

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 9414 BY  
MR M S H NASIR AND MR I A RANA (T/A NIRALA SWEETS LONDON)  
FOR REVOCATION OF TRADE MARK NO. 1312467 IN THE NAME  
OF FIVE STAR TRADERS (A PARTNERSHIP)**

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### DECISION

10 Trade Mark No. 1312467 is registered in Class 30 in respect of ‘sweets, chocolate and confectionery’. The mark is NIRALA. It is registered in the name of Five Star Traders (a partnership).

15 By application dated 12 February 1997 Mr MSH Nasir and Mr IA Rana applied for this registration to be revoked on the grounds that “the trade mark in suit has not been used in a manner sufficient to sustain the registration during the last five years and three months or at all”. These grounds appear to go to Section 46(1)(a) and (b) of the Act.

20 The registered proprietors filed a counterstatement denying the above grounds and claiming that the mark had been used during the relevant period.

Both sides ask for an award of costs in their favour.

25 Both sides filed evidence and the matter came to be heard on 11 October 1999 when the registered proprietors were represented by Mr M Edenborough of Counsel instructed by R R Prentice & Co and the applicants were represented by Mr MSH Nasir, one of the joint applicants.

### Registered Proprietors’ Evidence

30 The registered proprietors filed a statutory declaration by Faisal Farooq, the son of Farooq Ahmed who, with Mr Farooq’s uncles Mahmood Ahmed and Maqsood Ahmed, owns the partnership known as Five Star Traders. Mr Farooq is himself employed in the partnership.  
35 He says the running of the partnership has largely been left to his father as his uncles have other business interests.

40 He explains something of the history of the registration and refers to a previous non-use action brought by the current applicants. He exhibits (FF1) a copy of a declaration made by Mr Ahmed in the previous proceedings as well as the exhibits referred to in the declaration. Also exhibited (FF2) is a copy of the Hearing Officer’s decision in that case.

45 Mr Farooq says that at the previous Hearing, the applicants for revocation drew attention to the fact that the printing of the English address on the calendars forming Exhibit MA3 (now included in FF1) was presented in a different typeface and was not part of the original printing contract, (referred to at lines 25-30 on page 6 of the Hearing Officer’s decision). Mr Farooq says there is no particular significance in this. Calendars intended for distribution in Pakistan

5 did not include the English address. The latter was included only on the calendars intended for distribution in the United Kingdom. All of the calendars were printed in Pakistan and the calendars intended for Pakistan only included all four of the addresses of the partnership in Pakistan. For the calendars intended for the United Kingdom, the fourth address in Lahore was omitted and replaced by the United Kingdom address. The printer chose a different typeface for this address but this was not noticed until after the calendars had been printed.

10 Mr Farooq goes on to give sales figures for Pakistan. I do not need to record this information as it is not directly relevant to the position in this country.

Sales in the United Kingdom are said to have been as follows:-

<u>Year</u>	<u>Sales</u>
15 1992	£1996
1993	£1363
1994	£345

20 Copy invoices relating to the above period are exhibited (FF3)

25 He says that the main reason for the comparatively low sales figure in the United Kingdom and the fact that there have been no sales since 1994 has been the ill-health of his father. He exhibits (FF4) a bundle of letters and reports from various medical practitioners in relation to this claim.

30 Mr Farooq says that now that he has joined the partnership it is proposed to develop and promote sales and he exhibits (FF5) a copy of a business plan to this effect. The plan projects turnover of £104,500 in the first year and the opening of four shops in the next two to three years.

### Applicants' Evidence

35 The applicants filed a statutory declaration by Iftikhar Ahmad Rana, the owner of the business known as Nirala Sweets London.

