

O-208-13

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2414569
IN THE NAME OF VIJAY KUMAR SHARMA
OF THE FOLLOWING TRADE MARK IN CLASSES 5, 25, 28, 29 & 41:**

HOUSE OF PAIN

AND

**AN APPLICATION FOR INVALIDITY THERETO (UNDER NO 84161)
BY IRONWEAR INTERNATIONAL, INC**

The background and the pleadings

1) The trade mark the subject of this dispute was filed on 22 February 2006 by Mr Vijay Kumar Sharma; the registration procedure was completed on 18 August 2006. The mark, together with the goods and services it is registered for, are set out below:

HOUSE OF PAIN

Class 05: Nutritional foods and dietary supplements including supplement drink mixes all of which contain vitamins and minerals; all included in Class 5.

Class 25: Clothing, footwear, headgear.

Class 28: Gymnasium, sports, exercise and fitness equipment; articles for sport, bodybuilding, weight training and power lifting; all included in Class 28.

Class 29: Nutritional foods and dietary supplements including supplement drink mixes all of which contain protein; all included in Class 29.

Class 41: Sports club services, leisure centre, health club, fitness centre, gymnasium, educational, and sport camp services as well as recreational facilities; provision of facilities for gymnastics, bodybuilding, weight training, power lifting, aerobics, yoga, physical exercise, sport, health, fitness, rehabilitation, entertainment, martial arts, self defence, sporting and cultural activities; provision of instructional, advisory, guidance, educational training workshops and tuition services relating to all the aforementioned services and also including diet, nutrition, health and beauty; teaching, training, tuition, advice and physical education rendered by practical demonstration and or vocational guidance; publication of printed matter, books and texts and as well as electronic books and journals on-line; arranging, organisation and conducting of conferences, seminars, colloquiums, congress, symposiums, exhibitions as well as the arranging and conducting of sports contests, competitions, events and beauty contests, the production and editing of shows and videos, the rental of stadium facilities and sports equipment; all included in Class 41.

2) Ironwear International, Inc (“Ironwear”) is the applicant for invalidation. Its application was filed on 2 September 2011. A single ground, under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”), is relied upon. Ironwear claims that it has used the sign HOUSE OF PAIN since May 1996 in the UK in connection with gym apparel and bags (and the retailing thereof), so meaning that the use of Mr Sharma’s mark is liable to be prevented under the law of passing-off. Ironwear states that it owns a Community Trade Mark (7166051) for

the words HOUSE OF PAIN which Mr Sharma has sought to cancel on the basis of his UK registration.

3) Mr Sharma denies the claim. He puts Ironwear to proof of its goodwill. He states that Ironwear's application for invalidation was simply filed as a response to him filing for the cancellation of Ironwear's CTM and that Ironwear has little or no use in the UK. Both sides filed evidence. Neither side requested a hearing. Ironwear filed written submissions in lieu of a hearing, Mr Sharma did not. I will, though, bear in mind all of the arguments that have been presented in the papers before me.

Legislation and the leading case-law

4) In the context of invalidation proceedings, section 5(4)(a) constitutes a ground for invalidity in circumstances where the use of the mark in question 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..”

5) The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

6) The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom.”

7) It is clear from the relevant case-law that to qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature¹. However, being a small player does not prevent the law of passing-off being relied upon².

The relevant date

8) Matters must be judged at a particular point(s) in time. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07 the General Court stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

9) The relevant date at which Ironwear must establish that its business had goodwill, and that the use of Mr Sharma's mark was liable to be prevented under the law of passing-off, is 22 February 2006. However, both sides have claimed use earlier than this; this may also be a factor in deciding whether Ironwear could have prevented Mr Sharma's use. It could be established that Mr Sharma was the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed which, in turn, could mean that the use of Mr Sharma's mark could not have been prevented under the law of passing-off at the relevant date. In *Croom's Trade Mark Application* [2005] RPC 2 Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

¹ *Hart v Relentless Records* [2002] EWHC 1984

² See, for instance, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49

“45. I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

(a) the senior user prevails over the junior user;

(b) the junior user cannot deny the senior user’s rights;

(c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

10) In *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 Mr Justice Pumfrey, when giving his conclusion on passing-off in that case, stated:

“67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser (Anheuser-Busch v. Budejovicky Budvar [1984] F.S.R. 413 at 462)*:

“The plaintiffs’ primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs’, so as to establish a reputation for himself.”

