

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATIONS 8614, 8615, 8616, 8617, 8618
AND 8619 BY SODA-CLUB (HOLDINGS) NV
FOR REVOCATION OF TRADE MARKS 13124, 573056, 76876, 1017971,
1056537 AND 1028476 IN THE NAME OF
CANTRELL & COCHRANE (BELFAST) LIMITED


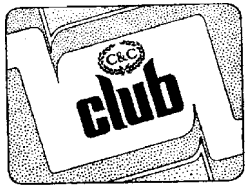
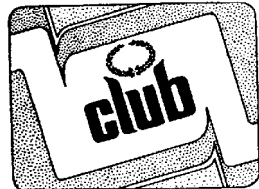
TRADE MARKS: **CLUB & CLUB SODA**

TRADE MARKS ACT 1994

IN THE MATTER OF Applications 8614, 8615, 8616, 8617, 8618 & 8619
 by Soda-Club (Holdings) NV for revocation
 of trade marks 13124, 573056, 76876, 1017971, 1056537 & 1028476
 5 in the name of Cantrell & Cochrane (Belfast) Limited

DECISION

The following trade marks are registered in Class 32 in the name of Cantrell & Cochrane (Belfast) Limited.

	<u>Mark</u>	<u>Number</u>	<u>Date</u>	<u>Goods</u>
10		13124	11 September 1877	Aerated waters
	CLUB SODA	573056	16 November 1936	Aerated soda water
	CLUB	768762	29 August 1957	Non-alcoholic drinks and preparations for making such drinks, all included in Class 32
	CLUB	1017971	24 September 1973	Beverages included in Class 32 containing not more than 2% (by volume) of alcohol
		1028476	24 April 1974	Non-alcoholic drinks and preparations for making such drinks, all included in Class 32; tonic water containing quinine
15		1056537	17 December 1975	Non-alcoholic drinks and preparations for making such drinks, beverages containing not more than 2% by volume of alcohol, all included in Class 32 and shandy

In six applications dated 21 August 1995 Soda-Club (Holdings) NV applied for revocation of these registrations under the provisions of section 46(1)(b) of the Act claiming that there has been no genuine use of the marks in the United Kingdom by the registered proprietor or with its consent in relation to any of the goods for which the mark is registered for at least the

preceding five years. In the case of applications 8616-8619 (corresponding to the last four marks shown in the above list), the applicant seeks in the alternative that the specification of these registrations be limited in various ways, presumably in the event that some use can be shown by the registered proprietor.

5 The registered proprietor filed a counterstatement denying that there had been no *bona fide* use of the marks in the United Kingdom, and requesting that the applications for revocation be refused. As required by rule 31(3), the registered proprietor also filed evidence of use of the marks; I shall review this evidence below.

Both parties ask for an award of costs in their favour.

10 *Background*

The applicant in these proceedings is also the proprietor of an application to register the mark SODA-CLUB in Class 32 for:

“Syrups, all being sweetened with sugar or artificial sweeteners; all included in Class 32 and all for use in making beverages.”

15 That application has a priority date of 9 August 1990. It was opposed by Cantrell & Cochrane (Belfast) Limited, the registered proprietor in these proceedings, principally on the basis of the six earlier marks which are now the subject of applications to revoke in these proceedings.

Following commencement of the opposition proceedings, the applicant applied under section 26 of the Trade Marks Act 1938 to revoke the six earlier registrations relied upon by the opponent on the grounds that the various marks had not been used. In August 1995, the applicant again applied to revoke these registrations, this time under section 46 of the Trade Marks Act 1994. It is these latter applications for revocation that are the subject of these proceedings.

25 The six applications for revocation under the 1938 Act were subsequently consolidated (with each other), as were the corresponding six applications for revocation under the 1994 Act. At an interlocutory hearing held on 23 November 1995, the Registrar’s hearing officer agreed that the three sets of proceedings between the parties (ie. the opposition, the six consolidated old-Act revocations, and the six consolidated new-Act revocations) should be heard together.

30 The hearing in respect of all three actions took place on 7 October 1998. At the hearing, the registered proprietor was represented by Mr Michael Silverleaf, Queens Counsel, instructed by the trade marks department of Allied Domecq Plc. The applicant for revocation was represented by Mr Henry Carr, Queens Counsel, instructed by R G C Jenkins & Co.