He comments on Mr Farooq's declaration. The main points to emerge are:

- 40 S he says that use in Pakistan and future trading plans in the UK are irrelevant to the current proceedings
- S he points out that Mr Ahmed's declaration and evidence of use in the previous rectification action were considered by the Hearing Officer to be insufficient to defend the registration. He refers to passages from the decision
- 45 S he makes further observations on the question of the 'over-printing' of packaging and calendars

S he suggests that on the basis of the UK sales figures and supporting evidence I should reach the same decision as the previous Hearing Officer

5 S in relation to Mr Ahmed's illness he points out that he is in partnership with two other people. Their other business interests could not have prevented them becoming involved in the business over such a long period of illness

10 S the business plan is dated two months after the filing date of the present application and does not disclose any preparations for use prior to the relevant date.

That completes my review of the evidence.

15 A number of preliminary points arose at the outset. I will briefly record the outcome of these before moving onto the substantive issues.

20 Firstly, Mr Edenborough questioned Mr Nasir's locus standi at the hearing. Some background information is called for at this point. Mr Nasir and Mr Rana are recorded as joint applicants in this action. It seems that Kilburn & Strode, their professional representatives, wrote to the Registry on 17 September 1997 mainly in connection with an extension of time request but at the same time asking that the application continue in Mr Rana's name alone as he had bought out Mr Nasir. No action appears to have been taken at the time in relation to this request. On 25 30 September 1999, just under two weeks from the hearing date Kilburn & Strode, wrote to the Registry indicating that Mr Ashmead of that firm would not, as originally intended, be representing the applicants at the hearing and instead that Mr Nasir would assume that role. Mr Edenborough's objection to Mr Nasir's position was based on the fact that he is no longer a party to these proceedings and is not a registered trade mark attorney, nor otherwise legally qualified. It is thus suggested that he had no right of audience and should not be allowed to make submissions. I agreed to note Mr Edenborough's underlying concern but indicated that I 30 would nevertheless hear submissions from Mr Nasir. My reasons were briefly as follows:-

S the timing of the challenge was unacceptably late and left a private litigant no time to respond or to otherwise deal with the objection

35 S natural justice demands that a party should have an opportunity to present their case at a hearing

40 S a letter received from Kilburn & Strode on the morning of the hearing cast doubt on whether the earlier instructions contained in the letter of 17 September 1997 had correctly recorded the applicants' intentions. It is now said that what was transferred was Mr Nasir's interest in a shop and not his interest in application No 1548582 a joint application for registration by Mr Nasir and Mr Rana which is held up by the registration that is the subject of, and the reason for Mr Nasir's interest in, these proceedings. As a result 45 Kilburn and Strode say that the original request was not well founded and is now formally withdrawn

S the papers presented to me for the hearing continue to show Mr Nasir and Mr Rana as joint applicants for revocation. The statement of grounds and evidence are similarly headed

5 S on the basis that Mr Nasir and Mr Rana are still joint applicants no question as to the former's locus standi arises

10 S however, even if I am wrong in so holding with the result that Mr Rana alone is now applicant for revocation I would still have allowed Mr Nasir to make submissions on his (Mr Rana's) behalf

15 S whatever might be the position in Court proceedings there is no requirements that a representative at a trade mark hearing needs to be a registered trade mark attorney or legally qualified in some way to be allowed to make submissions.

S Mr Rana was present at the hearing and gave no indication that he was other than content for Mr Nasir to present the case.

20 The second preliminary matter was a proposed amendment to the counterstatement to allow the registered proprietors to defend their registration on the basis of proper reasons for non-use as an alternative position in the event that I were to find their actual use insufficient. After hearing the parties I agreed to allow the amendment. Both sides had dealt with or commented on the effects on the business of Mr Farooq Ahmed's ill health. In my view there was no  
25 prejudice to the applicants in having the matter considered.

The third point raised by Mr Edenborough was the matter of who should make the opening and closing submissions in a non-use revocation action and whether the position was any different when it came to the proper reasons for non-use leg of the proprietors' defence. The  
30 underlying issue that Mr Edenborough was seeking to draw out was that of where the burden of proof should lie. I indicated that I would hear the registered proprietors first on both issues in line with the practice suggested in the Law Section Work Manual. In my view the onus remains with a registered proprietor if a proper reason for non-use argument is being run but in the circumstances I did not need to make a formal ruling on the point.

