

O-058-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION**

**NOS 2220948, 2242921 AND 2242949**

**IN THE NAME OF MR PARVEEN GUG, MRS ANITA GUG, MR SANJEEV**

**GUG AND MRS KAREN GUG**

**OF THE TRADE MARKS:**

**ICE JEANS, ICE CLOTHING AND ICE BRAND**

**IN CLASS 25**

**AND THE CONSOLIDATED APPLICATIONS FOR REVOCATION**

**THERE TO UNDER NOS 83221, 83222 AND 83223**

**BY**

**GILMAR SPA**

## **Trade Marks Act 1994**

**In the matter of registration nos 2220948, 2242921 and 2242949  
in the name of Mr Parveen Gug, Mrs Anita Gug, Mr Sanjeev Gug and Mrs  
Karen Gug  
of the trade marks:  
ICE JEANS  
ICE CLOTHING  
ICE BRAND  
in class 25  
and the consolidated applications for revocation  
thereto under nos 83221, 83222 and 83223  
by Gilmar SpA**

1) Section 46 of the Trade Marks Act 1994 (the Act) reads as follows:

“(1) The registration of a trade mark may be revoked on any of the following grounds—

(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;

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

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that

paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that—

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from—

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

Section 100 of the Act states:

“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.”

Consequent upon section 100, in revocation for non-use proceedings the onus is upon the registered proprietor to prove that it has made genuine use of a trade mark, or that there are proper reasons for non-use.

2) On 29 April 2008 Gilmar SpA (Gilmar) filed applications for the invalidation of trade mark registration nos 2220948, 2242921 and 2242949 under sections 46(1)(a) and (b) of the Act. The trade marks, the subjects of the registrations are, respectively: ICE JEANS, ICE CLOTHING and ICE BRAND.

3) The dates of the completion of the registration processes were:

2220948	18 August 2000
2242921	9 February 2001
2242949	9 February 2001.

Under section 46(1)(a) of the Act Gilmar seeks revocation of registration no 2220948 from 19 August 2005. Under section 46(1)(a) it seeks revocation of the other registrations from 10 February 2006. Under section 46(1)(b) of the Act Gilmar claims that the three registrations have not been used for the five year period from 28 April 2003 to 27 April 2008 and seeks revocation of the three registrations from 28 April 2008. In relation to both grounds and all of the registrations, Gilmar claims that the trade marks have not been put to genuine use by the proprietors or with the proprietors' consent in relation to any of the goods of the registrations.

4) At the time the applications for invalidation were filed the registrations were registered in the name of PSG Investments Limited (PSG). On 3 September 2009 the Trade Marks Registry (TMR) received applications for the recordal of the assignment of the three registrations to Mr Parveen Gug, Mrs Anita Gug, Mr Sanjeev Gug and Mrs Karen Gug (the Gugs). The TMR was notified that the effective date of the assignment was 30 March 2009.

5) The specification of registration no 2220948 is: *articles of clothing including headgear and footwear*. The specification of the other registrations is *clothing, footwear, headgear*.

6) PSG, as the then registered proprietor, filed counterstatements in which it states that it had put the trade marks the subject of the registrations to genuine use in respect of the goods for which they are registered in the relevant periods. A witness statement by Mr Sanjeev Gug was included with the counterstatement.

7) Both parties filed evidence. They both filed written submissions in support of their cases. Neither party requested a hearing.

***Witness statement of Sanjeev Gug***

8) This witness statement was completed prior to the assignment of the trade mark registrations to the Gugs.

9) Mr Gug is the company secretary of PSG. PSG is a family business. Mr Gug has worked for the company since 1996. Mr Gug states that the three trade marks have been used by his family's business since 1996. The three trade mark applications were filed in the name of Rascals Clothing Limited, these registrations were transferred to PS Corporation Limited (PSC), which later changed its name to PSG. PSC retailed and wholesaled ICE JEANS, ICE

CLOTHING and ICE BRAND branded products throughout the United Kingdom and also licensed the three trade marks for use by third parties in the United Kingdom.

10) Mr Gug states that the first licence was dated September 2000 and was made between PSC and PSA Corporation Limited (PSA). PSA is another business owned by Mr Gug's family, later it changed its name to PS Corporation Limited. Exhibited at SG1 is a copy of the licence. The licence is dated 1 September 2000. It relates to the three trade marks. The goods covered by the licence are: clothing for men, women and children and related accessories. It is a non-exclusive licence. The licence is to run initially until 31 August 2005, with an option for subsequent renewal by the licensee. If renewed, the licensee will pay the licensor a minimum annual royalty of £50,000 by quarterly instalments. In each subsequent period of 5 years the annual royalty will be increased by a maximum of 10%, as decided by the licensor. Products marketed, sold and distributed under the licence will comply with specifications and standards of quality in relation to their manufacture, design and packaging as may be specified by the licensor from time to time. The trade marks shall be used in such forms as reasonably requested by the licensor. The trade marks will be accompanied by such wording as may be required by the licensor to show that they are registered trade marks used by the licensee under licence from the licensor. The licensor will renew the trade marks. The licensee will take action as required by the licensor to record the licensee as a registered user or licensee. On termination of the licence all goodwill and other rights by virtue of the use of the licensee shall belong to the licensor. Clauses relate to actions that will be taken by the licensee and licensor in relation to infringement of the trade marks or passing-off in relation to them. The licensee shall promote and develop the sale of the products by reference to the trade marks. During the duration of the agreement the licensee will pay the licensor 5% of the turnover value. In the initial period, following the commencement of the agreement, the licensee will pay the licensor a minimum annual royalty of £30,000 per annum by way of quarterly instalments. If the licensee pays the licensor more than the minimum quarterly minimum payment, the excess shall be credited against any shortfall in the minimum payment due in any year. The licensee will keep detailed books and records of all turnover and all advertising and promotion. The licensor has the right to inspect such books and records. The parties will not reveal any information arising from such inspection to third parties except where it is necessary for the enforcement of the agreement. The agreement includes clauses relating to termination of the agreement in the event of material breaches of the agreement or if the licensee enters into liquidation or convenes a meeting of creditors or has a receiver or manager or an administrator or administrative receiver appointed or ceases to carry on business. The failure of the licensor to enforce any of the terms of the agreement shall not act as a waiver to the licensor's rights to enforce the terms and conditions of the agreement. The agreement is signed by P Gug as director of PSC and director/secretary of PSA and S Gug as director/secretary of PSC and director of PSA.

11) In July 2002 PSC changed its name to PSG and in November 2002 PSG licensed the three trade marks to Ice Jeans Limited (IJL). IJL is owned by members of Mr Gug's family. Exhibited at SG2 is a copy of the agreement between PSG and IJL, it is dated 1 November 2002. The framework of the agreement is the same as that exhibited at SG1. The agreement advises that IJL was previously known as Rascals Clothing Limited. If the licence is renewed the licensee will pay the licensor a minimum annual royalty of £300,000 by quarterly instalment. In any subsequent renewal period the minimum royalty payment cannot be increased by more than 33%. The licensee will give the licensor such information as is reasonable as to the use of the trade marks and will render such assistance as may be reasonably required by the licensor to maintain or protect the trade marks. During the duration of the agreement the licensee will pay the licensor 10% of the turnover value. In the initial period, following the commencement of the agreement, the licensee will pay the licensor a minimum annual royalty of £100,000 per annum by way of quarterly instalments. The agreement is signed by S Gug as director/secretary of PSG and IJL and P Gug as director of the two undertakings. The IJL business was sold by members of Mr Gug's family in 2006.

12) Exhibited at SG3 is a copy of a letter dated 17 June 2008 from Taylor Bracewell, solicitors for PSG, to Mr Gug confirming that "at the time of the sale of Ice Jeans Limited a licence had been granted by PSG Investments Limited dated 1<sup>st</sup> November 2002, relating to the use of the trademarks "Ice Jeans", "Ice Brand" and "Ice Clothing".

13) Exhibited at SG4 is a copy of a "to whom it may concern" letter dated 27 June 2008 from Jason Packaging to Mr Gug. The writer confirms that "the total quantity of ICE JEANS printed carrier bags supplied by Jason Packaging is: 469,250 Bags Supplied from June 2003 – final delivery July 2006".

