


O-548-22

TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION No. 3333909
STANDING IN THE NAME OF
MOHAMMED MAROUF BUTT
AND
IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.503408
BY MOHAMMAD RAFFI BUTT

BACKGROUND

1) The following trade mark is registered in the name of Mohammed Marouf Butt (hereinafter Marouf):

Mark	Number	Filing & registration date	Class	Specification
	3333909	24.08.18	29	Beef; Beef steaks; Beefburgers; Burgers; Chicken burgers; Steaks of meat.
		18.01.19	43	Bar and restaurant services; Catering (Food and drink -); Catering for the provision of food and beverages; Catering of food and drink; Catering of food and drinks; Catering services; Catering services for providing European-style cuisine; Catering services for the provision of food; Fast food restaurants; Fast-food restaurant services; Food and drink catering; Food preparation; Food preparation services; Grill restaurants; Hospitality services [food and drink]; Preparation of food and beverages; Preparation of food and drink; Preparation of meals; Providing food

				<p>and beverages; Providing food and drink; Providing food and drink for guests in restaurants; Providing food and drink in bistros; Providing food and drink in restaurants and bars; Providing of food and drink; Providing restaurant services; Provision of food and beverages; Provision of food and drink in restaurants; Restaurant and bar services; Restaurant services; Restaurants; Services for providing food and drink; Services for the preparation of food and drink; Services for the provision of food and drink; Serving food and drink in restaurants and bars; Serving food and drinks; Supplying of meals for immediate consumption; Takeaway food services; Take-out restaurant services.</p>
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2) By an application dated 28 October 2020 Mohammad Raffi Butt (hereinafter Raffi) applied for a declaration of invalidity in respect of this registration under section 5(4)(a) on the following basis:

“The Applicant began using the earlier unregistered mark in November 2016 for his restaurant business in Leeds. The earlier mark was displayed on the signage of the Applicant's restaurant; the restaurant is actually called "Bison Steakhouse". In or around August 2018, the Applicant decided to register the earlier mark as a UK trade mark and Mr Mohammed Marouf Butt, the owner of the registered mark, was instructed by the Applicant to register the earlier mark in the Applicant's name, for which the Applicant gave Mr Mohammed Marouf Butt the £200 registration fee. However, unbeknownst to the Applicant, instead of registering the earlier mark as a trade mark in the Applicant's name, Mr Mohammed Marouf Butt instead registered it in his own name. The later mark contains the Applicant's earlier unregistered mark BISON STEAKHOUSE prominently and in its entirety. Since he began trading in November 2016, the Applicant's unregistered mark has established a reputation. The services of the respective marks are identical and therefore there is considerable likelihood that the average consumer would mistakenly believe that the goods and services being provided with the use of later mark are goods and services which are being provided by the Applicant. The owner of the registered mark is seeking to take unfair advantage of the goodwill and brand reputation built up over many years of trading by the Applicant with the unregistered earlier mark.”

3) On 4 May 2021 Marouf provided a counterstatement to the invalidity action, which denied the allegations and stated that he had come up with the concept for the restaurant, had designed the logo which is registered and that Raffi agreed to the registration and, as part of their business relationship, paid the fee to register the mark. Any earlier use was with his (Marouf's) consent.

4) Both sides filed evidence. Both sides ask for an award of costs. Neither side wished to be heard and only Raffi provided written submissions. I note that Raffi is professionally represented whilst Marouf represented himself.

5) Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

DECISION

6) The invalidity is brought under Section 47 of the Trade Marks Act 1994 (“The Act”) which reads:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D)-(2DA) [Repealed]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in

subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) [...]

(4) [...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

7) Section 5(4)(a) states:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

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

8) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon case* (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

9) Halsbury’s Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

“Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source² or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

10) I must first decide the relevant date for the ground of invalidity. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

11) Although Raffi claims use of the mark since December 2016 the relevant date must be the date of the application, 24 August 2018.

12) There were three witness statements filed in these proceedings. Two by Raffi dated 2 August 2021 & 30 March 2022 ; and one by Marouf dated 15 November 2021. From these I take the following which are accepted by both sides:

- Raffi and Marouf are brothers.
- In or around December 2016 an American style diner was opened in Leeds offering customers burgers and steaks, and continues to operate under the mark in suit.
- The restaurant is owned by Raffi.
- Approximately two years after opening Raffi asked Marouf to register the mark and gave him the money to do so.

13) The areas of disagreement are:

- Both brothers claim to have invented the name and logo.
- Unbeknownst to Raffi the mark was registered in Marouf’s name. When this became known some twelve months later, Raffi confronted Marouf with the facts and Marouf agreed to transfer the ownership of the mark to Raffi. This was agreed in writing, see exhibit MRB5. However, Marouf did not abide by the agreement, hence this action.
- Marouf claims that the concept for the restaurant, its design, name & logo were all his idea. He states that he oversaw the renovations to the building to ensure the end result was in-line with his vision. He states that he is owed for his ideas and work,

and it is for this reason that he registered the mark in his name. The amount of this payment was not set out and was to depend on the success of the restaurant. None of this was set out in writing as he was dealing with his brother. Marouf claims that other family disputes have led to the current action. He states that if he is paid for his ideas and work, he will happily transfer the mark to the proprietors of the restaurant, who he claims are his brother and three others, operating as a partnership.

- For his part Raffi claims that Marouf played no part in the renovations and denies that Marouf came up with the concept for the restaurant. The delay in seeking a cancellation was simply down to Raffi being unaware that the mark was in Marouf's name for over 12 months after it was registered. He also claims to be the sole owner of the restaurant.

14) Both sides accept that a restaurant has been operating in Leeds under the mark in suit since approximately December 2016 and continues in business to date. Marouf indicated that any use was with his consent but did not provide any evidence to corroborate this statement and it is clear that any goodwill accrued would belong to the restaurant and its owners. Therefore, the issue of goodwill does not need to be considered as it is accepted by both parties, and is at a protectable level for the ground of opposition.

15) The restaurant is owned partly or wholly by Raffi; Marouf does not own any part of the restaurant nor does he work there. There is therefore no question as to Raffi's locus in this case.

16) It is accepted by both parties that the restaurant run by Raffi has operated since its opening under the logo mark 3333909. The mark is used for identical or at least highly similar goods and services to those for which the mark in suit is registered. There would undoubtedly be misrepresentation were the mark in suit put to use for the goods and services for which it is registered.

17) In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* [1939] 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the

plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man's business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage."

18) Consequently, in the instant case as Raffi has established a goodwill and shown deception then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off have been established. The invalidity under Section 5(4)(a) therefore succeeds.

CONCLUSION

19) The invalidity action under section 5(4)(a) succeeds. Trade mark 3333909 will be struck from the Register as at the date applied for, 24 August 2018.

COSTS

20) As Raffi has been successful, he is entitled to a contribution towards his costs.

Preparing a statement and considering the other side's statement	£400
Expenses	£200
Preparing evidence	£800
TOTAL	£1400

35) I order Mohammed Marouf Butt to pay Mohammad Raffi Butt the sum of £1,400. This sum to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of June 2022

**G W Salthouse
For the Registrar
the Comptroller-General**