

O-112-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2335901B
IN THE NAME OF NISA RETAIL LIMITED
OF THE FOLLOWING TRADE MARK:**

NISA

AND

**AN APPLICATION FOR INVALIDITY THEREOF (UNDER NO 84363)
BY NISA'S HOMEMADE RECIPES LTD**

The background and the pleadings

1) Nisa Retail Limited is the proprietor of the trade mark the subject of these proceedings. The trade mark was filed on 25 June 2003 and it completed its registration process on 23 March 2007. The trade mark consists of the word: **NISA**. It is registered for a large range of goods and services, but the only ones subject to this application for invalidation are:

Class 29: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: meat, fish, seafoods, poultry and game; meat, fish, vegetables and fruit extracts; preserved, dried and cooked fruits and vegetables; extracts of fruit and/or vegetables; meat products; sausages; prepared meals; snack foods; jellies, jams, fruit preserves, vegetable preserves; sauces; desserts; eggs; milk; dairy products; yoghurt; frozen yoghurt; edible protein derived from soya beans; edible oils and fats; nuts and nut butters; pickles; herbs; tofu; weed extracts for foods; food spreads consisting wholly or substantially wholly of vegetables, milk, meat, poultry, fish, seafoods or of edible fats; soups; bouillons.

Class 30: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: coffee, coffee essences, coffee extracts; mixtures of coffee and chicory, chicory and chicory mixtures, all for use as substitutes for coffee; tea, tea extracts; cocoa; preparations made principally of cocoa; chocolate; chocolate products; sugar, maltose, rice, tapioca, sago, couscous; flour and preparations made from cereals and/or rice and/or flour; nut paste, confectionery and candy, breakfast cereals; pastry; pizza, pasta and pasta products; bread; biscuits; cookies; cakes; ice, ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; honey; syrup, treacle, molasses; sauces and preparations for making sauces; custard powder; prepared meals; mousses; desserts; puddings; yeast, baking powder; salt, pepper, mustard; vinegar; chutney; spices and seasonings; vegetable preparations for use as drinks; meat pies; mayonnaise; natural sweeteners; salad dressings.

Class 35: The bringing together, for the benefit of others, of a variety of goods, enabling wholesale customers to conveniently view and purchase those goods from a wholesale store and/or mail order catalogue and/or an internet website.

Class 39: Delivery services.

2) Nisa's Homemade Recipes Ltd is the applicant for invalidation. Its application is made on the basis of section 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The applicant claims to have used, since 1998, various signs in connection with

its business, namely: NISA'S, NISA'S HOMEMADE RECIPES and two stylised versions of the word NISA'S. The signs are claimed to have been used in respect of:

“Food products including but not limited to meat samosas, vegetarian samosas, meat spring rolls and vegetarian spring rolls, meat kebabs, retail and delivery services for such products, and services for providing food.”

3) The applicant states that it supplies home-made halal foods (including the above) via a range of cash and carry stores or through independent grocery shops and halal butcher shops “throughout London and other cities across the UK”. It is stated that the word Nisa means woman in Arabic which is why the name was chosen – the use of the word emphasising the homemade quality of its goods and that it is halal (such food generally being bought by the Arab and Muslim communities). It is claimed that such use provides the applicant with a protectable goodwill and that the use of the registered mark in relation to the goods/services for which its claim is made would cause deception/confusion. It is stated that this is causing damage to the applicant’s business.

4) The proprietor filed a counterstatement denying the claims and putting the applicant to proof of its goodwill. The only part of the claim that it admits is the applicant’s statement that:

“Both the Registered Mark and the Applicant’s Brand consist of the “identical dominant word element “NISA”....”

5) Both sides filed evidence. A hearing took place before me on 17 January 2014 at which the applicant was represented by Mr Jonathan Hill, of Counsel, instructed by Hogan Lovells, and the proprietor was represented by Mr Martin Krause of Haseltine Lake LLP.