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd [1981] R.P.C. 429 at 494*: the relevant date in law is the date of the commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”

Ironwear's evidence – witness statement of Richard Allen Brewer dated 23 February 2012

11) Mr Brewer has been Ironwear's President since 2001 when it was incorporated; prior to this he was the sole owner of the "same HOUSE OF PAIN company since its inception in 1996". He gives the background to the dispute and how, effectively, these proceedings represent a counterclaim to the cancellation proceedings relating to Ironwear's CTM.

12) Mr Brewer states that he started the HOUSE OF PAIN brand in May 1996. It was named after a slogan chanted in the gym. At first only a few t-shirts were sold for weightlifters but, by the end of 1996, it is stated that a comprehensive range of gym apparel (including t-shirts, shorts, sweatshirts, sweatpants, caps, gym-bags, supportive gear) was being sold. In the fall [Autumn] of 1996 HOUSE OF PAIN branded products began to be shipped to the UK. By the year 2000 it is stated that Ironwear had several large volume distributors in the UK. It is stated that from the fall of 1996 advertising took place in magazines with a worldwide distribution which included *MuscleMag International* and the UK variation of other US magazines such as *Flex*. These "old advertisements" were generally 1/3 page vertical ads. Not all of the records of such advertising were kept, but some back issues of *Powerlifting USA* are provided in Exhibit RB2 from the period 1997-99. The exhibit includes a copy of *Powerlifting USA* from June 1999. The magazine is priced in US and Canadian dollars. There is a ¼ page advertisement for various clothing items. The advertisement is shown below:



13) Similar advertisements (always containing the logo depicted in the above advertisement) are found in other copies of the magazine from December 1999, October 1998, August 1998, April 1998, July 1998, July 1997, December 1997, November 1997, June 1997 and August 1997. None of the advertisements indicate that the goods are available in the UK. One further copy of the magazine (from September 1997) has an editorial article that refers to HOUSE OF PAIN t-shirts being sold in a gym (in the US). Mr Brewer states that this magazine has a

UK “and surrounding area circulation” of about 2000 copies. It is stated that there were several advertisements in every *Powerlifting USA* magazine in the 1990s as well as full-page and half page advertisements prior to 2005. *MuscleMag International* is another magazine in which Ironwear advertise and which Mr Brewer claims has a UK circulation of 22,000; he states that Ironwear had at least one 1/3 page advertisement in most issues in the late 1990s.

14) Mr Brewer states that whilst its magazine advertising helped attract UK customers from late 1996 onwards, the Internet improved matters. It is stated that Ironwear had significant Internet sales in the UK for every year of its business. This is said to be the primary way of attracting UK customers. The domain name initially used for its website was houseofpainironwear.com (houseofpain.com was not available); houseofpain.com was later purchased in 2002 and has been used since. Exhibit RB3/4 contains Internet archive prints from the websites houseofpainironwear.com and houseofpain.com. Mr Brewer states that whilst the earliest extracts from 2000 may appear US-specific, many international orders in the UK were being fulfilled by that time. By 2002 its online international orders policy is said to have been formalised. The detail of the material in RB3/4 is as follows:

- i) A print dated 16 January 2000. It contains the logo as depicted in the advertisement in paragraph 12 . A reference is made to the company “House of Pain Ironwear”. Information about the types of products offered is provided. A US toll free telephone number is provided for orders.
- ii) A similar print from 20 August 2000. No information about ordering is provided other than the inclusion of the US alpha/numeric telephone number 1-888-H-OF-PAIN.
- iii) A similar print to the one above but dated 2 December 2001.
- iv) Another similar print, but dated 1 November 2002. Information in this print states that orders can be placed by phone (a US number), online, by fax or by mail. There is a reference to an International Order Policy which states that House of Pain will not ship to an address in one country if the billing address is in another.
- v) Similar prints, but dated 23 November 2002 and 14 February 2003, which refer to an online catalogue.
- vi) Similar prints to iv) above dated 2 December 2003, 6 June 2004 and 4 March 2005.
- vii) A print dated 10 December 2002 headed INTERNATIONAL ORDERS. The information therein relates to certain countries (which are not

listed) only being shipped to if an International Money Order is provided. No list is provided of the countries to which it will ship.

