

O-053-11

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER No. 2480340
BY ICE PACK INTERNATIONAL LIMITED

AND

OPPOSITION THERETO UNDER No. 98342
BY ICEPACK LIMITED

TRADE MARKS ACT 1994

In the matter of an application
under No. 2480340 by
Ice Pack International Ltd
and
opposition thereto under
No. 98342 by ICEPACK Ltd

Background

1. Application No. 2480340 has a filing date of 21 February 2008. Registration is sought for the following mark:



It stands in the name of Ice Pack International Limited ("International"). Registration is sought in respect of the following goods:

Ice cream; ice cream in a liquid form; liquid ice; water ices.

2. Following publication in the *Trade Marks Journal*, Notice of Opposition was filed on behalf of Icepack Limited ("IPL"). IPL brings its opposition under the following grounds:

- Under section 3(6): IPL claim that the application was made in bad faith;
- Under section 56 and 5(1), 5(2) and 5(3) by reason of its ICEPACK mark which it says is well known because of its use and reputation.

3. International filed a counterstatement denying the grounds of opposition. It puts IPL to proof regarding its use and reputation in its mark. It affirms that the application was made with a bona fide intention that it be used.

4. Only IPL filed evidence. IPL requested to be heard and the matter was set down for a hearing before me to take place on 7 February 2011. By way of a letter dated

27 January 2011, Marks & Clerk LLP, on behalf of IPL, sought a postponement of the hearing. The letter explained that their contact at IPL was abroad on business and that as a consequence it had been “unable to receive payment from her for the expenses for arranging for professional representation” at the hearing nor, indeed had it had any form of response, despite ‘numerous reminders and attempts of contact’. The letter also indicated that it was ‘aware of the importance of the ICE PACK mark to the Opponent and of their wish that a Hearing be attended’ once conference with Counsel had taken place. The letter went on to indicate that Marks & Clerk would withdraw from attending the hearing on behalf of its client if the request for postponement was rejected. It was.

5. IPL requested the hearing and one was arranged. The date of that hearing was notified to the parties well in advance. Whilst Marks & Clerk’s contact at IPL may have gone abroad on business, there was nothing before me to suggest that this was not a planned trip or that conference with counsel could not have been arranged before the trip took place. In any event, there was nothing to suggest that IPL was unable to provide another officer to do this. As to the payment or otherwise of fees and the lack of provision of contact details, that was a matter in IPL’s own hands. It sought to file the opposition and sought professional representation and the onus was on it to prepare its case effectively which includes giving proper instruction to and making itself available for receiving advice from its legal representatives. I also noted, in passing, that there had been lengthy delays in earlier, evidential, stages of the proceedings caused by the absence of a contact. Despite several extensions of the period allowed for filing evidence over and above that which had already been submitted, that particular evidence had not been filed. In my view, no reasons had been provided which justified the postponement of the hearing and, given the overriding objective, the request was refused and both parties were notified accordingly by letter (sent to International via the postal system given the lack of an alternative method of contact having been provided).

6. In the event, neither party attended or was represented at the hearing. Marks & Clerk did file written submissions on behalf of IPL in lieu of attendance. Attached to the written submissions were a number of ‘enclosures’. Whilst I do, of course, take the written submissions into account, I do not intend to consider the content of the enclosures as this appears to be an attempt to file material that should have been put in evidential form and filed at the appropriate stage of proceedings. Subject to this exclusion, I give this decision after a thorough review of the papers before me.

The evidence

7. IPL’s evidence takes the form of a witness statement of Ms Rebecca Tew. Ms Tew is a registered trade mark attorney and partner at Marks & Clerk LLP.

8. The evidence shows that IPL was incorporated in the UK on 8 February 2007. Mr Babak Bakhtiari and Ms Maryam Bakhtiari are the two directors of the company. The two are also president and member, respectively, of the board of directors of an Iranian company, Ice Pack Iranian Private Joint Stock Co.

