

TRADE MARKS ACT 1994

**IN THE MATTER of Application No 2189273
by Asda Stores Limited**

and

**IN THE MATTER of Opposition thereto under No 50560
by Tesco Stores Limited**

Background

1. On 19 February 1999, Asda Stores Limited applied under the Trade Marks Act 1994 to register the trade mark shown below as a series of two marks:

ROLLBACK

Rollback

2. Following amendment, the specification of goods reads:

Class 01:

Chemical products for vehicles; additives for oils, lubricants and for fuels; preparations for repairing leaks in silencers and exhaust pipes of internal combustion engines; compositions for treating petrol to prevent pinking; chemical preparations for addition to the water of internal combustion engines to inhibit corrosion; de-icing preparations; anti-freeze; battery fluids; repairing compositions for sealing tyres; water softening preparations; artificial sweeteners; plant foods; chemical products for garden, horticultural, forestry and agricultural use; peat; compost; manure; fertilisers; photographic chemicals and photographic film.

Class 03:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; toilet preparations; perfumery; essential oils; cosmetics; hair lotions; hair care preparations; dentifrices; dyestuffs.

Class 05:

Pharmaceutical, veterinary and sanitary preparations; dietetic substances; food for babies; plasters, materials for dressing; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides; but not including diagnostic products for in vitro medical and laboratory use and diagnostic preparations and substances, all for in vivo use.

Class 07:

Machines and apparatus, all for kitchen, domestic and/or household use; ironing machines; food processors; can openers; electric knives; electric mixers; parts and fittings for any of the aforesaid goods.

Class 08:

Hand tools and implements; cutlery; forks; knives; spoons; garden tools; razors.

Class 09:

Batteries; fire extinguishes; smoke detectors; smoke and anti-theft alarms; guards for electric sockets; refrigerator magnets; thermometers; plugs; sun shields; sunglasses; household electrical apparatus and instruments; electric flat irons; encoded financial, shopping and identification cards; parts and fittings for vehicles; fuses; tyre gauges; booster cables; radio transmitting apparatus; electrical intercommunication apparatus and instruments; sound amplifying apparatus and instruments; sound and/or video recording apparatus; carriers for the reproduction of sound and/or images; gramophone records; compact discs; digital audio cassettes; video tapes; cassette tapes; teaching apparatus and instruments; photographic and cinematographic apparatus and instruments; radios; television receivers; calculators; computers; computer software; electrically operated lighters (non-pyrophoric) for smokers; but not including computer programmes for managing and supervising in relation in relation to computer networks.

Class 14:

Jewellery; horological and chronometric instruments; watches and clocks; small domestic utensils of precious metal; precious metals and their alloys and goods in precious metals or coated therewith; precious stones.

Class 16:

Stationery; printed matter; printed publications; brochures; leaflets; catalogues; calendars; diaries; paper articles; cardboard articles; books; albums; writing instruments; files; ring binders; wrapping paper; Christmas cards; greetings cards; birthday cards; posters; photographs; paper towels; paper handkerchiefs; facial tissues; napkins; products for carnival and party purposes; paint brushes; office requisites; instructional and teaching materials; toilet paper; but not including user manuals for

computer programmes for managing and supervising in relation to computer networks.

Class 24:

Textiles and textile goods; table covers.

Class 25:

Clothing, footwear, headgear.

Class 27:

Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).

Class 29:

Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Class 30:

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Class 31:

Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt.

Class 32:

Beers; minerals and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class 33:

Alcoholic beverages (except beers).

Class 34:

Cigarettes, cigars, tobacco, smokers' articles, matches.

3. The application was accepted and published and on 23 December 1999, Tesco Stores Limited, filed notice of opposition to the application. The statement of grounds accompanying the notice of opposition set out various grounds of opposition under section 3 of the Trade Marks Act 1994. Those pursued at the hearing can be summarised as follows:

- (a) under section 3(1)(b) and 3(1)(c) in that the applicants' mark, ROLLBACK as at the date of application, was devoid of distinctive character being indicative of a characteristic of the sale of the goods (namely price reduction) or was liable to be used by undertakings to indicate a price reduction in relation to the sale of goods; and
- (b) under section 3(3)(b) in that use of the mark in relation to goods which were not reduced in price would be such as to deceive the public as to the nature of the goods.