35 This decision relates solely to the six consolidated new-Act revocations. The decisions in respect of the opposition and the six consolidated old-Act revocations are the subject of further decisions which have also issued today (SRIS Nos. O-229-98 & O-231-98).

Request to Amend Pleadings

During the course of the hearing it became clear that the applicant had been relying upon at least a measure of success in these revocation proceedings in order to defend its own application for the mark SODA-CLUB (m 1455166). The idea seems to have been that by
5 revoking the earlier registrations, they could no longer be relied upon by the opponent in the parallel opposition proceedings. However, section 46(6) determines that where a registration is revoked to any extent, the rights shall be deemed to have ceased from the date of the application for revocation, unless the registrar or the court is satisfied that the grounds for revocation existed at an earlier date. The section reads:

- 10 **46.- (6)** Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-
- (a) the date of the application for revocation, or
 - (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.

15 The applications to revoke were filed on 21 August 1995, alleging five years of non-use immediately prior to that date. Inasmuch as the material date in the parallel opposition proceedings is 9 August 1990, it follows that the outcome of these revocation proceeding can have no bearing on the opposition; whatever my decision, the registered proprietor's rights as
20 at 9 August 1990 will not be affected. Consequently, Mr Carr sought leave to amend the pleadings in these revocation proceedings in order to allege non-use since August 1985. He supported his application to amend by reminding me that there is a public interest in not allowing invalid or unused marks to remain on the register. Mr Silverleaf resisted the application to amend on the grounds that it would necessitate an adjournment to allow the registered proprietor an opportunity to file evidence of use going back to 1985. Mr Carr
25 accepted that if I allowed the amendment, it would be necessary to adjourn the hearing, and he suggested that I could deal with any inconvenience to the registered proprietor through an appropriate award of costs.

Notwithstanding Mr Carr's submissions, I refused his application for leave to amend the pleadings. To have allowed it at this stage would have been, in effect, to initiate a fresh set of
30 revocation applications — it was not, in my opinion, a minor amendment; it essentially shifted the focus of the proceedings to a completely separate five year period.

Moreover, whilst I accepted that there might be a public interest in purging the register of unused marks, the issue here was not so much whether or not a mark should be removed, but
35 *when* the rights in the mark should be deemed to have ceased. It is doubtful in my mind whether the public has any interest in whether the rights are deemed to have ceased with effect from 21 August 1995 or from some earlier date.

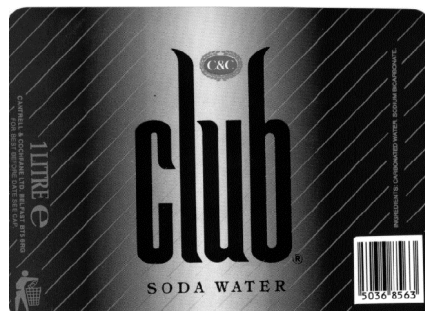
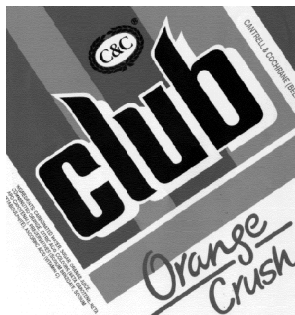
Registered Proprietor's Evidence - Rule 31(3)

In accordance with rule 31(3), the registered proprietor filed statutory declarations by Peter Francis McGovern in relation to each of the revocation actions (which had not then been
40 consolidated). Mr McGovern is the registered proprietor's Company Secretary. Although the

precise wording of each of the six declarations varies slightly, to take account of the specific details of the different registrations, the following passage (taken from application m 8616) gives a fair representation of the registered proprietor's evidence under rule 31(3).

5 "There has been bona fide use of the Trade Mark CLUB in the United Kingdom since before the end of the last century for a wide range of non-alcoholic drink products. There is now produced and shown to me marked Exhibit PFM/1, sample labels which reflect the range of CLUB soft drink products my Company produces and sells in the United Kingdom. A selection of invoices as evidence of sales of our CLUB products in the United
10 Kingdom forms Exhibit PFM/2 which is now produced and shown to me."