35 This is an action under Section 46(1) of the Act. So far as is relevant this reads:

"46.-(1) The registration of a trade mark may be revoked on any of the following grounds-

- 40
- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

45

  - (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;"

Section 100 is also relevant:

5 "100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

10 As indicated above the parties were previously involved in a non-use rectification action under the Trade Marks Act 1938. A copy of the decision in that case is exhibited at FF2 to Mr Farooq's declaration. Briefly the registered proprietors were successful in those proceedings because the applicants were held not to have made out a prima facie case of non-use as they were required to under the 1938 Act. In the event that he was found to be wrong on that point the Hearing Officer went on to give his views on the use shown by the registered proprietors. He concluded that "... the use made of the registered mark by the proprietors is insufficient to defend the registration".

15 The material before me includes a copy of Mr Ahmed's evidence from the previous proceedings along with the exhibits thereto. The principal difference is that the evidence now before me includes at FF3 what I take to be the full set of invoices (a selection only having been brought forward in the previous action). I will return to this evidence later. Mr Farooq also offers some further explanation in relation to the overprinting of a United Kingdom address on calendars which form part of the proprietors' evidence. I do not propose to dwell on this point as it seems to me that a calendar taken on its own is unlikely to be persuasive evidence of genuine use in relation to the sale of goods. The few labels and items of packaging are potentially of rather more use but in the absence of any dates must be treated with some caution. The business plan at FF5 is dated after the material date in these proceedings and is of no assistance to the proprietors. Likewise the trade in Pakistan does not seem to me to be directly relevant to the position in this country.

30 The matter, therefore, turns critically on whether the UK trading figures referred to by Mr Farooq as substantiated by the invoices at FF3 are sufficient to establish genuine use. In total the registered proprietors' trade amounts to some £3,700 spread over the years 1992 to 1994. This is a relatively small sum judged by normal commercial standards but, in the registered proprietors' favour it can be said that the sum is significantly greater than the £270 worth of invoices presented in the previous proceedings and the goods themselves appear not to be expensive items. Also the registered proprietors make no claim to a national trade. On the contrary their business seems to have been very localised with the invoices carrying addresses which almost without exception are in the Wembley area. The invoices are presented in numerical and chronological sequence starting with number 1001 dated 2 January 1992 and going through to number 1136 dated 22 April 1994.

40 Events took an unexpected turn at the hearing when Mr Nasir challenged the authenticity of the invoice evidence. He drew my attention to a number of the early invoices which had either been cancelled or appeared to have been in part overwritten (invoices No 1002, 1006, 1010 and 1011 for instance). No explanation is given for the cancelled invoices but my inclination is not to draw any adverse conclusions for the simple reason that it is part and parcel of running a business that customers will on occasion cancel orders.

It was not of course possible to give detailed consideration to the whole bundle of invoices at the hearing. However it seemed to me that I should review the invoice evidence very carefully after the hearing in the light of the applicants' objections. It became apparent on closer inspection that there were a number of discrepancies between the numerical order of the invoices and the date on the invoices. As this, potentially at least, might cast doubt on the reliability of the invoice evidence I took the view that it would be wrong to issue my decision without first giving the registered proprietors an opportunity to offer an explanation. I, therefore, wrote to the trade mark attorneys acting for the registered proprietors in terms of the letter a copy of which as annexed to this decision. The letter sets out my detailed points of concern.

The registered proprietors subsequently filed a statutory declaration by Mr Muhammed Sadiq who is married to the sister of Mr Farooq Ahmed's wife. Because of the family relationship he says that Mr Ahmed asked him to sell NIRALA sweets in London and he agreed to do so. He deals with the points raised in my letter in the following terms:

4. The date of "2/1/94" of Invoice No. 1005 is clearly a mistake and should be "2/1/92". I cannot account for the wrong date but it must be a mistake because the sweets are perishable items and must be sold within a few days of delivery from Pakistan where they are made. I am therefore certain that the goods referred to in Invoice No. 1005 were sold on 2<sup>nd</sup> January 1992 and not 1994 because both Invoice No. 1004 and Invoice No. 1006 are dated 1992. It will, however, be noted that Invoice No. 1006 was initially dated 1994 but corrected to 1992. Clearly the wrong date on Invoice No. 1005 was missed.