9. Mr Bakhtiari is the founder, owner and CEO of a chain of stores which trade under the name ICE PACK. The business has at least 130 stores which, after originally

selling ice cream, expanded to sell a range of food products. The vast majority of the stores are situated in Iran, however, there is a store in each of the following countries: Kuwait, Turkey, Dubai and Iraq. Other branches are planned in Malaysia and Syria. The ice cream sold by Mr Bakhtiari's company is packaged in such a way that it can be eaten without using a spoon or cone. It is served in a cup with a straw. Ms Tew says the cup forms part of trade marks which Mr Bakhtiari has registered in Iran, UAE and Turkey. Copies of the registration certificates of these marks along with translations of them, are exhibited at Exhibit 3. I note that these papers show six different marks. Further details of these marks are given later in this decision.

10. Mr Bakhtiari's Iranian business appears to operate on a franchise basis. It seems to have had some success with Mr Bakhtiari receiving letters of praise from the Iranian 'Ministry of Labor and Social Affairs'. He has also been the subject of magazine interviews and articles about him have appeared in Shadkami and Sepideye Danaee magazines. A translation of the letter and copies of the magazine interviews along with translations of them, have been exhibited. The letter from the Ministry is dated 7 January 2008 but I am given no details of when or where the magazines may have been published nor of their readership.

11. Ms Tew submits that the mark applied for is:

“highly and confusingly similar to the *IcePack & Logo* mark which is the subject of the foreign registrations and which has become a well known mark by reason of its extensive use and publicity overseas”.

12. That completes my summary of the evidence to the extent I consider it necessary.

The objection under section 3(6) of the Act

13. Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith”

14. Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined (see *Gromax Plasticulture Limited v Don and Low Nonwovens Ltd* [1999] RPC 367). It is necessary for me to apply what is known as the ‘combined test’ which requires me to determine what International knew at the time of making its application and then, in the light of that knowledge, determining whether its behaviour fell short of acceptable commercial behaviour (see *Barlow Clowes International Ltd (in liquidation), Nigel James Hamilton and Michael Anthony Jordan v Eurotrust International Limited*, Peter Stephen William Henwood and Andrew George Sebastian, Privy Council Appeal No. 38 of 2004 and the decision in *Ajit Weekly Trade Mark* [2006] RPC 25).

15. Bad faith impugns the character of an individual or the collective character of a business and, as such, is a serious allegation. The more serious the allegation, the more cogent must be the evidence to support it.

16. IPL puts its case under this ground in the following terms:

“4.....[Mr Hajiaghaei] has applied in his company’s name to register the trade mark ICE PACK which is stylised in a way which is very closely similar to the way in which ICEPACK is registered and used by the Opponent overseas. It is contested therefore that the application in the United Kingdom is made by [International] in the knowledge that the subject mark is not the trade mark of [International] and with the intention of hampering the business development of the Opponent in the United Kingdom.

5. Mr Hajiaghaei has been involved in Iran in contentious proceedings with the Opponent’s Director Mr Bakhtiari and his organisation in which Mr Bakhtiari was successful. The Applicant’s Director Mr Hajighaei (and/or his company) was prevented from using the ICEPACK mark in Iran by reason of this litigation and was very well aware of the Opponent’s interests in the ICEPACK and in the figurative mark. It is thus contended that Application No 2480340 in the United Kingdom was filed in bad faith...The Applicant was aware when making the application that the ICEPACK mark was the crux of a third party business in an international chain of ice cream stores and had no bona fide intention to use the mark in the United Kingdom in the course of trade and in accordance with honest practices.”