15) Mr Brewer states that HOUSE OF PAIN retail orders have been shipped to the UK every week for roughly 15 years. He states that Ironwear has the names and UK addresses of around 750 customers all of which had shipments prior to 2006. Exhibit RB5 is a list of customer locations and postcodes (where available) with order dates and order numbers, said to be from the period 2003-2006. The list runs to many hundreds from locations throughout the UK. However, contrary to what the witness states, the period of these orders is 1 April 2003 to 29 December 2008, so some of this evidence is from after the relevant date. Nevertheless, there are still over 200 orders from before the relevant date. No detail of what goods were contained in the orders is provided.

16) Mr Brewer states that there have been HOUSE OF PAIN distributors in the UK since at least 2000, stocking and selling HOUSE OF PAIN products via gyms and events in the UK. He adds that distributors stock and sell clothing over a wide area – “it is not a case of simply selling a few t-shirts in a local gym”. Mr Brewer opines that this large “footprint” means that Mr Sharma (or any other person in the industry) must have been aware of Ironwear’s activities.

17) Mr Brewer states that Ironwear had at least one large distributor in the UK prior to Mr Sharma filing his application. The distributor is named as Mr Stuart Harris. Mr Brewer states that Mr Harris stocked HOUSE OF PAIN products in bulk and sold clothing all over the UK, starting in September 2005. Mr Harris is no longer a distributor due to a shipping rate increase in late 2006. Exhibit RB6 contains various documents and correspondence between Ironwear and Mr Harris, including a distribution agreement. The distributor is actually A1 Sports Limited, although Mr Harris is clearly part of this company. The HOUSE OF PAIN products relevant to the agreement are: t-shirts, pants, shorts, tank tops, gym bags, hats, caps, jackets and “other apparel and accessories”. Mr Brewer states that well over \$20,000 worth of product was sent to him at distributor prices, which equates to around \$43,000 at retail level. However, many of the orders provided in Exhibit RB6 are from after the relevant date of 22 February 2006. Indeed, it appears that the only evidence in the exhibit which is clearly prior to the relevant date is of Mr Harris’ initial order from September/October 2005 of around \$2,000. There is another list of products, amounting to around \$3,000 but it is not clear when this was ordered or delivered.

18) Mr Brewer states that there were also smaller UK distributors from 1996-2005 but he has been unable to find full details. Some details of the active distributors in place prior to Mr Sharma’s application are provided as follows:

- i) James Cook in Plymouth ordered \$2,250 worth of clothing for UK distribution on 24 April 2005, being shipped to him on 29 April 2005. It

is stated that Mr Cook and a Mr Crabtree signed a distribution contract on 30 March 2005.

- ii) Mr Mark Jordan in Port Talbot signed a distribution agreement on 20 August 2004. On the same date he paid \$2,251 for a “gold package” of clothing for UK distribution. On 14 October 2004 he ordered an additional \$3,502 worth of clothing.
- iii) Mr Matt Smith in Towcaster became a “silver distributor” in 2004. He placed the following orders for UK distribution: \$1,306 (27 July 2004), \$475 (19 August 2004), \$526 (20 September 2004) and \$196 (1 September 2004). Mr Brewer states that other orders were placed but no records kept.
- iv) Mr Craig Pateman in Milton Keynes signed as a “gold distributor” in 2004. He ordered \$1,980 of clothing for UK distribution on 15 November 2004.
- v) Mr Kevin Jell signed as a “gold distributor” on 14 May 2005 and ordered \$4,577 as an initial order on 18 May 2005.
- vi) Lindsay Horton in Colchester; Mr Brewer states that she became a distributor in 2005 but her file was damaged so details cannot be provided.
- vii) Paul McGlaighlin in Northern Ireland ordered \$1,195 worth of clothing on 2 February 2005.