5. The date of "25/2/94" on Invoice No. 1076 is also a mistake. Invoice No. 1075 is dated "17/2/93" and Invoice No. 1077 is dated "5/3/93" but in that case it was originally written 94 and then corrected to 93. The error on Invoice No. 1076 was missed.

6. The date of Invoice No. 1050 is clearly wrong and should be "14/8/92". I cannot account for this mistake but the goods must have been sold in August because the sweets could not have been kept in stock from February until August because they would have perished.

7. The dates on Invoices Nos. 1086 and 1117 are also mistakes which were not noticed at the time. In both cases, the year should be 1993 as is indicated by Invoices Nos. 1085 and 1087 and Invoices Nos. 1116 and 1119.

8. The original invoices were retained and copies of the Invoices given to customers. I had not long been in business when I agreed to sell NIRALA sweets for Mr Farooq Ahmed. My clothing business is largely a cash business and invoices are not issued on a regular basis. Therefore, when I started selling NIRALA sweets for Mr Farooq Ahmed, I erroneously retained the original invoices and only gave copies to the customers. Having started on this basis, I decided to continue with this in order to be consistent.

9. Contrary to Mr Nasir's allegations, there is nothing sinister in the incorrect dates or the original invoices. Most of the orders for NIRALA sweets were taken on the telephone by people who do not write the date every day and who were not thoroughly familiar with the Gregorian calendar. Mistakes were therefore bound to arise from time to time. I usually delivered the goods and collected payments from customers but I did not always notice the wrong dates on the invoices. However, the vast majority of invoices bear the correct dates and prove that NIRALA sweets were sold in London from January 1992 to April 1994."

Mr Sadiq had not previously filed evidence in these proceedings and so far as I can see he is not mentioned in Mr Faisal Farooq's declaration. Mr Sadiq does not say on what date he first became involved in the business or explain the nature and extent of his involvement. He does say that he delivered goods and collected payments from customers but I infer that he did not generally take orders or issue invoices. He refers to 'people' who did take the orders but does not identify the individuals involved in this activity or explain why they were not familiar with the Gregorian calendar. He attributes the mistakes to the fact that the people concerned "do not write the date every day". The individuals concerned have not themselves given evidence. Some of Mr Sadiq's comments seem to me to be in the nature of hearsay and do not adequately identify his reasons for drawing the conclusion he does.

More specifically the mistakes in the invoices are not isolated ones. They occur over a period of time and throughout the sequence of invoices. They variously involve errors in both the year and month and cannot be explained by the sort of problem that can occur at the start of a new year (more likely to involve writing the old year by mistake). The handwriting changes over the period involved suggesting that different people are involved (consistent with Mr Sadiq's comments) but the problem persists. I find it difficult to accept that lack of familiarity with the Gregorian calendar adequately explains what has occurred.

The amount of user here is in the first place very modest even allowing for this being a small family run business. It is in my view at the margins of what might constitute genuine use judged by normal commercial trading standards. That might not have resulted in a finding adverse to the registered proprietors if I was wholly satisfied that their case had been properly substantiated. However I have come to the view that the invoice evidence which underpins the proprietors' case is not wholly reliable and that Mr Sadiq's evidence does not adequately explain the position. The proprietors could have filed corroborative material from, for instance, their customers to provide independent confirmation of their trade. But they have not done so. The result is that they have in my view failed to discharge the onus placed on them by Section 100 of the Act.