Again, a range of sample labels are exhibited to Mr McGovern's declarations, but the two reproduced in black and white below will suffice to give a flavour of the evidence for the purpose of this decision:



Main Evidence

15 The applicant for revocation filed statutory declarations by Robert Lionel Cook and Roger David George, and the registered proprietor filed a statutory declaration by Simon Richard Reeves. Mr Reeves declaration exhibits the evidence filed by the registered proprietor in the old-Act rectification proceedings; that is, statutory declarations by Peter McGovern, Alan Dorman, Chris McKay and Frank McCrystal.

20 The applicant for revocation filed a further declaration by Roger David George in reply.

The evidence shows that the registered proprietor has used the mark CLUB in the form(s) shown on the labels exhibited to Mr McGovern's declaration (exemplified above). Such use has been in relation to a range of soft drinks, most notably orangeade and lemonade, but also including soda water and tonic water. At the hearing, there was no dispute that such use
25 occurred during the relevant period. Rather the issue between the parties is whether, and if so to what extent, such use is sufficient to maintain the registrations on the register. On this basis, and having read all the evidence carefully, I do not see any need to summarise the evidence in any greater detail.

These proceedings are brought under Section 46(1)(b) of the Act. This section reads as follows (I have included subsection (a) as well because it explains the reference to “such use”):-

46.- (1) The registration of a trade mark may be revoked on any of the following grounds-

- 5 (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
- 10 (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

Section 100 of the Act is also relevant, as it explains where the overall burden of proof rests in relation to the question of use. It reads:

15 **100.** If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.

As Mr Carr indicated at the start of his submissions, there are two fundamental differences between the approach that I must adopt in relation to the revocation actions under the 1994 Act as compared to the 1938 Act. The first difference is that the onus under the new law is on the registered proprietor to show that the mark has been used, whereas under the old law the
20 onus was on the applicant for revocation to show that the mark had not been used - ie to prove the negative. The second and less well known difference is that the 1994 Act contains no saving provision equivalent to section 26(1) of the 1938 Act according to which the registered proprietor could show use on goods of the same description. As Mr Carr put it, “the new Act is somewhat more draconian than that”. Mr Silverleaf also agreed that his
25 position was stronger in relation to the 1938 Act revocations, and that consequently there was little point in either Mr Carr or himself making specific submissions in relation to the old Act revocations — it was the outcome of the actions commenced under the new Act that would determine the scope of the rights that would survive.

In addition to the fundamental differences mentioned above, Mr Silverleaf drew my attention
30 to a further distinction between the statutory provisions of the two Acts. Section 30 of the 1938 Act gave the Registrar a discretion to take account of use of marks not differing in their distinctive elements. Section 30(1) says:

35 **30.-**(1) Where under the provisions of this Act use of a registered trade mark is required to be proved for any purpose, the tribunal may, if and so far as the tribunal thinks right, accept use of an associated registered trade mark, or of the trade mark with additions or alterations not substantially affecting its identity, as an equivalent for the use required to be proved.

However, according to the corresponding provision of the 1994 Act, section 46(2), the Registrar is **required** to take account of use of marks not differing in their distinctive elements — that is to say, it is no longer a matter of discretion. Section 46(2) says:

5 (2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and 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.

As will be seen shortly, this was an important part of Mr Silverleaf’s case in relation to a number of his registrations.

10 *Registrations 13124 & 573056*

The first of the registrations, 13124, is a device or image mark (shown right). In his submissions to me, Mr Silverleaf dealt with this mark together with 573056 which is a word-only mark — CLUB SODA.



15 In brief, Mr Silverleaf’s argument was that the two words CLUB and SODA stand out in both of these marks, and that having regard to the nature of the goods involved, the CLUB element is clearly the key distinctive element. He suggested that carbonated or fizzy drinks are commonly known as “sodas”, and that therefore the SODA element of the mark is a weaker element by virtue of its descriptive connotation. That the registered proprietor has established use of the mark CLUB on certain soft drinks was not an issue at the hearing, and therefore Mr Silverleaf invited me to find that the registered proprietor had indeed used both CLUB SODA trade marks in a form differing in elements which do not alter the distinctive character of the mark — ie in the form CLUB.