14) Exhibit SG5 consists of a "to whom it may concern" letter dated 1 July 2008 from Artsign Limited. The letter is headed:

"Re: ICE JEANS, ICE BRAND & ICE CLOTHING trade marks, operated under Licence by Reddy Investments Limited (formerly Ice Jeans Limited)".

The signatory writes that his company has been producing ICE JEANS signs and ICE JEANS, ICE BRAND and ICE CLOTHING printed promotional material for Reddy Investments Limited since 1998. This material had been sold continuously to Reddy Investments Limited until January 2007 when the company went into administration. ICE JEANS signs were installed at 9 locations from March 2003 to November 2006. Attached to the letter are photographs of ICE JEANS stores showing ICE JEANS signage supplied by Artsign Limited. The photographs were taken in Grimsby, Stoke, Hornsea, Fleetwood, Junction 32, Scunthorpe, Hanley and Newcastle. The photographs

show retail premises bearing the names ICE JEANS or ICE, sometimes in combination with "factory outlet". Dates appear on the photographs; 17 November 2003, 14 April 2004, 15 April 2004, 15 July 2004, 13 October 2005, 15 October 2005, 8 May 2006 and 9 November 2006. A variety of clothing can be seen on the premises. What trade marks are used in relation to the clothing cannot be seen.

15) Exhibited at SG6 is a "to whom it may concern" letter dated 10 July 2008 from Mr Paul Bajaj of S&P Casuals Ltd to PSG. The letter is on the headed paper of Fashion Sport & Leisure and the attachments bear the name FSL/DENIM EMPIRE. Mr Bajaj states that his company supplied fashion clothing to Reddy Investments Limited (Reddy). He states that his company produced ICE JEANS, ICE BRAND and ICE CLOTHING branded clothing items for Reddy from 2003 and that such clothing was continuously sold to Reddy until 2006/2007 when Reddy went into administration. Attached to the letter are two invoices. One, dated 23 November 2006, is addressed to Ice Jeans Ltd at an address in Doncaster, the other, dated 9 November 2006, is addressed to Ice Jeans Ltd at an address in Scunthorpe. The clothing is identified by code as either being ICE JEANS, ICE BRAND or ICE CLOTHING. ICE BRAND identified clothing consists of sweat tops for men, "knit" for men, shirts for men, long sleeve tops for men, padded shirts for men, wool mix jackets for men, jackets for men and long sleeve tees for men. ICE CLOTHING identified clothing consists of twill army sun visors for men, bunting caps for men, twill caps for men, hats, belts for men. ICE JEANS identified clothing consists of gabardine trousers for men, gabardine trousers for children, jeans for men, jeans for children, trousers for men. There are descriptions of other products which do not allow for the identification of the nature of the product.

16) Exhibited at SG7 is a "to whom it may concern" letter dated 10 July 2008 from Mr Paul Bajaj of S&P Casuals Ltd to PSC. Mr Bajaj states that his company has produced ICE JEANS, ICE BRAND and ICE CLOTHING branded clothing items for PSC since 2006 and has continued to do so until the date of his letter. Attached to the letter are invoices headed S & P Casuals Ltd. They are made out to PSC at addresses in Scunthorpe and Doncaster. The address column also identifies other locations: Grimsby and Castleford. The invoices bear codes identifying the particular brand used on the products. The invoices are dated 22 September 2006, 3 December 2007, 5 December 2006, 25 May 2007, 19 December 2007, 22 April 2008 and 24 April 2008. ICE JEANS identified clothing consists of jeans for men, shorts for men and pants for men. ICE BRAND identified clothing consists of "knit" for men and jackets for men. ICE CLOTHING identified clothing consists of t-shirts for men and "sleeves" for men. It is not possible to identify the particular brand used in relation to all of the goods on the invoices, owing to an absence of codes or only partial codes.

17) Exhibited at SG8 is a letter from The P & A Partnership to Mr Gug dated 8 July 2008, which handled the Reddy (formerly IJL) administration and

subsequent liquidation/dissolution. It is stated in the letter that Reddy, trading as Ice Jeans, traded from premises at Crystal Peaks Shopping Centre, Sheffield. The joint administrators were also aware of four further leases in the company name; two in Stoke-on-Trent, one in Newcastle-upon-Tyne and one in Scunthorpe. Mr Gug states that Reddy was dissolved on 25 October 2007.

18) Exhibited at SG9 are four “to whom it may concern” letters:

- From Blackburn Clothing Company Limited to PSG of 12 July 2008. The writer advises that his company manufactured on behalf of and sold to PSG ICE JEANS and ICE BRAND branded clothing from 2001 to 2003.
- From Chan Casuals Ltd to PSC of 11 July 2008. The writer advises that his company has been producing for and selling to PSC ICE JEANS, ICE BRAND and ICE CLOTHING from September 2000.
- From Accessories Shop Limited to PSC of 16 July 2008. The writer advises that for the last year she has been purchasing ICE JEANS, ICE BRAND, ICE CLOTHING and accessory items from PSC.
- From Boi Trading to PSC. The writer advises that his company has been purchasing ICE JEANS, ICE BRAND and ICE CLOTHING branded clothing from PSC since 2000. The writer states that a cheque payment of £226,135.99 made to PSC was exclusively related to the purchase of ICE products.

These letters are in two formats, one for supplier and one for purchaser. The letter from Mr Ama Singh is apparently at odds with invoices supplied and a witness statement supplied by Mr Singh, which show Boi Trading as a supplier of clothing to PSC rather than vice versa (see below). As a result of this further evidence was requested to clarify the issue.

19) Exhibited at SG10 are invoices from Boi Trading Company Ltd and Blackburn Clothing Company Ltd. They are all made out to PSC. The invoices from Boi Trading start on 12 September 2003 and end on 14 February 2008. Goods that can be identified by type and trade mark are:

ICE JEANS: jeans for men;

ICE BRAND: tees, tops, knitwear, jeans; all for men;

ICE CLOTHING: jeans, tees, tops; all for men.

There are 3 invoices from Blackburn Clothing Company Ltd dated 24, 27 and 28 January 2005, they are all for products bearing the trade mark ICE JEANS. They are for 8,510 fabric trousers for women, 8,100 fabric trousers for men and 7,200 jeans for men.

20) Exhibited at SG11 is copy artwork for labels of PSC’s clothing products sold under the ICE BRANDS and ICE JEANS trade marks. Mr Gug confirms that these are the “sort of labels” that were used in respect of clothing during the



relevant five year period preceding the application for revocation. The artwork shows labels bearing the trade marks ICE JEANS and ICE BRAND. The artwork for ICE JEANS includes woven flash labels, rider labels, rivets, waistband labels, swing tickets. The artwork for ICE BRAND shows swing tickets and woven neck labels. Mr Gug describes PSC as a licensee of PSG.

21) Exhibited at SG12 are copies of sales invoices from PSC relating to the sale of ICE BRAND, ICE JEANS and ICE CLOTHING.

