

O-324-17

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 3135135
IN THE NAME OF NIF CASTING PRIVATE LIMITED
OF THE FOLLOWING TRADE MARK IN CLASS 6:**

NIF(UK)

AND

**AN APPLICATION FOR INVALIDITY (NO. 501221) BY
NIF UK LIMITED**

Background and pleadings

1. This dispute concerns whether the following trade mark is validly registered:

NIF(UK)

Class 6 – Metal Castings; Manhole covers of metal

2. The mark was filed on 7 November 2015 by NIF Casting Private Limited (“the proprietor”), was published for opposition purposes on 4 December 2015, and was registered on 19 February 2016.

3. NIF UK Limited (“the applicant”) seeks to invalidate the registration. It relies on grounds under section 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”), which are relevant in invalidation proceedings on account of sections 47(2)(b) and 47(1) of the Act respectively; its pleadings can be summarised as:

- Section 5(4)(a) – that the applicant has used the signs NIF UK and NIF(UK) since March 2001 and has generated goodwill accordingly, and that the use of the applied for mark would constitute a misrepresentation which would damage the applicant’s goodwill.
- Section 3(6) – bad faith – that the proprietor knew of the applicant’s rights in the mark, and was, indeed, a former customer, and that the use/registration of the mark was intended to emulate the applicant’s business.

4. The proprietor filed a counterstatement defending its registration. The defence can be summarised as consisting of a series of denials (including denying knowledge of the applicant’s rights) and putting the proprietor to proof of its claims.

5. Only the applicant filed evidence. A hearing took place before me on 23 June 2017 at which the applicant was represented by Mr Julius Stobbs of Stobbs IP. The

proprietor choose not to attend the hearing, but it did file written submissions (dated 18 May 2017) in lieu of attendance.

6. Shortly before the hearing the applicant sought leave to file further evidence. The proprietor was contacted in this regard who responded by saying that whilst no objection was raised to the inclusion of the evidence, it would like 10 days to respond to it with reply evidence. I discussed this with Mr Stobbs at the hearing. I indicated to him that if the applicant's further evidence was to be included, I was duty bound to allow the proprietor an opportunity to respond. However, in order not to delay the proceedings further, Mr Stobbs withdrew his request to have the further evidence admitted. The consequence of this is that no reply evidence is needed and I proceeded to hear the case on the basis of the evidence that had been filed thus far. No consignment has been taken of the further evidence.

The evidence

7. Rather than provide a stand-alone evidence summary, I will, instead, refer to it when it is relevant to do so, within the context of the matters I must determine. For the record, though, I should indicate that the evidence takes the form of a witness statement from Mr Harsh Madhogaria, a director of the applicant company (and also two other related companies). His evidence touches on the following: general information about the applicant's business, together with more specific evidence about its business in the UK; information about the proprietor and its link to a related company (Excellence & Innovation General Trading LLD ("Exinova")) with whom the applicant has done business; evidence of alleged improper conduct on the part of Exinova.

Section 5(4)(a)

8. As Mr Stobbs did at the hearing, I will begin with the ground pleaded under section 5(4)(a) of the Act, which reads:

"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)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

9. 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.”

10. 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.”

The relevant date

11. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

“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.’

.....

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.’ ”

12. Any relevant pre-filing use on the part of the proprietor must represent the notional use of the trade mark in the UK. There is no claim or evidence to this extent. Consequently, the relevant date for the purpose of my assessment is the filing date of the subject trade mark, namely 7 November 2015.

Goodwill

13. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

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

14. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an

unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used 'but had not acquired any significant reputation' (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

15. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

"There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience."

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

16. In terms of what is required to establish goodwill, I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground

of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

17. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

18. I now turn to the applicant's evidence of its goodwill in the UK. For context, I note that the applicant is part of a group of companies of which Mr Madhogaria is also a director. NSI (India) Limited represents the manufacturing base and NSI Middle East Trading LLC is its middle-eastern representative office. Sales are said to take place

around the world (including in the UK) and that various distribution agreements with other companies are conducted. The business principally relates to the field of manhole covers. In relation to the UK, I note the following evidence:

