

O-355-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2382694
BY FLYING TRADE LTD TO REGISTER THE
TRADE MARK TROPIWAY IN CLASS 30**

AND

**IN THE MATTER OF OPPOSITION NO 93497
BY WANIS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2382694
by Flying Trade Ltd to register the
Trade Mark TROPIWAY in Class 30**

and

**IN THE MATTER OF Opposition No 93497 by
Wanis Limited**

BACKGROUND

1. On 22 January 2005 Flying Trade Ltd applied to register the mark TROPIWAY for “rice, flours, tinned products, beans” (Class 30).

2. On 15 June 2005 Wanis Limited filed notice of opposition to this application citing grounds under Section 3(6) and 5(4)(a). The amended statements of grounds puts the opponent’s case on the following basis:

“1. Wanis is the agent for distribution of TROPIWAY food products in the United Kingdom. Wanis has been the agent for TROPIWAY in the United Kingdom for over 8 years. Wanis established TROPIWAY in the United Kingdom’s African food market and it is now a well known brand in this market.

2. The TROPIWAY food products that Wanis currently distributes are TROPIWAY Cocoyam Fufu Flour and TROPIWAY Plantain Fufu Flour. The applicant buys TROPIWAY Cocoyam Fufu and TROPIWAY Plantain Fufu Flour from Wanis and has done so for at least four years. The Applicant acts as a sub-distributor for Wanis, selling TROPIWAY Cocoyam Fufu Flour and TROPIWAY Plantain Fufu Flour to the African market.

3. The Applicant is acting in bad faith as the Applicant knows that Wanis is the agent for TROPIWAY products in the United Kingdom, acts as a sub-distributor for Wanis for the very same TROPIWAY products and is seeking to register the TROPIWAY mark so that the applicant can then supply the market place with TROPIWAY products. Consumers will automatically assume that the TROPIWAY products that are being supplied and/or distributed by the Applicant are part of the same portfolio of TROPIWAY products that Wanis distributes. If allowed to register TROPIWAY, the applicant will be able to freely ride on the goodwill of the TROPIWAY brand that Wanis has created and built.

Therefore, registration of the Application TROPIWAY should be rejected in accordance with Section 3(6) of the Trade Marks Act 1994.

4. Wanis has generated substantial goodwill in the United Kingdom over the last 8 years through the supply and sale of food products under the TROPIWAY trade mark. Such goods are manufactured by Tropical Foods

Co., Inc. under the mark TROPIWAY and Wanis is its principal distributor in the United Kingdom. The use of an identical mark by the applicant on identical goods is likely to cause and, indeed, has in the past actually caused, public confusion. The use of the TROPIWAY mark is a clear and deliberate misrepresentation of Wanis' goodwill and that of Tropical Foods Co, Inc under the mark and is causing, and threat[en]s to continue to cause them, damage.

Use of TROPIWAY by the applicant constitutes passing off at common law and registration of the application TROPIWAY should therefore be rejected in accordance with Section 5(4)(a) of the Trade Mark Act 1994.”

3. The opponent asks that the application be refused in its entirety.

4. The applicant filed a counterstatement denying the above grounds. In particular it denies that the opponent is the sole agent for distribution of TROPIWAY food products in the United Kingdom. It says that Wanis was not the first company to import TROPIWAY food products. The applicant claims to have sourced TROPIWAY cocoyam fufu flour and TROPIWAY plaintain fufu flour from other suppliers in Europe including the UK over the past few years. It denies that the opponent is the proprietor of the goodwill in the TROPIWAY brand and claims that it had an honest intention to use the mark in relation to the goods of the application. I interject to say that the opponent does not appear to base its case on a claim to own the goodwill. Nor is its case based on a claim that there is no intention to use. Finally, the applicant submits that the parties' respective signs are not identical and the applicant's use is not in relation to identical goods.

5. Both sides have filed evidence. The parties were offered the opportunity to be heard but did not take up the offer. Written submissions have been received from the opponent under cover of a letter dated 6 November 2007. The applicant, through its trade mark attorneys, indicated by letter dated 2 November 2007 that it did not intend to file written submissions.

The evidence

6. This is as follows:

Opponent's evidence in chief:

Witness statement by T Sanjay Wadhvani with exhibits A-Y3

Applicant's evidence in support:

Witness statement by Harjit Singh Dulai with exhibits HD1-HD8

Witness statement by Pavan Bhandari with exhibit PB1

Witness statement by Paresh Mehta (no exhibits)

Witness statement by Fiaz Shariff with exhibit FS1

Witness statement by Rohit Narang with exhibits RN-1(1)-(5)

Witness statement by Rajesh Hallan with exhibit RH1

Witness statement by Anuj Kumar with exhibits AK1-AK2

Opponent's evidence in reply:

Witness statement by T Sanjay Wadhvani with exhibits TSW1-TSW29

7. Mr Wadhvani's reply evidence also exhibits witness statement by Edward Nana Ofori (TSWI), 16 witness statements by customers of Wanis (TSW 2-17), 6 witness statement by ethnic food wholesalers (TSW18-23) and 2 witness statements from authorised distributors of TROPIWAY products (TSW 24 and 25).

