

O-114-18

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2631389 IN THE NAME OF MAK
ENTERPRISES LIMITED IN RESPECT OF THE TRADE MARK**

JAM-E-SHIRIN

IN CLASS 32

**AND AN APPLICATION FOR INVALIDATION OF THE REGISTRATION
UNDER NO 501497 BY QARSHI INDUSTRIES PRIVATE LIMITED**

Background and pleadings

1) MAK Enterprises Limited is the proprietor of UK registration 2631389 for the mark JAM-E-SHIRIN (“the registration”). It applied for the registration on 13 August 2012 and the registration procedure was completed on 4 March 2013. The registration covers the following goods:

Class 32: *Syrups for making beverages; syrups for making beverages, namely rose syrup, sandal syrup, illachi syrup, cardamom syrup, bazoori syrup; mineral and aerated waters; non-alcoholic drinks; fruit drinks and fruit juices; shandy, non-alcoholic beers and wines.*

2) On 14 December 2016, Qarshi Industries Private Limited (hereafter “the applicant”) filed an application to invalidate the registration. Following an amendment to the Statement of Grounds following a case management conference held on 7 September 2017, the grounds of invalidation are as follows:

- (i) The registration offends against both section 5(1) and section 5(2)(a) of the Trade Marks Act 1994 (“the Act”) because the mark, the subject of the registration, is identical to an earlier mark in the name of the applicant and in respect of identical or similar goods. The applicant relies upon an earlier Pakistan registered mark no. 103101 (identified as relating to the mark JAM-E-SHIRIN) that it claims qualifies as a well-known mark under section 56 of the Act and, consequently qualifies as an earlier mark under section 6 of the Act. It has been registered since 1989 in respect of goods that include what the applicant describes a “beverage/syrup”. It cites turnover in respect of goods sold in the UK under the mark of nearly £780,000 in the period 1 July 2015 to 30 June 2016.
- (ii) The registration offends under section 60(3)(a) because the proprietor acted as an agent and distributor for the applicant and it imported the applicant’s goods into the UK, including under the contested mark from July 2003 and June 2007.

3) The proprietor filed a counterstatement denying the claims. It states that it entered an agreement with the applicant, in 2003, whereby the proprietor owned the contested mark in the UK and Europe. It claims that it received a delivery of bottled syrups from the applicant in 2007 that did not meet satisfactory quality standards and, therefore, it identified alternative suppliers for the product. It claims that it has continued to sell these syrups from other suppliers to the present day and continue to be decorated with labels designed by the proprietor. It claims that, as a result, the reputation associated with the mark in the UK belongs to it. It also claims that the applicant has been aware of its use since 2003 and has, therefore, acquiesced in its use for over 13 years.

4) Both sides filed written submissions and evidence in these proceedings. I will summarise the evidence to the extent that I consider it necessary. I will not summarise the submissions but will keep them in mind. The matter came to be heard on 17 January 2018. The applicant was represented by Mr Jonathan Gale of counsel, instructed by Raims Law Solicitors and the proprietor was by Mr Peter Manfield for Coller IP.

Applicant's evidence

5) This takes the form a witness statement by Mian Riaz Iqbal, company secretary of the applicant. A copy of the certificate of registration of the Pakistan mark relied upon is provided at Exhibit MRI1 but it does not show a representation of the mark. It has been registered since 8 July 1989 in respect of a range of Class 32 goods including *non-alcoholic drinks and syrups [...] for making beverages*. Mr Iqbal describes the goods for which the mark is used as “a natural health drink (sherbet) which is a syrup for making high quality refreshing beverage which is made from pure herbs and natural ingredients”. He also provides a list of Pakistani registrations for JAM-E-SHRIN in a wide range of classes and this list includes the relied upon registration that is recorded as “JAM-E-SHIRIN (in Urdu)”.

6) Mr Iqbal discloses “annual sales of the goods before the date of application in the UK” of 107,496,814 Pakastani Rupees (approximately £718,000) for the period 1 July 2015 to 30 June 2016. He also provided a total sales figure (not limited to the

UK) for the same period that is in excess of PKR 7,080 million (over £47 million) and annual promotional spends (also not limited to the UK) between 2004 and 2014 totalling over PKR 658 million (nearly £4.4 million).

