

O-280-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 2220861  
IN THE NAME OF ARIHAND JAIN, VISHWAY JAIN, MRS RAMIN JAIN & MRS  
NEELAM JAIN, TRADING AS KANGARO INDUSTRIES  
TO REGISTER IN CLASS 16 THE TRADE MARK:**

**KANGARO**

**AND**

**OPPOSITION THERETO (NO 90750) BY  
KANIN (INDIA) PVT LTD**

## **TRADE MARKS ACT 1994**

**In the matter of trade mark application 2220861 in the names of Arihand Jain, Vishway Jain, Mrs Ramin Jain & Mrs Neelam Jain, trading as Kangaro Industries, to register in class 16 the trade mark: KANGARO**

**and**

**Opposition thereto (no 90750) by Kanin (India) Pvt. Ltd**

### **THE BACKGROUND AND THE PLEADINGS**

1) The joint applicants applied to register the word KANGARO as a trade mark on 31 January 2000. The application was published in the Trade Marks Journal on 20 March 2002 in respect of the following goods in class 16:

“Staplers, staples, staple removers, perforators, paper punches, paper clips, punchless clips, arch lever mechanisms, clips for files”

2) Kanin (India) Pvt Ltd (“Kanin”) opposes the registration of the mark, claiming under section 3(6) of the Trade Marks Act 1994 (“the Act”) that the joint applicants acted in bad faith by applying for the trade mark. The basis of the claim is that Arihand<sup>1</sup> & Vishway Jain entered into an agreement on 10 April 1995 pursuant to which the rights to the KANGARO trade mark became the property of Kanin’s “owner”, Mr Jaininder Jain. It is further stated that Arihand & Vishway Jain have also acknowledged that they have no right to the trade mark KANGARO after 31 March 1996. The other joint applicants are claimed to be the spouses of Arihand & Vishway Jain and that although they were not party to the agreement, they were aware of it.

3) The joint applicants filed a counterstatement denying that the application was made in bad faith. In relation to the agreement, they claim that it was not an agreement but merely a proposal mooted for consideration. They claim that the opponent withheld alternative proposals which were executed on 14 April 1995. They claim that the joint applicants and their predecessors in business have used the KANGARO mark in India since at least 1959; various Indian trade mark numbers are referred to. Such business is claimed to have been conducted as a partnership which has had, over the years, a number of different compositions which can be seen from the milestones of the partnership, namely:

- 4 Indian trade marks were originally registered in the names of Mr Janki Das Jain, Mr Arihand Jain and Ms Kiran Jain, trading as Kangaro Industries.

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<sup>1</sup> He is sometimes referred to in the evidence as “Arihant”, but there is no dispute that the same person is being referred to.

- Ms Kiran Jain retired from the business by way of a deed of retirement dated 31 March 1995.
- The two remaining partners (Janki & Arihand) continued with the business and took into partnership Mr Vishway Jain, Mrs Raman Jain and Mrs Neelam Jain by a deed of partnership dated 1 April 1995.
- Mr Janki Das Jain retired from the business by a deed of retirement dated 1 April 1995.
- Arihand, Vishway, Neelam and Ramin Jain (the joint applicants for the UK trade mark) filed a request for recordal of their names as subsequent proprietors of the Indian trade marks on 1 July 1996. After giving due notice to Kiran and Janki Jain, the Indian Registrar of Trade Marks recorded the request with effect from 15 May 1995.

4) The joint applicants highlight that various legal proceedings have been commenced by Kanin against the joint applicants. I will come back to some of these later. It is stated that the KANGARO trade mark is well known for the goods of the application around the world. It is said that the joint applicants own trade marks in around 20 countries and have pending applications in around 30 countries. KANGARO goods are exported to more than 65 countries around the world.

## **THE EVIDENCE**

### *Kanin's initial evidence*

4) Mr David Lutkin provides a witness statement dated 4 April 2003. Mr Lutkin was, at that time, the trade mark attorney acting on Kanin's behalf. He explains that Jaininder (the managing director of Kanin), Arihand and Vishway Jain (two of the joint applicants) are the sons of Mr Janki Dass Jain. The other two joint applicants, Ramin and Neelam Jain, are the wives of Arihand and Vishway.