4. The applicant filed a counterstatement denying the grounds of opposition. Both sides seek an award of costs. The matter came to be heard on 30 January 2002. The applicants were represented by Mr Ian Purvis of Counsel, instructed by Appleyard Lees, the opponents were represented by Mr Guy Tritton of Counsel, instructed by Trademark Owners Association Limited.

Evidence

Opponents' Evidence

5. The opponents filed three witness statements. The first is dated 7 July 2000 and is by Mr John Morrish, a freelance writer and journalist employed by The Daily Telegraph for which he regularly publishes articles on the subject of philology [comparative and historical linguistics] and semantics. He is also the author of a book entitled "Frantic Semantics, snapshots of our changing language". He states that the opponents have asked him to provide them with evidence relating to the origin and meaning of the word "rollback".

6. Mr Morrish states that the word "rollback" is American in origin and first recorded in 1942 as "roll-back". He says that it was originally used to mean a reduction in prices that have just risen. Thus a company might raise its prices by 10% but after protest there will be a "roll-back" leaving them 5% higher than they were in the first place.

7. Mr Morrish says that later it was used in a political sense: people talked about a "rollback" of the boundaries of the Eastern Bloc or of the powers of the American Federal Government. He states that the earliest example he could find of its use in the United Kingdom was in 1975 in an Economist article about the Canadian government awarding "rollback" powers to an official so he could deal with excessive price increases. He states that since 1975 it has been used quite often and in the 1980's it was adopted in the computer language SQL. It is also a term for a problem affecting aircraft engines. Thus, he states that throughout the 1990's it was used in these main contexts: war and foreign policy; economics; computers; engineering and pricing.

8. The opponents' second witness statement is by Mr Steve Marshall. He states that he is teaching English for Academic Purposes at the Language Centre of University College London and is studying an M/Phil/PhD at the Institute of Education on the subject of language policy and degrees of bilingualism in the Academic Group, "Culture Communications and Societies". He states that he was born in Canada and educated in the UK from the age of six; thus his home language has been American English and his school and social language British English. He states that usage of American terms in British English has always been of particular interest to him.

9. Mr Marshall states that the opponents asked him to provide them with evidence relating to the origin and meaning of the word "rollback". He states that the term is American in origin and can be used either as a verb or noun, in each case with regard to a reduction in prices. In a more general sense, he states that the term can mean to force opponents to retreat in a military context, or more figuratively, to roll back the frontiers of science or the powers of government. He states that according to the Longman Dictionary of Language and Culture such uses of the term are not specified as American English; the dictionary does refer though to "rollback" (a price reduction) as an American term.

10. Mr Marshall states that prior to its present usage in the field of business and marketing in the UK, usage of the term would have been most common in verb form in the geopolitical context of containing or rolling back communism. He states that he came across such usage in a number of texts during his MA in Area Studies with regard to American foreign policy and international relations in Latin America.

11. The opponents' main evidence consists of a witness statement dated 13 July 2000 by Ms Deborah Josephine Prince, Intellectual Property Manager of Tesco Stores Limited.

12. Ms Prince states that the term ROLLBACK is used in different spellings as one word or two and in different grammatical contexts. She exhibits at DJP1 copies of the relevant pages from various dictionaries. The definition in the World Book Dictionary is "a rolling back, especially of prices, wages or interest rates to a lower level." The New Dictionary of American Slang, indicates, "a reduction especially of wages or production." The US Random House Dictionary of the English Language indicates, "to reduce the price of a commodity, wages etc, to a former level usually in response to Government action."

13. Ms Prince states her view that the word is used to indicate a decrease in prices and her belief that it originated in the USA and is now widely used in other English speaking countries. Ms Prince refers to exhibit DJP2 which consists of extracts of pages from the internet which she states shows that the term is routinely used by companies in the USA, Australia, Canada and India. She gives the following examples from that exhibit:

- in the USA
 - Deregulation and electrification of business in the USA: reference to "rollback price 10%."
 - D&K film: "price rollback"
 - Tamiya reduction in prices in its aircraft: "major price rollback"
- in India- Prime minister rules out the "rollback of prices".

