

1 MR. THORLEY: There are listed for hearing before me today two  
2 appeals from the Trade Marks Registry by Anheuser-Busch Inc.  
3 The first is an appeal from a decision of Mr. Salthouse dated  
4 11th April 2001 in an application by Anheuser-Busch for  
5 revocation of trade mark 807395 standing in the name of  
6 Budejovicky Budvar Narodni Podnik, whom I shall call for  
7 present purposes "Budvar".

8 The trade mark is a stylised mark consisting of the two  
9 words BUDWEISER and BUDBRAU.

10 Mr. Salthouse determined that the application, which  
11 was made under section 46 of the Act, failed on the basis of  
12 non-use. Anheuser-Busch, as is their right, elected to appeal  
13 to the Appointed Person pursuant to section 76 of the Act.

14 The second matter is another appeal by Anheuser-Busch  
15 in relation to a decision dated 13th February 2001 by  
16 Mr. Allan James acting on behalf of the Registrar. Again the  
17 application was for revocation on the ground of non-use  
18 pursuant to section 46 this time of another trade mark of  
19 Budvar, number 1070309, which is for the word "Bud" in a  
20 stylised script.

21 Mr. James, again, concluded that the application  
22 failed and Anheuser-Busch appealed. Notwithstanding the fact  
23 that the decision was on separate trade marks, given by  
24 separate hearing officers, I directed that they should be  
25 heard on the same day and that is what occurred.

1           In accordance with my usual practice, when the papers  
2 first came to me I reviewed the decisions to identify two  
3 factors. First, how long it was that I thought the appeals  
4 would take and, secondly, to seek to consider, pursuant to  
5 section 76(3) of the Act, whether a point of general legal  
6 importance was involved such that a reference to the court  
7 should be considered.

8           In the case of these two appeals I concluded that the  
9 first appeal was likely to occupy the tribunal for about one  
10 hour and that the second appeal, on which more substantial  
11 questions relating to use arose, might take some two hours.  
12 I did not consider that any point of law of general legal  
13 importance was likely to arise.

14           Very helpfully both counsel appearing before me filed  
15 skeleton arguments and in Mr. Mellor's skeleton argument on  
16 behalf of Budvar, he drew my attention to the fact that these  
17 two appeals are but a small part of a long running conflict  
18 between Budvar and Anheuser-Busch.

19           What I was unaware of was that there was also in  
20 existence a further current dispute relating to the very BUD  
21 trade mark, which is the subject of appeal to me. This arose  
22 in an attempt by Anheuser-Busch to invalidate the BUD mark on  
23 the basis that it is registered in certain countries, but not  
24 in this country, as an appellation of origin. Mr. James in a  
25 decision dated 26th April 2001 found against Anheuser-Busch

1 and rejected the invalidation.

2 Anheuser-Busch elected in respect of that decision to  
3 appeal to the High Court, as they are entitled to, under  
4 section 76.

5 The position therefore today is that there are two  
6 appeals before me and one appeal (which is due to come before  
7 the High Court some time later this month) in relation to one  
8 of the marks which I am to consider. This appears to me to  
9 be a ludicrous state of affairs. It is calculated to  
10 increase costs, it is calculated to increase delay and I have  
11 received no sensible explanation as to why it was that  
12 Anheuser-Busch elected to appeal decisions in relation to the  
13 same trade mark to two separate tribunals.

14 That, however, is not a matter over which I have any  
15 control. It is a matter which, if these appeals are to be  
16 heard separately, will have to be considered when the  
17 question of costs are considered. I have no power to  
18 transfer an appeal to the High Court because common sense  
19 dictates that it ought to be there. If I had, I  
20 unhesitatingly would. The only power that I have is to  
21 assess whether a point of general legal importance is  
22 involved in these appeals which, even at this late stage,  
23 requires my stopping these appeals and referring them to the  
24 court.

25 The possible point of legal importance that arises in

1 both of these appeals relates to the correct interpretation  
2 of section 46(2) of the Act. Section 46(1) provides, in  
3 simple terms, that if a trade mark has not been used for five  
4 years, it can be revoked. Subsection (2), however, provides  
5 as follows:

6 For the purposes of subsection (1) use of a trade mark  
7 includes use in a form differing in elements which do  
8 not alter the distinctive character of the mark in the  
9 form in which it was registered, and use in the United  
10 Kingdom includes affixing the trade mark to goods or  
11 to the packaging of goods in the United Kingdom solely  
12 for export purposes."