Pleadings issues

6) At the hearing two separate pleadings issues were raised. The first related to the applicant’s statement of case, in particular, the identification of the services in class 35 to which its application was directed. The proprietor’s specification in class 35 covers both wholesaling and retailing of a range of goods. Only the wholesaling aspect was detailed in the Form TM26 used to lodge the claim. The clarification sought by the proprietor stemmed from the fact that in the accompanying statement of case the applicant makes reference to retailing rather than wholesaling. Mr Hill confirmed that the application was directed solely at wholesaling. This ties in with the clear indication made in the Form TM26. Mr Krause did not suggest that the ambiguity had caused any difficulties for the proprietor. **I will proceed on the basis of the pleading in the Form TM26, the claim in class 35 is directed at wholesaling not retailing.**

7) The second issue was raised by Mr Hill and concerned the fact that despite the proprietor's counterstatement containing no indication that it defended its registration on the basis of its own prior use, such a defence was now being relied upon. The argument was that, strictly speaking, the prior use should form no part of my determination. Mr Krause accepted that the defence should have been better worded, but he argued that it was clear from the evidence filed that prior use was relied upon and that the applicant had had an opportunity to file reply evidence and, so, was not prejudiced in anyway. I asked Mr Hill if he considered the applicant to have been prejudiced, the answer was that there was not an "enormous amount of prejudice". I asked Mr Hill if the applicant would be seeking an opportunity to file further evidence if I held that the proprietor's use ought to be taken into account; the answer was in the negative. I agree with Mr Krause that the proprietor's pleadings should have been better, but I also agree that it was clear, at least by the time that the proprietor's evidence was filed, that prior use was an important issue. The applicant had the opportunity to file evidence directed to this point. The applicant clearly considered the prior use to be a relevant factor and fully dealt with the point in its skeleton argument. **I come to the view that the prior use is to be considered.**

Legislation and the leading case-law

8) In the context of invalidation proceedings, section 5(4)(a) constitutes a ground for invalidity in circumstances where the use of the mark in question 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.."

9) The rule of law relied upon is the common law tort of passing-off, the elements of which (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

"The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public

(whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

10) The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

"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."

11) To qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature¹. However, being a small player does not prevent the law of passing-off from being relied upon².

12) The matter must be judged at a particular point(s) in time. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07 the General Court stated:

"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."

13) The relevant date at which the applicant must establish its goodwill and that the use of the proprietor's mark was liable to be prevented is, consequently, 25 June 2003. However, the position of the parties at dates prior to this may also need to be assessed if competing goodwills are in play. It could be established that the proprietor is, in fact, the senior user, or that there had been common law

¹ *Hart v Relentless Records* [2002] EWHC 1984

² See, for instance, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49

acquiescence, or that the status quo should not be disturbed which, in turn, could mean that the use of the proprietor's mark could not have been prevented under the law of passing-off at the relevant date. In *Croom's Trade Mark Application* [2005] RPC 2 Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

"45. I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

(a) the senior user prevails over the junior user;

(b) the junior user cannot deny the senior user's rights;

(c) the senior user can challenge the junior user unless and until it is inequitable for him to do so."

14) In *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 Mr Justice Pumfrey, when giving his conclusion on passing-off in that case, stated:

"67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser (Anheuser-Busch v. Budejovicky Budvar* [1984] F.S.R. 413 at 462):

"The plaintiffs' primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs', so as to establish a reputation for himself."

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd* [1981] R.P.C. 429 at 494: the relevant date in law is the date of the commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so:

logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”

15) Mr Recorder Iain Purvis QC gave his understanding of the position with regard to concurrent goodwill in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, thus:

“Concurrent goodwill

56 It is well-established that there are cases in which, despite the existence of the elements of the ‘classical trinity’ of goodwill, likelihood of deception and damage, a Claimant will not be able to restrain the use of a confusingly similar mark by a Defendant. One subset of these cases is where the Defendant can justify the use of his mark on the basis of his own goodwill built up independently of the Claimant. In *Phones 4U* at paragraph 21 Jacob LJ described such a case of ‘honest concurrent use’ as being an example of ‘tolerated deception or a tolerated level of deception’. The Defendant in the present case claims the benefit of such a defence.

57 The doctrine was explained by Lord Diplock in *General Electric* [1972] 1 WLR 729at 743 as follows:

‘the interest of the public in not being deceived about the origin of goods had and has to be accommodated with the vested right of property of traders in trade marks which they have honestly adopted and which by public use have attracted a valuable goodwill.’

58 In *Hotel Cipriani v. Cipriani (Grosvenor Street) Ltd* [2009] RPC 9 , Arnold J at first instance noted at [232] that concurrent goodwill ‘*can in appropriate circumstances constitute a defence to a passing off claim*’. So far as I am aware, there are two recognised types of ‘appropriate circumstances’ in which a defence of based on honest concurrent use may exist.