19) Mr Brewer totals the above shipments for UK distribution as \$18,258 which would retail at around \$36,500. He states that this is significant in a short time period and that any person in the UK weightlifting community would have known of the brand. Various documents relating to the above are provided in Exhibit RB7. The exhibit has been granted confidentiality so I will not record the specifics of the documents here. It is suffice to say that the details are consistent with the above summary.

20) Exhibit RB8 contains further archive prints (from before the relevant date) showing HOUSE OF PAIN products which are of the sort said to be available in the UK before the relevant date. The majority feature the logo depicted in the advertisement in paragraph 12.

Findings relating to Ironwear’s evidence

21) It must be established if, and when, Ironwear possessed goodwill in the UK of more than a trivial level. The difficulty in assessing this stems from the fact that it is reasonably clear from the evidence that Ironwear’s business was initially (and

probably still is) very much focused in the US, but that some sales in the UK were gradually made. In terms of what Mr Brewer describes as retail sales to UK customers, he states that this began in 1996. However, the order details that he provides begin only in 2003. Similarly, whilst Mr Brewer states that UK distributors were in place from 2000 onwards, the details he goes on to provide relate to distributors from 2004 onwards. Whilst I do not hold that Mr Brewer's statements should be disbelieved, they do not establish goodwill of more than a trivial level prior to 2003. It is not as though the later evidence he provides is so overwhelming that it is reasonable to infer that such earlier sales would have been more than trivial. In terms of the position after this, Ironwear had some 200 retail orders. It also had a number of distributors. Even though the bulk of Mr Harris' orders are not pertinent, his remaining orders, together with those of the other distributors, strikes me as representing a business interest of more than a trivial level.

22) In terms of the ownership of goodwill, then, clearly, goodwill generated from its own direct sales belongs to Ironwear. In relation to the distributors, any goodwill generated by them will likewise fall to Ironwear as it is the ultimate source of the goods; there is nothing to suggest to the contrary vis a vis ownership. **Ironwear has established that it possessed goodwill from April 2003 onwards and that such goodwill existed at the relevant date. The goodwill is in a business selling, predominantly, clothing marketed towards those with an interest in weightlifting. The goodwill is associated with the words HOUSE OF PAIN.**

Mr Sharma's evidence – witness statement of Surjit Sharma dated 5 September 2012

23) Surjit Sharma is Mr Sharma's brother. For ease of identification I will, in the main, refer to the brothers by their forenames. Surjit states that his evidence comes from his own knowledge and from the records of the "joint business". He states that the business is a joint enterprise between the two brothers. Surjit has day to day responsibility for the business which is why he is giving the evidence rather than Vijay, who is the official owner of the trade mark.

24) Surjit states that the HOUSE OF PAIN trade mark was first used in 1995 when they began holding HOUSE OF PAIN power lifting and strength competitions at a local community centre in Birmingham called the Radha Swami Rasila Satsang (RSRS) Centre. He states that they began a small gym, fitness and nutrition business called HOUSE OF PAIN and printed the trade mark on t-shirts which were given away at the centre as a means of promotion. Exhibit SS1 contains a "to whom it may concern" letter from the president of the RSRS Centre. The letter writer states that the centre accommodates various events and holds up to 1100 people. The letter writer confirms that Surjit of House of Pain Gym has used the centre since 1995 for the annual House of Pain power lifting and strength competition. Food and drink is served at the event and the letter

writer confirms that House of Pain t-shirts are always given away during the events. The event has apparently grown over the years from only a few community members attending to the general public throughout the UK. The letter writer states that the event has gained a highly respectable reputation and recognition. Between 1995 and 2011 the event was held each year in either June or July. Surjit adds that during this period (he appears to be talking about 1995) other events were offered at other Sikh temples in Bedford, attracting people from all over England.