- Australia - Kia Motors Australia “has rolled back the price of the will roll back the prices to align with the 98 models”.
- Mazda Australia has announced “an extensive price rollback”.
- Mitsubishi has a “price roll back”.
- Canada - The University of Guelph is negotiating a new faculty and the “decrease in the base would be considered a rollback.”
- The Canadian Medical Journal Association refers to “1994 tobacco tax rollback”.
- Canadian Environmental report: “Rollback in the Level of Greenhouse Gases”.

14. Ms Prince states that Asda Stores Ltd, has made extensive use of the term ROLLBACK to reinforce its price cut campaign. The term is used throughout the world in various grammatical forms including use as a noun and a verb and has become synonymous with the idea of prices being reduced. Attached and exhibited to her witness statement at DJP3 are copies of a video of the Asda “rollback campaign”, extracts from the Asda website and also articles from newspapers. She refers to various extracts from these as follows:

- Asda website: “we’re rolling back the price of phone calls too.”
- The Sunday Times 9 August 1999, “.... rollback is an idea borrowed from WalMart....the company expects to roll back prices every three to four weeks”.
- The Times 21 August 1999: “We’re rolling back 1000 prices to stay even lower.”
- From the video of the television campaign use is made of “rolled back”, “rolling on” and “rollback”.

15. Ms Princes states that there are a number of terms or words which like ROLLBACK, are descriptive and would not therefore qualify for registration as trade marks. Examples of some of these terms and words are given later in her statement to illustrate this point. She does not believe that Asda Stores Ltd are entitled to claim exclusive rights in ROLLBACK as it is an ordinary well used word.

16. Attached to her statement at DJP4 she refers to examples from the internet showing use of the expressions, “dream ticket”, “wildcard” and “raincheck” all of which she states, like “rollback” began in particular geographical locations and are now used throughout the English speaking world.

17. At DJP5, Ms Prince exhibits a book by John Morrish entitled “Frantic Semantics”, where he comments specifically on a number of words which originated in the US (and elsewhere) and have now been adopted by, and are part of, the English language. She states that such words include:

- butt: “...given our love of Americanisms” - “Butt & Thigh Workout” on British breakfast television.

- enterprise: "...how quickly our ancient institutions have come to love transatlantic jargon.
- feelgood: "...before becoming part of the vocabulary of politicians, it was common in the folksy language of American advertising..."
- geek: "...was an English dialect word before resurfacing in the US"
- pan out: "...since [1892] the phrase has been fully naturalised."
- regular: "young Britons are now as fluent in American as Ronald McDonald".
- retro: "French, an abbreviation of "retrograde".
- soundbite: "...began as a technical expression in American television news."
- up to speed: "It's said to be American from politics or business".

Applicants' Evidence

18. The applicants also filed three witness statements. The first dated 2 March 2001 is from Anthony Paul Brierley, a registered trade mark attorney and partner in the firm of Appleyard Lees, the applicants' representatives in this matter.

19. Mr Brierley refers to a table annexed to his statement. This table contains words used in American English which he states are not generally known and/or used in British English - he gives the meaning of the word in British English and indicates whether the words appear in the following dictionaries: Chambers, Oxford and Collins with an indication that they originate in the US. The words are taken from a US Dictionary, Random House Webster's College Dictionary, I will not give a full list of the words. The meaning of some is, it seems to me, either apparent, eg candy apple = toffee apple, outsize=extra large clothing, or is, I would say, known from television and film, eg faucet = tap, interstate=motorway. The meaning of others is in my view more obscure: rollaway=folding bed, flatware=cutlery, rutabaga=swede.

20. Mr Brierley notes that certain of the words on the list which are apparently descriptive American English words are registered as UK trade marks for goods in relation to which they are descriptive. At table 2, he provides examples such as rollaway, registration 800853 for folding beds, dumpster, 946274, 921967 for containers for use with lifting and tipping mechanisms in vehicles..."

21. Mr Brierley notes that the opponents have applied for and/or registered various trade marks set out in Table 3 which refer to price, these include ALWAYS LOW PRICES ALWAYS TESCO. At table 4 he refers to other traders who have registrations which refer to price such as NEVER KNOWINGLY UNDERSOLD and PRICE WATCH.