5) Mr Lutkin states that Janki Dass Jain established "Kangaro Stationery Industry" in 1959 and adopted the KANGARO trade mark. Kangaro Stationery Industry was converted into a partnership, Kangaro Industries, in 1963. It is said that other companies and firms were also in existence, namely: Jain Manufacturing Company, Kanin (India) Pte Ltd, Kangaro India Private Limited, and Kanin (India). It is stated that in 1995 the family members decided to separate and distribute the various companies; arbitrators were appointed to deal with this. It is stated that an Arbitration Agreement was concluded on 10 April 1995 and that a family settlement/agreement followed on 14 April 1995 dealing with financial arrangements and other practicalities. The following documents are then provided:

- i) An affidavit from Ram Kumar Jain dated 14 March 2002 in which it is explained that he, together with Raj Kumar Behal, were appointed by Arihand, Jaininder and Vishway Jain (said to be partners/directors of “Kangaro and Kanin Group of Industries”) as an arbitrator to settle the dispute that had arisen between them. He says that the agreement, dated 10 April 1995, was “made in the hands of Arihan[d] and was duly signed by the three brothers, father and the two arbitrators”. He says that thereafter a family agreement/settlement dated 14 April 1995 was reduced into writing between the brothers in “the hands of Arihan[d]” and signed by the brothers, father and the arbitrators. It is explained that the two agreements were agreed in his presence and that of Mr Behal.
- ii) An affidavit from the other arbitrator, Mr Raj Kumar Behal, whose explanations mirror the above. Both the arbitrators refer to the two agreements which are provided in annexes A & B of the affidavits. The agreements are hand-written; it is the arbitrator’s evidence that Arihand Jain wrote it. Mr Lutkin provides a typed version of both agreements in his Exhibit B which I summarise below:
- iii) The Arbitration Agreement dated 10 April 1995. The three Jain brothers appoint the two arbitrators to settle the dispute between them. The arbitrators “shall give their verdict on all on all the following properties” following which are the names of seven companies/businesses including the Kangaro partnership name and Kanin. In relation to the Kangaro partnership the “properties” referred to are said to be “Land, Building & Machinery thereof”. It is also detailed that if there any issues left unresolved then that will be referred to the arbitrators and which shall be binding. Also any decision taken by the arbitrators for their father will also be binding on the brothers. It is clear from the hand written agreement that the three brothers, the father (Mr Janki Jain) and the arbitrators all signed this document.
- iv) The family agreement/settlement dated 14 April 1995. This is said to be in further continuation of the meeting held on 10 April and that it has been decided that:

**Part 1** – This lists various properties and businesses that Jaininder Jain will own. He will:

“be the sole owner of “KANGARO” as trade mark after 31 March 1996, but he shall have no right on “KANGARO” as trade name”.

Also Jaininder will:

“be the sole owner of “KANIN” as trade name but he shall have no right on “KANIN” as trade mark after 31 March 1996.

Jaininder will manufacture "Index File Clip" at a particular property and various staplers at another under the KANGARO trade mark after 31 March 1996, but he will be allowed to use KANIN as a trade mark up to 31 March 1996 only. The agreement states that Jaininder will not manufacture any identical item manufactured by Arihand and Vishway up to 31 March 1998.

**Part 2** – This lists various properties and businesses that Arihand and Vishway will jointly own. They will:

“be the sole owner of “KANIN” as trade mark after 31 March 1996, but they shall have no right on “KANIN” as trade name”.

Also they will:

“be the sole owners of “KANGARO” as trade name but they shall have no right on “KANGARO” as trade mark after 31 March 1996”.

Arihand and Vishway will manufacture the paper punches manufactured by the group until 31 March 1995 along with staplers manufactured by the group until 31 March 1995, except for certain staplers (those which Jaininder will manufacture). They will also manufacture “board and clip and single punch” and all the other items under KANIN as a trade mark after 31 March 1996, but they will be allowed to use KANGARO also as a trade mark up to 31 March 1996. The agreement states that they will not manufacture any identical item manufactured by Jaininder up to 31 March 1998 except for index file clips which they will be allowed to manufacture after 31 March 1996 under the KANIN trade mark.

**Part 3** - This relates to the capital of the father (Janki Dain) which will be divided between the three brothers. **Part 4** relates to some other properties and what is to be done with them. **Part 5** relates to payments from joint accounts and entitlements to drawings and tools etc. The document is then signed by the three brothers, the father and the arbitrators.