25) The above represents one type of use that has been made of the name HOUSE OF PAIN. Another type of use is then detailed, which relates to a Young Enterprise project that Surjit undertook between September 1997 and May 1998 whilst he was studying in the sixth form. Young Enterprise is a national educational charity that helps young people to learn about the business world. Surjit explains that he thought a gym business would be a good idea to use for the Young Enterprise project because of his past experience. Surjit provides a lot of evidence relating to this sixth form project, particularly a number of meeting minutes. I will not detail all of the meetings, but I note the following:

- i) Surjit was given the role of Marketing Director. A number of other students had various other roles.
- ii) Various business types were considered for the project, but the team settled on a fitness/gym related service.
- iii) A local gym (which was part of the school) was used for the service as it was free for the team to use. A customer was to be charged £2 per 30 minute session for basic training advice on how to use gym equipment; basic healthy eating advice was also to be offered. Healthy eating leaflets were to be provided.
- iv) Related merchandise was to be offered to customers including key-rings, t-shirts and sports water bottles.
- v) It was agreed in a meeting on 10 November 1997 that the name of the business would be HOUSE OF PAIN and this would be used to brand the merchandise.
- vi) "Shareholders" were to invest in the business, any profits made would be returned to shareholders and anything remaining would go to Youth Enterprise.
- vii) A stall selling the merchandise was to be set up in break/lunchtimes in the school and also at parents' evenings. The team also attended a trade fair.

viii) It is difficult to say exactly how many products were sold or gym sessions booked as some of the minutes overlap with earlier minutes. The final report for the business is not provided. However, after paying back shareholders the sum of £327.52, left over monies equated to £314.42. The biggest seller seemed to be the key-rings, but some t-shirts, water bottles and gym sessions were sold.

26) The next activity was that Surjit set up a “good sized gym” in his garage at home. This was between June 1998 and June 1999. He provided a range of free weights and exercise machines. In order to raise funds for his local Sikh temple; he allowed community members to use his gym for a small fee of £1. This took place every fortnight (on a weekend) and Surjit states that the gym was known by the community as the HOUSE OF PAIN gym. Surjit states that during this time a small number of t-shirts were produced bearing the name HOUSE OF PAIN. A photograph of t-shirts (and hoodies) bearing this name are provided in Exhibit SS7. However, these cannot be the t-shirts produced during this period because they contain a domain name which Surjit later explains was not registered until later. The print company he used to produce the t-shirts at this time did not have records going back this far so nothing is provided in support. He states that the t-shirts helped to promote the gym and to increase awareness in the community.

27) The next activity to which Surjit refers took place on 21 April 2002. In April 2002 Surjit went to an event at Sikh Vaissaki Mela in Birmingham. He explains that this attracted thousands of people being the second largest Sikh celebration outside India. He states that they had the opportunity to provide gym equipment for competition purposes and that t-shirts were given away. Photographs of various pieces of gym equipment are provided which show the words HOUSE OF PAIN GYM on them. However, the photographs also contain a domain name which Surjit later explains was not registered until later, so the photographs cannot come from 2002.

28) Surjit states that from 2002-2006 he managed to find a cheaper source for t-shirt production on eBay.co.uk and alibaba.com. He states that he purchased in bulk and the t-shirts contained the HOUSE OF PAIN/GYM trade mark. He states that he also branded pens and stickers as a means of promotion. No exact figures are given of these “bulk” purchases or how many were subsequently sold or given away.

29) Surjit states that websites were set up in 2006. Various domain names are referred to on which the websites were located. Prints are exhibited showing the date on which some of them were registered. Vijay is listed as the registrant of all the domain names that are detailed in the prints. The domain names, together with the date of registration (if provided), are: houseofpain.co.uk (29 August 2006), houseofpainnutrition.co.uk, houseofpainnutrition.com (6 December 2005), houseofpaingym.co.uk (24 June 2006) and houseofpaingym.com (6 December 2005). It is explained that Ironwear had all the websites removed by writing to the

webhost. The webhost obliged without speaking to the brothers first. No date is provided as to when the websites were taken down.