13 For the purposes of this decision, I have to assume  
14 that there has been no use of either of the trade marks, the  
15 subject of the appeals before me, in precisely the form in  
16 which they are registered. I shall therefore have to decide,  
17 if the appeal continues, whether the hearing officers were  
18 right in concluding that the use that had occurred did not  
19 alters the distinctive character of the mark. In that  
20 respect I am assisted by the decision of Lloyd J. in ELLE  
21 Trade Mark [1997] F.S.R. 529 where he had to consider the  
22 interpretation of section 46(2) in an appeal to the court in  
23 relation to the trade mark ELLE.

24 The question that has arisen before me today, and arise  
25 I regret to say because of some prompting by me, is as to

1 whether the interpretation of section 46(2) is in any way  
2 affected or conditioned by the language of section 39 of the  
3 Act which prevents a correction to a trade mark which  
4 "substantially affects the identity of the trade mark."

5 In the ELLE decision Lloyd J. was referred by counsel  
6 to section 41 of the Act which contains similar wording, but  
7 did not feel that he could attach any weight in interpreting  
8 section 46(2) to the language of section 41 since section 46  
9 had its origins in the Directive whereas section 41 was, to  
10 use Jacob J.'s expression "a home-grown provision."

11 Counsel in the appeal to Lloyd J. did not direct his  
12 Lordship's attention to section 39 which does have its origin  
13 in, at any rate, Article 44 of the Regulation.

14 Further, one of the marks that is relevant to  
15 consideration of whether the use of the BUDWEISER BUDBRAU  
16 mark does alter the distinctive character of the mark as  
17 registered is another trade mark of Budvar, which includes a  
18 disclaimer. A question arises as to the extent to which that  
19 disclaimer should play a part in the consideration. This was  
20 not a matter which was considered by Lloyd J. and I suspect  
21 is going to be a very small part of the argument before me.

22 As a result of raising the question of the proper  
23 interpretation of section 46(2) with Mr. Edenborough, who  
24 appears on behalf of Anheuser-Busch, I permitted an  
25 adjournment for him to consider with his clients whether they

1 wish to make an application for these matters to be referred  
2 to the court. He asked that I should and  
3 Mr. Mellor also took instructions and with some reluctance  
4 indicated that his clients were in favour of a reference,  
5 provided all these matters could be heard together.

6 This presents me with a procedural problem in that  
7 under the rules it is necessary, if I am minded  
8 to refer the matter, to give the Registrar notice to enable  
9 her to consider whether she wishes to make observations and,  
10 of course, as to whether she would wish to make application  
11 for leave to intervene in the appeals, as has recently been  
12 done in an appeal before the Court of Appeal. In this  
13 respect, I am guided by Rule 64 of the Trade Marks Rules  
14 2000.

15 It is going to be unusual, I believe, for the Appointed  
16 Person to decline to refer an appeal in circumstances where  
17 both parties have concluded that a point of law of general  
18 importance arises because of considerations which they did  
19 not take into account when the notice of appeal was filed.

20 The point of law that arises here is as to the correct  
21 interpretation of section 46(2). Section 46 is a very  
22 important section in the structure of the Act, as can be seen  
23 by reference to the eighth recital to the Directive, which  
24 reads:

25 "Whereas in order to reduce the total number of trade

1 marks registered and protected in the Community and  
2 consequently the number of conflicts which arise  
3 between them, it is essential to require that  
4 registered trade marks must actually be used or, if  
5 not used, be subject to revocation."

6 I cannot help but feel that practitioners would benefit  
7 from a clear statement of the law as to the appropriate  
8 approach to section 46(2) and, in particular, to the words  
9 which appear in that section "which do not alter the  
10 distinctive character of the mark in the form in which it was  
11 registered." It would not be appropriate for me in this  
12 decision to make any observations at all.

13 With the greatest possible reluctance I have concluded  
14 that this is a matter which should be referred. I apologise  
15 to everyone that I did not perceive the possibility of the  
16 difficulties of the point of law when I originally read these  
17 papers. That is, however, something which we must all put up  
18 with.

19 I therefore propose to direct that these two appeals be  
20 referred to the court on the undertaking of both parties to  
21 use their best endeavours to have these two appeals heard at  
22 the same time as the appeal in the matter which is already  
23 due to go before the High Court. It seems to me, as I have  
24 already indicated, quite ludicrous that they were not all  
25 listed for hearing together before the same tribunal in the