#### The joint applicants' initial evidence

6) Mr Arihand Jain provides an affidavit dated 23 February 2004. He sets out the background to the partnership (Kangaro Industries (Regd) of which he is a partner, along with the other joint applicants, as follows:

- Partnership established in April 1963 with himself and his father (Janki Dass Jain) as the partners. The partnership took over the assets of Janki's

- proprietorship firm. Arihand was to be the working partner. **[partners at this point Arihand and Janki]**
- Vishway Jain and Kiran Jain became partners in 1974. **[partners at this point Arihand, Janki, Vishway and Kiran]**
  - Vishway Jain retired from the partnership in 1978. **[partners at this point Arihand, Janki & Kiran]**
  - [The Indian trade marks were filed in the names of the partners as it stood above.]
  - Kiran Jain retired from the partnership in March 1995. **[partners at this point Arihand and Janki]**
  - Vishway, Raman and Neelam became partners on 1 April 1995. **[partners at this point Arihand and Janki, Vishway, Raman and Neelam]**
  - Janki Jain retired from partnership on 15 May 1995 **[partners at this point Arihand, Vishway, Ramin and Neelam]**
  - Various deeds of partnership/retirement are provided in support of the above. Also provided are copies of bank certificates relating to payments to Kiran Jain and Janki Jain in consideration of their retirement deeds.

7) It is explained that a request was made for the four partners' names (as of 15 May 1995) to be placed on the Indian trade mark register to reflect the new composition of the partnership. This resulted in a number of legal challenges from Kanin. I will come back to these, to the extent relevant, later.

8) In relation to the business conducted by the partnership, it is stated that it has made large and extensive sales under the trade mark KANGARO worldwide. A list of countries to which goods are exported are provided which include the UK and other major countries in the EU and worldwide. Sales figures from 1992 to 2003 are provided for both total sales and sales limited to being within India. The sums involved are extremely significant and a good proportion of these are for exports. Sales figures are also provided for Kanin (India) [this is not the Kanin who is the opponent in this matter] and Kangaro Industries Limited; the joint applicants are also partners in the former and directors/shareholders in the latter. Promotional and advertising material is provided which is said to illustrate attendance at international trade fairs. This includes a glossy brochure which carries Kangaro® and the word Kanin. The goods are Kangaro branded. The International Stationery Guide 2001, 2002, 2003 & 2004 features prominent entries for KANGARO; an extract from Stationary Office ("the trade's no.1 product magazine") from 2001 contains a reference to "Kangaro KANIN", the article stating that having entered over 55 countries, the company is now

focusing on the UK. Further similar extracts are provided dated between May 2001 and August 2003. Other material is provided, including trade show brochures, demonstrating attendance including at Shopra 2001 (Florida) & Indexpo 2001 (Dubai). None of the trade shows referred to seem to be in the UK. Much of this material refers to the three firm/company names in which the joint applicants' are partners/directors/shareholders. A list of countries in which KANGARO is registered is also provided, together with copies of the registration certificates.

9) Reference is made to the claimed agreements. It is commented that:

- On 10 April 1995 an instrument was executed between the three brothers whereby arbitrators were appointed to give their verdict on a dispute that had arisen in relation to land, buildings and machinery. It is stated that the arbitrators were never authorized to decide issues relating to the proprietorship of the trade mark KANGARO. It is stated that there was no dispute about the trade mark, nor was it the property of the three brothers [it being the property of the partnership as it was composed at various times].
- That the opponent's claims are concocted and are an after-though. To illustrate this, reference is made to a letter sent to the Indian Registrar of Trade Marks by Janki and Kiran Jain (said to be the chairman and a director of Kanin respectively) in August 1996 by which time they had retired from the Partnership (but were still recorded on the register) in which they indicate that the trade mark matter has not been decided between them [Janki & Kiran] and the continuing partners [the joint applicants] and that the request to change the composition on the register should be refused until they have had an opportunity to be heard.
- That: "Furthermore, the arbitration agreement of 10 April 1995 became redundant, in the eyes of the law, as the arbitrators neither entered upon the reference nor gave any award".
- That on 14 April 1995 two proposals were reduced into writing for consideration and that since none were accepted, the proposals did not result in a valid agreement. It is said that subsequent to the document relied upon by the Kanin, a second proposal, which supersedes the first, was executed. A hand written and typed version of this document is provided. It is in further continuation of the meeting between the brothers, the arbitrators and Janki Jain. It refers to Jaininder Jain manufacturing certain stapler models and index file clips and that Arihand and Vishway Jain are to manufacture paper punches, various staplers and that no identical models shall be made by either party until 31 March 1998. Various companies/firms are listed and what is to happen to them including: the partnership Kangaro Industries (Regd) to Arihand & Vishway

Jain & Kanin (India) Pty Ltd to Jaininder Jain. The document is signed by the three brothers, the arbitrators and Janki Jain.