- Unit sales have ranged between 19k in 2008 to 38k in 2015. The peak sales period was 102k unit sales in 2011. Turnover has ranged between £2.8million in 2008 and £1.6million in 2015, peaking at £4.5million in 2011.
- Brochures are provided in Exhibit HM35 from the years 2002, 2012, 2014 and 2016 (after the relevant date) showing products such as manhole covers and channel gratings. The brochures use the signs: NIF, NIF (UK) LTD, www.nifuk.com, and NIF(UK). The brochures clearly come from the applicant company, with an address listed in South Wales.
- Close-up photographs of manhole covers which carry the name NFI(UK) along with other information such as the relevant BSI number are provided in Exhibit HM31.
- Extracts (in Exhibit HM30) from the applicant's website at www.nifuk.com are provided which use the full company name, plus signs such as NIF(UK) and NIF UK – the prints are said to represent what the website looks like today (although I note a copyright date of 2013) but there are also some earlier archived prints from 2004 and 2002 which use the names NIF and NIF (U.K.)
- Exhibit HM34 contains "some" (so not necessarily all) invoices to UK customers for what are said to be the relevant goods. The invoices depict the company name, the domain name and "NIF". They are for various goods, although, often listed by reference to catalogue numbers; they range in date between 2002 and 2016.
- Given the niche market for manhole covers, promotion is said to be largely conducted by word of mouth. I note, though, that the applicant has attended The Big 5 International Building and Construction Show in Dubai on several occasions which is described as a global meeting place for construction industry professionals.

19. Mr Stobbs submitted that the evidence presented a strong case for the existence of a relevant goodwill in the UK. Indeed, he considered the matter to be clear-cut. The proprietor was not represented at the hearing so I was unable to hear any real reposte to Mr Stobbs' submissions. I note, though, the following from the proprietor's written submissions, which, after suggesting that the parties were involved in a wider dispute, including proceedings in the UAE, it was stated:

"The proprietor notes the considerable size of the evidence presented by the applicant. The proprietor has been unable to determine how most the evidence submitted is relevant to the matter at issue, i.e. use of the mark in the United Kingdom or the proprietor's supposed knowledge of the applicant company or its UK operations. Some of the evidence relating to prior use is undated and thus is of questionable relevance.

The client does not consider that the applicant has proved it has an earlier right to the mark NIF(UK) in the united Kingdom for the relevant goods. The applicant has provided a number of invoices to evidence use within the United Kingdom; the adverting spend is unsubstantiated by evidence other than being provided in a witness statement. The first of the invoices is addressed to a company based in the Republic of Ireland rather than the United Kingdom. The final invoice contains no details of the goods sold. The proprietor does not consider the remaining invoices sufficient to demonstrate sufficient use of the mark (particularly given the time it has been claimed to be used) for the relevant goods in the United Kingdom that establishes sufficient goodwill in the united Kingdom that the applicant has an earlier right under Section 47(2)(b) TMA.

In short the proprietor submits that the applicant has not made a sufficient case that it has either an earlier relevant right or that the applicant, when filing the application that resulted in UK Trade Mark Registration 3135135, did so in bad faith."

20. As Mr Stobbs pointed out at the hearing, the reference to one of the invoices being to a company in the Republic of Ireland is erroneous because the company is actually in Omagh, part of Northern Ireland. Beyond that, the proprietor's submission appears

to be based upon evidence insufficiency. Whilst this is noted, I agree with Mr Stobbs that the evidence does demonstrate that the applicant had, at the relevant date, a business in the UK with the requisite goodwill. I bear in mind that absent evidence in response, the applicant need only establish a prima facie case. It easily does this. Indeed, I would go so far as to say that the evidence presented demonstrates a strong goodwill in the UK for the sale of manhole covers and similar goods. The signs claimed to have been used are: NFI UK and NFI(UK). Notwithstanding the fact that much of the use of the company name as a whole and, also, use as part of a domain name, there are uses of these designations alone. Either way, I am satisfied that the signs relied upon will be associated with the applicant's goodwill on account of the evidence presented as a whole.

Misrepresentation

21. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court’s reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

22. The fields of business are the same. The proprietor’s mark is registered in respect of manhole covers, the very thing which is the primary focus of the applicant’s business. The specification also covers “metal castings” a term which Mr Stobbs submitted, and I agree, covers manhole covers. For example, the brochures (although I accept not all of them) of the applicant use terms such as “cast iron castings” as a catch-all term for the goods its sells. The registered mark NIF(UK) is identical to one of the signs associated with the applicant’s goodwill and highly similar to another (NIF UK). This all strongly points towards misrepresentation. Indeed, I struggle to see any case for submitting otherwise (none has been made). Misrepresentation is made out.