8. The main pieces of evidence are those from Mr Wadhvani who is a director of Wanis and Mr Dulai, who is a director of Flying Trade Limited. I will refer to and draw on relevant parts of their evidence and that of the supporting players in what follows.

9. There is a certain amount of common ground and it will be convenient to start with this before introducing the issues on which the parties differ. Wanis is a UK distributor of certain TROPIWAY branded products manufactured by Tropical Foods Co Inc, a US company based in Cowpens, South Carolina. The products are cocoyam fufu flour and plaintain fufu flour and are aimed at the African cuisine market. Wanis sells the goods to ethnic food wholesalers and retailers which now include Tesco though this appears to be a more recent development. The TROPIWAY products are not the only ones handled by Wanis. Exhibit F1 is a Wanis brochure containing information/advertising sheets on a range of branded goods such as Baldwin's sarsaparilla, Tropical Sun rice, Jamaica Sun juices, Colombos' salted fish and many other largely ethnic foodstuffs and drinks. The TROPIWAY products appear on a sheet headed 'African Flours' along with white corn meal flour offered under the brand Indian Head.

10. Flying Trade is also in the ethnic food business. Mr Dulai's evidence is mainly a commentary on Mr Wadhvani's evidence rather than a description of his company's business but it does clearly emerge that Flying Trade is a wholesaler or distributor of a range of ethnic foodstuffs. It operates under a number of trading and/or brand names. Invoices exhibited to the witness statements of Mr Bhandari, Mr Shariff, Mr Hallan and Mr Kumar (ethnic food distributors and retailers) show that the trading name Surya is most commonly used. Third party brands are also in evidence on the invoices. Mr Dulai says that the range of products offered by his company has a broad ethnic appeal being targeted at communities from the Caribbean, India, Pakistan, Thailand, Trinidad and Africa.

11. Wanis and Flying Trade have done business with each other. It seems that, in the ethnic food business there is trade between intermediaries (importers, wholesalers and distributors) as well as sales by these traders to the retail end of the market. Mr Bhandari of Global Foods and Mr Kumar of Spicy Oriental Goods, these companies being importers/distributors, say that they have both bought goods from and sold goods to Flying Trade. Likewise, the trade between Wanis and Flying Trade has been two way. Exhibit G to Mr Wadhvani's statement is an invoice from Golden Foods (another trading name of Flying Trade) to Wanis for saltfish cod. More importantly for these proceedings, Wanis sold TROPIWAY brand cocoyam fufu flour and plaintain fufu flour to Flying Trade on a consistent basis during a period the precise

starting point for which is not clear but which Mr Dulai puts at “2001 to 10 January 2006”. Mr Wadhvani’s evidence contains invoices Exhibits H1 and H2 for the period 2002 to 2005. The exhibits shows sales of both the TROPIWAY flours and a wide range of other goods. It speaks of a serious and sustained trade between the parties. The value of sales of the flours alone for the period 2002 to 2005 amounted to £7,485.96 in the case of cocoyam fufu flour and £13,307.87 in the case of plaintain fufu flour (see Exhibits I and J to Mr Wadhvani’s statement).

12. During the period in which Flying Trade was purchasing TROPIWAY branded fufu flour from Wanis it was also sourcing the same brand goods from other companies. Exhibit HD-4 to Mr Dulai’s statement shows eight invoices from Oriental House which appears to be a Dutch or Belgian company, two invoices (from just before and some months after the material date) from TVS Foods in London and two undated invoices (showing no value) from Spicy Oriental Foods in Barcelona.

13. At about the same time that Flying Trade was sourcing TROPIWAY fufu flour from Wanis and others it started selling other goods under the name TROPIWAY. He puts the position as follows:

“6.1.1 My Company first adopted the name TROPIWAY for use in relation to rice in around 2000. Since that day, my company has sold other products including but not limited to beans, pulses, tinned foods and flours, by reference to the trade mark TROPIWAY without complaint from the opponent (“TROPIWAY Products”). Attached and now shown to me marked Exhibit HD-5, are copies of Witness Statements given by Global Foods Trading GmbH, Kashmere Superfoods, Hallan Cash & Carry and Spicy Oriental Foods S.L., customers of Flying Trade Limited which confirm their purchases of TROPIWAY Products (as defined) from my Company in the period 2001 to 2006.

6.1.2 In the light of the long standing use made by my company of the TROPIWAY name in relation to various rices, pulses, flours and beans, my Company applied to register the TROPIWAY trade mark on the 22 January 2005, some 5 years after it had first adopted the name TROPIWAY in relation to these goods . Indeed, Exhibits O-U to the statement of Mr Wadhvani shows examples of the types of product already sold by my company.”