10) Reference is made to Indian trade mark 486510 (KANGARO in relation to index file clips) in which Janki, Jaininder and Kiran Jain obtained changes to the register in terms of ownership. It is highlighted that this was not done in reliance on the so called agreement, but in consequence of various retirement/partnership deeds. Further reference is made to various legal proceedings; I will come back to these.

11) Reference is made to Kanin having breached the so called agreement it relies upon by its use of KANGARO after March 1996 as part of a company name. Also provided are documents showing the word KANIN on packaging despite the claimed agreement not allowing Kanin to use KANIN as a trade mark. Various other examples are given of Kanin being outside the wording of its claimed agreement. References are made to litigation in other countries where the partners have enforced their rights; this will be borne in mind.

12) An affidavit dated 25 February 2004 is also provided from Amarjit Singh. Mr Singh is an advocate qualified to practice in India. He has acted on behalf of the partnership from 1996. He highlights that:

- Various trade marks currently stand in the name of the partners despite challenges being made against them by Kanin – none of the challenges have yet succeeded; as such, the partnership has the exclusive right to use the mark and restrain others.
- That the dispute about the trade marks does not affect the rights of the partnership acquired on account of its use and reputation.
- That Kanin have not acquired any rights in KANGARO which was the property of the partnership. He provides various reasons why the agreement, if it was an agreement, is not enforceable. He also provides a copy of an opinion written by Mr Justice Monin which illustrates the reasons why.

#### Kanin's reply evidence

13) Ms Sunita Bhambri provides a witness statement dated 29 September 2004. Ms Bhambri is a solicitor acting on behalf of Kanin. Her evidence merely introduces an opinion given by former Chief Justice of India, Mr A.M. Ahmadi which rebuts the opinion of Mr Justice Monin.

14) Mr Jaininder Jain provides an affidavit dated 28 September 2004. He sets out the history and origins of the partnership which he explains was initially set up by Janki Jain. I note that Jaininder says that he was also taken as a partner at



some point, although it is not clear when this was. He refers to the various other companies in the Kangaro/Kanin group and that all of them were manufacturing various goods on a random basis. He says that on 20 March 1992 an agreement was reached thus:

- Kangaro Industries (I assume the partnership) - to manufacture paper punches and board clips.
- Jain Manufacturing Company – to manufacture index file clips and base plates for files.
- Kanin (India) – to manufacture staplers, staple pins and staple removers.

15) He says that despite the above, overall control was jointly operated by the male members of the Jain family. The above agreement was to be reflected in trade mark registrations etc. It is clear that all three were still to use the KANGARO trade mark on the differentiated goods. A resolution signed by the male members of the family dated 15 September 1999 is provided which states that Arihand will look after production, Jaininder finance and administration, and Vishway sales. This is said to be further proof that there was joint control.

16) It is stated that differences arose which led to the 1995 agreements. Reference is made to the arbitration agreement and the agreement dated 14 April 1995. He says that he, Jaininder, got the trade mark KANGARO but the trading name KANGARO INDUSTRIES went to Arihand and Vishway. The KANIN trade mark went to Arihand and Vishway with the trade name Kanin (India) Pvt. Ltd to Jaininder.

17) It is stated that the agreement was acted upon. This claim is made on the basis of parts 2-6 of the agreement mentioned earlier. It is stated that Janki Jain's retirement from the partnership also stemmed from the agreement. Reference to the names on the Indian trade mark register is mentioned, which I will come back to. I will also come back to the litigation also referred to. It is also stated that the partnership has relied on the agreement by seeking the use of the arbitrators to determine the matter due to the clause in the arbitration agreement relating to other matters/issues to be resolved. The rest of the evidence is more submission than new fact which will all be borne in mind.