30) Surjit states that on 5 and 6 March 2005 he attended the British Weight Lifting Association Power lifting Championships at Birmingham Sports Centre at which he gave away promotional material as a means of promoting the HOUSE OF PAIN brand.

31) Everything else detailed in Surjit's witness statement is from after the relevant date. A brief summary of this material is as follows:

- i) In 2007 HOUSE OF PAIN clothing was put up for sale on the website houseofpainnutrition.com. It is stated that "during this time" bags (carrier type) were produced. A photograph (undated) of one is provided in Exhibit SS17.
- ii) Due to the "growing success of the business" Surjit had graphics placed on his van (costing £500 – an invoice addressed to House of Pain Nutrition from a printer dated 2 August 2007 evidences this). The van was used to travel to various sporting events and it is stated that members of the public and competitors asked to have their photographs taken next to the van as a souvenir.
- iii) Stickers were produced which were given away at events; copies of them, featuring the HOUSE OF PAIN mark, are provided.
- iv) An advertisement was placed in the *Bedfordshire on Sunday* in October 2007. It features the HOUSE OF PAIN mark. The essence of the advertisement is that the business retails various nutritional products for use by weightlifters etc to improve performance.
- v) Surjit provides a list of events at which he attended promoting the business. There are 3 in 2007, 3 in 2008, 4 in 2009 and 3 in 2010. They are all various power lifting/bodybuilding events. The events at the RSRS Centre are referred to again.

Findings relating to Mr Sharma's evidence

32) There are two main types of activity which took place before the relevant date. The first consists of an on-going annual event run at the RSRS Centre where a power lifting competition was run (apparently) under the HOUSE OF PAIN name. The second activity relates to the Young Enterprise project that Surjit took part in whilst at sixth form for a period lasting, at the very most, nine months.

33) In terms of the second of these activities, this was part of a school project in which Surjit was merely one of a number of students. Whilst I do not rule out the possibility that a business conducted as part of a school project could generate goodwill, I consider that any goodwill generated in the circumstances before the tribunal would have been self-standing of any goodwill generated from the other activities of the brothers. There is nothing in the evidence to tie the two activities together. Those who were exposed to the HOUSE OF PAIN name as part of this project will no doubt have been aware that the goods and services on offer were part of this school project. There is no evidence to show that anyone understood the project to be linked to the annual power lifting event. Any goodwill generated would have ceased upon the end of the project. The business was not continued. Surjit had simply suggested the same name that he had used previously. The relevance of this is that a claim to being a senior user (or even a concurrent user) can only be relevant if the party claiming this is an active trader (or at least was an active trader with residual goodwill). **This is not the case here as any goodwill associated with the school project would have ceased long ago and I do not consider it appropriate for Mr Sharma to attempt to rely on it.**

34) There are, in any event, further problems with the Young Enterprise activity. Whilst I have discussed (in the preceding paragraph) the capacity of the use to generate goodwill, I consider that the level of use made during this project was not sufficient to have established goodwill of more than a trivial nature. The sums and amounts involved are simply too small. I do not mean to belittle the project. It is simply that the law of passing-off is to protect the interests of businesses and traders; it is not there to protect the level of use put forward. The further problem is the question of the ownership of any goodwill. If the activity is independent of the previous and future use of the HOUSE OF PAIN name by the brothers, Vijay has no right to call upon it. He had no involvement in the project whatsoever, only his brother Surjit did. **The Young Enterprise use does not provide Mr Sharma with any assistance in these proceedings.**