17. In Ms Tew’s witness statement, the claim is further explained. She states:

“6. In Iran and in well visited tourist areas such as Dubai and Turkey, the Ice Pack brand (ICE Pack and Ice Pack & Logo) has become extremely well recognised and certainly was known to the Applicant at the time the present application was submitted. The single Director of the Applicant, an Iranian citizen cannot fail to have been aware of the flourishing and expanding business established in Iran. It is alleged by the Opponent that anticipating the expansion of the Ice Pack business, the present UK application for a trade mark extremely similar to that of the Opponent was filed in the clear knowledge that this mark was not the mark of [International]. It is also likely in the incorporation of [International] that the Applicant would have become aware that [IPL] had already been incorporated in preparation for the launch of *Ice Pack* braches in the UK. The applicant made its application in full knowledge of the rapidly growing business in its Director’s home country in order to benefit from Mr Bakhtiari’s concept, success and reputation and with the effect of hampering the natural development of the Ice Pack business by the Opponent.”

18. As I indicated above, International has not filed evidence however, in its counterstatement, it claims it is:

“unaware of Mr Bakhtiari’s efforts to launch a business in the United Kingdom”.

19. It continues:

“It is denied that the Applicant made the Application in the knowledge that the subject mark is not the trade mark of the Applicant and with the intention of hampering the business development of the Opponent in the United Kingdom. The Applicant has a bona fide intention to use the mark ICE PACK (and device) [.....] in the United Kingdom. The Applicant was unaware of Mr Bakhtiari and the Opponent’s plans to launch the business in the United Kingdom and is unaware of Mr Bakhtiari and the Opponent’s business in other countries outside Iran.”

20. Finally, referring to paragraph 5 of the statement of grounds included within the Notice of Opposition set out at paragraph 2 above, it states:

“7...it is correct that the Applicant and the Opponent’s director are involved in contentious proceedings in Iran. However the remainder of [the paragraph] is denied and the Opponent is put to strict proof thereof. The Applicant has a bona fide intention to use the Mark in the United Kingdom”.

21. The date at which the matter falls to be considered is the date of the filing of the application i.e. 21 February 2008 (see *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07).

22. In *Eicher Ltd Royal Enfield Motor Units v Matthew Scott Holder T/A Velocette Motorcycle Co* [2002] RPC 24, the Appointed Person said:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not be lightly made (see Lord Denning MR in *Associated Leisure v Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not possible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch D 473 at 489). In my judgment precisely the same considerations apply to an allegation of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.”

23. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032 (Ch), Arnold J held:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may

not intend to seek to enforce the trademark against the third parties and/ or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above, In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

24. In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07, the CJEU considered the concept of bad faith. It said:

“40 However, the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith...

46 Equally, the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for an that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.

47 In such a case, the applicant’s sole aim in taking advantage of the rights conferred by the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48 That said, it cannot however be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant’s registration of the sign may be in pursuit of a legitimate objective.

49 That may in particular be the case, as stated by the Advocate General in point 67 of her Opinion, where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50 Moreover, as the Advocate General states in point 66 of her Opinion, the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitors’ freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51 Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration as a Community trade mark is filed.”

25. On the face of it, Mr Bakhtiari has become a successful businessman in Iran. The company of which he is a founder, owner and CEO has expanded and now controls a chain of stores primarily in Iran but expanding gradually into other countries, all of which are in the Middle East. Mr Hajiaghaei admits knowledge of the Iranian business but denies knowledge of any business (or plans to expand the business) into other countries. IPL has filed no evidence which indicates what International (or indeed Mr Hajiaghaei) knew of IPL’s business or its expansion. Neither has it filed any evidence which proves that International made its application with the intention of benefitting from Mr Bakhtiari’s success (a ‘benefit’ which itself is not explained). There is no dispute that Mr Bakhtiari and Mr Hajiaghaei are the controlling minds of the respective parties to these proceedings. Neither is there any dispute that they have prior knowledge of each other or that they have been involved in ‘contentious proceedings’ in Iran. IPL claims that those proceedings resulted in preventing Mr Hajiaghaei from using the ICEPACK mark in Iran though for his part Mr Hajiaghaei denies this. There is no evidence before me which shows any details of the Iranian proceedings or their outcome and therefore I am unable to comment on them further.