7) Mr Iqbal asserts that the proprietor was assigned as sole distributor in 2003 and its role was to sell and market the applicant's products. The agreement between the parties expressly prohibited the proprietor from owning the contested mark and it never sought implied or expressed consent to do so.

8) It is also stated that the applicant was unaware of the proprietor's registration and this explains why it never filed an opposition against the mark.

9) Mr Iqbal states that the parties engaged in business until June 2007 whereby the agreement ended due to the proprietor's performance as distributor being unsatisfactory. He states that the current distributor is Delicious Mealz Ltd.

Proprietor's evidence

10) This takes the form of a witness statement by Mohammed Asif Chaudhry, director of the proprietor. He asserts that the proprietor decided to introduce flavoured syrups for making beverages into the UK and entered into an agreement with the applicant that appears to provide the proprietor with written consent to register the contested mark in the UK. A copy of this undated agreement is provided at Exhibit AC-2. The veracity of this agreement is contested by the other side, however, for reasons that will become clear, it is not necessary for me to record anything further about this evidence.

11) Mr Chaudhry states that the proprietor sold JAM-E-SHIRIN bottled syrup manufactured by the applicant between 2003 and 2007. He asserts that in 2007 the proprietor received a sub-standard consignment of JAM-E-SHIRIN bottled syrup from the applicant and the proprietor subsequently identified alternative suppliers and has continued to sell these syrups under the mark JAM-E-SHIRIN using a label designed by Mr Chaudhry. He states that these labels also indicated that the proprietor was the source of the product.

12) Mr Chaudhry provides sales figures, 85 – 90% of which are attributed to sales in the UK. These show that the proprietor sold, annually, between 9000 and 23000 units (unit size 810ml) between 2003 and 2007 and between 59000 and 96000 between the years 2008 and 2016. Mr Chaudhry also states that the proprietor promoted the product by placing the branding on pens, key rings and mugs provided to retailers, advertising on ethnic television and radio stations and providing advertising posters to retailers. A selection of the latter is provided at Exhibit AC-3 dated between 2010 and the present. These all show a bottle of drink with JAM-E-SHIRIN appearing on its label.

Applicant's evidence-in-reply

13) This consists of an affidavit by Hassaan Muslim, ex-employee of the applicant and a further witness statement by Mr Nazir. It is Mr Muslim's signature that purportedly appears on the agreement provided by the proprietor at Exhibit AC-2. Mr Muslim denies this.

14) Mr Nazir asserts that the exchange of emails between Mr Choudhry and employees of the applicant provided at Exhibit AC-1 are fabricated. At Exhibit SN1, he provides what he asserts are the original exchanges of emails "which include the continuation and evidence of the previous emails between the parties." Mr Nazir asserts that these original emails illustrate that the proprietor was aware of, and acknowledged, its position as a distributor of the applicant. However, it is not necessary that I detail them further.

15) Mr Nazir also asserts that the agreement at Exhibit AC-2 is also forged, that the applicant was never aware of its existence, it was never sent to the applicant and never discussed or signed by any representative of the applicant. He provides reasons for why he believes it is a forgery but it is not necessary to detail these.

16) The applicant's standard distribution agreement is provided at Exhibit SN3 is a copy of a draft distribution agreement that was sent to the proprietor and referred to in the emails dated 4 June 2003 and provided at Exhibit SN6 (and is the same as that provided in Exhibit SN1 and referred to in the final bullet point of paragraph 16,

above). The agreement itself is headed "Distributorship Agreement". "Jam-e-Shirin is identified as a "finished product" that is covered by the agreement. The draft states that the applicant is "the worldwide proprietor of its various trademarks used for each specific product, detail whereof is mentioned in Schedule-A". "Jam-e-Shirin" is listed in that schedule.

17) At Exhibit SN7 is a letter, dated 23 October 2003, from Mr Chaudhry of the proprietor to the British High Commission where he identified the proprietor as the applicant's "sole distributor" for its products in the UK.