The second matter I have to consider is whether, in the alternative, proper reasons for non-use exist. The registered proprietors' case turns on Mr Farooq Ahmed's illness and the effect it had on the business. Mr Edenborough drew my attention to the difference between the proper reasons for non-use provision in Section 46 of the 1994 Act and the provision of Section 26 of the preceding Act which referred to special circumstances in the trade. The significance and potential meaning of the terms was contrasted in INVERMONT Trade Mark 1997 RPC 127



where it was suggested that proper reasons for non-use could be held to cover circumstances peculiar to an individual trader rather than ones affecting the trade as a whole. The relevant passage reads:

5 "The 1994 Act (section 46) does not employ the term "special circumstances in the  
trade" but uses instead the expression "proper reasons for non-use"; the 'trade' is not  
mentioned. So it seems that, in the matter of acceptable excuses for non use at least, it  
10 may well be the 1994 Act is more liberal than the 1938 Act. The tribunal may  
therefore perhaps be able to find that disruptive situations in which the registered  
proprietor's business, alone, is affected are nonetheless proper.

15 Moreover, the word "proper" appears, rather than the slightly more restrictive word  
"special". The reasons do not have to be 'special', it seems, merely "proper". As can  
be seen in any English dictionary, 'proper' is a word with many meanings. But bearing  
in mind the need to judge these things in a business sense, and also bearing in mind the  
emphasis which is, and has always been placed on the requirements to use a trade mark  
or lose it, I think the word proper, in the context of section 46 means:- apt, acceptable,  
reasonable, justifiable in all the circumstances."

20 Mr Edenborough also referred me to a number of older authorities in support of his case but  
insofar as they relate to the somewhat different provisions of preceding Acts I do not propose  
to rely on them.

25 It is suggested on behalf of the registered proprietors that their business is in the nature of a  
family concern and that the ill health of a key member of the family (one of the partners in the  
business) has had a significant impact. Mr Nasir on the other hand pointed out that, judging  
by the turnover figures referred to in Mr Farooq's declaration, the counterpart business in  
Pakistan had not tailed off. On the contrary the turnover figures increased year on year over  
the period that is relevant to these proceedings.

30 Like the applicants I accept that Mr Ahmed was suffering from a medical condition during the  
relevant period. Medical reports from a variety of consultants have been filed bearing dates  
from 4 March 1988 to 20 August 1996. The decline in turnover over the years 1992 to 1994  
therefore occurs at a time when Mr Ahmed was having continuing health problems. The  
35 question, therefore, arises as to whether this constitutes a proper reason for non-use of the  
mark bearing in mind the scheme of the Act and the Directive on which it is based (see for  
instance the eighth Recital to the Directive).

40 It is evident from the material filed that Mr Ahmed's condition was of a fairly long standing  
nature. The first medical report is dated March 1988. If, as seems to be the case, there was a  
gradual deterioration in the condition, one might expect steps to have been taken to ensure the  
continuation of the business. Nothing appears to have happened between 1994 and 1997  
when Mr Faisal Farooq joined the partnership and a business plan was developed (this is after  
45 the end of the relevant period).

Mr Ahmed was not in any case in business on his own. Mr Farooq says that "the day to day running of the business has been left very much to my father because Messrs Mahmood Ahmed and Maqsood Ahmed have other business interests". Whatever those other business interests were they were still in partnership with Mr Farooq Ahmed and I find it surprising that they made no attempt to keep the very modest size business in this country ticking over even if that meant only servicing existing customers rather than developing new ones. As indicated the invoices suggest a very small number of customers almost wholly within the Wembley area. As Mr Nasir pointed out the business in Pakistan (which I infer was owned by the same partners) continued to grow during this period. Making the best I can of the information before me I am not persuaded that the circumstances were sufficiently unusual or unforeseen that it can be said to be a proper reason for non-use.

