

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 10237
BY ANHEUSER- BUSCH INCORPORATED
FOR REVOCATION OF TRADE MARK No 807395
STANDING IN THE NAME OF
BUDEJOVICKY BUDVAR NARODNI PODNIK

DECISION

1) The trade mark shown below is registered under number 807395 in class 32 of the register in respect of “Beer, ale and porter”.



2) The application for registration was made on 21 June 1960.. The registration stands in the name of Budejovicky Budvar Narodni Podnik of 370 01 Ceske Budejovice, Czech Republic.

3) By an application dated 24 July 1998, Anheuser-Busch Incorporated applied for the revocation of the registration under the provisions of Section 46(1)(b). The grounds stated that:

“...the trade mark registered under number 807395 has not been put to genuine use in the United Kingdom by the proprietor thereof (or with his consent) in relation to the goods for which it is registered for a consecutive period of five years prior to the date of this application for revocation and there are no proper reasons for non-use.”

4) On 29 October 1998 the registered proprietors filed a counterstatement stating that the mark registered had been used in the UK in relation to beer by him and/or with his consent for a continuous period of five years prior to the date of the application for revocation. They asked for the refusal of the request for revocation of registration and also that the Registrar use her discretion in its favour. . Both sides seek an award of costs. Both sides filed evidence.

5) At the hearing, on 1 February 2001, the Registered Proprietor was represented by Mr Mellor of Counsel instructed by Messrs Marks & Clerk. The applicant for revocation was represented by Mr Edenborough of Counsel instructed by Messrs D Young & Co.

REGISTERED PROPRIETOR'S EVIDENCE

6) The registered proprietor filed a declaration, dated 27 October 1998, by Lynne Zilkha a Director of BB Supply Centre Limited. Ms Zilkha states that her company has been the sole UK distributor of beer manufactured and sold by the registered proprietor (and its predecessors in business) since 1972.

7) Ms Zilkha states that the trade mark in suit has been used continuously in relation to the said beer during the period 24 March 1993 to 24 March 1998. She states that the mark in suit has been used on neck labels affixed to the beer sold in the UK during the relevant period. At annex A is a bottle of beer which has a best before date of August 1996. The neck label has the words BUDWEISER BUDBRAU in normal capital letters contained in a circle around the device of three towers and an heraldic shield.

8) The sales of beers in the UK with such labels are as follows:

Period	Turnover £
1.4.92 - 31.3.93	5,287,881
1.4.93 - 31.3.94	6,111,038
1.4.94 - 31.3.95	8,698,473

9) Ms Zilkha states that sales of the said beer in the UK 'have continued up to 24 March 1998 and have been in excess of the aforementioned turnover figures. She also provides at exhibit B a selection of invoices from the Czech manufacturers to her company. Each of the invoices includes the words BUDWEISER BUDBRAU in a list of marks (BUDWEISER BUDBRAU.... BUD...BUDVAR....BUDWEISER....BUDWEISER BUDVAR) printed in the form of a border around the edge, this sequence is repeated eight times. All of the invoices are dated within the relevant period of 24 April 1993 - 24 April 1998. The invoices are for goods described as Budweiser Budvar.

APPLICANT FOR REVOCATION'S EVIDENCE

10) The Applicant has filed a declaration, dated 12 February 1999, by Penelope Ann Nicholls a partner in the trade mark agency representing the applicant. Ms Nicholls makes the following observations regarding the registered proprietor's evidence:

a) The mark used on the neck label is not the mark in suit but is in fact UK registration B1554901. At exhibit PAN1 Ms Nicholls provides an extract from the UK Registry Database showing registration B1554901. It does correspond to the neck label having the three towers, heraldic shield and words in the same order as the neck label exhibited in the Proprietor's evidence.

b) The invoices issued to BB Supply Centre Limited do not feature any use of

BUDWEISER BUDBRAU in the form as registered under number 807395.

c) The only trade mark which is genuinely used in relation to the registered proprietor's beers on the said invoice is the BUDWEISER BUDVAR mark. A copy of this registration is provided at exhibit PAN2. It shows the mark Budweiser Budvar in a stylised version and in plain script.

d) The applicant claims that the registered proprietor has shown no use of the mark registered and no proper reasons for non-use.

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) The sole ground of revocation is under Section 46(1)(b). However, at the hearing it was common ground that there had been no use of the mark as registered, and therefore Section 46(2) has to be considered. These sections read as follows:

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

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non - use;

And:

46(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.”

13) The relevant period for the purpose of these proceedings is 24 July 1993 - 23 July 1998.

14) As the registered proprietors claim to have been using the mark throughout the period the question of commencement or resumption of use referred to in Section 46(3) is not applicable.

15) Section 100 of the Act is relevant as it clarifies where the overall burden of proof rests in relation to the question of use. It reads:

“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.”

16) From this Section it is clear that the onus is on the registered proprietors to show use of the registered mark.

17) The proprietor filed two forms of evidence of use. The first is a label used on the neck of a bottle. The whole of the neck label is itself registered as a trade mark. The label consists of a central part which imitates a red wax seal. The words BUDWEISER BUDBRAU are printed in block capitals in a circle on the seal. The words encircle a motif comprising a shield with a lion upon it, superimposed on a castle with towers. Beyond the red seal on each side is a white area banded with gold with, in the white area, a large stylised letter "B" in red.