- Accessories Shop Limited, Grimsby, invoices for 13 July 2007, 25 October 2007: 3,700 ICE BRAND casual sandals, ICE BRAND footwear.
- Boi Trading Company Limited, invoices for 12 September 2003, 15 September 2003, 18 September 2003, 19 September 2003, 25 September 2003, 26 September 2003, 29 September 2003, 30 September 2003, 2 October 2003, 15 October 2003, 22 October 2003: ICE CLOTHING tops for men, ICE BRAND knitted tops, ICE JEANS sweats.
- Doncaster Fashions UK Limited, invoices for 7 September 2007, 26 November 2007, 17 December 2007: ICE CLOTHING jeans.
- Roth Trade SARL of Paris, invoices for 9 June 2004, 23 June 2004: ICE JEANS clothes for men (nature of clothes not identified)
- Worldwide Trading of Germany, invoice for 29 September 2004: ICE JEANS clothes for men (nature of clothes not identified) ICE BRAND (goods unidentified)
- Ice Jeans Limited of Doncaster, invoices for 17 May 2005, 26 January 2006, 20 November 2006: ICE BRAND sweats for men, ICE JEANS flare jeans for women, ICE CLOTHING/BRAND jeans

22) Exhibited at SG13 are copies of invoices from PSG to PSC relating to the royalty licence for ICE JEANS, ICE BRAND and ICE CLOTHING. PSG and PSC have the same address. The details of the invoices are as follows:

- 11 December 2007. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty balance YR 2007 C/fwd £33611.28 Payment here £11471.51" and "Balance to pay £22139.77 C/fwd."
- 29 September 2007. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty balance YR 2007 C/fwd £47450.00 Payment here £13838.72 and "Balance to pay £33611.28 C/fwd."
- 1 July 2007. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty balance YR 2006 C/fwd" ,opposite which the sum of £11,200 is recorded. "Royalty payment YR 2007 on account", opposite which the

- sum of £2,550 is recorded. "Min Royalty YR 2007 £50000 Invoiced hear £2550.00 Balance Due £47450.00". "Balance to pay £47450 C/fwd".
- 25 March 2007. The first entry is "Royalty invoices for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty balance YR 2006 C/fwd £25000 Payment here £13800 Balance to pay £11200 C/fwd".
  - 10 January 2007. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Sales of licensed product YR 2006 £137825.39. Royalty @ 5% £6891.27". "Min Royalty YR 2006 £50000 Invoiced above £6891.27 Balance Due £43108.73 Payment here £18108.73 Balance to pay £25000 C/fwd".
  - 22 December 2006. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty payment YR 2005 C/fwd", opposite this the sum of £24,400 appears.
  - 15 December 2006. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty balance YR 2005 C/fwd £38200 Payment here £13800 Balance to pay £24400 C/fwd".
  - 29 September 2006. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty balance YR 2004 C/fwd", opposite this the sum of £1,850 appears. Beneath this appears "Sales of licensed product YR 2003 £87126.21. Royalty @ 5% £4356.31 Min Royalty YR 2005 £50000 Invoiced above £4356.31 Balance Due £45643.69 Payment here £7443.69 Balance to pay £38200 C/fwd".
  - 26 January 2006. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Sales of licensed product YR 2003 £223016.16 Royalty @ 5% £11150.81 Less advanced payment invoiced £10000. Sales of licensed product YR 2004 £542311.69. Royalty @ 5% £27115.58 Min Royalty YR 2004 £30000 Invoiced above £27115.58 Balance Due £2884.42 Payment here £1034.42 Balance to pay £1850 C/fwd".
  - 21 August 2003. The first entry is "Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000". Against which there is no entry. Below this appears: "Royalty payment YR 2002 C/fwd", opposite which the sum of £3,106 appears. Below this appears: "Royalty payment YR 2003 on account", opposite which the sum of £10,000 appears.

- 24 March 2003. The first entry is “Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/09/2000”. Against which there is no entry. Below this appears: “Royalty balance YR 2001 as agreed”, opposite which the sum of £13,500 appears. Below this appears; “ Royalty payment YR 2000 £13000 as agreed. Payment here £9894 Balance to pay £3106 C/fwd.

A box at the bottom of all of the invoices refers to the licence dated 1 September 2000, despite some of the entries on the invoices which refer to the licence dated 1 November 2002.

23) Exhibited at SG14 are copies of invoices from PSC to Accessories Shop Limited, dated 7 September 2007, 12 September 2007 and 25 April 2008. They are for 1400 ICE logo caps, 900 ICE logo mules and 504 ICE JEANS toe post shoes.

24) Exhibited at SG15 are details from the Companies House website relating to Reddy Investments Limited and PSG. Reddy was incorporated on 11 August 1998 and dissolved on 25 October 2007. It changed its name from Rascals Clothing Limited to Ice Jeans Limited on 2 August 2001 and to Reddy on 12 December 2006. On the printout there is a handwritten comment upon the Ice Jeans Limited entry: “company traded as Ice Jeans under licence”. PSG was incorporated on 1 April 1996 as Tungsten Clothing Limited. On 14 May 1997 it changed its name to PSC and on 22 July 2002 to PSG.

25) Exhibited at SG16 is a “to whom it may concern” letter dated 22 July 2008 from Mr P Gug of PSC to PSG. In the letter Mr P Gug writes that he is the managing director of PSC. He writes that PSC has had a licence agreement in relation to ICE JEANS, ICE BRAND and ICE CLOTHING since 2000. He writes that PSC has been selling goods under these trade marks since 2000. Attached to the letter are a number of invoices from PSC, these are the same invoices that are exhibited at SG12. In addition, there is an invoice from PSG to PSC dated 30 January 2003. It is for ICE JEANS and ICE BRAND jeans for men and boys; 3,638 ICE JEANS items and 4180 ICE BRAND items.

26) Exhibited at SG17 are copies of invoices from PSG to IGL relating to the royalty licence for ICE JEANS, ICE BRAND and ICE CLOTHING. The details of the invoices are as follows:

- 15 November 2006. “The first entry is “Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002”. Against which there is no entry. Below this appears: “Royalty on account Nov Dec Jan 06/07”, opposite which the sum of £25,000 appears.
- 31 October 2006. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002”. Against which

- there is no entry. Below this appears: "Royalty due based upon sales of licensed product March to Oct 06 £1'297'648.75. Royalty @ 10% £129'764.88".
- 31 March 2006. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty due based upon sales of licensed product Feb 06 £125177.10 Royalty @ 10% £12517.71".
  - 31 January 2006. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty due based upon sales of licensed product Jan 2006 £237058.80 Royalty @ 10% £23705.88".
  - 31 January 2006. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty due based upon sales of licensed product Nov 05 £203982.90. Royalty @ 10% £20398.29".
  - 31 January 2006. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty due based upon sales of licensed product Dec 05 £340164.70. Royalty @ 10% £34016.47".
  - 31 August 2003. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "One off charge to cover all future sales for period Nov 04 to end Oct 05", opposite which the sum of £41,000 appears.
  - 31 August 2003. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "One off charge to cover all future sales for period Feb 04 to end Oct 04", opposite which the sum of £41,000 appears.
  - 31 August 2003. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Sales of licensed product July 03 to end Aug 03 £226660. Royalty @ 10% £22666". "Royalty in advance Nov 03 to Jan 04" opposite which the sum of £25,000 appears.
  - 28 February 2003. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty on account May June July 03", opposite which the sum of £25,000 appears. "Royalty on account Aug Sept Oct 03", opposite which the sum of £25,000 appears. There are then four entries of "one off charge to cover all sales for period" for the months of March, April, May and June 2003, opposite each entry the sum of £3,750 appears.
  - 28 February 2003. Royalty invoice for ICE JEANS/ICEBRAND/ICE CLOTHING Trademarks. License dated 01/11/2002". Against which there is no entry. Below this appears: "Royalty on account Nov Dec Jan 02/03", opposite which the sum of £25,000 appears. "Royalty on account

Feb March April 03”, opposite which the sum of £25,000 appears. “Sales of licensed product Nov 02 to end Feb 03 £616379.90. Royalty @ 10% £61637.09 Less advance payment invoiced £50000”.

***Witness statements of Ama Singh***

27) Mr Singh is managing director of BOI Trading Company Limited (BOI). Mr Singh states that the relationship between BOI and Reddy has been established for many years. He states that BOI produced clothing items branded ICE JEANS, ICE BRAND and ICE CLOTHING for Reddy from December 2002 until January 2007, when Reddy went into administration. Mr Singh exhibits at AS1 copies of invoices relating to the supply of fashion clothing items bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING. He states that these clothing items included “men’s tee shirts, jeans, shirts, jackets sweat tops etc”.

28) All but two of the invoices are made out to IJL. The invoices dated 12 December 2006 and 21 December 2006 are made out to Reddy (c/o Ice Jeans). (IJL was sold by Mr Gug’s family in 2006, see above.)