25 However, despite the logic of this argument, there is no evidence in these proceedings that the purchasing public would regard the word CLUB as being significantly more distinctive than the SODA element in either of these two marks. Neither can I bridge this potential gap in Mr Silverleaf’s argument by relying on my own personal knowledge, for whilst I might be able to recall vague instances of the word ‘soda’ being used to describe carbonated or fizzy drinks, any such usage has (in my *limited* experience) been confined to American TV programmes. In terms of the wording of the Act, I am not satisfied that use of the mark CLUB qualifies as use in a form differing in elements which do not alter the distinctive character of the mark CLUB SODA. Only half of the word mark (573056) has been used, and less than half of the label mark (13124). In neither instance has it been established that the word CLUB should be regarded as the key distinctive element. Consequently applications 8614 and 8615 to revoke (respectively) registrations 13124 and 573056 are successful, with the result that registrations 35 13124 and 573056 are revoked in their entirety with effect from 21 August 1995.

Registration 768762

40 This registration is for the word mark CLUB in relation to “Non-alcoholic drinks and preparations for making such drinks, all included in Class 32”. In relation to this mark, the only matter to be decided is whether the use shown by the registered proprietor is sufficient to maintain the registration in respect of “preparations for making such drinks”. (Mr Carr accepted that the mark has been used in connection with some non-alcoholic drinks.)

Mr Silverleaf put up a brave fight to save the whole specification. He summarised Mr Carr's attack as being along the lines "a preparation for making a drink cannot be a drink itself". In defence of the registration, Mr Silverleaf submitted that I should allow for the fact that a carbonated drink (eg orangeade) may either be consumed on its own or it may be used as an ingredient in a mixed drink. Such a liquid would be both a drink and a preparation for making a drink. Notwithstanding Mr Silverleaf's proposition, I prefer Mr Carr's submission that the term "preparations for making such drinks" does not mean general ingredients, but what Mr Carr described as "specific and dedicated ingredients" such as squashes and syrups. Mr Carr went on to suggest that there were sound reasons against allowing a very broad construction of a specification such as would obstruct trade by third parties in an area where the proprietor has no legitimate trading interest. He referred me to the following words of Mr Justice Laddie in the *Mercury* case¹:

"It will be appreciated therefore that a trade mark registered for too wide a specification of goods may have the effect of giving the proprietor an indefinite monopoly over goods which are quite unrelated to his real trading interests. At the heart of the defendant's submissions on non-use is the argument that this should not be allowed and that in this case the plaintiff's registration is far too wide."

"In my view it is thoroughly undesirable that a trader who is interested in one limited area of computer software should, by registration, obtain a statutory monopoly of indefinite duration covering all types of software, including those which are far removed from his own area of trading interest. If he does he runs the risk of his registration being attacked on the ground of non-use and being forced to amend down the specification of goods. I should make it clear that this criticism applies to other wide specifications of goods obtained under the 1938 Act. I understand that similar wide specifications of goods may not be possible under the 1994 Act."

Of course the facts in *Mercury* were rather different to the facts in this case. In *Mercury*, Laddie J was dealing with a specification which he considered to be unduly broad, and where it was unlikely that the proprietor had ever traded, or would ever trade, in the full range of goods covered by the specification. In the present case there is no evidence to suggest that the registered proprietor has ever used the mark in relation to what Mr Carr would consider "preparations for making drinks" — ie. syrups and concentrates. Nevertheless, it cannot be seriously argued that the specification of trade mark 768762 is inherently too wide; I can well imagine that a person might trade in non-alcoholic drinks **as well as** the syrups or concentrates commonly used to make such drinks. To be fair to Mr Carr, he did say that it was not the facts in *Mercury* that he wished to rely upon, but the policy considerations regarding the desirability of restricting specifications of registered trade marks to those areas of trade in which the proprietor has a real interest.

Mr Carr also took me to the *TREAT* case², and in particular the passage found at pages 288 and 289 where Mr Justice Jacob considers the scope of the specification. The issue was whether the Robertson's product (a toffee spread) fell within the scope of the British Sugar

¹*Mercury Communications Ltd v Mercury Interactive (UK)* [1995] FSR at page 864

²*British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281

registration (eg was it a dessert sauce). He (Jacob J) referred to the fact that the small print on the back of the jar said:

5 “Toffee Treat is delicious at breakfast, with desserts or as a snack anytime. Spread Toffee Treat on bread, toast or biscuits, spoon it over yoghurt or ice-cream or use as a filling for cakes.”