59 The first type involves independent goodwill built up over the years in separate localities by different traders who then come into collision as a result of increased trade. This is the first instance given by Lord Diplock in *GE* after the passage quoted above. One example of this in the authorities (though strictly obiter) is the position of the Defendant in the *Hit Factory* case, see *Peter Waterman v CBS United Kingdom Ltd* [1993] ETMR 27 at 50.

60 The second are 'common ancestor' cases where both parties originally derived their use of the name legitimately from the same source and have since traded under the name alongside one another. The most famous example of this is the clockmaker case of *Dent v Turpin* (1861) 2 J&H 139 quoted by Jacob LJ in *Phones 4U* at 22 . There, father Dent had two clock shops in London and had bequeathed one each to his two sons. Both traded legitimately as Dent, and it is clear that neither could have brought an action to stop the other. Either or both was entitled to bring an action to stop a third party, Mr Turpin, from using the Dent name. Other examples can be seen on the facts of *Habib Bank v Habib Bank* [1982] RPC 1 and *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 . McAlpine is also an illustration of one of the limits of the doctrine: if the Defendant starts to trade in a way which is materially different from the way in which he has legitimately built up his own goodwill, so as to cause confusion with the Claimant (in that case it involved a change in the use of the sign itself, by dropping the distinguishing identifier 'Alfred', but other instances might involve a change of business practice such as moving to a different geographical area), then the honest concurrent use defence will not help him."

The applicant's business

16) The evidence is given by Ms Nazima Sheikh, a director of the applicant. The following facts emerge:

- The business commenced trading in 1998. However, as the applicant was not incorporated until 2004, I assume that such trade was conducted by Ms Sheikh personally, trading as Nisa's Homemade Recipes.
- At the start of the business, the products were made by Ms Sheikh in her kitchen at home.
- "NISA'S" is a reference to the fourth Surah of the Quar'an "An Nisa", which deals with matters relating to women. Nisa is the Arabic word for woman. The name was chosen due to the resonance this would have with the British Asian target market.
- The word NISA'S has been used on packaging and stationery. A large number of examples are provided in Exhibit NS-1. They are said to show use of the brand "from 2000 until now". Ms Sheikh travelled to Pakistan to source the packaging. None are dated. It is possible (from a sell by date) to date one as of 2012. Many carry a reference to the applicant (the limited company) so must have come from 2004 or later. Some do not carry the name of the limited company. NISA'S is most often used in a stylised format, often with the words **HOMEMADE RECIPES** underneath.

- The goods sold are limited to: spring rolls, kebabs (seekh and shami) and samosas.
- It is claimed that since 1999 a delivery service has been offered. A “to whom it may concern” letter is provided in Exhibit NS-3 from *Pride of Asia*, a business which organizes weddings and other events. The letter writer states that Nisa Homemade Recipes has been supplying it since 1999 with samosas, kebabs, and spring rolls and has delivered the food products to them.
- By June 2003 sales were around £300,000 per year. To support this, an annual report (for the incorporated business) is provided in Exhibit N2-2 for the year ending March 2004. This does not show the position as of June 2003. The previous year’s report would have given a better picture. Given the low unit cost of the units sold, it is stated that a considerable number of sales were being made.
- In June 2003 (“as is now”) sales were made via cash and carry stores or through independent grocery shops and halal butchers “throughout the country”.
- It is stated that outlets in London and other major cities were suppliers. Representative samples of invoices (dated before June 2003) are provided which include establishments in Luton, Leyton, Tooting, Walthamstow, Crawley, Peterborough, Ilford, High Wycombe, Cambridge, Finchley, Hornsey, Golders Green & Bedford. The invoices show the word NISA’S with the words HOMEMADE RECIPES below.
- The business has never formally advertised or marketed its products, but relies instead on word-of-mouth sales in the British Asian community. Prior to June 2003 the business received calls from areas which did not have an outlet selling the goods (such as Manchester, Bradford and Leeds) to make enquiries about the products. Some customers made special trips to neighboring towns that did stock the product so as to make a purchase.
- By 2010/2011 (7 years after the relevant date) the business had expanded so that its turnover was in the region of £1 million.