- 12 December 2006. ICE CLOTHING items but specific items not identifiable, ICE JEANS t-shirts. Total of 5684 items.
- 21 December 2006. ICE JEANS items but specific items not identifiable. Total of 105 items.
- 13 July 2006. ICE CLOTHING – shirts for men, polos for men, t-shirts for men, ICE BRAND polos for men, tees for men. Total of 960 items.
- 28 April 2006. ICE JEANS ICE BRAND, all for men but specific items not identifiable. Total of 1139 items.
- 1 July 2005. ICE JEANS all for men but specific items not identifiable. Total of 600 items.
- 8 November 2004. ICE CLOTHING shirts for men, ICE BRAND shirts, ICE JEANS - specific items not identifiable. Total of 750 items.
- 19 May 2005. ICE BRAND tees for men, ICE CLOTHING tees for men. Total of 870 tees.
- 8 January 2004. ICE BRAND items for men (not specifically identifiable), tops, tops for men, ICE CLOTHING knitwear for men and cardigans. ICE CLOTHING zip knitwear for men. Total of 2496 items.
- 4 August 2003. ICE BRAND shirts, ICE CLOTHING shirts. Total of 6180 items.
- 21 May 2003. ICE JEANS, all for men but specific items not identifiable. Total of 6354 items.

29) Mr Singh states that exhibit AS2 consists of copies of artwork that was used in the manufacture and supply of clothing bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING. Mr Singh states that the artwork only represents some of the clothing listed in the invoices as not all of the artwork is available, having been lost or destroyed over time, and sometimes artwork was

not produced. AS2 consists of four sheets of artwork. The first is for a long sleeve t-shirt for men. This shows ICE CLOTHING on a neck label and ICE over a device for a loop folded woven label. The second sheet is for jeans for men, viewed in combination with examples of labels on the fourth sheet, it can be seen that there is use of ICE JEANS on rivets, ICE JEANS (in a slightly stylised font) on swing tags, on a card label giving the size of the garment, on a leg sticker, on a waistband patch, on a woven pocket label and on a card label to be placed on the back pocket. The third sheet shows similar use, on a long sleeve t-shirt for men, as the first.

30) In a further witness statement Mr Singh states that Boi has been supplying PSC with clothing over many years. He states that Boi has been producing clothing, bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING, continuously since 2000.

31) Mr Singh exhibits at AS3 copies of invoices to PSC relating to the supply of fashion clothing items bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING. He states that these clothing items included "men's tee shirts, jeans, shirts, jackets sweat tops etc". The details of the invoices are:

- 14 February 2008. ICE BRAND and ICE CLOTHING for jeans. Total of 480 items. All goods for men.
- 14 February 2008. ICE BRAND and ICE CLOTHING for jeans. Total of 480 items. All goods for men. (Not a duplicate of above as it bears a different sales order number.)
- 16 January 2007. ICE JEANS for unidentified goods, 360 items. ICE BRAND for t-shirts, 180 items. All goods for men.
- 3 January 2007. ICE CLOTHING. Only 320 t-shirts can be identified. There are 1120 items the nature of which is not identifiable. All goods for men.
- 22 December 2006. ICE BRAND and ICE CLOTHING. Most of the items are not identified as bearing one of the trade marks. The ICE BRAND clothing is identified as being tops or knitwear, 2,240 of the former and 1,691 of the latter. Long sleeve goods bearing ICE CLOTHING are identified, the exact nature of the garment is not. ICE CLOTHING for tops is also shown. There are 5058 items. All goods for men.
- 6 October 2005. ICE JEANS for 300 unidentified goods. ICE BRAND for 300 tops. All goods for men.
- 25 July 2005. ICE JEANS for 720 unidentified items. All goods for men.
- 15 October 2003. ICE JEANS for 2468 unidentified items. All goods for men.
- 12 September 2003. ICE BRAND for 5120 tops. ICE CLOTHING for 10,488 tops.

32) Mr Singh states that exhibit AS4 consists of copies of artwork that was used in the manufacture and supply of clothing bearing the trade marks ICE JEANS,

ICE BRAND and ICE CLOTHING. Mr Singh states that the artwork only represents some of the clothing listed in the invoices as not all of the artwork is available, having been lost or destroyed over time, and sometimes artwork was not produced. Three of the sheets are for jeans for men. These sheets show use of ICE BRANDS and ICE JEANS on a variety of labels (including rivets). One sheet shows use of ICE BRAND, in a slightly stylised font, for a short sleeve t-shirt. The remaining sheet shows use of ICE BRAND, in a slightly stylised font, for a long sleeved, knitted top. All of the goods are for men.

***Witness statements of Paul Bajaj***

33) Mr Bajaj is director of fashion of Fashion Sport & Leisure (FSL).

34) FSL supplied clothing to Reddy under the names ICE JEANS, ICE BRAND and ICE CLOTHING continuously from 2003 until the end of 2006/early 2007, when Reddy went into administration. Mr Bajaj exhibits at PB1 copies of invoices which he states relate to clothing bearing the trade marks: ICE JEANS, ICE BRAND and ICE CLOTHING. Mr Bajaj states that the clothing items include pants and jeans for men, jackets, shorts for men, jackets and sweat tops. The invoices are those reproduced at SG6 (see above), which are made out to IJL.

35) Mr Bajaj states that exhibit PB2 consists of copies of artwork that was used in the manufacture and supply of clothing bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING. Mr Bajaj states that the artwork only represents some of the clothing listed in the invoices as not all of the artwork is available, having been lost or destroyed over time, and sometimes artwork was not produced. PB2 consists of six sheets of artwork:

- Jeans. ICE JEANS waistband label and swing tag are shown.
- T-shirts. ICE CLOTHING (in a stylised font) neck label and swing tag are shown.
- Jeans. ICE JEANS waistband label and swing tag are shown.
- Cardigan type tops. ICE BRAND neck label and swing tag are shown.
- Long sleeved top. ICE BRAND neck label and swing tag are shown.
- Belt. ICE CLOTHING shown on buckle of belt.

36) In a further witness statement Mr Bajaj states that FSL has supplied clothing to PSC under the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING continuously since 2006. Exhibited at PB3 are copies of invoices. The details of the invoices are:

- 22 September 2006. For PSC at Scunthorpe. 270 ICE JEANS jeans for men.
- 3 December 2007. For PSC at Grimsby. ICE BRAND knitwear for men. The quality of the copy does not allow for clear identification of all of the number but it is for over 300 items.

- 5 December 2006. For PSC at Scunthorpe. ICE JEANS for pants and jeans for men. The quality of the copy does not allow for clear identification of all of the number but it is for over 400 items.
- 25 May 2007. For PSC at Castleford. Not all of the goods are identified by specific brand. ICE CLOTHING t-shirts for men are identified (252 items).
- 25 May 2007. For PSC at Grimsby. Not all of the goods are identified by specific brand. ICE CLOTHING t-shirts for men are identified (252 items).
- 19 December 2007. For PSC at Scunthorpe. ICE BRAND knitwear for men. The quality of the copy does not allow for clear identification of all of the number but it is for over 500 items.
- 22 April 2008. For PSC at Doncaster. Not all of the goods are identified by specific brand. 30 ICE BRAND jackets for men. 72 ICE JEANS shorts for men. 52 ICE JEANS pants for men. 25 ICE CLOTHING “sleeves” for men.
- 24 April 2008. For PSC at Castleford. Not all of the goods are identified by specific brand. 54 ICE BRAND jackets for men. 78 ICE JEANS shorts for men. 52 ICE JEANS pants for men. 25 ICE CLOTHING “sleeves” for men.

37) Mr Bajaj states that exhibit PB2 consists of copies of artwork that was used in the manufacture and supply of clothing bearing the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING. Mr Bajaj states that the artwork only represents some of the clothing listed in the invoices as not all of the artwork is available, having been lost or destroyed over time, and sometimes artwork was not produced. PB2 consists of six sheets of artwork:

- Long sleeve top. ICE BRAND swing tag and neck label are shown.
- Jeans. ICE JEANS swing tag and back waistband labels are shown.
- T-shirts. ICE CLOTHING (stylised font) neck label and swing tag are shown.
- Long sleeve top. ICE BRAND back neck label and swing tag are shown.
- T-shirts. ICE CLOTHING (stylised font) neck label and swing tag are shown.
- Jeans. ICE JEANS swing tag and back waistband labels are shown.