Damage

23. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff’s business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff’s goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff’s reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant’s plastic irrigation equipment might be dissuaded

from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”

24. This is a case where the most obvious form of damage is applicable, i.e. a direct loss of sales. Damage is made out.

25. Consequent upon the findings I have made, the application for invalidity succeeds under section 5(4)(a) of the Act.

Section 3(6) – bad faith

26. 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.”

27. In *Red Bull GmbH v Sun Mark Limited* [2012] EWHC 1929 (Ch), 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] EHC 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 Plasticulture 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).”

28. Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the application date of the application to register the trade mark. The relevant date is 7 November 2015.

29. At the hearing Mr Stobbs played heavily on the relationship between the applicant and the proprietor (or more accurately a company associated with the proprietor) as demonstrating not only what the proprietor’s knowledge was, but, also, that the breakdown of that relationship and the subsequent filing of the trade mark registration supported a finding of bad faith. Again, I return to the salient evidence:

- The proprietor was incorporated in the UK on 19 October 2015, with Mr Bejoy Jagannath being its director. Prints from Companies House in Exhibit HM7 support this.
- On its own website (Exhibit HM8), the proprietor lists Exinova (based in the UAE) as its authorised dealer. Mr Jagannath is also a director of Exinova, something which is supported by an agreement signed by Mr Jagannath in March 2015 on behalf of Exinova – the agreement, which I discuss further below, is with the applicant and its two related companies.
- Exhibits HM12-20 contain various documents showing that in 2014 and 2015 Exinova purchased goods from NSI (India) and NSI Middle East Trading LLC (the applicant’s two related companies), and some of the invoices relating to this clearly reference branded NIF(UK) goods. One Exhibit (Exhibit HM19) contains design specifications which depict the applicant’s name.

- Exinova became an agent of the applicant in March 2015. Exhibit HM21 is the agreement referred to above between the applicant (and its two related companies) and Exinova which contains a reference to NIF (UK) Ltd having been selling products all over the world using the brand name NIF UK. Exinova is to become the agent of the applicant in the UAE for a period of one year.
- Mr Madhogaria states that the above relationship soon broke down because of disagreements over pricing. The applicant also became aware of Exinova selling goods which had not been sourced from the applicant and, also, that it had adopted a company name and set up a website which used NIF in it. Exhibit HM23 contains a copy of an email dated 30 September 2015 sent to Exinova asking them to refrain from using the NIF UK mark and asking them to take down its NIF website – it is unclear if this constitutes a formal termination of the agency agreement. The trade mark registration was subsequently filed in the UK on 7 November 2015.
- Mr Madhogaria gives further evidence about other NIF companies and marks filed by the proprietor's affiliated companies, evidence about Exinova contacting the applicant's distributors, and Exinova using the applicant's company certifications (such as BSI) and approval documents.

30. Mr Stobbs accepted at the hearing that mere knowledge of a mark being used was not enough to engage the bad faith provisions, without something more to demonstrate why the proprietor's conduct fell short of acceptable standards of commercial behavior. Two cases were referred to in particular, the first of which, *DAWAAT*, showed an added factor, as put by the Hearing Officer at first instance, as follows:

“The registered proprietor made its application to register DAAWAT in the UK in order to exploit to its own advantage the knowledge it had gained of the applicant's plans to extend its trade to Europe. The commercial advantage to be gained by the registered proprietor was to be achieved by closing off the possibility of the applicant extending its use of its DAAWAT mark to the UK without the registered proprietor's consent”

and, second, Professor Ruth Annand (sitting as the Appointed Person) in *Ajit Weekly* put the added factor (beyond mere knowledge) in that case as follows:

“47. The Hearing Officer held that because of his background Dr. Bains (and hence the Registered Proprietor) must have been well acquainted with the Applicant’s AJIT logo/trade mark for newspapers. Dr. Bains must have been aware that the Applicant’s AJIT logo in relation to newspapers would be widely known amongst the UK’s Punjabi Community and that the registration and use of the mark in suit would result in confusion and deception to the detriment of the Applicant. Registration of the mark in suit would also have prevented the Applicant from continuing to sell (directly or indirectly) its newspapers under its mark in the UK. A person in the position of the Registered Proprietor adopting proper standards (although Dr. Bains might himself have thought that this was a natural progression of the Registered Proprietor’s North American business) would not have applied for a monopoly, which would present these effects. In my judgment, the Hearing Officer was entitled to conclude in the light of his findings that UK Trade Mark Registration No. 2283796 was applied for in bad faith.