22. Mr Brierley refers to the evidence of Ms Prince and notes that her examples of dreamticket, wild card and rain check have at one time or another been registered trade marks

within the UK. He notes that the book exhibited at DJP5, “Francitic Semantics”, does not include the word, ROLLBACK.

23. The applicants’ second witness statement is dated 2 March 2001 and is by Mr David Denison a Professor of English Linguistics employed by the University of Manchester. He states that his particular specialism is the history of the English language including recent and current changes in the words and syntactic structures of the language.

24. He states that his doctrinal research in the 1970s and 1980s covered phrasal verbs like roll back, and that much of his research since the 1990s has involved “corpus linguistics” the study of corpora (systematic collections) of English texts. Professor Denison states that in 1998, he published the first full-length study of syntactic changes in English in the last two centuries explicitly drawing attention to British-American similarities and differences. At DD1 he attaches relevant parts of his curriculum vitae.

25. He states that he has been instructed by Addleshaw Booth acting on behalf of the applicants to focus on the following propositions:

- (a) that there was no common usage of rollback in the UK up to February 1999
- (b) that rollback was not a widely understood word in the UK up to February 1999
- (c) that the present-day meaning associated with rollback in terms of pricing is wholly or largely due to the extensive use in this context by Asda.

26. Professor Denison comments on the relation between verb and noun on the meaning of rollback and on the spellings of rollback. He states that any phrasal verb like roll back (as in “The car rolled back down the hill”) can - but need not- lead to an associated noun of the same form (“preventing roll back on an incline”, attested 1937). If the phrasal verb has an idiomatic meaning, then the associated noun, if it exists, may well be able to carry that meaning too. He states that there are hundreds of such pairs in English. If the noun is not in familiar use, speakers are more likely to use a pattern like *rolling back* when a nominal form is needed.

27. He states that the main meanings in American and/or British English for the noun rollback are:

(a) a **literal** “rolling backwards”, which is on the border between an established word and a combination which can be productively created *ad hoc*;

(b) a **strategic**, military or quasi-military sense of pushing back some large entity perceived as a threat (eg the communist “menace”, “big government”).)

(c) the sense **reduction** specifically “reduction of prices” and originally “reduction of prices by governmental action or directions” (Aerial Heritage Dictionary of the English Language 1969 edition; see also the definition in Merriam-Webster’s online Collegiate Dictionary) relevant excerpts are attached and exhibited at Exhibit DD2.

(d) technical senses connected with **aircraft**;

(e) technical senses in **computing**, including one in the computer database language SQL.

28. He states that it is the dating and distribution of sense (c) which is in question. All parties accept that this sense was originally North American, where it is attested from 1942.

29. Professor Denison states that there is little linguistic significance in the variant spellings of *rollback*, *roll-back* and *roll back*: all could in principle represent one lexical term. In electronic searching however, he states that he has confined himself to the first two spellings with and without the plural s ending as these are overwhelmingly noun forms rather than verbs.

30. To test the existence and familiarity of the term in the UK prior to 1999 he states that it is flawed and impractical to conduct a survey of speakers in 2001 when the word has been widely advertised. More objective is he states, evidence gained from journalism collected in electronic form, other standard collections of written and spoken English (corpora) and reference works, notable dictionaries. He states that he has tried all three.

31. In *The Guardian* and *The Observer* (extracts are exhibited at DD3), he states that the word *rollback* was used as follows:

- (a) for the year 2000 there are 7 occurrences: 4 specifically to do with Asda's price-cuts, 2 in the aircraft sense; 1 in the strategic sense.
- (b) for the year 1999 there are 11 occurrences: 9 in connection with Asda, 1 in the "price reduction" sense but he states used as a foreign term, and 1 in the strategic sense.
- (c) for the year 1998 it occurs just once in the strategic sense in a quotation from an American senator.
- (d) for 1996-97 it occurs just twice; both of them in the strategic sense and in American political contexts.

32. Professor Denison states that similar results come from *The Times* and *Sunday Times*. He states that the results are as follows:

- (a) in 2000 there are 5 occurrences: 2 strategic, 1 computing, 2 price reduction of which 1 is American and the other about Asda.
- (b) in 1999 there are 8 occurrences: 1 strategic, 7 about Asda.
- (c) in 1998 there are no occurrences at all.
- (d) in 1996-97 combined there are 2 occurrences; both strategic, through one has an economic context.

