithaiwala Limited the sum of £1700 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

**Dated this 19<sup>TH</sup> day of August 2015**

**Mark Bryant  
For the Registrar,  
The Comptroller-General**