14. Evidence from Rohit Narang of P&P Overseas of New Delhi deals with packaging designs created by that company for Flying Trade’s TROPIWAY goods. In particular he exhibits various forms of the packaging which he says date back to 2000. Five different versions have been produced between 2000 and 2006. The earlier versions are in plainer form. The versions shown in Exhibits O to U of Mr Wadhvani’s evidence (and referred to in 6.1.2 of Mr Dulai’s evidence above) appear to be those in use from 2002 to 2004 (approximately). I will say a little more about the actual sign used below. Discounting some invoices from after the relevant date the evidence of Mr Bhandari, Mr Shariff and Mr Hallan shows the mark TROPIWAY being used in relation to cornmeal, rice, maize meal, atta (flour), dried onions, maize flour and semolina. Mr Wadhvani also refers to a number of other goods in paragraph 5 of his statement. It is fair to say that, if the supporting invoices are typical, rice featured

more strongly than the other goods. Against that background I turn to a number of issues that have exercised the parties in the evidence rounds.

Wanis' position as distributor

15. Mr Wadhvani has variously described Wanis as “the principal agent for distribution” and “chief agent and distributor” for TROPIWAY products in the UK. Mr Dulai counters that the status has not been verified, that there are or have been other distributors and that as a result Wanis cannot claim to be exclusive distributor.

16. Firstly, I am not aware that Mr Wadhvani does claim that Wanis has ever been the exclusive distributor. There is important and uncontroverted evidence as to Wanis' status in a witness statement filed as Exhibit TSW1 to Mr Wadhvani's reply evidence. The evidence comes from Edward Nana Ofori the President of Tropical Foods, the US supplier of TROPIWAY brand flour products. He says:

“6. In paragraph 2.1 of Mr Dulai's Witness Statement, Mr Dulai argues that Wanis is not the principal distributor for distribution of the Original TROPIWAY products in the UK. Tropical Foods appointed Wanis as distributor for the TROPIWAY products of cocoyam fufu flour and plantain fufu flour (the “Original TROPIWAY Products”) over 8 years ago. It is general knowledge in the food market that Wanis is the main distributor of the Original TROPIWAY Products in the UK. When shops in the UK need the TROPIWAY Products they go to Wanis. When any company from the UK contacts Tropical Goods directly in order to buy the Original TROPIWAY Products, I instruct them to contact Wanis or refer them to Wanis. With regards to exhibit HD-3 (an extract of the “Distribution” page of my website www.tropiway.com) referred to in Mr Dulai's Witness Statement, there were some errors on my website which have since been corrected. I refer to Exhibit ENO-1 which is a print out of the Distribution page of my website www.tropiway.com. The only two distributors of Tropiway in the UK are Wanis and Marac International Marketing (“Marac”). Marac has only been distributing the Original TROPIWAY Products in the UK for about the last 4 years. Wanis is by far the principal distributor. Sales of the Original TROPIWAY Products to Wanis far exceed sales to Marac and to any distributor that Tropical Foods had previously appointed. Out of any UK distributor Tropical Foods has ever appointed only Wanis has invested substantial time and money in developing the TROPIWAY brand not only by way of sales through its cash and carry and its distribution arm but also by way of advertising, marketing and special promotion offers. Wanis is responsible for generating the goodwill in TROPIWAY and has been doing so for over 8 years. Because of the marketing efforts of Wanis, the Original TROPIWAY Products are now distributed in Tesco stores throughout the UK, independent stores throughout the UK and to other ethnic wholesalers in the UK.”

17. Mr Ofori's witness statement is dated 13 July 2007 which places the commencement of Wanis' distributorship sometime in or about 1999. It is not in my view essential to Wanis' position that it establishes that it is the exclusive distributor. The action has been filed in part to protect its position in the marketplace. Further argument on Wanis' status is sterile. Nor does the case turn on whether TROPIWAY

is or is not a well known brand on the ethnic food market as submitted by Mr Wadhvani and denied by Mr Dulai.

18. I should also add that at the time this opposition was filed there was no requirement for an opponent to show a locus see *Wild Child Trade Mark* [1998] R.P.C. 455 where it was held that:

“.....there appears to be no requirement under the Act for the person claiming protection for an “*earlier right*” to be the proprietor of the right for which protection is being claimed: see sections 38(2), 46(4) and 47(3).”

19. In addition to Flying Trade’s application for the trade mark and its use of TROPIWAY in the market various, other circumstances are advanced by Wanis as matters that should individually or collectively contribute to a finding of bad faith and/or passing off.

Allegations of fake goods

20. Mr Wadhvani refers in paragraph 5 of his witness statement to receiving numerous phone calls asking for what he describes as ‘the fake TROPIWAY products’. He says that Wanis produced a poster (Exhibit Y1) informing customers of these products. The poster and various photographs were displayed around the company’s warehouse. A warning was also placed on the www.tropiway.com website and a related website, www.afrocaribbeanfoods.com (exhibits Y2 and Y3). The notices refer to the goods as being counterfeit. Mr Dulai responded by saying that after a complaint by his company the notices were withdrawn.