35) In terms of the ongoing annual event staged at the RSRS Centre in Birmingham, this at least establishes that the name was, as a matter of fact, first used in 1995 in respect of a power lifting competition and that such use has continued since then on an annual basis. The use is corroborated by the letter from the President of the RSRS. Although this letter has been solicited for the proceedings and counts only as hearsay evidence (the letter writer is not giving direct evidence himself) I am prepared to give it some weight, at least of a corroborative nature. The letter writer confirms that the events took place, events which he describes as the annual HOUSE OF PAIN power lifting event. However, beyond that such events took place, the evidence is limited. There is no evidence of how many participants or spectators attended the events. There is no evidence about how the actual events were publicised. There is no evidence of the actual signage used during the events. However, the ongoing (albeit annual) nature of the event is supportive of some local goodwill being generated. The goodwill is not materially bolstered by the event in 2002 at the Sikh Vaissaki Mela in

Birmingham due to the lack of specificity of the numbers who encountered the provision of gym equipment at the event and its consequent impact is not clear. **I come to the view that the event will have generated a small goodwill but only in the very local community, local to the RSRS Centre. The goodwill is associated with the name of a power-lifting event and the words HOUSE OF PAIN are associated with this goodwill. This does not, however, provide goodwill as the supplier of t-shirts. Although it is stated that t-shirts were given away during the events, these are for promotional purposes and not as a trade in clothing; in any event, the number of t-shirts given away are not specified so it cannot be inferred that the give-aways were of more than a trivial level.**

36) I have considered whether the home gym activity undertaken in the period June 1998 to June 1999 assists. However, the period of use, its nature, and the lack of evidence as to “customer” numbers is telling. I use the word “customer” hesitantly. Whilst not impossible, it is difficult to see that a person allowing some un-quantified numbers of people in the local community to use a home gym for a £1 charitable donation would generate goodwill. Surjit refers to people in the community knowing this as the HOUSE OF PAIN gym, but this is just assertion not evidence of a fact. **The home-gym use does not assist.**

37) I have considered all of the evidence filed but there is nothing else from before the relevant date that comes close to assisting. The registering of domain names, for example, does not generate goodwill and there is no evidence to suggest that any websites were set up before the relevant date. **I see nothing else that had the capacity to generate goodwill before the relevant date.**

38) The only positive finding in favour of Mr Sharma relates to the local goodwill generated by way of the annual event in the RSRS Centre. I will consider later whether this provides Mr Sharma with any form of defence should I decide that passing-off will occur.

Passing-off - Misrepresentation

39) The test for misrepresentation was explained in *Reckitt & Colman Products Ltd v Borden Inc* thus:

“Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff”

40) I must be satisfied that the goods and services offered under Mr Sharma’s mark would be taken (or likely to be taken) by the relevant public to actually be the responsibility of Ironwear. In terms of the “public”, this means a substantial number of Ironwear’s customers or potential customers. Although an intention to

misrepresent would be a highly relevant factor, it is not a prerequisite. Misrepresentation can be found in innocent circumstances.

41) In terms of the mark registered by Mr Sharma, it consists of the plain words HOUSE OF PAIN. The primary sign used by Ironwear to signify its business is the same combination of words HOUSE OF PAIN. Although it is often accompanied by a picture of a set of weights, it is the words HOUSE OF PAIN which dominate and which will form the primary way in which its customers will remember the business. Such closeness of mark/sign provides clear potential for a misrepresentation to arise. I must also consider the goods and services in question. Although there is no requirement in passing-off for goods or services to be similar, or for there to be a common field of activity, it is nevertheless a highly relevant factor, as can be seen from the judgment in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

42) Ironwear’s business is associated with clothing products sold to the bodybuilding/weightlifting community. Mr Sharma’s mark is registered in relation to clothing. It is clear from the evidence that the field of activity in which Mr Sharma operates is also the bodybuilding/weight lifting community. Given this, there is a clear and inescapable inevitability that there will be a misrepresentation. In relation to the other goods and services covered by Mr Sharma’s registration, although they are not clothing products, they all (with a few exceptions) have the capacity to be targeted to the same group of people. They include nutritional supplements, weight-lifting equipment, and the provision of gyms and competitions in that field. I consider that such goods and services will be taken by a substantial number of persons to be offered by Ironwear. They will be seen as a new line offered by Ironwear’s HOUSE OF PAIN business with which they are already familiar.