Findings of fact in relation to the applicant’s business

Ownership of goodwill

17) In his skeleton argument Mr Krause made the point that the applicant was not incorporated until 2004 with the consequence that any trade prior to the relevant date would have been made by Ms Sheikh (or by her as part of some form of partnership) and, thus, absent evidence of assignment, the applicant was

not entitled to rely on such use. Mr Krause did not, however, make this point at the hearing. The commentary given by the witness clearly demonstrates that the incorporation of the company was a continuation of the business conducted by Ms Sheikh – I consider it reasonable to infer that the on-going business and associated goodwill was taken on by the company and that they are entitled to rely on it in these proceedings. Even if I am wrong on that then it would be a simple matter for Ms Sheikh to be joined to the proceedings, but I do not consider it to be the best use of time or resource to do so at this late stage in proceedings.

Establishment of goodwill

18) Mr Krause accepted that by the end of 2000 the applicant had a business with a more than trivial level of trade. I take this as an acceptance that the business had a protectable (albeit small) goodwill by this time. Mr Hill considered that the business established its goodwill shortly after it commenced trading (some time in 1998), so goodwill would have been established at least by 1999.

19) The establishment of goodwill does not always follow shortly after a business is begun. In the case before me, the evidence is that the food items Ms Sheikh produced were made in her kitchen at home. This is not a strong indicator of a business with a more than trivial goodwill. It is not even clear when in 2008 the business begun. The position is not helped by the fact that there are no turnover figures or customer numbers for the early days. The earliest invoice is from August 2000. This is the same year that Ms Sheikh travelled to Pakistan to source the labels she exhibited. There is evidence (hearsay evidence) from *Pride of Asia* that they have been a customer since 1999. However, when in 1999 is not stated. In terms of when the goodwill was established, the best I can say, on the basis of the evidence before me, is around early to mid 2000. The goodwill at this point will have been small.

The signs used by the business

20) I noted in my summary of the evidence that some of the packaging material must be from after 2004 due to them carrying the company name rather than the original business name. Mr Krause highlighted at the hearing that almost all of them also contained a particular address which appears to be an address used latter rather than earlier in the life of the business. Whilst these points are noted, Ms Sheikh refers to them as being “samples”. She states that they have been used since 2000. Taking this into account, I consider that the labels provided are representative of the way in which she has presented her goods to the public since 2000. It is not clear what was used prior to this, but I think it clear enough to say that the business and the products it produced were known by the expression NISA’S HOMEMADE RECIPIES.

The growth of the business

21) I think it clear from the evidence that the business has been on an upward curve. By the relevant date of 25 June 2003 the business will have been a reasonably sized one, albeit still modest compared to other food producing companies.

The scope of the businesses' goodwill

22) The scope of the business is as a supplier of particular ethnic food products, namely: samosas, certain types of kebab, and spring rolls. It is no more and no less than this. There is no evidence that the business involves any form of wholesaling. Some of its goods may be sold via wholesalers, but the applicant is not a wholesaler. Goodwill has been claimed in relation to delivery services. The evidence on this is thin and does not create any separate or extended goodwill. All that being said, the limited scope of the applicant's goodwill does not similarly limit the scope of its claim vis a vis the goods/services for which it seeks invalidation – that is different matter. The scope of the goodwill merely sets out the starting point for the assessment.

The proprietor's business

23) The evidence is given by Mr James Roberts, the proprietor's "Head of Commercial Operations & Member Service". His "understanding" is that the relevant date is 23 June 2003 but that use made prior to this may be relevant. He explains that as this was more than 10 years ago, he has no specific information or records relating to the NISA trade mark for the period prior to the relevant date. He has, though, found some evidence to file, as I come on to:

- The origins of the business stem from the 1970s when the Northern Independent Supermarkets Association was formed to protect the interests of independent retailers from supermarket chains by drawing together buying power. There were 30 retailers initially with a total turnover of £20 million. The business was run from The Crown Hotel near Doncaster. Mr Roberts refers to the association as NISA.
- Membership was subsequently extended to include wholesale members under the name Northern Independent Wholesalers Association – NIWA.
- In 1987 NIWA and Target Food Group, a group of wholesalers, agreed to merge within the NISA framework. Prior to this Target Food Group was on the verge of changing its brand name to TODAY'S and had developed artwork to put this in place.