### ***Additional evidence***

38) On reviewing the evidence it was considered that there was an apparent contradiction in the evidence of Mr Singh that required reconciling. In the letter exhibited at SG9 Mr Singh states that he has been purchasing clothing from PS Corporation Limited. In Mr Singh’s witness statement of 7 January 2010 he states that the relationship between Boi Trading and PS Corporation is that of the former supplying goods to the latter. The two statements appear to be contradictory. Under rules 62(1)(a) and 64(3) of the Trade Marks Rules 2008, an affidavit or statutory declaration was required from Mr Singh identifying the



relationship between Boi Trading and both Reddy Investments Limited/Ice Jeans Limited and PS Corporation Limited. An affidavit or statutory declaration was also required from Mr Gug to clarify the relationship between the registered proprietors, their licensees and Boi Trading.

***Statutory declaration of Sanjeev Gug***

39) Mr Gug states that Mr Singh was a director of PSA Corporation for approximately 2 years, until July 2002; otherwise there is no relationship or connection between Boi Trading Limited and Mr Gug's companies other than that they have done business together. Boi Trading Limited has manufactured clothing for Mr Gug's companies and has also been a customer for clothing sold under the trade marks ICE JEANS, ICE BRAND and ICE CLOTHING.

***Statutory declaration of Ama Singh***

40) Mr Singh states that Boi Trading Company Limited both manufactures clothing and sells the clothing of others. He states that Boi Trading's relationship with Reddy Investments Limited (formerly Ice Jeans Limited) has been that of manufacturer and supplier. Boi Trading's relationship with PS Corporation Limited has been that of a purchaser of its ICE JEANS, ICE BRAND and ICE CLOTHING branded goods and as a supplier/manufacturer of those clothing products.

***Witness statements of Janice Margaret Trebble***

41) Ms Trebble is a trade mark attorney. Ms Trebble exhibits copies of forms TM16, being applications to register a change of proprietor with the TMR. They relate to the three registrations, they are dated 16 October 2002 and state that the proprietorship changed on 1 November 2001 from Rascals Clothing Ltd to PSG. Ms Trebble exhibits printouts from the website of Companies House for the following undertakings:

- Company no 036163077. Incorporated on 11 August 1998 as Rascals Clothing Limited. Name changed to Ice Jeans Limited on 2 August 2001. Name changed to Reddy Investments Limited on 12 December 2006. Company dissolved on 25 October 2007.
- Company no 0392280. Incorporated on 4 February 2000 as PSA Corporation Limited. Name changed to PS Corporation Limited on 29 July 2002. Company in liquidation as of date of printout, 14 November 2008.
- Company no 03181005. Incorporated on 1 April 1996 as Tungsten Clothing Limited. Name changed to PS Corporation Limited 14 May 1997. Name changed to PSG Investments Limited on 22 July 2002.

42) Ms Trebble exhibits printouts of the case details from the TMR database for the three registrations.

43) Ms Trebble concludes from this that on 1 September 2000 the licensor, as per exhibit SG1, did not own the trade marks and so was not in a position to license their use. The owner at the time was Rascals. On 1 November 2001 an assignment was made from Rascals but at that date the company was actually called Ice Jeans Limited.

***Witness statement of Christopher Lewis***

44) Mr Lewis is a trade marks assistant. Mr Lewis states that in March 2009 he conducted an Internet based investigation into The Accessories Shop which traded from 23, Friargate, Freshney Place, Grimsby DN31 1QQ. He states that this address is a retail unit located within the Freshney Place Shopping Centre in Grimsby. Mr Lewis states that two invoices have been submitted with exhibit SG12 of the witness statement of Mr Gug, one of these invoices is for 3,700 ICE BRAND casual sandals with an invoice total of £11,186.59. He states that at the time of his investigation the retail unit was unoccupied and advertised with DTZ, a firm of letting agents. Exhibited at CL1 are pages downloaded from the DTZ website showing the advertisement and a map of the unit's location. The details in the advertisement show that the unit consists of a ground floor sales area of 457 square feet and a first floor storage area of 109 square feet. Mr Lewis states that the map showing the unit also shows the ICE JEANS CLOTHING store at 3, Clayton Walk, which is in close proximity to the unit. Exhibited at CL2 are pages printed from the shopproperty.co.uk website. The pages are for the advertisement for No 3, Friargate, which is another retail unit within the Freshney Place shopping centre. Mr Lewis states that this unit was previously occupied by The Card Warehouse, which he describes as a nationwide retailer. The retail unit at No 3 has a ground sales area of 1,318 square feet and other sales area of 368 square feet.

***Witness statement of Grant Franklin***

45) Mr Franklin is a principal of Hiller Hopkins LLP, Chartered Accountants and Tax Advisers. Mr Franklin was admitted as a member of the Institute of Chartered Accountants in England and Wales in 1990. He states that he has worked in practice for 22 years. He is responsible for forensic valuation and investigation within his firm. Mr Franklin is a member of the UK 200 Group Forensic and Dispute Resolution Panel.

46) By letter dated 11 December 2008 from Ms Trebble, Mr Franklin was supplied with the evidence of Mr Gug and information from Companies House. Ms Trebble instructed him to investigate matters on the following basis:

“1. Can you please examine the documents attached and advise me whether:

- (i) there are discrepancies between the Witness Statement and accompanying exhibits filed by Sanjeev Gug and the Financial Statements; and
- (ii) there are any other discrepancies or information in the Financial Statements which might call into question the information in Mr Gug's statement.

2. Can you also please advise of the legal nature of the relationship between the licensors and licensees, and also any of the parties from whom letters have been exhibited, together with any implications this has for interpreting the turnover/profits of PSG."

47) Mr Franklin makes observations on the witness statement of Mr Gug. He observes that it would appear from the accounts of PSC for the year ended January 2002 and in subsequent accounts of PSC that Boi is or was a related party of PSC. At GF3 Mr Franklin exhibits the definition of a related party from the relevant financial reporting standard. Mr Franklin has reviewed the accounts of Boi for the year ended 31 July 2007 and he states that there are no references to these related parties in these accounts. Mr Franklin believes that the related party was Amarjit Singh and that the relationship between the parties was historical. Mr Franklin notes that Parveen Gug was the company secretary of The Accessories Shop Limited (company no 06270650) from 6 June 2007 to 16 September 2008.

48) Mr Franklin states that the financial statements filed at Companies House for PSG, PSC and Reddy/IJL are all abbreviated accounts and, therefore, the information contained within them is limited. In particular it is not possible to determine the level of turnover or profits of any of the companies in any year. Although it is possible to ascertain the level of retained profits each year by comparing opening and closing retained reserves these could, for example, be stated after the payment of dividends to shareholders and are, therefore, not a reliable indicator of financial performance.

49) Mr Franklin notes that since PSG holds the legal title to the trade marks it might have been expected to see an intangible asset on the company's balance sheet. It is, however, possible that any costs associated with the creation of the licence were "expensed" and hence it would not necessarily be shown as such. There is no accounting policy for licences shown in the accounts of PSG.

50) Mr Franklin states that as far as licensor companies are concerned it is surprising that there is no accounting policy note in the accounts regarding the recognition of licence income. Mr Franklin states that this should state how the income arising from the licence will be accounted for. The accounting policies of PSG make no reference to the existence or accounting treatment of royalty income.

51) Mr Franklin states that given the existence of a licence agreement between PSG and Reddy/IJL and the invoices included in exhibit SG17 from PSG to IJL totalling £154,765 (numbers 99 dated 15 November 2006 and 97 dated 31 October 2006), it is surprising that there is no disclosure of these transactions within the accounts of PSG for the year ended 31 May 2007 in note 4, related party transactions. Mr Franklin has examined the accounts for the five preceding years and there are no specific references to the receipt of royalty or licence fee income in the abbreviated accounts of PSG in these years.