However some further light is shed on the matter in the further evidence filed on behalf of the registered proprietors following the hearing. In his declaration commenting on the discrepancies in the invoice evidence Mr Muhammed Sadiq says that "since I was responsible for the sale of NIRALA sweet products in the United Kingdom, Mr Prentice [trade mark attorney acting for the registered proprietors] has asked me to comment on the invoices criticised by Mr Nasir and referred to by Mr Reynolds in his letter" and again later in the declaration "most of the orders for NIRALA sweets were taken on the telephone by people who do not write the date every day ...". Contrary, therefore, to the impression left by Mr Farooq's declaration that "the day to day running of the business has been left very much to my father ..." it seems that Mr Farooq Ahmed was not in fact without assistance in the business and that Mr Sadiq had an active role. Mr Farooq's declaration did not, therefore, tell the full story. In particular it made no mention of Mr Sadiq or the (unnamed) individuals referred to by him. I am not persuaded, therefore, that Mr Ahmed's ill health was in itself a proper reason for non-use of the mark.

In summary only a modest level of use is claimed and I am not satisfied that the evidence substantiating that use can be wholly relied upon. Furthermore there are in my view no proper reasons for non-use. The application for revocation therefore succeeds.

The applicants are entitled to a contribution towards their costs. I order the registered proprietors to pay the applicants the sum of £835.

**Dated this 28 day of January 2000**

**M REYNOLDS**  
**For the Registrar**  
**the Comptroller General**



The  
Patent  
Office

ANNEX



INVESTOR IN PEOPLE

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Date: 13 October 1999

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*Please quote our full reference on all correspondence*

Dear Sir

**REGISTERED TRADE MARK No 1312467 IN THE NAME OF FIVE STAR TRADERS (A PARTNERSHIP)**

**REVOCATION No 9414 BY M.S.H. NASIR AND I A RANA**

The main hearing on this case took place on 11 October 1999. You will be aware that Mr Nasir, on behalf of the applicants, challenged the authenticity of part at least of the registered proprietors' evidence.

Whilst I was aware from Mr Rana's evidence and the decision in the previous rectification action between the parties that issues had arisen in relation to the over-printing of calendars and packaging, Mr Nasir's comments went somewhat wider and embraced the invoices (exhibit FF3) filed in support of the registered proprietors' case. His allegation was of a general nature save for the fact that he referred to apparently over-written or at least unclear dates on certain invoices (eg No 1003). So far as I can see Mr Nasir's submissions were the first occasion when the authenticity as opposed to the sufficiency of the invoice evidence had been challenged.

Although the applicants have not filed evidence of their own bearing on the allegation I have felt it necessary to give further and more detailed consideration to the invoice evidence as a result of the course the hearing took. As a result it seems to me that there are a number of points of potential concern. I note in particular that the invoices are in numerical and chronological order from 1001 to 1136. However certain of the invoices bear dates which appear to be inconsistent with the numerical sequence. Thus invoice 1005 is dated 2 January 1994 but the invoices either side are dated 2 January 1992 and 3 January 1992 respectively. The same is true of invoice 1076 which carries a 25 February 1994 date



whereas invoices 1075 and 1077 are dated 17 February 1993 and 5 March 1993 respectively. Similar issues arise in respect of 1050, 1086 and 1117. I do not think I can ignore these apparent discrepancies in my overall consideration of this evidence.

I note too that the invoices filed at the Registry appear to be originals (hand written in black or blue ink). This point may not have been apparent to the applicants who I think were working from photocopies at the hearing. Original invoices are normally sent to customers and carbon copies only retained. Taken with the other points it does, I think, call for comment.

Neither the registered proprietors or I had the opportunity to consider or deal with these issues fully at the hearing as Mr Nasir's broad allegation only arose during the course of his submissions. Having now reviewed the evidence I do not think I should proceed to issue a decision without giving the registered proprietors an opportunity to comment.

I, therefore, propose to use Rule 51 to direct that the registered proprietors file information or explanation in response to the above points. This should be in the form of a statutory declaration or affidavit. I will allow one month from the date of this letter for this purpose, that is to say until 13 November 1999. I will also allow the applicants a similar period in which to comment on the evidence once filed.

Unfortunately this means that a decision cannot now be issued within the timescale indicated at the hearing. However I will endeavour to produce a decision as soon as possible (I hope within one month) after the completion of the above process.

A copy of this letter goes to Kilburn & Strode under reference RA/EG/Y21181.

Yours faithfully

M REYNOLDS