33. Professor Denison states his view that the newspaper evidence provides no support for the claim that the use of the word *rollback* in the "price reduction" sense was known in Britain prior to Asda's advertising campaign in February 1999.

34. He then turns to what he describes as the “more general, balanced corpora of English usage”. He states that the most important is *The British National Corpus*, some 100 million words dating from the mid-1980s to the early 1990s and carefully chosen to represent many kinds of spoken and written English. He states that it has only five instances of the word *rollback* (three so spelled, two hyphenated). He states that one is in a computing sense; one is literal (“roll-back eye cups for spectacle wearers”); one is to do with recording; the other two are from the same text and seem to imply a straight-line graph (of air pollution). Professor Denison states that not one is in the “reduction” sense, let alone price reduction. The relevant excerpts are exhibited at DD4.

35. Professor Denison then refers to the COBUILD *Direct* corpus held at the University of Birmingham which is the largest single general corpus of English usage. Over 415 million words, the majority post-1990. He states that there is a sample corpus of over 56 million words - heavily weighted towards British sources but with some American and Australian material. This yielded only four instances of the word *rollback*. He states that all four were American, three from National Public Radio and one from “US Books” subcorpus). He states that only one of these was in the “price reduction” sense. The relevant excerpts are exhibited at DD5

36. He goes on to refer to the Freiburg corpora of British and American material from the year 1991 (“FLOB” and “FROWN” respectively), each of 1 million words, which have no instances of the word *rollback* as a noun. As a verb, he states that it occurs once in the literal sense in the British corpus and three times in the American corpus, twice in the strategic sense and once in the literal sense. The relevant excerpts are exhibited at DD6.

37. Professor Denison then turns to dictionaries. He states that the most authoritative English dictionary is the 2nd edition of the *Oxford English Dictionary* (20 printed volumes, 1989, which he searched on CD-ROM). He states that it has an entry for *roll back* as a noun, whose second meaning, specifically marked as “US” is “A reduction or decrease; *spec.*, a return (of commodity prices, etc.) to a lower level.”. By searching the whole of the dictionary he states that he found ten examples of *rollback* or *roll back* as a noun, dated 1937-76 of which six or seven were in the reduction or price reduction senses, the earliest is dated 1942. He states that the transitive phrasal verb in the same sense is cited from 1943 also marked “US”. He states that the discrepancy of one year between nominal and verbal attestations is not significant. He goes on to say that the revision of the 3rd online edition of OED does not yet have any further entries for *rollback*. Excerpts are exhibited at DD7.

38. Professor Denison states that smaller desk dictionaries are better indicators of recent usage and that the principle ones are Chambers, Collins, Longman, and Oxford. Excerpts are exhibited at DD8.

39. Professor Denison notes that:

- Chambers Dictionary (1998 edition) does not list *rollback* under *roll*, in an entry which does include *roll-on*, *roll-over*, *roll-up*;
- Collins English Dictionary (2000 edition) does not list *rollback* at all.

- Longman Dictionary of the English Language (1984) only defines *rollback* as “the act or an instance of rolling back” and the phrasal verb *roll back* only in the strategic sense;
- the Longman Dictionary of Contemporary English (1987) has no mention of the noun *rollback* but gives “to reduce prices” as the second meaning of the verb *roll back*, and this is marked as American.
- the New Oxford Dictionary of English (1998) is he states a popular dictionary compiled independently of the authoritative and scholarly Oxford English Dictionary, this lists *rollback* in the sense “reduction, decrease” as “Chiefly US”;
- a reliable dictionary specialising in phrasal verbs “Cowie & Mackin’s Oxford Dictionary of Current Idiomatic English”, volume 1 Verbs with prepositions and particles (Oxford University press 1975). He notes that at that date, only the literal and strategic senses of the phrasal verb were identified. The relevant excerpt is exhibited at DD9.