- The businesses' company names changed from Northern Independent Supermarkets Association (Wholesale) Limited to Nisa Limited to Nisa-Today's Limited during this time period.
- The business used the combined buying power of its different members and provided centralized support services. The support services differed depending on business type – the retail side used the NISA brand, the wholesale side used TODAY'S. These brands are said to have been used on fascias and own-label products. I will come on to the dates of such use shortly.
- The products purchased for, and sold through, the retail stores of Nisa members are (and were between 1998 and the relevant date) said to be typical of the range sold through multiple supermarket chains. It is stated that ethnic food was a product category. In support of this, Exhibit JR1 is an extract from the publication The Grocer from June 2000 which refers to Nisa (and another supermarket) selling Indian and Chinese ready meals.
- By 1998, the group had 750 members with a turnover of around £467 million. By 2002 membership was over 800 with turnover of over £776 million; of these members roughly half were in the retail sector operating over 5000 stores.
- Annual reports for the years 1998-2002 are provided in exhibits JR5 to JR9. They include various pieces of financial information and detail the history of the business. I note that there are examples of shop front's bearing the name NISA. I also note some marketing material for certain members' supermarkets which carry the individual business name as well as the NISA name.
- In January 2012 the retail and wholesale businesses were separated, with the retail arm becoming Nisa Retail Limited.
- Mr Roberts was previously a director of a family business which was one of Nisa's first members and he has had roles on various boards. He states that this demonstrates his long-standing knowledge of the business.
- As well as NISA representing the business' corporate identity, it has also been used as a "retail brand" in a number of ways including: own-brand products, retail promotional materials & shop fascias.
- Although the exact date is not clear, Mr Roberts recalls own-brand products (grocery and non grocery) being sold from at least 1984.
- Mr Roberts has not been able to find a list of NISA own brand products sold between 1998 (the date of the applicant's claimed use) and 2003 (the

relevant date), but has found a list from January 2003 for TODAY'S own brand products which, he states, broadly reflects the former. The list (Exhibit JR4) includes: custard, rice pudding, bread, herbs and spices, water and soft drinks, preserves, peanut butter, condiments, tea bags, tinned beans and vegetables, coffee, biscuits, vegetable oil, milk, dog food, potatoes, flour, lentils, dried fruit, rice; I have listed only the grocery products.

- NISA own branded products are shown in some exhibits, including: baked beans, tonic water and oven chips (JR5 part of the 1998 annual report), orange squash and roast potatoes (JR6 part of the 1999 annual report), ice cream (JR7 part of the 2000 annual report), orange juice and washing powder (JR8 part of the 2001 annual report), squash and biscuits (JR9 part of the 2002 annual report) crisps and tissues (JR3, the NISA product is depicted in what appears to be a members' newsletter in 2002). It should be noted that when the products are depicted as described above, there are more third party products on show than own-brand products.
- In terms of NISA shop fascias, this was developed in 1998.
- By June 2000 31 stores used the fascia and by August 2002 this had grown to over 150.
- Exhibit JR12 contains a list of press articles from 1998 to the relevant date. They are broken down between those of a corporate nature, those relating to the NISA retail business and those relating to the TODAY'S wholesale business. Mr Roberts accepts that most relate to the use of NISA as part of the corporate name NISA-TODAY'S. He does, though, highlight some (he says 60) which refer to the retail side of the business under the NISA name, and highlights four publications which he says are national publications (they appear to be trade publications rather than those aimed at the general public). None of the articles themselves are provided.
- In 2002 NISA won a number of national retail awards including the Asian Trader's Award for Excellence in Merchandising.

Findings of fact in relation to the applicant's business

Ownership of goodwill

24) The applicant has taken no issue with the ownership of goodwill. Whilst there have been a number of changes to the corporate structure of the business over the years, I see no reason why the proprietor is not able to rely on the use that has been made of the NISA name.

Establishment of goodwill

25) Although the exact date is not clear, the evidence paints a compelling picture that the proprietor's goodwill was established in the 1970s. However, the business at that time was as a group buying conglomerate. Certain support services were no doubt offered. The key point to note, though, is that such goodwill will have been with the trade as opposed to being a consumer facing goodwill.

The signs used by the business

26) NISA has been used as a sign to identify the proprietor to businesses operating in the supermarket trade. This stems from the initial use of the name as the name of the association in the 1970s. The name will also be recognised by those in the wholesale trade due to its use as part of NISA-TODAY'S.

27) The words NISA and NISA'S are also used as consumer facing signs on both store fronts and own brand products. I indicate when such use began below.