21. It is not clear when this issue first arose. However, it is clear from the position summarised above that from about 2002 (and possibly slightly earlier) there were two lines of TROPIWAY products in the marketplace. As Mr Dulai says:

“As explained during the course of this Witness Statement, my Company has been selling beans, pulses, rice and coconut milk under the TROPIWAY name in the United Kingdom since 2000 (“the TROPIWAY Products”). It has also sold Tropiway Fufu flours alongside these goods.”

22. The first TROPIWAY is a reference to Flying Trade’s own goods produced under that name. the reference to Tropiway Fufu Flour’ is to the Tropical Foods’ goods distributed by Wanis.

23. I do not understand Wanis to claim that Flying Trade was producing ‘counterfeit’ versions of the TROPIWAY goods for which Wanis was the distributor. In those circumstances it was inappropriate to use terms such as fake or counterfeit. Rather, Flying Trade was using that name in relation to its own goods. The real issue was, and is, the one that is now the subject of this decision namely whether the adoption and use of TROPIWAY for a range of Flying Trade’s own goods was an act of bad faith and/or passing off.

Circumvention of supply channels

24. Mr Wadhvani says that Flying Trade did not purchase any of the Tropical Foods' TROPIWAY products from Wanis from 25 July 2005 to 10 January 2006 at which point Wanis formally broke off trading relations. He says that Flying Trade attempted to get round this by buying goods from Tropical Foods through their then Spanish distributor, Spicy Oriental Foods S.L. Once the goods were received and placed on the market in Spain, Flying Trade was able to freely transport the goods to the UK by virtue of the exhaustion of rights provisions. The story is picked up by Mr Ofori of Tropical Goods who says that Spicy Oriental is no longer an authorised distributor and its name has been removed from the website where it lists its recognised distributors. Mr Dulai, for his part, rejects the suggestion that he was seeking to circumvent the legitimate supply chain.

25. In particular, Mr Ofori says that the order placed by Spicy Oriental in August 2005 was the first and last order from that company. It seems that the listing of Spicy Oriental as an authorised distributor was as a result of an expectation that the initial large order was a prelude to further purchases. Whilst Flying Trade's actions in sourcing goods from Spicy Oriental may have been a direct response to the breakdown of the relationship with Wanis, it is not clear to me why Flying Trade is open to criticism when there is no suggestion that it was not buying goods from a source that was properly authorised at the time the order was placed. This point, therefore, leads nowhere from the opponent's perspective.

The logos used

26. As noted above, Mr Narang's evidence is that the Flying Trade TROPIWAY sign/logo has changed a number of times. Mr Wadhvani exhibits (at O to U of his first witness statement) examples of labels for goods put on the market by Flying Trade under the TROPIWAY mark. The examples given are of the sign shown in exhibit RN1-(4) to Mr Narang's evidence though this appear to be the same in substance as the RN1-(3) version save for the fact that the latter had the additional wording 'Genuine Authentic Products' beneath the word TROPIWAY and outside the device containing that word. Versions RN1-(3) and RN1-(4) were in use from 2002 to 2005.

27. I set out below the signs being used by the parties during this critical period (the opponent's sign is on the left):



28. Mr Wadhvani claims by reference to these logos that not only is the applicant using the word TROPIWAY but is also using a similar shaped device as background/containing element. Although it is true that the visual content of the circular part of the logo differs as between the mark and the sign, the outline shape is the same and contributes to the overall similarities between mark and sign.

29. A number of the opponent's witnesses comment on this state of affairs. Mr Ofori of Tropical Foods says:

“10. Throughout 2006, I received numerous calls from my European distributors as well as other shopkeepers and consumers informing me that there were some other products circulating in the market bearing the TROPIWAY name (Flying Trade's Tropiway Products) that the Flying Trade Tropiway Products had a very similar looking logo to the Original TROPIWAY Products and the Flying Trade Tropiway Products were causing confusion in the marketplace.”

30. A number of Wanis' trade customers who have filed witness statements also refer to the 'shape of the logo' or 'the picture around the logo' as being very similar – see the witness statements of Mr Shahban of Al-Ehya Supermarket (TSW14) Mr Rayat of Rayt Stores (TSW15), Mr Ali of A1 Greengrocer & Supermarket (TSW16), Mr Krayem of Jumbo UK Limited, an ethnic food wholesaler (TSW23), Mr Achampong of Ghana House, an authorised distributor (TSW24) and Mr Acquah of Marac International Marketing Ltd, also an authorised distributor of Tropical foods' TROPIWAY Flours (TSW25). The retailers and wholesalers exhibit copies of the packaging that they are referring to. This is either the RN-1(3) or RN-1(4) packaging from 2005. It appears from the dates given in the witness statements that the Flying Trade TROPIWAY products were offered for purchase either in late 2005 or 2006. That is broadly consistent with the 2005 labelling continuing to be applied to stock that was being sold on at that time.