31. Mr Stobbs also referred to the decision of Arnold J in *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Ltd & Ors* [2008] EWHC 3032 (Ch) (09 December 2008) where at paragraph 186 he stated:

“It is clear that an application can be made in bad faith vis-a-vis a third party in circumstances where the third party cannot maintain a relative ground of objection to the registration of the Community trade mark under Articles 8 and 52. Generally speaking, bad faith in such a case will involve some breach of a legal or moral obligation on part of the applicant towards the third party. The classic instance of this is where the applicant has been in discussions with a foreign manufacturer about distributing the latter's goods in the Community, and then applies to register the trade mark under which the goods are marketed in the country of origin and under which the manufacturer proposes to market them in the Community. It is not necessary, however, for there to have been contractual or pre-contractual relations between the parties in order for an

application to be made in bad faith. Thus bad faith may exist where the applicant has sought or obtained registration of a trade mark for use as an instrument of extortion, as in the *Melly* case. Nevertheless, I consider that Article 51(1)(b) has no application to situations involving a *bona fide* conflict between the trade mark rights, or perceived rights, of different traders”

Mr Stobbs’ submission being that the facts here were far worse as not only was there discussion between the parties, but that they had been in actual legal relations, yet the proprietor still filed the mark.

32. Whilst noting all of the above cases and the guidance they provide, the factual matrix is of course different here and one must consider the matter against the facts of this case in determining whether the filing of the trade mark constituted an act of bad faith. I accept the following primary facts:

- The proprietor has a clear relationship with Exinova.
- Mr Jagannath is a director of both the proprietor and Exinova and, thus, the knowledge that Exinova had of the applicant (and its related companies) can also be attributed to the proprietor.
- The proprietor, therefore, knew of the applicant’s use of NIF(UK)/NIF UK and it knew of Exinova’s business dealings with the applicant and its related companies.
- The proprietor filed the trade mark registration shortly after the agency agreement between Exinova and the applicant had broken down.

33. Mr Stobbs argued that the filing of a trade mark by a previous agent of a business was sufficient to constitute an act of bad faith and, further, the conduct was indicative of an attempt by the proprietor to legitimize the sales of its associate company Exinova in the UAE by suggesting a connection with the established UK business, a connection which does not exist.

34. It would, of course, have been helpful to have had evidence from the proprietor to demonstrate what its motivations were, or at least to hear its side of the story. The proprietor's written submissions suggest that there is some form of wider dispute, particularly in the UAE, but, without evidence of this, I am left to accept the plain facts that have been presented. I have no alternate version of events to consider. On the face of it, to file for a trade mark which you know is that of a former business associate with whom you had an agency agreement (even if that agreement was with a related company) strikes me as a clear act of bad faith. I also agree with Mr Stobbs that the conduct appears motivated by a desire to demonstrate a connection (which does not actually exist) with an established UK business in order to make Exinova's sales in the UAE easier to come by. This is further reason to say that the application in the UK was an act of bad faith. The ground under section 3(6) succeeds.

35. I note that Mr Stobbs made reference at the hearing to Exinova's further examples of improper conduct such as the use of the applicant's BSI standards. I do not consider it necessary to go into this in detail, as what I have already discussed is sufficient to uphold the ground in these proceedings.

Conclusion

36. The application for invalidation succeeds and the proprietor's registration is deemed never to have been made.

Costs

37. The applicant having been successful, it is entitled to a contribution towards costs. My assessment is as follows:

Official fee - £200

Preparing a statement of case and considering the counterstatement - £300

Filing evidence - £1000

Attending the hearing - £500

Total - £2300

38. I order NIF Casting Private Limited to pay NFI UK Ltd sum of £2000 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of July 2017

Oliver Morris

For the Registrar

The Comptroller-General