The growth and scope of the business

28) In so far as services provided to retail businesses is concerned, the business has seen significant growth. It is clear that by the time the applicant's business began the proprietors business was long established and it was a major player in relation to the type of services it offered. This will have carried through to the relevant date and beyond. The scope of this part of the business was as a group buying facilitator and providing related services to group members. Similar findings can be made in relation to the services provided to wholesalers (under NISA-TODAY'S and TODAY'S solus). Although the wholesale part of the business came later, the business and goodwill was still well established by the time the applicant commenced its business.

29) The biggest point of contention at the hearing focused on the consumer facing use of NISA. What is reasonably clear is that the use of the NISA name on supermarket fascias began in around 1998. The evidence does not indicate the exact date. I note that in a document to celebrate the 25th anniversary of Nisa's business there is a reference to the fascia introduction 3 years ago (this would put the launch as being in 1999). I think the most reasonable inference is that the fascia launch took place in late 1998 or early 1999. However, by June 2000 31 stores were using the NISA fascia and 150 by August 2002. I did not understand Mr Hill to dispute any of this. However, he did dispute the use in relation to own-brand products. In his evidence Mr Robert's refers to the use of own-brand labels "sold through most Nisa retail members' stores for many years before the relevant date". He adds:

“I do not know when the NISA own-label was first used, but I do remember being at a promotional event at what is now the Stratford Hilton in 1984 where two lorries were used to publicise Nisa’s own brand product ranges, one to display the basic own-label product range under the BASELINE brand, and the other to display the NISA own-label range. The NISA product range included both grocery and non-grocery products”.

30) Mr Roberts refers to his exhibits as supporting the above, but the earliest documentation showing a NISA own brand product comes from the 1998 annual report. At the hearing, Mr Krause also referred to an earlier NISA trade mark for certain goods in class 30 which the proprietor registered in 1985, showing, it was argued, that own-brand goods had been offered before 1998. Mr Hill focused on the paucity of the evidence and that no sales figures have been provided and that little corroborative evidence was available. He submitted that any own-brand products would likely have been brought in with the introduction of the NISA fascias.

31) Whilst I can see the logic in Mr Hill’s suggestion that own brand products would only have been offered when a supermarket of the same name had been introduced, it is still feasible that own-brand products were sold before this. Mr Roberts has stated in evidence that own brand products were sold earlier than the relevant date and he states his recollections as above. Further, own brand products can be seen in the 1998 annual report which, when considering the dates that this report covers, was likely to have been provided before the fascia launch. However, I do not consider it appropriate to find that own brand products had been provided much earlier than 1998 given the vagueness in Mr Robert’s evidence. His reference to 1984 is based upon a promotional event featuring two lorry loads of goods – there is, though, no evidence of specific sales and promotion of those goods in any of the stores. Whilst I accept the difficulty a party may have in obtaining records from long past time periods, the tribunal cannot fill in the blanks unless reasonable inferences can be drawn. The registration of a NISA mark in 1985 for certain food products is not enough to fill those blanks.

32) Moving forward from 1998, there are more depictions of own brand products in the evidence so, by the time the applicant established its goodwill, it is reasonable to infer that the proprietor was selling a range of own brand products and that this would likely have grown by the relevant date. The range of goods is as I have already set out in the evidence – typical grocery products. In relation to the type of goods the applicant provides (samosas, spring rolls and kebabs) there is no evidence that the proprietor has sold such goods under the mark NISA. Indeed, the list of goods that Mr Roberts refers to as illustrating the range of goods sold (the list of TODAY’s goods which he says were similar to those sold under NISA) lists no ethnic food products. The best one gets (in terms of goods similar to those of the applicant) is a reference in the Grocer magazine from June 2000 which refers to the sale of Indian and Chinese ready meals; the relevant text reads:

“Nisa says its meal deals are now the number one seller in ready meals for Nisachill accounting for more than 3000 meals being sold every week. A £5.99 Indian meal launched in February was followed by a Chinese one. Another Indian meal is planned. Trading director for chilled and frozen John Sharpe says: “They’re good value and provide a major boost to average customer spend. And with a 23 day shelf life, the risk to retailers is minimal”

33) Despite the reference to Nisachill in the above article, I do not consider it appropriate to infer that NISA (or NISACHILL) was used as a badge of trade origin on the goods themselves. Without knowing what was presented to the public, it is not established that these were NISA branded ethnic goods. Furthermore, there is nothing to suggest that such goods (even if they were NISA branded) continued past 2000. I come to the view that there is little to be taken from this part of the evidence.