26. IPL’s evidence shows Mr Bakhtiari’s Iranian company to have a number of registered trade marks. As noted earlier, these trade marks differ from each other. Although all consist of a number of elements, there are some which are mere device marks, some which are a combination of a device and words in foreign script, some which contain the words ICE PACK and a device, and still others which contain device with the words ICE PACK as well as foreign script. It may well be that the words ICE PACK, which appear in some of these marks, are “the crux of a third party business in an international chain of ice cream stores” as IPL allege, however, there is no evidence that International was aware of this internationality and certainly there is no evidence which shows any knowledge of any intention by IPL to trade outside the Middle East. Whilst International was incorporated in the UK just four months after IPL, there is no evidence that International was aware of this earlier incorporation nor any evidence of its relevance. Neither is there any evidence that International made its application with the intention of hampering any plans IPL might have had to trade in the UK.

27. International has not filed evidence nor has it commented on the evidence of IPL. Indeed, other than filing its counterstatement, it has taken no active part in these proceedings. This lack of response does not, however, enable me to find that in applying for its mark it was acting in bad faith. In short, I do not consider the IPL has ‘distinctly proved’, or indeed gone anywhere near to proving, its allegations. Absent the requisite proof, the objection to registration based on section 3(6) is dismissed.

The well-known mark objection

28. In its written submissions, Marks & Clerk indicate that the only ground of opposition in these proceedings is that under section 3(6) of the Act. In its Notice of

Opposition, however, IPL has indicated that it is claiming protection for an earlier trade mark under Section 6(1)(c) of the Act, which is a well-known trade mark as defined in Section 56(1) of the Act. That objection has not formally been withdrawn and therefore I go on, briefly, to consider it.

29. IPL has indicated that its objection under this ground is based on sections 5(1), 5(2) and 5(3) of the Act. The form itself is otherwise silent but in its accompanying statement of grounds, it explains:

“6. As set out above the Opponent’s business in Iran was established extremely quickly and with significant effect and to this end it is contested that the ICEPACK mark is protected under Section 56(1) of the Trade Marks Act 1994. Whilst accepted that there is not as yet any trade or goodwill in the United Kingdom under the ICEPACK mark on behalf of the Opponent, it is believed that the mark is well known by reason of its use and reputation overseas, particularly with expansion into tourist areas such as Dubai”

30. The provision relating to claims of this nature are founded upon section 55 and 56 of the Act which state:

“55.(1) In this Act-

(a) ‘the Paris Convention’ means the Paris Convention for the Protection of Industrial Property of March 20th 1883, as revised or amended from time to time, (aa) ‘The WTO agreement’ means the Agreement establishing the World Trade Organisation signed at Marrakesh on 15th April 1994, and b) a ‘Convention country’ means a country, other than the United Kingdom, which is a party to that Convention,”

and,

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

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

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom. References to the proprietor of such a mark shall be construed accordingly.”

31. Whilst IPL indicates that its objection under this ground is based on “the ICEPACK mark”, nowhere does it explain what it means by this. As set out above, its evidence shows it to have a number of different registrations, some of which include these words. The evidence of use, such as it has filed, does not assist. The evidence goes nowhere near to substantiating IPL’s claim that it has a trade mark which is well

known in the United Kingdom. On the basis of the information before me, its objection under this heading fails to get off the ground and is dismissed.

Costs

32. The opposition has failed in its entirety and International is entitled to an award of costs in its favour. I take into account the fact that International was professionally represented in these proceedings until such times as the filing of evidence was complete. I therefore make an award of the following basis:

For reviewing Form TM7 and filing Form TM8:	£250
For reviewing evidence:	£100
Total:	£350

33. I order Ice Pack Limited to pay Ice Pack International Limited the sum of £350. 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 17 day of February 2011

**Ann Corbett
For the Registrar
The Comptroller-General**