31. It is possible to be critical of some aspects of this evidence. A number of the statements are similarly worded (as to which see *Re Christiansen's Trade Mark* [1886] 3 R.P.C. 54 at 60). A number of the statements also make hearsay statements about customer confusion without giving details or explaining the circumstances. I also bear in mind that the mark applied for is the plain word 'TROPIWAY' rather than a logo form.

32. Nevertheless, there is no reason to suppose that the views of the witnesses are not honestly held and there has been no request to cross-examine them on their statements. I regard the nature of the use as being indicative of how the applicant has used the mark in trade and the witnesses' views as to the consequences of such use accord with the position that I would have expected to exist in the marketplace if TROPIWAY is used on goods from different proprietor.

Application for the mark Wanis

33. On 26 October 2005 a company called Kenmere Ltd applied to register the trade mark WANIS for "rice, flour, tinned, fresh and frozen products". That application

(No. 2404933) was also opposed by Wanis Limited under opposition No. 94412. In a separate decision I have found that that application was applied for in bad faith. Wanis have also succeeded under Section 5(4)(a) having regard to the law of passing off. It has been demonstrated in that case that Kenmere Ltd is an associate company of Flying Trade Ltd and that Mr Dulai, who has given evidence in that case, is one of the controlling minds behind the company.

34. Although application No. 2404933 was filed some ten months after this particular application it is clear that the background circumstances were well known to the applicant at all times. The later date may suggest that I should be slow to place reliance on the outcome of that case in determining the position here. However, I regard it at the very least as a relevant collateral factor to be taken into account though I do not regard this case (TROPIWAY) as being dependent on the outcome of the related action.

35. With these preliminary findings in mind I turn to the grounds of opposition.

The passing off issue

36. The relevant part of the statute. Section 5(4)(a) reads as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

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

37. The requirements for a passing off action can be summarised as being:

(1) that the opponent’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent; and

(3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

38. The Act is silent on the matter of the relevant date but Article 4.4(b) of First Council Directive 89/104 makes the position clear:

“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;”

39. In the event that an applicant has not used his mark in advance of the filing of his trade mark application the relevant date will be that filing date. However, it is well established (see *Pub Squash* case [1981] R.P.C. 429) that in a passing off action a plaintiff must have established this right at the date the defendant started to use his mark, the so-called date of the act first complained of. I am not aware that the position is any different when the passing off issue arises, as it does here, under the umbrella of a trade mark opposition action.

40. Mr Dulai says that his company first adopted the name TROPIWAY for use in relation to rice in around 2000. Since that date the company has sold other products including but not limited to beans, pulses, tinned foods and flours. Mr Narang exhibits artwork which he dates from 2000. I note that Exhibit RN-1(1) is artwork for labelling/packaging for ground rice which is consistent with Mr Dulai's claim that early use was in relation to such goods.

41. Adopting a mark is not the same as conducting a trade. However, witness statements have been provided by three of Flying Trade's customers which shed a little more light on the position because they contain copy invoices from Surya (one of Flying Trade's trading names). These are the witness statements of Pavan Bhandari of Global Foods Trading GmbH, Fiaz Shariff of Kashmere Superfoods of Ilford, Essex, and Rajesh Hallan of Hallan Cash and Carry, Crawley, Sussex. I have not taken into consideration for current purposes a witness statement from Anuj Kumar of Spicy Oriental Foods of Barcelona as all the copy invoices exhibited are from after the filing date of Flying Trade's application. I am also uncertain of the relevance's of Mr Bhandari's evidence as all the exhibited invoices are addressed to Global foods in Germany.

42. That leaves me with Mr Shariff and Mr Hallan's evidence. Mr Shariff, writing in 2007 says he has purchased TROPIWAY branded products from Flying Trade for around the last seven years. That suggests a starting point in 2000 or 2001. He says the products have included rice and pulses. However, he also says that during this period he has purchased TROPIWAY fufu flour originating from Tropical Goods Co., Inc from both the applicant and opponent. The early purchases may, therefore, have been the opponent's goods coming via Flying Trade. The three invoices exhibited to Mr Shariff's witness statement appear to have dates in January and September 2002 and May 2003. I say 'appear' because the numbers are indistinct. All the goods are rice.

43. Mr Hallan, also writing in 2007 says he has purchased branded products such as rices and pulses from the applicant for over 5 years. He exhibits 12 invoices. Again the dates are indistinct but the earliest has a January 2002 date and relates to maize meal. Most, but not all, of the invoices relate to rice.

44. The earliest documented instances of use of TROPIWAY (other than in relation to what may be Tropical Foods' goods) is, therefore, January 2002. I propose to take that as the date of the act first complained of in the absence of unequivocal evidence pointing to an earlier date. The position at that date was that Tropical Foods' TROPIWAY fufu flour had been available in the UK market for a number of years.

45. One of the first companies to import TROPIWAY fufu flour was Yadco (see paragraph 7 of Mr Ofori's witness statement at TSW1). Mr Dulai exhibits (HD-3) a letter dated 16 October 2006 from Yadco saying that they had been selling the TROPIWAY fufu flour for approximately 15 years. That puts the products in the UK market from as early as 1991 though it is true that the business is said not to have taken off until Wanis became an authorised distributor.