It is recorded as a submission at page 288, line 47: “It does not matter if those other uses are much commoner: the fact that the product can be used as a dessert sauce means it is one.”

At line 49, Jacob J says:

10 “I reject this argument. Notwithstanding what is said on the label, the use of the spread with a dessert is in practice likely to be slight. Mr Lloyd Jones, Robertson’s Marketing Director, thought that all potential uses of the product otherwise than as a spread, amounted to less than 5% of volume. The produce comes in a jam jar because it is like a jam. No-one would describe a jam as “dessert sauce” in ordinary parlance, yet it too can be used on a dessert and everyone knows and sometimes does that. Supermarkets regard the product as a spread. The jam jar invites use as a spread. When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade. The Robertson product is not for the purpose of trade, a dessert sauce.”

20 I realise that Jacob J was applying a different provision of the Trade Marks Act 1994 in the *Treat* case, ie. section 10 - infringement. Nevertheless I have no difficulty accepting that I should be guided by his words (above) as to how I should construe particular terms in the specifications in the proceedings that are before me.

25 Adopting the words of Mr Justice Jacob, Mr Carr submitted that the registered proprietors soft drinks are not “for the purposes of trade” preparations for making non-alcoholic drinks. I have concluded that Mr Carr is right. I have only reached this conclusion after giving the matter much careful thought, not least because I strongly suspect that the outcome would have been different under the corresponding provisions of the old law, according to which use in relation to goods of the same description was sufficient to maintain a registration.

30 I therefore find with regard to trade mark 768762 that grounds for revocation exist in relation to “preparations for making such drinks”. The registration shall be revoked to this extent with effect from 21 August 1995.

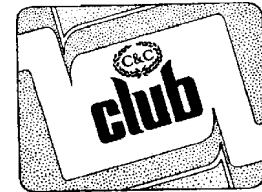
Registration 1017971

35 This registration is for the word mark CLUB in relation to “Beverages included in Class 32 containing not more than 2% (by volume) of alcohol”. Mr Carr submitted that this meant low-alcohol drinks, and that there was no evidence of any use of the mark whatsoever in relation to low alcohol drinks. Mr Silverleaf did not contend that there had been use on low-alcohol drinks. Unless I was prepared to consider that non-alcoholic drinks could be described as ‘containing not more than 2% (by volume) of alcohol’, Mr Silverleaf conceded that he was in difficulty. There is clearly a theoretical argument that, since non-alcoholic drinks contain 0% alcohol, and 0 is less than 2, then use of the mark solely in connection with non-

alcoholic drinks is enough to maintain this registration. But having regard once more to Mr Justice Jacob’s guidance on how to construe words used in a trade mark specification (see *Treat* above), I have little hesitation in deciding that there has been no use of the mark CLUB in relation to the goods specified in registration 1017971. Consequently application 8617 to
5 revoke registration 1017971 succeeds, with the result that the registration is revoked in its entirety with effect from 21 August 1995.

Registrations 1028476 & 1056537

Both of these registrations are device or label marks. For convenience, **m** 1028476 is reproduced here. Although they are slightly different
10 (**m** 1056537 does not include the letters “C & C” inside the wreath element) nothing turns on the difference; certainly neither Mr Carr nor Mr Silverleaf distinguished between them in the course of their submissions. The specifications of registrations 1028476 and 1056537 are (respectively):



15 “Non-alcoholic drinks and preparations for making such drinks, all included in Class 32; tonic water containing quinine”

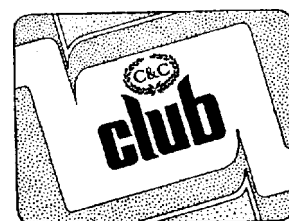
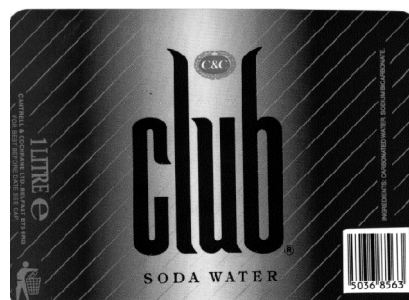
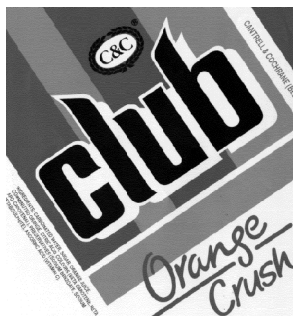
“Non-alcoholic drinks and preparations for making such drinks, beverages containing not more than 2% by volume of alcohol, all included in Class 32 and shandy”

