

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 9937  
BY EMPRESA MATE LARANGERIA MENDES SA  
FOR A DECLARATION OF INVALIDITY  
IN RESPECT OF TRADE MARK NO. 2032730  
IN THE NAME OF ELIZABETH DAHL**

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**DECISION**

Trade mark No. 2032730 is registered in Class 5 for herbal tea. The mark shown on the register is:

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HERBAL DIGESTIVE  
TEA. (HDT)

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It stands registered from the filing date of 6 September 1995. By application dated 2 January 1997 Empresa Mate Larangeria Mendes SA, an Argentinian company, applied for this registration to be declared invalid.

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The statement of grounds indicates that the applicants rely on Section 47(1) having regard to the provisions of Section 3(6) and Section 47(2) having regard to the provisions of Section 5(2), 5(3) and 5(4). The objections based on Sections 5(2) and 5(3) depend on the existence of an 'earlier trade mark' in accordance with the provisions of Section 6(1) of the Act. The objection based on Section 5(4) depends on the existence of an earlier right. The applicants claim they are the proprietors of earlier trade marks as detailed in a Schedule to the statement of grounds. The Schedule contains details of a great many registrations and applications in countries throughout the world but not so far as I can see the United Kingdom (there are registrations in various European countries but in the absence of any information to the contrary I take these to be national registrations and not Community trade marks). The upshot of this is that the applicants can only bring themselves within the 'earlier trade mark' provisions if they are able to persuade me that they have a trade mark which was at the material date entitled to protection under the Paris Convention as a well known mark

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(Section 56 refers). There is nothing in the evidence subsequently filed by the applicants that remotely supports a claim to well known mark status. It follows, therefore, that I can, without further ado, dismiss the grounds based on Sections 5(2) and 5(3). As there is no or insufficient information to enable me to conclude that the applicants had a reputation and goodwill in this country at the material date it also means that they cannot claim an earlier right for the purposes of Section 5(4). I intend, therefore, to dismiss that ground as well.

It is clear from the evidence filed by the applicants (though less obviously so from the statement of grounds) that the real issue between the parties is the ground under Section 3(6), that is to say bad faith. It is on that basis that the case has proceeded. The registered proprietor filed a counterstatement denying the grounds advanced against her. Subsequently both sides filed evidence though the evidence gives rise to a number of problems which I will come to in a moment.

Both sides ask for an award of costs in their favour. Following the evidence stages the parties were invited to say whether they wished to be heard in this matter. Neither side requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

The applicants' underlying claim is that they have been using the device of a Maltese cross and the words CRUZ DE MALTA since 1874. They have applied to register label marks incorporating these elements in this country. The registered proprietor or her predecessors in title had been negotiating with the applicants to market their goods in this country and were thus aware that the cross device formed part of the applicants' mark. Thus, it is said, applying for the cross device as a prominent feature of No. 2032730 was an act of bad faith.

The matter is, I think, best approached through the evidence relating to the dealings between the parties. Unfortunately full and proper consideration of the issues has been made more difficult by deficiencies in the evidence filed by both sides. The applicants have filed a body of copy correspondence and invoices reflecting exchanges between the parties under cover of a declaration by Rodolfo A Kirby, their General Manager and Director. The supporting exhibits are largely in Spanish with English translations. There is a covering statement (but no affidavit) confirming the competence of the translator and the true and correct nature of the translations.

The registered proprietor's evidence is altogether more problematical. It consists of a single page document headed affidavit but is in other respects not in the form normally adopted for such documents. In particular Ms Dahl does not give her address or make her statement on oath; what I take to be a notary's stamp appears at the foot of the first page but the name and address of the notary is not evident; there are a number of supporting pages of commentary/evidence which do not form part of the affidavit (coming as they do after the notarised page); of the eight exhibits only one is referred to on the single page affidavit; and neither the affidavit nor the purported exhibits are properly headed.

I understand from the Registry's file that the registered proprietor was put on notice that the affidavit and supporting material were not regarded as complying with the formal requirements relating to such a document. In the absence of any attempt by the registered proprietor to put

5 matters in order it has been left to me to determine what weight can be given to the evidence. Section 69 of the Trade Marks Act 1994 and Rules 49 and 50 of the Trade Marks Rules 1994 (applicable at the time) lay down the requirements for evidence in proceedings before the Registrar (guidance can also be found in Part 32.15 of the Civil Procedure Rules and associated practice direction). Given the deficiencies in the document and the fact that the registered proprietor was notified of the problem I can give little weight to the contents of Ms Dahl's affidavit. There are in any case further problems with the substance of her affidavit in so far as claims are made which are either unsubstantiated or imprecise. I will deal briefly with these points in what follows.