46. But, Mr Dulai himself concedes that he purchased TROPIWAY fufu flour from Wanis from 2001 to 2006. A large number of Wanis' trade customers confirm that they have been buying TROPIWAY fufu flour from Wanis for periods of seven to ten years by mid July 2007 when the statements were given (see Exhibits TSW3, 5, 6, 9, 10, 12, 13, 15, 16 and 17).

47. In my view there can be little doubt that Tropical Foods' TROPIWAY brand fufu flour enjoyed a goodwill in the market by January 2002 and that for Flying Trade to have adopted the mark TROPIWAY for use in the ethnic foodstuffs market constituted passing off at the time it first occurred in 2002.

48. The next question is whether, even though the use was passing off when it first occurred, the applicant had nevertheless established an independent goodwill by the relevant date of 22 January 2005. There is no doubt that Flying Trade has over time expanded the range of goods offered under the mark TROPIWAY. Exhibit HD-8 of Mr Dulai's evidence is a listing by ethnic target market of the TROPIWAY goods available. Suffice to say that it goes wider than the goods of the application. The circumstances that led to the expansion of the product range and the dates at which it took place are not clear from the evidence. The closest one gets is the invoice evidence from Mr Shariff and Mr Hallan referred to above. Only Mr Hallan provides invoices that go beyond rice and cover maize meal, fried onions, maize flour and semolina. Save for maize flour these items are not of direct relevance in the context of the applied for specification. I accept that Mr Dulai also claims to have used the mark on, *inter alia*, beans and tinned foods (both are within the applied for specification) but when these goods were introduced is not clear.

49. Against this there is evidence from third party traders to support Wanis' claim that the use of TROPIWAY by Flying Trade (or rather a significant expansion of use) can be dated to 2005/6. Mr Wadhvani exhibits at TSW15 to TSW25 witness statements given by retailers and distributors to the effect that they had not heard of TROPIWAY (other than in relation to Tropical Foods' goods) prior to 2005/6. Most of the witnesses place Flying Trade's use (through its trading names Golden Foods/Surya) as being towards the end of 2005 or 2006 that is to say sometime after the relevant date.

50. Making the best I can of the evidence I find that there was some slight expansion of trade between 2002 and January 2005 beyond the sale of rice, but the scale of

business is unclear and the relative position of the parties had not changed to a material extent in the intervening period. The applicant's evidence is not such as to establish an independent goodwill at the relevant date in these proceedings.

51. The evidence also deals with the way in which the respective sets of goods are sold and the nature of the trading environment and consumer base. Mr Dulai says:

- “6.7 It should be noted that Tropiway Fufu Flours are a niche product consumed within the West African community. The range of products offered by my Company has a much wider Ethnic appeal as the products are targeted towards the communities from the Caribbean, India, Pakistan, Thailand, Trinidad and Africa (Exhibit HD-8 refers).
- 6.8 Moreover, within any retail or wholesale environment, my Company's TROPIWAY Products are merchandised in an entirely separate manner and area to Tropiway Fufu Flours. In this regard, I would refer you to Exhibit HD-7. This comprises two elements. Exhibit HD-7(1) shows photographs of in-store merchandising of TROPIWAY products as defined. It can be seen that the TROPIWAY products are merchandised alongside similar products. So, for example, TROPIWAY branded rice is merchandised along with other branded rice products and so forth. Exhibit HD-7(2) shows the in-store merchandising of TROPIWAY Fufu Flour within the same retail environment. It can be seen that the TROPIWAY Fufu Flour is merchandised separately to the TROPIWAY Products and is packaged in an entirely different form, reflecting the nature of the product itself.
- 6.9 It should be further noted that the average consumer purchasing products from either Wanis or my Company will be educated and knowledgeable about the different product ranges within the Ethnic market. Accordingly, it is contended that there would be no risk of confusion between fufu flours sold by reference to the brand name Tropiway Fufu Flours and my Company's TROPIWAY Products as reinforced by the fact that these products have been co-existing alongside each other in the marketplace for at least 5 years.”

52. Paragraphs 14 to 16 of Wadhvani's reply evidence respond to these claims and challenge the distinctions that Mr Dulai seeks to draw. Whilst he appears to acknowledge that product types would be located together he denies that the Tropical Foods' TROPIWAY products are solely directed at the West African community.