Overall factual position

34) Given the findings I have made, the following joint factual position emerges:

- i) When the applicant began trading some time in 1998, the proprietor had a long established goodwill within the trade as a group buying facilitator.
- ii) Around the same time as the applicant began trading, the proprietor started to use NISA/NISAs as a consumer facing sign; the name of a group of supermarkets.
- iii) Probably before the applicant began trading, or at least around the same time, the proprietor began to offer some NISA branded grocery products (although there is no evidence that these were ethnic food products).
- iv) By the time the applicant established its goodwill in early to mid 2000, the proprietor would have established its goodwill in connection with a consumer facing name of a supermarket and the supplier of a range of own brand grocery products; however, there is still no reliable evidence that ethnic foods had been offered under the mark NISA.
- v) By the time of the relevant date of 25 June 2003, the proprietor had been trading for a period of over 25 years as a group buyer, at least four and a half years as a supermarket brand and the same or possibly longer as the supplier of some own brand products (but not ethnic food products).

The potential for misrepresentation

35) The test for misrepresentation was explained in *Reckitt & Colman Products Ltd v Borden Inc* thus:

“Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff”

36) I must consider the goods in question. Although there is no requirement in passing-off for goods to be similar, or for there to be a common field of activity, it is nevertheless a highly relevant factor, as can be seen from the judgment in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

37) I will return to the impact of the proprietor’s use shortly. I will consider the matter initially from the perspective of the applicant’s use and what, all things being equal, they have the potential to succeed for. There was no real dispute between the parties as to the nature of the mark registered (in the case of the proprietor) or used (in the case of the applicant). They are clearly very similar. Even though in trade NISA’S is most often used in conjunction with the words *HOMEMADE RECIPES*, these additional words are wholly descriptive. Matters turn more on the goods and services for which the proprietor’s mark is attacked. I say this because the applicant’s business is of a quite limited nature – it is also a business of a fairly modest size. Despite this, the applicant considers that its attack should succeed in relation to:

Class 29: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: meat, fish, seafoods, poultry and game; meat, fish, vegetables and fruit extracts; preserved, dried and cooked fruits and vegetables; extracts of fruit and/or vegetables; meat products; sausages; prepared meals; snack foods; jellies, jams, fruit preserves, vegetable preserves; sauces; desserts; eggs; milk; dairy products; yoghurt; frozen yoghurt; edible protein derived from soya beans; edible oils and fats; nuts and nut butters; pickles; herbs; tofu; weed extracts for foods; food spreads consisting wholly or substantially wholly of vegetables, milk, meat, poultry, fish, seafoods or of edible fats; soups; bouillons.

Class 30: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: coffee, coffee essences, coffee extracts; mixtures of coffee and chicory, chicory and chicory mixtures, all for use as substitutes for coffee; tea, tea extracts; cocoa; preparations made principally of cocoa; chocolate; chocolate products; sugar, maltose, rice, tapioca, sago, couscous; flour and preparations made from cereals and/or rice and/or flour; nut paste, confectionery and candy, breakfast cereals; pastry; pizza, pasta and pasta products; bread; biscuits; cookies; cakes; ice, ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; honey; syrup, treacle, molasses; sauces and preparations for making sauces; custard powder; prepared meals; mousses; desserts; puddings; yeast, baking powder; salt, pepper, mustard; vinegar; chutney; spices and seasonings; vegetable preparations for use as drinks; meat pies; mayonnaise; natural sweeteners; salad dressings.

Class 35: The bringing together, for the benefit of others, of a variety of goods, enabling wholesale customers to conveniently view and purchase those goods from a wholesale store and/or mail order catalogue and/or an internet website.

Class 43: Delivery services.