10 On my reading of the evidence there is no suggestion that the applicants had been active in the UK market prior to their dealings with the registered proprietor (or her predecessors in business). The earliest exhibited correspondence (A2 of Mr Kirby's declaration) is a letter from Expo International to "Sr Hector Scarcella Exports Manager Cruz de Malta Buenos Aires Argentina" acknowledging receipt of brochures and asking, inter alia, for exclusivity in selling a 'yerba mate' product (herbal infusion) in the UK for 10 years. The letter was signed by B Dahl Marketing Manager on behalf of Expo. Expo's involvement is not explained but the HDT International company records at Exhibit A5 show Elizabeth Dahl being appointed as a Director of that company (the original proprietor) and that she was also a Director of Expo International Marketing. The precise relationship between the companies (Expo and HDT) is not explained. It is not until subsequent correspondence that Sr Scarcella's company is revealed as being Empresa Mate Larangeria Mendes SA. but I note with interest that the only identifier in the address in the early correspondence is 'Cruz de Malta'. After further exchanges between February and May 1994 during which sample products were supplied, Sr Scarcella sent a lengthy fax on 1 August 1994 telling B Dahl that "This company Mate Larangeria Mendes SA has been marketing "Cruz de Malta" yerba mate for 120 years". He goes on to give product packaging and pricing information.

30 At no point does the question of ownership of trade mark rights or trade mark protection seem to have been discussed though the words 'Cruz de Malta' which appear in the correspondence referred to above suggest that the recipient might have anticipated that the applicants regarded the words at least as being their mark. Exhibit A3 to Rodolfo Kirby's declaration contains copies of subsequent correspondence between the parties running from 9 May 1995 to 18 July 1996 dealing with orders for and delivery of goods. A letter dated 12 May 1995 (and subsequent correspondence from the applicants) is headed with the words CRUZ DE MALTA and a device of Maltese cross with the letter L at its centre. The device corresponds to the device shown in the Schedule of trade marks in other countries attached to the applicants' statement of grounds (although filing dates for registered marks are not shown, the 'due dates' presumably refer to next renewal and show dates from 1997 onwards which would seem to place filing dates a number of years before. These overseas registrations are, of course, of no direct assistance to the applicants in this country save in showing that it is a mark that they have owned for some time in other jurisdictions).

45 It is reasonable to conclude from the correspondence that the parties were negotiating an arrangement whereby Expo would act as wholesaler/distributor for the applicants' goods in the UK. Prior to the filing (on 6 September 1995) of the registration now under attack goods had been shipped to the UK under or by reference to the words CRUZ DE MALTA and a device

of a Maltese cross. There is no suggestion that these signs were other than the manufacturers' marks. The leading case on the principle to be applied in relation to issues of proprietorship is AL BASSAM 1995 RPC 511 where it was said (page 522 lines 8 to 27):

5 "Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in *Nicholson & Sons Ltd's Application* (1931) 48 RPC 227 at page 253 Lawrence LJ said

10 "The cases to which I have referred (and there are others to the like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark."

20 Second the right to the used mark as an indication of the origin of the goods could not be assigned separately from the goodwill of the business in which it had been used for that would have been to assign the right to commit a fraud on the public. Cf. *Pinto v. Badman* (1891) 8 RPC 181, 194. Third, in the case of an unused mark the person with the best right to use it was the designer or inventor. Cf. *Hudson's Trade Marks* (1886) 3 RPC 155 at pages 160 and 163."

25 Prima facie, therefore, the position seems to me to be that the applicants gave no indication that they wanted the registered proprietor (or her predecessor in business) to apply for and own the Maltese cross device in this country; the registered proprietor made no formal approach to the applicants seeking their agreement to the use of the Maltese cross device with or without amendment; and by their actions in sending goods to the UK under the mark prior to the filing of No. 2032730 the applicants had in any case established themselves as first users in this country.

35 I have already indicated that I can give little weight to Ms Dahl's evidence. I will, however, briefly record and comment on the main counterclaims. She says that in order to obtain a quotation from the applicants she sent them her logo and that in 1995 during a telephone conversation with Hector Adolf Scarcella she informed him about the mark. There is no supporting material to establish what logo was shown to the applicants or when this occurred. She also refers to a visit paid to South America in November 1996 and says that "naively I handled (sic) them among other marketing materials magazines advertising our product with our logo". Soon after her return she claims to have received a telephone call offering £500 for the mark. Mr E Lindgren (former owner of Expo) is said to have refused the offer. There is nothing to support or substantiate these claims and Mr Lindgren has not filed evidence. On the contrary the evidence indicates that at least from 12 May 1995 the applicants' letters and invoices used a Maltese cross device. I find it highly improbable that the applicant company would have responded in the way claimed.

5 Making the best I can of what I consider to be inadequate evidence I take the view that at the  
time the registration under attack was applied for HDT International Ltd (the original  
applicants) would have been aware that they were adopting as a prominent feature of their  
mark an element (the Maltese cross device) which was already a key element of the mark used  
by the applicants for invalidity on or in relation to goods shipped to the UK. Their actions,  
therefore, "fall short of the standards of acceptable commercial behaviour observed by  
reasonable and experienced men....." (GROMAX 1999 RPC 367 at page 379). I find the  
Section 3(6) ground to be made out. In the event, therefore, the registration is declared  
10 invalid and will be deemed never to have been made in accordance with Section 47(6) of the  
Act.

15 As the applicants have been successful they are entitled to a contribution to their costs. I  
order the registered proprietor to pay the applicants the sum of £635. This sum is to be paid  
within seven days of the expiry of the appeal period or within seven days of the final  
determination of this case if any appeal against this decision is unsuccessful.

**Dated this 20 day of September 2000**

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25 **M REYNOLDS**  
**For the Registrar**  
**the Comptroller-General**