53. There is also evidence from other trade intermediaries as to the conditions that pertain in the ethnic food market. Robert Simon is a Director of SPL Ltd an ethnic food wholesaler. He says:

- “3. SPL is an ethnic food wholesaler and has been in the ethnic food wholesaling business for over fifty years. The ethnic food wholesaling market is intimate and each ethnic wholesaler generally knows what the other ethnic wholesalers are distributing and what new ethnic products are circulating in the marketplace.” (Exhibit TSW18)

54. Ashwin Majithia is Sales Manager of Tilda Ltd. He says:

“3. Tilda has been trading in the ethnic food market for over 35 years. Each ethnic wholesaler generally knows what the other ethnic wholesalers are distributing and what new ethnic products are circulating in the marketplace given the closeness of the ethnic market.” (Exhibit TSW19)

55. Tim Keane is UK Sales Manager of Unidex UK Ltd. He says:

“3. Unidex has been trading in the ethnic food market for about 18 years. The ethnic market is intimate and each ethnic wholesaler generally known what the other ethnic wholesalers are distributing and what new ethnic products are circulating in the marketplace.” (Exhibit TSW20)

56. Evidence to similar effect is to be found in the witness statement of other wholesalers at Exhibits TSW21, TSW22 and TSW23. These are all experienced individuals working for companies with lengthy involvement in the ethnic food market. Again it is clear that they have been asked to address common issues and there is an element of uniformity in their answers but I see no reason to doubt their statements. The weight of evidence, therefore, supports the opponent’s position that this is a close-knit trade and the sort of separation of markets and customers contended for by Mr Dulai simply does not represent a realistic appraisal of the realities of the marketplace though I accept that like products tend to be grouped together in retail displays.

57. The position is that at the application filing date the TROPIWAY brand of fufu flour from Tropical Foods enjoyed a significant goodwill in that niche product area in a trade where not only were other intermediaries actually aware of what others were doing but the evidence also shows a certain amount of trade between wholesalers in addition to sales to the retail market. Wanis was the main (but not the only) wholesale supplier of TROPIWAY fufu flour. The evidence is all one way that the retail end of the market also looks to Wanis for supplies of the TROPIWAY fufu flour.

58. A number of the retailers also refer to customer confusion – see, for instance, the witness statements of Mohammad Shabhan (TSW14), P S Rayat (TSW15) and Sajid Ali (TSW16). Raju Patel, who has also provided a witness statement (TSW17), refers to the photographs of retail premises contained in Mr Dulai’s evidence. He says he is “almost certain that it is my shop”. He recognises and accepts that products may be grouped by type but says:

“I confirm that in my shop, and in most shops, products are merchandised by category as shown in these Exhibits. So all rice products will be located in the same part of the shop, all the various brand of coconut milk would be located on the same shelf or shelves in the same section of the shop, all the various brands of flour would be on the same shelf or shelves in the same section of the shop and so and so on. It does not matter that the Original Tropiway Products were located in a different part of the shop to Golden’s Tropiway

Products. Consumers were confused and believed that both came from the same manufacturer.”

59. It is true that the individuals have not given details of instances of customer confusion or commented on its extent. Nor have they been cross-examined on their evidence. Nevertheless, their evidence does no more than confirm what I would have expected to be the position if two strains of TROPIWAY products appear in such a specialist marketplace. I regard the second leg of the passing off test (misrepresentation) as having been established.

60. It is well established that in the law of passing off there is no limitation on the fields of activity (see *Lego Systems A/S v Lego M Lemelstrich Ltd* [1983] F.S.R. 155). However, the relative proximity between goods is a matter that has a distinct bearing on the degree of difficulty faced by an opponent in establishing damage. *Stringfellow v McCain Foods (GB) Ltd* [1984] R.P.C. 501 and *Mecklermedia Corporation v D C Congress Gesellschaft mbH* [1997] F.S.R. 627 represent examples from opposite ends of the spectrum. In the former the issue involved a nightclub bringing an action against a firm wishing to use the same mark for chipped potatoes. In the latter the same mark was involved in relation to the provision of identical services namely trade fairs. Damage could readily be inferred in the latter case but needed to be proved in the former.

61. The evidence from traders in the ethnic foodstuffs field is that this is a close-knit industry. Although the opponent has got its products into the ethnic foodstuffs area of Tesco's stores my strong impression from the evidence is that the trade is still conducted in large measure through smaller retailers specialising in ethnic foodstuffs. Although Mr Dulai is right to suggest that within such retail outlets similar categories of goods are grouped together, it still leaves consumers in the position of meeting the mark TROPIWAY in relation to goods from different trade sources within the same specialist retail outlets. Furthermore, any attempt to compartmentalise and so distinguish the applicant's trade is unlikely to succeed. The goods are intended for the ethnic foodstuffs market. Moreover, it is clear that the applicant is offering flour products under the mark TROPIWAY. Mr Hallan's evidence contains an invoice relating to TROPIWAY maize flour and Mr Kumar exhibits an invoice relating to casava flour. These goods are commercially very close to the Tropical Foods' products. But even discounting these items it is not difficult to foresee damage to the goodwill in the Tropical Food's TROPIWAY brand. The reputation of the brand would in effect be placed in the applicant's hands. Flying Trade's adoption of the mark would cause the sort of damage that is always likely to ensue when there is customer confusion as it is suggested there is. It has the capacity to harm Wanis' reputation with the wholesalers and retailers with whom it does business. Registration of the mark would also place a powerful tool in the hands of Flying Trade which it could use to disrupt the legitimate business activities of Tropical Foods, Wanis and other existing or future distributors of TROPIWAY brand fufu flour. In summary I find the case under Section 5(4)(a) to have been made out.