40. Professor Denison notes that quotation marks around *rollback* in the *Guardian* citations for 23 April 1999 (at exhibit DD3), and in the *Financial Times* 15 August 1994 (cited in the *OED* at exhibit DD7). He states that both suggest that the usage was not regarded as familiar or naturalised in Britain at the time, just as the quotation marks in the earliest American citations (DD7) indicate a new piece of jargon there.

41. Professor Denison compares ROLLBACK to other words of the same general shape and date and also originally coined in America. For example *meltdown* 1937, *call-up* 1940, *take-over* (in business context) 1943, *carry-out* (meal) 1935, *roll-on* (corset) 1941, *cutback* of expenditure (1943), or the more recent *roll-over* (of lottery winnings) 1981 (adopted in Britain in 1995) (dates are taken from the *OED*). He notes their comparative frequencies in the table at DD10 and states that *rollback* was never in wide use in Britain in any sense.

42. Professor Denison states that from the materials he has seen including the two witness statements of Messrs Marshall and Morrish and the results of an internet search, there is some evidence that the noun *rollback* was used in post-war Britain in the literal and in the strategic senses though never with great frequency. The aircraft senses remained, he states, a matter of purely technical jargon as did the computer senses - never entering the language of personal computing. As for the crucial “price reduction” sense, he states that it is an idiomatic sense that is not predictable from the literal meaning of the verbal combination and that all the sources agree that this specialised use is specifically (North) American. Professor Denison states that the 1975 example given by Morrish from *The Economist*, an international magazine of wide circulation, appears in effect to quote a Canadian government source and in a context which makes clear what the meaning was. In his view, this is not good evidence of general British usage and he can find no convincing evidence that *rollback* in the sense “(price) reduction” was generally used or known in Britain prior to Asda’s 1999 campaign and strong circumstantial evidence that it was not.

43. The applicants also filed a witness statement dated 14 March 2001 by Richard Paul Hodgson, Corporate Marketing Director at Asda Stores Limited.

44. Mr Hodgson stated that in September 1998, Asda undertook a strategic re-examination of its branding policies. As a result, a decision was reached that Asda should seek to establish a mark which was not already used in the UK, did not have any real UK meaning and which could be applied to goods which it was decided should be sold at a price which was, where possible, the lowest in the market and which would, therefore, following planned extensive use of the mark by them, become associated with Asda and Asda alone.

45. Mr Hodgson states that it was decided that ROLLBACK was a strong potential contender for such a mark and therefore, as part of a larger report commissioned to assess Asda customer needs and opinions in general, a survey was conducted to verify whether their perception of ROLLBACK was similar to that of their customers. He states that the results of that survey were that the phrase ROLLBACK caused little recognition amongst the customers questioned and was generally perceived as meaningless.

46. He says that in the light of the survey, it was felt that ROLLBACK with little or no use and understanding amongst the general public at that time, should be adopted by Asda. ROLLBACK was, he states, officially launched in March 1999 and has been extensively used since that date as a trade mark on or in relation to a variety of goods that they sell. He goes on to say that as a result of the success of ROLLBACK however, the initial strategy has been widened and use of the mark has grown to include its application to a much wider range of products beyond those essential categories initially targeted so that the value of goods now sold under the mark is approximately £15 million per week. A list of the categories of goods to which the ROLLBACK mark has been applied is attached and exhibited at RPH1.

47. Mr Hodgson states that currently in order for a particular product to be marked ROLLBACK, two key criteria must first be satisfied. These are:

- (a) that it must be possible for the product to have its price reduced by a value of between 5% and 25%. In some cases, the saving is possible due to concessions negotiated with the supplier of the product. However, it is not only the goods of suppliers from which a pricing concession has been obtained which can become branded ROLLBACK. In many cases, products may (and have) been chosen to be branded ROLLBACK where no special arrangement has been agreed with the supplier but for which the price saving has been funded internally by Asda; and
- (b) that an analysis is undertaken of competitor pricing for the product in question, to establish the positioning of the new price at which the product will be sold by Asda. The results are examined and a product can only qualify for branding as ROLLBACK if it is the lowest, or very close to the lowest price in the market.