18) Mr Nazir states that the South Asian community is aware of the product JAM-E-SHIRIN due to its popularity and the extensive advertising all over the world by the applicant. This is through various South Asian TV channels being aired in the UK, including but not limited to GEO, PTV-World and KTN. Exhibit SN5 consists of. Exhibits SN4 and SN5 were provided on a memory stick with the first of these exhibits appearing to be numerous print adverts for the product where a mark in Urdu appeared in the advert or on the label of the bottle containing the product being promoted. The second of these exhibits appeared to consist of television commercials for the product, but once again, when the product was shown the label was in Urdu. The following representation is taken from one of these digital files and is representative of how the mark is presented in these two exhibits:



19) Mr Nazir states that the product JAM-E-SHIRIN is only supplied by the applicant and there are no alternative suppliers and sales in the UK between 2005 and 2012 were £147,892.

DECISION

Preliminary Points

20) At the hearing, I admitted into the proceedings a short second witness statement by Mr Chaudhry introducing, at Exhibit AC2-1, a copy of an invoice dated 10 June 2003 that carries the stamp of the applicant that is the same as that appears on the contested agreement exhibited by the proprietor and claimed by the applicant to not be one of its stamps. The invoice also carries the signature of Mr Muslim. This was material to the issue of whether the proprietor gave consent to the applicant to use and register the mark in the UK.

21) The day before the hearing, the applicant's agent also submitted, under cover of a letter, a copy of an agreement between the proprietor and a third party and asserted that this illustrated that the contested agreement was drafted by the proprietor for the purposes of these proceedings and used a standard template wording that is reproduced in the third party agreement. I allowed 14 days for applicant to regularise this evidence under cover of a short witness statement explaining where the document comes from and why it is relevant to these proceedings. I informed Mr Gale that I would strike out any further evidence if it were contained in this witness statement. I permitted the proprietor a further 14 days for the proprietor to file submissions or evidence in response.

22) The applicant subsequently provided this additional evidence in the correct format. The proprietor provided written submissions challenging some of this evidence.

23) Following the hearing, I have carefully considered the additional evidence and the issues that it relates and I have reached the conclusion that I can make my

decision without considering the proprietor's defences and, therefore, I need not refer to this evidence further.

Section 5(1) and section 5(2)(a)

24) Section 5 of the Act has application in invalidation proceedings because of the provisions set out in Section 47. The relevant legislation is set out below:

47. - (1) [...]

(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) ...,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

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

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.

5. - (1) [...]

(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.

[...]

(5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.

25) The applicant relies upon a Pakistan registration claiming that it is a well-known mark under section 56 of the Act that implements Article 6bis of the Paris Convention. The relevant parts of section 56 are:

56. - (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, ...

(b) ..., whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

[...]

26) Such well-known marks qualify as earlier marks in proceedings such as these by virtue of section 6(1)(c) of the Act which reads:

6. - (1) In this Act an "earlier trade mark" means -

[...]

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well-known trade mark.

27) Consequently, the first consideration would normally be whether the applicant's claim to an earlier mark is valid keeping in mind the guidance of Richard Arnold QC, sitting as the appointed person in *Le Mans Autoparts Limited v Automobile Club de l'Ouest de la France (ACO)* O-012-05 and when sitting as a high court judge in *Hotel Cipriani SRL et al v Cipriani (Grosvenor Street) Limited et al* [2008] EWHC 3032 (CH).

28) However, a potential flaw in the applicant's pleaded case became apparent at the hearing that requires determination first. In its statement of case it provides the following information regarding the earlier mark upon which it relies:

- It has the number 103101;
- the representation of the mark is given as JAM-E-SHIRIN;
- In response to Question 5 on the Form TM26I the applicant states “[The applicant] first registered its trade mark ‘JAM-E-SHIRIN’ in Pakistan in 1989 [and continues to sell] its products under the registered trademark of ‘JAM-E-SHIRIN’ not only in Pakistan but also various other countries...”

29) Therefore, the information provided in the statement of case identifies the earlier mark relied upon as JAM-E-SHIRIN.

30) At Exhibit MRI1, Mr Iqbal provides a certificate of registration for the mark, but this does not show a representation of the mark.