The bad faith claim

62. Section 3(6) provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith. In *China White* [2005] FSR 10, the Court of Appeal decided that the ‘combined test’ they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under Section 3(6) of the Act. In *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 Lloyd’s Rep 225, the Privy Council clarified that the House of Lords’ judgment in *Twinsectra* required only that a defendant’s state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct. There is no additional requirement that a defendant (or applicant in trade mark proceedings) must also have reflected on what the normally accepted standards were. The applicability of these principles to trade mark cases has since been confirmed in *Ajit Weekly Trade Mark* [2006] R.P.C. 25. The standard itself is that set down in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367. It includes dishonesty but also includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.

63. The position must be determined at the date of the filing of the application, that is to say 22 January 2005. By that date Flying Trade had been purchasing TROPIWAY fufu flour from Wanis for four years. For most of that period it had adopted and used a logo version of the TROPIWAY mark that replicated in part the version used by Wanis.

64. Mr Dulai deals with the adoption of the mark in paragraph 6 of his witness statement and claims to have used the mark without complaint from the opponent. He considers that what he refers to as long-standing use in relation to the goods of the application and the sums invested give legitimacy to the application.

65. I note that Mr Dulai does not say that he was unaware of the Tropical Foods’ TROPIWAY brand when he first adopted the mark in 2000. That is not surprising. By that time the mark had been present in the UK market for a number of years through Yadco and Wanis itself. Nor does Mr Dulai offer any explanation as to how he came to settle on the name TROPIWAY as a brand for certain of Flying Trade’s goods. This is not in my view a case of innocent independent adoption of a mark. Furthermore, by the time of the trade mark filing Flying Trade had been conducting a regular trade with Wanis in relation to TROPIWAY fufu flour for a number of years.

66. On the basis of the limited information available on the nature, extent and duration of Flying Trade’s trade under the mark TROPIWAY prior to the trade mark filing it is not possible to say whether or to what extent Wanis had become aware of the applicant’s existing trade and future plans. The evidence from the other ethnic food wholesalers etc is that Flying Trade significantly expanded its use of TROPIWAY sometime towards late 2005/early 2006. But that, of course, is after the relevant date.

67. It is also not correct to say that Tropical Foods/Wanis stood by and did nothing to challenge Flying Trade’s activities. There were discussions between Wanis and Flying Trade about the latter’s actions. These are referred to in paragraph 2 of Mr Wadhvani’s witness statement and responded to in paragraph 3 of Mr Dulai’s

evidence. The evidence does not go into detail and no contemporaneous records have been disclosed. I am not in a position to comment on the relevance or otherwise of these discussions and hence do not need to deal with Mr Dulai's challenge to the admissibility of references to the discussions.

68. The matter did not, however, rest there. Mr Ofori of Tropical foods became involved. He says:

“It is generally known in the UK market that the Flying Trade Tropiway Products have been in circulation since either the end of 2005 or early 2006. After my lawyers wrote a cease and desist letter dated 2 March 2006 to Flying Trade asking Flying Trade to stop using the TROPIWAY mark. Mr Dulai contacted me on 4 August 2006. He informed me that he would stop using the TROPIWAY brand and that he would redesign his packaging but he refused to assign this Application No 2382694 to register the TROPIWAY mark to Wanis as asked in the cease and desist letter. Mr Dulai stated that he was happy to transfer the application to Tropical Foods. When I agreed to have the application transferred into the name of Tropical Foods, Mr Dulai then backed down from his original offer.”

69. That is, of course, one side's view of the matter but the claim is clearly set out and has not been answered by Mr Dulai.

70. There is also Flying Trade's use of its TROPIWAY mark in a form/surround that creates a visual reminder of Tropical Foods' TROPIWAY mark along with its application for the mark WANIS . As I have indicated above the latter is in my view evidence of a pattern of behaviour to which I am entitled to have regard. Taking all these factors into account I have little hesitation in concluding that the applicant's state of knowledge was such that it should not have sought to register the mark TROPIWAY for the goods in question and that its actions fell below the standards of acceptable commercial behaviour that are to be observed. The opposition also succeeds under Section 3(6).

71. The opponent is entitled to a contribution towards its costs. The opponent has not been professionally represented in these proceedings and is in effect in the position of a litigant in person. It is appropriate to reflect this in the costs award on the basis of Simon Thorley QC's observations in *Adrenalin TradeMark*, BL O/040/02 at paragraph 8:

“It is correct to point out that the Registrar's practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6”.

72. Part 48 of the Civil Procedure Rules referred to in the above passage provides as follows:

“**48.6(1)** This rule applies where the court orders (whether by summary

assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative”.

73. Taking account of all the above circumstances I order the applicant to pay the opponent the sum of **£1800**. 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 6th day of December 2007

**M Reynolds
For the Registrar
The Comptroller-General**