43) I stated that there were some exceptions. This is because the inherent nature of some of the services is not such that they would ordinarily be targeted at the body building/weightlifting community. The exceptions (for which there would be no misrepresentation) are:

Class 41: Provision of facilities for gymnastics, aerobics, yoga, rehabilitation, entertainment, martial arts, self defence; provision of instructional, advisory, guidance, educational training workshops and tuition services relating to all the aforementioned services; arranging and conducting of beauty contests; rental of stadium facilities; all included in Class 41.

44) Other than the above exceptions, I hold that a misrepresentation will occur in respect of all the goods and services of Mr Sharma's mark.

Damage

45) In relation to damage, there is a likelihood of damage on a number of fronts. There could be loss of sales, e.g. people buying Mr Sharma's clothing rather than those of Ironwear. There could also be damage to the business in a more general sense. This can clearly be seen in *Ewing v Buttercup Margarine Co Ltd*, 34 RPC 232 where it was stated:

"To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of goods I sell; the kind of business I do; the credit or otherwise which I might enjoy – all those things may immensely injure the other man who is assumed wrongly to be associated with me."

46) To illustrate the point, I note that in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC stated:

Damage

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the 'blurring, diminishing or erosion' of the distinctiveness of the mark)."

47) Other than the exceptions already indicated, I hold the requisite damage to be present.

Senior/concurrent user

48) The final question is whether, despite my finding that there would be damage causing misrepresentation, the prior use of HOUSE OF PAIN in relation to the annual power lifting competition held at the RSRS Centre in Birmingham provides Mr Sharma with a defence. Firstly, any defence would only be operative in relation to services for the arrangement of such competitions. The defence would not, therefore, apply to any of the other goods and services. This is because whilst a senior user may in certain circumstances be immunized against an act of passing-off, this would not extend to additional goods and services. In other words, the use that has already been made may continue but expansion into other areas that would bring the parties into greater conflict would not be permitted.

49) However, even when considering the limited scope for a defence, there are further problems. The mark the subject of this dispute is a national UK trade mark whereas any goodwill that Mr Sharma is able to benefit from is severely limited in geographical scope. Any goodwill is of a very local nature. The scope of Mr Sharma's trade mark is significantly wider than the extent of the senior use. Whilst in an actual passing-off claim Ironwear may not have been able to prevent the continued use of Mr Shara's mark in a small area surrounding the RSRS Centre in Birmingham, it would have been able to prevent such use anywhere else in the UK. I do not consider it to be a workable solution for the registration to be retained on the basis of a geographical limit. The area in question is not only imprecise, but would also be extremely small. This is not what national trade marks are for, and it would also create legal uncertainty for third parties. **The use that has been made by Mr Sharma does not assist.**

50) I add one further point, this relates to the ownership of any goodwill. Ironwear, in its submissions, argue that any goodwill is likely to be owned by Surjit Sharma and not Vijay Sharma. Whilst it is true that the evidence put forward focuses on activities undertaken by Surjit, he nevertheless stated that the business is a joint one between the brothers. This statement was not challenged or commented upon until final written submission stage. It is too late for me to disbelieve Surjit's statement that the use made is part of a joint business.

Conclusion

51) Ironwear's ground for invalidity has succeed save in relation to:

Class 41: Provision of facilities for gymnastics, aerobics, yoga, rehabilitation, entertainment, martial arts, self defence; provision of instructional, advisory, guidance, educational training workshops and

tuition services relating to all the aforementioned services; arranging and conducting of beauty contests; rental of stadium facilities; all included in Class 41

52) The registration, insofar as the rest of the goods and services are concerned, is deemed never to have been made.

Costs

53) Ironwear has been largely successful and is entitled to a contribution towards its costs. I hereby order Mr Vijay Sharma to pay Ironwear International, Inc the sum of £2000. This sum is calculated as follows:

Application fee for filing invalidation - £200

Preparing a statement and considering the other side's statement - £300

Considering and filing evidence - £1000

Written submissions - £500

54) 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 17th day of May 2013

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