38) Although the goods in classes 29 and 30 are all food products of one type or another, the limited nature of the applicant's goodwill means, in my view, that a misrepresentation will not occur in relation to all types of food. Whilst I accept Mr Hill's point that consideration must be given to all notional and fair uses of the registered mark, I still believe that the attack is too far reaching. Despite the highly similar marks/signs in play, I consider that misrepresentation has the potential to occur only in relation to Chinese and Indian food products; for such goods there would also be an obvious form of damage including a direct loss of sales and/or the loss of control on the quality of related goods. Chinese and Indian food products fall within the ambit of the general terms in classes 29 and 30, although to avoid the finding such goods can simply be excluded. In relation

to class 35, the service registered and attacked is that of a wholesaler and this is too great a step for the applicant to succeed when all they have is a moderately sized business for particular (and limited) food products. Similarly, in class 39, the operation of a delivery service is quite different from branded food products; also the evidence of the applicant running a delivery service is thin. Furthermore, it is not as though there is likely to be specialist delivery firms for samosas, kebabs or spring rolls so as to make misrepresentation more likely. In relation to the goods and services for which I have found no misrepresentation, the problem is exasperated by the lack of any evidence to suggest that the applicant's business would really have been damaged at the relevant date.

The impact of the proprietor's use

39) Mr Krause argued that the proprietor would, on account of its use, have been able to prevent the use of NISA'S HOMEMADE RECIPIES when the applicant began trading. I do not consider this is borne out by the evidence before me given the factual findings I have made. I do not consider the proprietor's use as a group buying facilitator makes Mr Krause's point good given the vastly different activities in play and the public to whom the goods/services were targeted. Mr Krause also relied on senior and/or concurrent user. In relation to the former, I agree with Mr Hill that being a senior user as a group buying facilitator has no relevance when the nature of the alleged passing-off is considered. Further, from the factual position I have set out, neither can the proprietor claim to be the senior user in relation to the name of a supermarket given that it only began such use around the same time that the applicant began trading. At best, the proprietor may have been a senior user in relation to a small range of grocery products, but not the senior use in relation to any ethnic food products, so I do not see why this means that the proprietor should prevail.

40) There has clearly been some concurrent trade, albeit in relation to goods and services for which I have found that the applicant would not succeed anyway. There has been no concurrent use of the marks in relation to ethnic food products of any type. Accordingly, I do not consider that the proprietor should be immunized from a finding of passing-off. I consider that the applicant should succeed to the extent set out in paragraph 38.

Outcome

41) The application for invalidation succeeds, but only in classes 29 and 30 and, then, only to the extent that such goods include Chinese and Indian food products (including the goods sold by the applicant). The trade mark may, therefore, remain registered for all of its goods and services, save for classes 29 and 30 which may remain registered for:

Class 29: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: meat, fish, seafoods, poultry

and game; meat, fish, vegetables and fruit extracts; preserved, dried and cooked fruits and vegetables; extracts of fruit and/or vegetables; meat products; sausages; prepared meals; snack foods; jellies, jams, fruit preserves, vegetable preserves; sauces; desserts; eggs; milk; dairy products; yoghurt; frozen yoghurt; edible protein derived from soya beans; edible oils and fats; nuts and nut butters; pickles; herbs; tofu; weed extracts for foods; food spreads consisting wholly or substantially wholly of vegetables, milk, meat, poultry, fish, seafoods or of edible fats; soups; bouillons; but not including Indian and Chinese food products, including samosas, kebabs, and spring rolls.

Class 30: Food and drinks products, foodstuffs and drinks, ingredients thereof and supplements therefore, including: coffee, coffee essences, coffee extracts; mixtures of coffee and chicory, chicory and chicory mixtures, all for use as substitutes for coffee; tea, tea extracts; cocoa; preparations made principally of cocoa; chocolate; chocolate products; sugar, maltose, rice, tapioca, sago, couscous; flour and preparations made from cereals and/or rice and/or flour; nut paste, confectionery and candy, breakfast cereals; pastry; pizza, pasta and pasta products; bread; biscuits; cookies; cakes; ice, ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; honey; syrup, treacle, molasses; sauces and preparations for making sauces; custard powder; prepared meals; mousses; desserts; puddings; yeast, baking powder; salt, pepper, mustard; vinegar; chutney; spices and seasonings; vegetable preparations for use as drinks; meat pies; mayonnaise; natural sweeteners; salad dressings; but not including Indian and Chinese food products, including samosas, kebabs, and spring rolls.

Costs

42) The applicant has been partially successful, but such success is quite limited. Its attack was over reaching. On the other hand, and as Mr Krause accepted, the proprietor's defence could have been clearer upfront. Both these matters may have led to a better prospect of resolution had things been more focused. In the circumstances, I consider that both sides should bear their own costs.

Dated this 11th day of March 2014

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