I have already found that the evidence of use in these proceedings is **not** sufficient to maintain a registration for ‘preparations for making non-alcoholic drinks’. I have also revoked
20 registration 1017971 on the grounds that there has been no use in relation to ‘beverages containing not more than 2% by volume of alcohol’. It follows in the circumstances of these proceedings that the specifications of these registrations must, if they survive at all, be subject to corresponding restrictions.

25 The principal issue which remains to be determined is thus whether the form in which the registered proprietor has used its CLUB mark may be described, in the words of section 46(2), as being

“.... use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered,”

30 A simple comparison will suffice, between the mark as used on the one hand and the mark(s) as registered on the other. The examples shown below left and centre are two of the forms in which the mark has been used. Shown below right is one of the registered marks (1028476).



Comparing all of these marks, the elements which differ between them are all aspects of the background. In my opinion these variations are minor, and do not alter the distinctive character of the mark in either of the forms in which it is registered (ie. with or without the characters C&C within the wreath element). I am therefore satisfied that, having regard to the definition of ‘use’ contained in section 46(2), trade marks 1028476 and 1056537 have been used.

The specifications of registrations 1028476 and 1056537 also include tonic water and shandy respectively. That the mark CLUB has been used in respect of these particular goods does not appear to be an issue between the parties. Certainly at the hearing, neither Mr Carr nor Mr Silverleaf specifically referred to them, and for my part I am satisfied that the evidence shows that the mark CLUB has been used in respect of tonic water and shandy. For example, Mr George, in his declaration (dated 20 June 1997) on behalf of the applicant, says:

“A comparison of the labels with the trade marks reveals that these Exhibits “CMcK”, “AD1”, “FMcCl” do not show use of the marks the subject of the registrations in suit except for the mark CLUB and then only in respect of orangeade, lemonade, rock shandy and mixer drinks e.g. tonic water.”

I therefore find with regard to trade mark 1028476 that grounds for revocation exist in relation to “preparations for making such drinks”, and in relation to trade mark 1056537 that grounds for revocation exist in relation to “preparations for making such drinks, beverages containing not more than 2% by volume of alcohol”. The registrations shall be partially revoked with effect from 21 August 1995. The specifications shall be amended to:

(1028476)


Non-alcoholic drinks, all included in Class 32; tonic water containing quinine

(1056537)

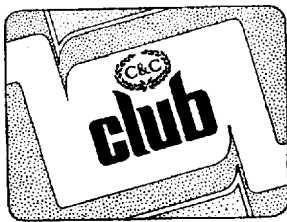
Non-alcoholic drinks, all included in Class 32 and shandy

Summary

For convenience, each of the registrations the subject of these proceedings is reproduced below, showing the extent to which each registration has been revoked:

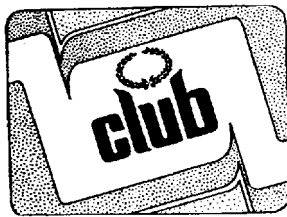
<u>Mark</u>	<u>Number</u>	<u>Goods</u>
	13124	— Revoked —
CLUB SODA	573056	— Revoked —
CLUB	768762	Non-alcoholic drinks, all included in Class 32
CLUB	1017971	— Revoked —

Mark



Number Goods

1028476 Non-alcoholic drinks, all included in Class 32; tonic water containing quinine



1056537 Non-alcoholic drinks, all included in Class 32 and shandy

Costs

All of the six applications in these consolidated proceedings have succeeded to some extent.

- 5 Three registrations have been revoked completely, and the remaining three have been reduced in scope. In all the circumstances, I order the registered proprietor to pay to the applicant the sum of **£1,700** as a contribution towards the cost of these proceedings.

Dated this 17th day of November 1998

Mr S J Probert
Principal Hearing Officer
For the Registrar, the Comptroller-General

10