52) Mr Franklin states that the abbreviated accounts for PSC for the years 31 January 2002 to 31 January 2007 make no reference in the related party note to payments of royalties to PSG in any of these years, despite the apparent existence of such transactions as shown in exhibit SG13. Mr Franklin does not refer to royalties in the 2002, 2003, 2004, 2005 and 2006 accounts which disclose royalty payments to Doncaster Fashions UK Limited; which he describes as being a company associated with the Gug family. Mr Franklin states that although there is no legal requirement to disclose related party transactions in the abbreviated accounts, it is strange that whilst the royalty for Doncaster Fashions is disclosed, there is no disclosure of royalty payments arising from the licences to PSC and IJL in the accounts of any of the relevant companies. As is the case with PSG, there are no accounting policies dealing with royalties. Mr Franklin notes that although the accounts disclosed a lease commitment in the 2007 accounts, no commitment in respect of the licence agreement was disclosed.

53) Mr Franklin notes that exhibit SG13 contains invoice from PSG to PSC relating to royalties from the licence dated 1 September 2000. Mr Franklin states that the invoice dated 11 December 2007 details 3 items, there is no charge for the licence dated 1 September 2000, the other two items relate to sums outstanding which are carried forward from previous periods and into the next period and apparently do not relate to the licence. Mr Franklin states that the invoices 105, 103, 101, 100, 72 and 59 follow the same pattern. Mr Franklin states that on 1 September 2000 the trade marks the subject of the licence were registered in the name of Rascals Clothing Limited, so "the reference to royalties under this licence makes no sense".

54) Mr Franklin notes that the remaining invoices in exhibit SG13 relate to the licence dated 1 November 2002. He states that the licensor is PSG and the licensee IJL, PSG, therefore, has no basis for charging PSC a royalty under this licence.

55) Mr Franklin states that the abbreviated accounts for IJL/Reddy for the years ended 31 October 2002 to 31 October 2005 make no reference to royalty payments to PSG in the related party note, despite the "apparent" existence of such transactions as shown in exhibit SG17. As with PSC, there are no

accounting policies dealing with royalties or disclosure of commitments in respect of the licence agreement with PSG.

56) Mr Franklin notes that the charge for royalties due under the licence of 1 November 2002 is shown as zero in all the invoices exhibited at SG17. He notes that the licence provides for a minimum royalty of £300,000 per annum payable in quarterly instalments of £75,000. Mr Franklin states that the remaining entries on the invoices do not appear to relate to royalties under the licence agreement. He states that there is nothing to identify them as such and that the sums charged do not reflect the terms of the licence.

57) Mr Franklin states that The Companies Act 1985 Schedule 8 Part III paragraph 46(5), which deals with guarantees and other financial commitments, requires disclosure of "other financial commitments which have not been provided for; and are relevant to assessing the company's state of affairs". Mr Franklin, therefore, would have expected disclosure of the commitments under the licence agreements in the accounts of the licensees.

58) Mr Franklin states that PSG has an issued share capital of 100 ordinary shares of £1. He states that the most recent annual return of the company, for the period ended 1 April 2008, shows the shareholders to be Anita Gug and Karen Gug, who each own 50 ordinary shares. The sole director of the company is Anita Gug and the company secretary is Sanjeev Gug.

59) Mr Franklin states that the most recent annual return for PSC, for the period ended 4 February 2008, shows the shareholders to be Anita Gug and Karen Gug, who each own 75 ordinary shares of £1. The issued share capital of the company is 150 shares of £1 each. The director of the company is Sanjeev Gug. The company secretary is Parveen Gug.

60) Mr Franklin states that PSC was placed into liquidation on 3 October 2008. The statement of affairs at this date shows a deficiency as regards members of £70,682. No trade receivables are shown as recoverable assets and at the same time no amounts due to PSG are shown as unsecured creditors. Mr Franklin states that it is not clear from the documents he has examined why the company was placed into liquidation. It had net assets as of 31 January 2007 of £66,908, including cash at bank of £101,911.

61) Mr Franklin states that IJL/Reddy was dissolved on 6 November 2007, having initially been placed into administration. He states that the statement of affairs does not contain any specific references to liabilities arising from the licence agreements with PSG, although an amount of £35,105.17 was shown as owed to PSG as at 8 January 2007. The statement of affairs at this date shows a deficiency as regards members of £458,346.

62) Mr Franklin states that he has performed a search on Doncaster Fashions UK Limited (company no 3828995), since this company was referred to as a

related party in the accounts of PSC. The company was placed into liquidation in February 2008. The most recent accounts filed at Companies House, for the year ended 31 August 2006, were dormant but the existence of trade creditors and amounts due to employees within the statement of affairs prepared by the liquidator suggest that it was active after that date. Mr Franklin states that the statement of affairs shows an amount of £14,026.29 owed to PSC on 13 February 2008. The shareholders were Anita Gug and Karen Gug who owned 1 ordinary share each. Sanjeev Gug was appointed as company secretary on 4 September 2007 and Parveen Gug was appointed as a director at this date.

63) Various financial statements are exhibited with the evidence of Mr Franklin. The financial statements for PSC for the year ended 31 January 2002, advise that IJL, Doncaster Fashions UK Ltd and Boi are related parties. The first associated with PK and SK Gug, the second with the Gug family and the third with A Singh. The report has been signed by SK Gug. The financial statements for PSC for the year ended 31 January 2003, advise that IJL, Doncaster Fashions UK Ltd, PSG and Boi are related parties. PSG being associate with PK and SK Gug. The report has been signed by SK Gug. The financial statements for PSC for the year ended 31 January 2004 advise that IJL, Doncaster Fashions UK Ltd and PSG are related parties. The accounts have been signed by R K Gug. The financial statements for PSC for the year ended 31 January 2005 advise that IJL, Doncaster Fashions UK Ltd and PSG are related parties. The report has been signed by SK Gug. The financial statements for PSC for the year ended 31 January 2006 advise that IJL and Doncaster Fashions UK Ltd are related parties. The report has been signed by SK Gug. The financial statements for PSC for the year ended 31 January 2007 advise that IJL and PSG are related parties. The financial statements for IJL for the year ended 31 October 2002 that PSG and PSC are related parties. The report has been signed by PK Gug. The financial statements for IJL for the year ended 31 October 2003 advise that PSK and PSC are related parties. The report has been signed by PK Gug. The financial statements for IJL for the year ended 31 October 2004 advise that PSK and PSC are related parties. The report has been signed by PK Gug. The financial statements for IJL for the year ended 31 October 2005 advise that PSK and PSC are related parties. The report has been signed by PK Gug. The financial statements for PSG for the year ended 31 May 2002 advise that ICJ and PSC are associated companies. The report has been signed by PK Gug. The financial statements for PSG for the year ended 31 May 2003 advise that ICJ and PSC are related parties. The report has been signed by PK Gug. The financial statements for PSG for the year ended 31 May 2004 advise that ICJ and PSC are related parties. The report has been signed by Mrs R A Gug. The financial statements for PSG for the year ended 31 May 2005 advise that ICJ and PSC are related parties. The report has been signed by Mrs A R Gug. The financial statements for PSG for the year ended 31 May 2006 advise that ICJ and PSC are related parties. The report has been signed by Mrs A R Gug. The financial statements for PSG for the year ended 31 May 2007

advise that ICJ and PSC are related parties. The report has been signed by Mrs A R Gug.

### ***Decision***

64) A convenient summary of the criteria relating to genuine use was given by the General Court (GC) in *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/07*:

“99 In interpreting the concept of genuine use, account should be taken of the fact that the ratio legis of the requirement that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-2811, paragraph 38, and judgment of 8 November 2007 in Case T-169/06 *Charlott v OHIM – Charlo (Charlott France Entre Luxe et Tradition)*, not published in the ECR, paragraph 33).

100 There is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the registration (Case C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 72; see also, by analogy, Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 43). In that regard, the condition of genuine use of the mark requires that the mark, as protected on the relevant territory, be used publicly and externally (*Silk Cocoon*, paragraph 99 above, paragraph 39; *VITAFRUIT*, paragraph 99 above, paragraph 39; *Charlott France Entre Luxe et Tradition*, paragraph 99 above, paragraph 34; see also, by analogy, *Ansul*, paragraph 37).

101 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the

mark (VITAFRUIT, paragraph 99 above, paragraph 40; Charlott France Entre Luxe et Tradition, paragraph 99, paragraph 35; see also, by analogy, Ansul, paragraph 100, paragraph 43).

102 As to the extent of the use to which the earlier trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use (VITAFRUIT, paragraph 99 above, paragraph 41, and Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 36).