## **THE LEGAL PROCEEDINGS IN INDIA**

18) Various sets of legal proceedings have taken place, and are still taking place, in India. If I understand it correctly, the highest court to have dealt with this matter so far is The High Court of Delhi at New Delhi. That court gave a judgment on 13 August 2009 which focuses on the question of interim relief. The proceedings dealt with in that judgment are consolidated and relate to various civil claims made by the various parties against each other concerning the use of KANGARO as a trade mark and issues relating to the names in which it is registered in India. The judgment also gave its views on whether the 14 April 1995 agreement relied upon by the opponent here was an agreement or a proposal. In terms of interim relief, a status quo order had previously been granted by a lower court but that order had been vacated on appeal and the appellants, Jaininder Jain and Kiran Jain, restrained from using the KANGARO mark. This is what was appealed to The High Court of Delhi at New Delhi, who took a different view to the lower court and re-instated the status quo order, together with some additional requirements such as the clear marking of goods and accounting of sales. In terms of the agreement, it was concluded that whilst the matter still needed to be determined at final trial, the court was of a view that the agreement was an agreement and not merely a proposal. It also found that the additional two pages claimed to have been suppressed by Kanin formed part of, and should be read in conjunction with, the first pages rather than being taken to supersede what had gone before; the court termed it a supplementary agreement.

19) It is to be noted that the above judgment is itself the subject of a special leave petition of appeal to the Supreme Court of India. The parties have requested the proceedings here in the UK be stayed pending the outcome of this appeal and, also, because, the parties have made an undertaking that neither would pursue litigation in other countries; the parties say that they are free of such an undertaking when the Supreme Court of India gives its view. The tribunal agreed to stay the proceedings for some time due to the Indian proceedings and due to the undertakings the parties had given. I recently spoke to the parties at a case-management conference and gave a final period of leeway – despite this there is still no decision from the Supreme Court of India. I am conscious that even though the decision to come may give a further view on the matter of the agreement, the dispute will still drag on because a final trial is still necessary to deal with the respective suits. This is why I ultimately decided that the proceedings in the UK must now continue. It is in the public interest that trade mark proceedings are concluded quickly. The proceedings have already dragged on for a considerable amount of time. Both parties indicated that they could not attend a hearing or file written submissions due to the undertakings given in India. Whilst this is regrettable, both parties have filed comprehensive sets of evidence which include written submissions and opinions. I will, therefore, proceed to make a decision based on the papers currently before the tribunal.

### **BAD FAITH**

20) Section 3(6) of the Act states that:

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

21) It is clear that 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”<sup>2</sup>. It is necessary to apply what is known as the “combined test”<sup>3</sup>. This requires me to decide what the joint applicants knew at the time of making their application<sup>4</sup> and then, in the light of that knowledge, whether their behaviour fell short of acceptable commercial behaviour. Bad faith impugns the character of an individual or the collective character of a business or firm, as such it is a serious allegation. The more serious the allegation the more cogent must be the evidence to support it. I also note the decision of Arnold J. in *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032(Ch)<sup>5</sup> where he 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 trade mark 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

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<sup>2</sup> See *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

<sup>3</sup> See the judgment in (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and also the decision in *Ajit Weekly Trade Mark* [2006] RPC 25.

<sup>4</sup> The relevant date for the assessment is the date of filing of the application – see *Hotpicks Trade Mark*, [2004] RPC 42, *Nonogram Trade Mark* [2001] RPC 21 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*.

<sup>5</sup> Arnold J's judgment was recently upheld in the Court of Appeal - [2008] EWHC 3032 (Ch).

explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

22) It is clear that both Arihand and Vishway Jain, two of the joint applicants, knew that they had signed the arbitration agreement appointing arbitrators, and, furthermore, that they also had signed the so-called agreement and, also, what the Indian court described as the supplementary agreement (a term I will also adopt). There is no evidence direct from Ramin or Neelam Jain that they knew of any of these agreements, however, given not only the family relationship between the joint applicants, but also their business relationship (all being partners in the Kangaro Industries (Regd), it is a reasonable inference that they would also have known about the documents signed by Arihand and Vishway. Any doubts about this are dispelled when it is borne in mind that the UK trade mark application was filed at the end of January 2000, nearly five years after the 1995 documents, and by which time the parties, including Ramin and Neelam, were already embroiled in civil disputes with Jaininder and Janki Jain in the Indian courts.