31) It became apparent at the hearing is that this earlier right is, in fact, in respect of a mark in Urdu script that is asserted to be the equivalent of the JAM-E-SHIRIN mark. This was hinted at by Mr Iqbal, in his witness statement, where he provides a list of the applicant's marks in Pakistan. The mark relied upon in its pleadings (namely number 103101) is recorded as "JAM-E-SHIRIN (in Urdu)". The evidence provided at Exhibits SN4 and SN5 only shows use of the Urdu mark. Therefore, the earlier mark relied upon is an Urdu script mark and not JAM-E-SHIRIN, as claimed.

32) Mr Gale attempted to circumvent this flaw by identifying a further Pakistan registered mark also listed in Mr Iqbal's witness statement, but not relied upon in the pleadings, namely number 103077 QARSHI KA JAM-E-SHIRIN. Mr Gale requested that the applicant be allowed to add a ground based upon section 5(2)(b) on the basis that this was also a well-known mark. Mr Gale was unable to take me to any evidence showing use of this mark, let alone evidence to indicate that it is well-known within the meaning of section 56. Therefore, I dismissed the request to add section 5(2)(b) grounds.

33) Mr Mansfield submitted that the Urdu mark is plainly not the same as the contested mark and therefore the claims under section 5(1) and section 5(2)(a) must fail. I agree. At the very least, there is no visual similarity between the marks and as a consequence, they cannot be considered to be identical.

34) As a consequence of this finding, a finding that the earlier mark is a well known mark under section 56 cannot save the applicants case. Therefore, it is not necessary for me to consider the point.

35) The proprietor relied upon a defence that there was an agreement in place between the parties that included written consent for it to register the contested mark in the UK. The veracity of this agreement is contested. Once again, in light of my findings above, it is not necessary for me to make a finding in respect of this defence.

36) The proprietor also relied upon a defence that the applicant had acquiesced to it registering the mark by virtue of knowing of the proprietor's continuous use of the

mark in the UK since 2003. Again, I do not need to decide if this defence would have succeeded.

37) In summary, the grounds based upon section 5(1) and section 5(2)(a) fail because has not established that it has a valid earlier mark.

Section 60(1) and section 60(3)(a)

38) The relevant parts of this section are:

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

(2) [...]

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

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

(b) [...]

(4) [...]

(5) Subsections (2), (3) and (4) do not apply if, or to the extent that, the agent or representative justifies his action.

(6) An application under subsection (3)(a) or (b) must be made within three years of the proprietor becoming aware of the registration; [...]

39) There are two prerequisites for this ground to be successful:

(i) That the applicant is the holder of a mark in a Convention Country, and

(ii) The proprietor was an agent of the applicant at the time it filed its application to register its mark in August 2012.

40) Notwithstanding the issues concerning the first of these two points, it is the applicant's own case that the relationship between the parties ended in 2007 (stated

by Mr Chaudhry at paragraph 6 of his witness statement and confirmed by Mr Gale at the hearing.). Therefore, it is common ground between the parties that when the proprietor filed the application to register the contested mark on 13 August 2012, it was not an agent of the applicant and had not been so for some five years prior to that date.

41) Mr Gale submitted that the wording of section 60(1), although it refers to being an agent in the present tense, it should not be so narrowly interpreted. It may be the case that an ex-agent may hold stock of a product that it may legitimately sell after an agent agreement has ended, however, the products at issue here have a relatively short shelf life being perishable bottled syrups for making soft drinks. Therefore, to extend the provisions of section 60 to an action 5 years after the proprietor last received the product from the applicant when the product involved would have a significantly shorter shelf life appears to be inappropriate in the circumstances. It is very unlikely that the proprietor was still conducting activities born out of an agreement that ended five years previously. Therefore, even if Mr Gale's point has a legal basis (he did not cite any), it would not apply to the circumstances of this case.

42) As a consequence, I find that the grounds based upon section 60 of the Act fails because the proprietor was not an agent of the applicant at the relevant date.

Conclusion

43) The application for invalidation fails on all grounds.

COSTS

44) The proprietor has been successful and is entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 2/2016. I award costs on the following basis:

Considering other side's statement and preparing counterstatement	£300
Considering other side's evidence and preparing own evidence	£700

Preparing for, and attending hearing £700

Total: £1700

45) I order Qarshi Industries Private Limited to pay MAK Enterprises 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 21st day of February 2018

Mark Bryant
For the Registrar,