18) Mr Edenborough stated that the neck label is a device mark and is registered as such. Therefore, he contended, use of a registered mark which has a figurative element cannot be taken as use of a word mark. In particular he noted that the mark in suit has two different fonts, one a type of gothic the other a type of italic. Further, the mark in suit has one word above the other with the lower word being strongly underlined. This underlining it was claimed formed a platform for the whole mark. The word "Budweiser" is also disclaimed.

19) This description of the mark in suit was contrasted by Mr Edenborough to the use of the words in the neck label where the two words run one after the other on the same line without any distinctive font or underlining.

20) The first issue to be determined is whether the average consumers' reaction to the words BUDWEISER BUDBRAU in the graphical form in which it is registered, would be any different to the word in block capitals, or in any other conventional form of presentation. In the case of *Elle Trade Mark 1997 FSR 529* Mr Justice Lloyd dealt with a similar issue. In that case the mark consisted of the word "elle" in lower case letters in the middle of a circle with a cross off the circle bottom right (the scientific symbol for the female gender) and there was a disclaimer to any right the exclusive use of the word "elle". The learned judge concluded (at page 533):-

"....one comes back to the question whether, by omitting the device and by converting the four letters of the word from lower to upper case, something has been done which alters the distinctive character of the mark from the registered form. In my judgement it has. It seems to me that the device is at least as much what makes this mark distinctive as the word. The use of the word alone and in capitals does alter the distinctive character of the mark, in my judgement, in a significant and substantial way. Therefore, although I do not proceed by analogy with section 41, I agree with the decision of Mr Knight on this point and without having to consider the position as regards disclaimer."

21) In my view what makes the mark in suit distinctive is that it is clearly recognisable as the words BUDWEISER BUDBRAU. The different fonts and the underlining do not detract from, or add anything to, the central message. Consumers are used to different fonts being used and would see the underlining as a typical advertising flourish. I therefore find that the use of the words BUDWEISER BUDBRAU in block capitals is use of the registered mark within the meaning of Section 46(2) of the Act.

22) The next question is whether use of the words BUDWEISER BUDBRAU on the neck label

together with figurative elements constitutes use of the mark in suit.

23) In my view the average consumer would view the words BUDWEISER BUDBRAU as being the distinctive element of the neck label mark. Heraldic devices such as those included in the neck label are common on bottles containing alcoholic beverages. The various individual elements are relatively indistinct in themselves when compared to the words, and even when considered collectively do not overcome the basic tenet that words speak louder than devices. The words clearly indicate the origin of the goods. This is the opposite of the *Elle* case where use of a word was not accepted as use of a composite word and device mark. By contrast use of a registered word mark with additional figurative or graphical elements, necessarily entails use of the whole of the registered word mark.

24) Finally, I have to determine whether this use of BUDWEISER BUDBRAU on neck labels amounts to “genuine use” as required by Section 46(1). The meaning of “genuine use “ was considered by Jacob J in *Euromarket Designs Inc v Peters and Another* 25 July 2000 [2000] ALL ER (D) 1050 where he said:

“50. Assume, however there were these three things, namely the packaging on a few items posted at the US customer’s request to the UK, gift registry sales, and a tiny amount of spillover advertisements in what the reader in the UK would know are US journals. Do they individually or collectively amount to “genuine use” of the UK registered mark? Miss Vitoria contends they do. She says the reference to “genuine” is merely in contradiction to “sham”. Small though the use may have been, there was nothing fake about it. The mark appeared in the UK in connection with genuine transactions and that is enough.

51. I disagree. It seems to me that “genuine use” must involve that which a trader or consumer would regard as a real or genuine trade in this country. This involves quantity as well as the nature of the use. In part it is a question of degree and there may be cases on the borderline. If that were not so, if Miss Vitoria were right, a single advertisement intended for local consumption in just one US city in a journal which happened to have a tiny UK distribution would be enough to save a trade mark monopoly in this country. Yet the advertisement would not be “sham”. This to my mind shows that Miss Vitoria’s gloss on the meaning of “genuine” is not enough. And the only stopping place after that is real trade in this country. I think all the examples relied upon are examples of trade just in the US.”

25) Accordingly, “genuine use” requires consideration of the quantity and the nature of the use shown. “Genuine” is not just the opposite of “sham”. I must there consider whether the use shown is in relation to the goods at issue and of a nature and scale that amounts to “genuine use” in relation to the goods for which the mark is registered.

26) If my earlier finding that the use of BUDWEISER BUDBRAU in block capitals in the neck label counts as use of the registered mark then the answer is clear. The evidence of Ms Zilkha indicates that in the three years 1992 - 1995 sales of beer in bottles with the neck label on them amounted to £20 million. This was not disputed by the applicant. This use can scarcely be

regarded as anything other than genuine in nature.

27) The specification of goods is "Beer, ale and porter". All three terms are commonly interchangeable as they are beers or types of beers. The evidence supplied refers to the use of the neck label on bottles of beer. The applicant has not asked for any specific reduction in the specification in the event that its principal ground of attack fails. Nor were arguments on this subject put forward at the hearing. Under these circumstances I do not intend to amend the specification of the goods.

28) The application for revocation under Section 46(1)(b) of the Act fails.

29) This finding is sufficient for me to dispose of the case without considering either the evidence of the use of the mark in suit on the invoices.

30) The application for revocation having failed the registered proprietor is entitled to a contribution towards costs. I order the applicant to pay the registered proprietor the sum of £1535. This sum 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 11TH day of April 2001

George W Salthouse
For the Registrar
The Comptroller General