23) Whilst the documents referred to were signed, there is a dispute between the parties as to whether what they were signing were agreements or merely proposals. The current position in the Indian court is that they were agreements and not proposals. Whilst the matter is still pending appeal and also full trial, I intend to proceed on the basis that this is correct. This is not only because of the guidance from the Indian Court, but, more importantly, it is my own view. It seems to me that to appoint arbitrators (the agreement appointing them is not really disputed, even if its scope is) and to then sign, along with a number of other individuals, a document setting out ownership and rights of certain things, can lead to no other plausible explanation. In view of this the joint applicants were aware that the documents signed were agreements of some sort. There is a further argument that even if the agreement was an agreement, it was not valid due to a number of technicalities (the Indian court does not currently agree with this argument); for reasons that will become apparent, it is not necessary to go into this. I will proceed on the basis that the agreement is a valid one.

24) Although the status of the above documents has taken centre stage in the evidence and arguments, that is not the end of the matter. This is because the question before this tribunal is whether the conduct of the joint applicants fell below the standard of acceptable commercial behaviour when they filed the application in the UK in the year 2000 (some five years after the agreement) despite signing the agreements. It is clear that KANGARO had been used significantly in India and in a large number of countries around the world by the partnership of Kangaro Industries (Regd) as it was composed at various times. Whilst the UK is mentioned, the evidence does not detail what use, if any, had been made of the mark in the UK at either 1995 or 2000. I note that in 2001, having entered the market in other countries, focus was now being given to the UK. There is, therefore, no evidence to suggest that the mark was being used in

the UK either at the time of the agreement in 1995 or at the time when the application was filed, indeed, the evidence points to there being no use. It follows that the 1995 agreement could not have determined the ownership of any rights, property or business in the UK.

25) There is also the question as to the businesses that have made use of the KANGARO name – whilst the joint applicants' evidence refers to the partnership being the company responsible, the opponent's evidence suggests that use has been made by a number of different businesses over the years both in India and in other territories. This has resulted in a complicated set-up. Kanin argue that the agreement (and supplementary agreement), together with an earlier agreement from 1992, was partly intended to resolve this complicated set-up. However, if it were to do so, and if it were to introduce rights and obligations not just on the position in India but in other territories (including new territories in which business has not yet been conducted) then I would have expected a much clearer form of agreement setting out such rights and obligations. The joint applicants have also highlighted the scope of the arbitration agreement and the basis on which the arbitrators were appointed which was, effectively, to deal with property. Whilst I have some doubts as to the strength of this argument in terms of the position in India and the ownership of trade mark there, it is a more relevant argument to raise in these proceedings because if the agreement was dealing with the ownership of property, the capacity for it to have an impact on one or other of the parties from starting a business in a new territory must be limited.

26) For a finding of bad faith, I must be satisfied that the context of the agreement meant that the joint applicants had agreed not to operate and apply for a mark in the UK, for the reasons given above I am far from satisfied that this is the case. I take the view that the joint applicants' intention was simply to undertake business activity in the UK, an activity which they considered to be perfectly permissible. Obviously the joint applicants consideration is not determinative, but on the basis of the evidence, I am of the opinion that a reasonably experienced person in the field would come to the same conclusion and that applying for a trade mark in the UK, notwithstanding what had been signed in 1995, some five years earlier, was not a form of conduct which fell short of the standards of acceptable commercial behaviour. The reasonably experienced person, armed with the knowledge that the 1995 agreement would not have bound the parties with respect to future business in territories which at that point in time did not form part of the disputed business, would not consider this to be an act of bad faith. **The opposition fails.**

27) There are further arguments from the joint applicants including the fact that the Indian trade marks were the property of the four joint applicants and that the agreement could not have purported to assign the property on the say so of only two of them. Whilst this is noted, and whilst I can see the incongruity, it is not

considered that this takes matters further forward in terms of the position in the UK and it puts them in no stronger position.

### **COSTS**

28) The joint applicants have been successful and are entitled to a contribution towards their costs<sup>6</sup>. I hereby order Kanin (India) Pvt Ltd to pay Arihand Jain, Vishway Jain, Mrs Ramin Jain & Mrs Neelam Jain, the sum of £2300. This sum is calculated as follows:

Considering the Notice of Opposition	£300
Filing a counterstatement	£200
Preparing evidence	£800
Considering other side's evidence	£400
Filing submissions	£600

29) The above sum should 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 11 day of August 2011**

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

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<sup>6</sup> The costs are to be calculated from the scale of costs in force at the time the proceedings were instigated, as set out in TPN 2/2000.