103 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237, paragraph 71).

104 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case (VITAFRUIT, paragraph 99 above, paragraph 42; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 37; see also, by analogy, Ansul, paragraph 100 above, paragraph 39).

105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT) [2002] ECR II-5233, paragraph 47).”

65) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 325/06 the GC stated:

“32 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in



absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court has stated that use of the earlier mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned in order to maintain or create a share in the market for the goods or services protected by the mark (*VITAFRUIT*, paragraph 27 above, paragraph 42, and *LA MER*, paragraph 26 above, paragraph 57; see, by analogy, *Ansul*, paragraph 24 above, paragraph 39, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21)."

There is, therefore, no de minimis level of use to establish genuine use (also see, inter alia, *Sonia Rykiel création et diffusion de modèles v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-131/06* and *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-416/04 P*). In *Ajax Brandbeveiliging BV v Ansul BV Case C-40/01* the Court of Justice of the European Union (CJEU) held that it is necessary to establish whether the use "is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark". In *Il Ponte Finanziaria SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-234/06 P* the CJEU stated:

"73 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The frequency or regularity of the use of the trade mark is one of the factors which may be taken into account (see *Sunrider v OHIM*, paragraph 71; see also, to that effect, *La Mer Technology*, paragraph 22)."

66) Three companies are particularly germane to this case, companies which have changed their names:

- Company no 036163077. Incorporated on 11 August 1998 as Rascals Clothing Limited. Name changed to Ice Jeans Limited on 2 August 2001. Name changed to Reddy Investments Limited on 12 December 2006. Company dissolved on 25 October 2007.
- Company no 03922580. Incorporated on 4 February 2000 as PSA Corporation Limited. Name changed to PS Corporation Limited on 29 July 2002. Company in liquidation as of date of printout from Companies House, 14 November 2008.

- Company no 03181005. Incorporated on 1 April 1996 as Tungsten Clothing Limited. Name changed to PS Corporation Limited 14 May 1997. Name changed to PSG Investments Limited on 22 July 2002.

67) 077 was the original owner of the trade marks, it assigned the trade marks to 005. 077 changed from being the owner of the trade marks to being the licensee. 580 has only been a licensee. 005 has only been an owner. 005 licensed 580 to use the trade marks on 1 September 2000. 005 licensed 077 to use the trade marks from 1 November 2002. The forms TM16 dated 16 October 2002 state that trade marks were assigned to PSG Investments Limited (005) on 1 November 2001. When the forms were received 005 had changed its name to PSG Investments Limited, although at the date of the assignment it had not.

68) Ms Trebble states that on 1 November 2001 an assignment was made from Rascal Clothing Limited (077) but at the time the company was called Ice Jeans Limited. Form TM16 requires the details of the current registered proprietor, so the form would have to give the previous name of 077, as that was the name of the registered proprietor at the time of the filing of the form, if not the current name of the proprietor. There is nothing in the evidence to indicate any irregularity in the assignment of the trade marks from 077 to 005. However, as Ms Trebble states, when 005 granted a licence to 580 on 1 September 2000 005 was not the owner of the trade marks, 077 was.

69) The evidence shows that the three companies were all companies run by members of the Gug family. After January 2003 Boi Trading is not, according to the financial statements, associated with the Gug family. The IJL business was sold by members of Mr Gug's family in 2006, the documentation in relation to its insolvency show that it was independent of the Gugs.

70) The main thrust of the evidence and the submissions of Gilmar appears to be to question the probity of the evidence for the Gugs. It is asking for the evidence of the Gugs to be disbelieved. In relation to this the comments of Mr Richard Arnold QC, sitting as the appointed person in *Tripp Limited v Pan World Brands Limited* BL O/161/07 are pertinent:

“33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a

particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence."

71) Gilmar has not sought to cross-examine any of the witnesses for the Gugs, neither has it sought disclosure of any documents. The apparent contradiction in the evidence of Mr Singh has been dealt with in a statutory declaration. There is nothing stopping an undertaking being a producer on one hand and a purchaser of the same goods on the other. There is nothing incredible in the evidence of the Gugs. What would be incredible, would be to produce so much documentation in relation to the business in relation to goods produced and sold under the trade marks which was false.

72) Gilmar comments on the "to whom it may concern" letters. As it states, these letters have clearly been produced for the purposes of these proceedings and so need to be treated as hearsay evidence. Attached to the letter from Artsign Limited there are photographs of premises. Attached to the letters of Mr Bajaj

are invoices. Mr Bajaj also gives evidence by way of witness statement. The “to whom it may concern” letters from Blackburn Clothing Company Limited and Boi Trading also include invoices. Mr Singh of Boi Trading also gives evidence by way of witness statement and statutory declaration. Gilmar also notes that the letters from Blackburn Clothing Company Limited, Chan Casuals Ltd, Accessories Shop Limited and Boi Trading are similarly worded. In *Re Christiansen's TM* [1885] 3 RPC 54 at 60 Lord Esher MR stated:

"Now, to my mind, when you have evidence given upon affidavit, and you find a dozen people, or twenty people, all swearing to exactly the same stereotyped affidavit, if I am called upon to act upon their evidence, it immediately makes me suspect that the affidavits are then not their own views of things and that they have adopted the view of somebody who has drawn the whole lot of the affidavits, and they adopt that view as a whole and say 'I think that affidavit right' and they put their names to the bottom."

Caution must be exercised when considering evidence in a similar format, however, such caution cannot not lead to an automatic rejection of the validity of the evidence. It will not always be possible to get third parties to file evidence in a formal fashion. The evidence from Mr Gug containing the letters was also filed in response to the applications and so time would have been limited. It might also have been considered that the evidence would be enough for Gilmar to accept that there had been genuine use. As noted, two of the writers have given evidence by witness statement, and in the case of Mr Singh also by statutory declaration. Taking into account the supporting documentation supplied with the “to whom it may concern letters” and subsequent evidence by way of witness statement and statutory declaration, the hearsay evidence, in the form of the “to whom it may concern letters”, is given reasonable weight.

73) In its submissions Gilmar queries the assignment of the trade marks from 077 to 005. It refers to section 24 of the Act that requires any assignment to be in writing. Form TM16s were filed to record the assignment, there was no requirement to file documentation to support the request. Mr Gug in the third paragraph of his witness statement states that the registrations were transferred from 077 to 005. Gilmar has not called upon Mr Gug to be cross-examined in relation to his testimony and so his statement must be accepted.

74) In its submissions Gilmar makes the comment that “[t]he clothing industry utilises aggressive marketing to sell products and advertises in as many different media as possible”. This is a very generalised comment, in the clothing industry there are many different business models and types of businesses. There are businesses which, for instance, will sell in markets only or which will sell in a few shops in one area or even in one shop. Gilmar criticises the Gugs for not furnishing promotional literature, photographs of goods, advertisements in various media and not giving figures for annual turnover. It then tries to dismiss the invoices as being between related companies. Invoices to “non-related”

undertakings have been supplied. The submissions of Gilmar are selective as they effectively dismiss what has been stated in the witness statements and the statutory declarations. Witness statements which clearly state that labels bearing the trade marks have been put upon goods. The invoices also indicate in many cases the trade mark that has been applied to the goods. The invoices show that over a lengthy period of time that goods have been produced bearing the trade marks and also that goods bearing the trade marks have been supplied. Many of the invoices show that the goods were sent directly to retail premises and so for sale. It is hardly feasible that over many years that goods have been produced with the trade marks, in quite large numbers, and that then they have never been put onto the market, especially when sent directly to retail premises. In addition royalty invoices were also produced in relation to these goods. Goods have also been supplied to undertakings in France and Germany, use for export can be use of a trade mark. The joint administrators' proposals in relation to Reddy Investments Limited show £35,105.17 to PSG Investments Limited, although not in itself determinative of anything this forms part of the picture in relation to use of the trade mark.

75) The pictures of the shop fronts are not of assistance to the Gugs, as this can only be of relevance to a retail service. However, certain of the shop fronts identify the premises as being factory outlets. Factory outlets in most circumstances sell goods bearing the trade mark(s) identified in the shop name. Equally the carrier bags could be supplied for use in shops selling clothing under other brands and so are not of assistance to the Gugs.

76) In relation to the consent issue Gilmar conflates consent with the granting of a licence. There is an error or inconsistency in relation to the first licence being granted by an undertaking that at the time of the signing of the agreement was not the owner of the trade marks. Mr Franklin finds faults in the accounting practices of the various Gug family undertakings and expresses surprise at certain omissions. However, whether there has been genuine use of the trade marks cannot be judged on the accounting practices of the various Gug family undertakings. It must be taken into account that invoices in relation to royalty payments have been adduced. If a challenge is to be made to the validity of these invoices Mr Gug should have been called for cross-examination.

77) In relation to genuine use, consent must mean knowledge of the use combined with sanction/concurrence with that use. Mere knowledge would not be enough as this could simply be acquiescence rather than consent. In this case there is claimed use by 580 and 077, these are both companies that share officers with 005; it is inconceivable that the use by 580 and 077 was not known about and sanctioned by 005. In the case of 077 there is also the licence which was granted by the then owner of the trade marks. In relation to consent (in relation to marketing of goods) the CJEU in *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA* Case C-324/08 stated:

“35 In the light of the foregoing, the answer to the question referred is that Article 7(1) of Directive 89/104 must be interpreted as meaning that the consent of the proprietor of a trade mark to the marketing of goods bearing that mark carried out directly in the EEA by a third party who has no economic link to that proprietor may be implied, in so far as such consent is to be inferred from facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market in that area which, in the view of the national court, unequivocally demonstrate that the proprietor has renounced his exclusive rights.”

Consent can be inferred from the facts and circumstances of a case. A similar position was taken by the GC in *Mo-Hwa Park*

“61 Es ist festzustellen, dass die Zustimmung angesichts der Bedeutung ihrer Wirkung – Erlöschen des ausschließlichen Rechts des Inhabers einer Gemeinschaftsmarke zur Benutzung dieser Marke – auf eine Weise geäußert werden muss, die einen Willen zum Verzicht auf dieses Recht mit Bestimmtheit erkennen lässt. Ein solcher Wille ergibt sich in der Regel aus einer ausdrücklichen Erteilung der Zustimmung. Es kann jedoch nicht ausgeschlossen werden, dass er sich in bestimmten Fällen konkludent aus Umständen und Anhaltspunkten vor, bei oder nach der Benutzung der fraglichen Marke durch einen Dritten ergeben kann, die ebenfalls mit Bestimmtheit einen Verzicht des Inhabers auf sein Recht erkennen lassen (vgl. entsprechend – für die Zustimmung des Inhabers einer Gemeinschaftsmarke zum Inverkehrbringen von Waren unter dieser Marke durch einen Dritten im Europäischen Wirtschaftsraum [EWR] gemäß Art. 7 Abs. 1 der Ersten Richtlinie 89/104/EWG des Rates vom 21. Dezember 1988 zur Angleichung der Rechtsvorschriften der Mitgliedstaaten über die Marken [ABl. 1989, L 40, S. 1] in geänderter Fassung – Urteil des Gerichtshofs vom 20. November 2001, Zino Davidoff und Levi Strauss, C-414/99 bis C-416/99, Slg. 2001, I-8691, Randnrn. 45 und 46).”

78) The three trade marks cannot be lumped together in terms of use. Use must be considered separately in relation to each one, in *Il Ponte Finanziaria SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-234/06 P the CJEU stated:

“86 In any event, while it is possible, as a result of the provisions referred to in paragraphs 81 and 82 of the present judgment, to consider a registered trade mark as used where proof is provided of use of that mark in a slightly different form from that in which it was registered, it is not possible to extend, by means of proof of use, the protection enjoyed by a registered trade mark to another registered mark, the use of which has not been established, on the ground that the latter is merely a slight variation on the former.”

The Gugs cannot rely on the use of one trade mark as use of another registered trade mark because the differences are only slight, as per the above judgment.

79) Certain of the invoices do not show to which specific items of clothing they relate. The goods below can be identified in relation to particular items of clothing from the invoices:

ICE JEANS	ICE CLOTHING	ICE BRAND
Jeans for men and boys	Shirts for men	Jeans for men and boys
T-shirts	Polos for men	Polos for men
Pants for men	T-shirts for men	T-shirts for men
Shorts for men	Knitwear for men	Shirts
Gabardine trousers for men	Cardigans	Tops
Trousers for men	Zip knitwear for men	Tops for men
Fabric trousers for women	Shirts	Knitwear for men
Fabric trousers for men	Jeans for men	Jackets for men
Flare jeans for women	Long sleeve goods for men	Sweat tops for men
Clothes for men – nature of clothes not identified	Tops for men	“Knit” for men
Sweats	Tops	Shirts for men
Toe post shoes	“Sleeves” for men	Long sleeve tops for men
	Sun visors for men	Padded shirts for men
	Bunting caps for men	Wool mix jackets for men
	Twill caps for men	Long sleeve t-shirts for men
	Hats	Sweats for men
	Belts for men	Jeans
	Jeans	Knitted tops
		Casual sandals
		Footwear

80) There has been genuine use in relation to the above goods by reference to the identified trade marks. It is necessary to decide upon a fair description for the goods for which genuine use has been shown and which fall within the parameters of the specification. The description must not be over pernickety<sup>i</sup>. It is necessary to consider how the relevant public, which for these goods would be the public at large, describe the goods<sup>ii</sup>. The GC in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* held:

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have

actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.



46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

81) In *Animal Trade Mark* [2004] FSR 19 Jacob J considered a fair specification in relation to clothing, where there had been a large range of items of clothing sold:

"23 So, should "clothing" in the specification be qualified in some other way? The term covers a very wide spectrum of different sorts of garments. But putting aside such specialist things as diving suits, wetsuits, bullet-proof vests and so on, there is a core of goods which are likely to be bought by ordinary consumers for different purposes in their daily wear. The same woman or girl is likely to own T-shirts, jeans, dresses, both formal and informal. Both parties' goods could easily end up in the same wardrobe or drawer. He or she knowing of the range of goods for which use has been proved would, I think, take "clothing" to be fair as a description. He or she might limit the clothing to "casual clothing" but I have concluded in the end that "clothing" is appropriately fair."

In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

"However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed in a number of previous decisions. In the present state of the law, fair protection is to be achieved by identifying and defining not the particular

examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

82) There is nothing to indicate that the clothing sold under the ICE BRAND and ICE CLOTHING was other than for males. As consumers readily distinguish between male and female clothing, it is necessary to limit any specification in relation to clothing for these trade marks to being for males.

**83) Taking into account the range of goods sold in relation to each trade mark, a fair specification for the ICE JEANS registration is: *articles of clothing, including footwear*, a fair specification for the ICE CLOTHING registration is: *clothing for males and headgear* and a fair specification for the ICE BRAND registration is: *clothing for males and footwear*. Under section 46(1)(a) of the Act the ICE JEANS registration is to be partially revoked from 19 August 2005, the ICE CLOTHING and the ICE BRAND registrations are to be partially revoked from 10 February 2006.**

## **COSTS**

84) Both parties have made requests for costs outwith the scale. It is not considered that there has been any unreasonable behaviour by either party in these proceedings and no basis for an award outwith the scale of costs. The Gugs, having been successful for the most part, are entitled to a contribution towards their costs. Prior to consolidation, the evidence for the Gugs was same in relation to each registration, consequently, the costs will be assessed on the basis that in effect there was one set of proceedings throughout. Costs are awarded on the following basis:

Preparing statement and considering the statement of Gilmar:	£600
Preparing evidence and considering the evidence of Gilmar:	£2,000
Filing written submissions:	£500
Total:	£3,100

**Gilmar SpA is ordered to pay Mr Parveen Gug, Mrs Anita Gug, Mr Sanjeev Gug and Mrs Karen Gug the sum of £3,100. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.**

**Dated this 18 day of February 2011**

**David Landau  
For the Registrar  
the Comptroller-General**

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<sup>i</sup> *Animal Trade Mark* [2004] FSR 19:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the

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purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

ii *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

"29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."