48. He goes on to explain that when products satisfying the above tests and have been selected to become branded as ROLLBACK products, they are promoted as such within stores nationwide. The methods vary depending upon particular factors but include:

- ROLLBACK incorporated into the actual packaging of the product. Examples at exhibited at RPH2. He states that this use is not widespread, due to the expense, suppliers are not usually willing to produce a separate supply of packaging incorporating ROLLBACK into the packaging.
- the use of stickers and labels to mark ROLLBACK products. Examples are exhibited at RPH3
- promotion of ROLLBACK products through the use of point of sale marketing. He states that virtually every display of ROLLBACK products will include the positioning of a 10' x 3" 'barker', colour copies are exhibited at RPH4. In some cases, he states that overhead signage next to and over the ROLLBACK products will also be used. The format for such signage includes the incorporation of the ROLLBACK mark and reference to the particular goods in question and would serve a dual purpose of attracting customers to the ROLLBACK product but also to strengthen general awareness of the mark.

49. Mr Hodgson states that in addition to the actual marking of ROLLBACK products themselves, Asda has also undertaken various other marketing initiatives to develop and strengthen the ROLLBACK brand, examples are exhibited at RPH5 and include various Asda Price news leaflets, in-store leaflets and promotional leaflets. He goes on to say that Asda are continually assessing their use of ROLLBACK and how it may be used in the future. The reason they are looking at this is that they believe that they are the only supermarket to use ROLLBACK as a trade mark and it has now, as hoped, become associated with them and them alone. One example of this thinking is that they are currently considering changing the shop frontage of their stores to say "Asda - the home of ROLLBACK."

50. The opponents' did not file any evidence in reply and so that completes my summary of the evidence.

Decision

51. The grounds of opposition pursued at the hearing refer to sections 3(1)(b) & (c) and 3(3)(b) of the Trade Marks Act 1994. The relevant provisions read as follows:

- "3.- (1) The following shall not be registered -
- (a)
 - (b) trade marks which are devoid of any distinctive character,
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

(2)

(3) A trade mark shall not be registered if it is -

(a)

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

(4)

Section 3(1)(b) & (c)

52. I will deal first with the objections under sections 3(1)(b) and (c). It has long been stated that:

“Wealthy traders are habitually eager to enclose part of the great common of the English language and to exclude the general public of the present day and of the future from access to the enclosure”; per Sir Herbert Cozen-Hardy MR in *Joseph Crosfield & Son’s Application* (1909) 26 R.P.C. 837 at page 854.

53. After quoting this passage, Mr Justice Jacob in *British Sugar Plc v. James Robertson & Sons Ltd* [1996] R.P.C. 281 continued:

“The trade mark registration Acts up until 1994 stood firmly in the way of wealthy traders. Where they adopted marks which other traders were likely to want to use descriptively they found it either difficult or impossible to register their marks.....In some cases their policy may have gone too far: registration was denied even to marks which were “100% distinctive” ie those which had, through both use and recognition as trademarks, come to be taken by all concerned as denoting the proprietor’s goods. The Trade Marks Act 1994, implementing an E.C. Directive, has swept away old law.”

54. This quote from Mr Justice Jacobs recognises that the approach of the Trade Marks Act 1994 represents a change from that under the old 1938 Act. As with any new legislation, particularly legislation based on a Community Directive, the exact nature and extent of that change was not immediately apparent. This uncertainty was not confined to the United Kingdom. The First Board of Appeal of OHIM in *MAXIMA* (Case 51/1998) in giving an interpretation of the parallel provisions of the Community Trade Mark Regulation stated:

“No undertaking may be given an exclusive right to use in the course of trade a sign which does no more than describe in ordinary language, the nature, quality or intended purpose of the goods or services in respect of which it is to be used.

As a general rule, there are compelling reasons for not allowing an individual trader to monopolise the use of ordinary words, or obvious adaptation of ordinary words, which imply that a product possesses exceptional characteristics as regards quality, power, performance, size, fitness for purpose and so forth.”

55. This is consistent with the long held principle that honest traders should not have to look for a defence in section 11 of the Act in relation to use of descriptive marks and that the first line of defence for such traders should be the refusal of registration for such marks. In *AD2000* [1997] R.P.C. 168, a decision of Mr Geoffrey Hobbs Q.C., at page 176, lines 9 to 23, he stated:

“Although Section 11 of the Act contains various provisions designed to protect the legitimate interests of honest traders, the first line of protection is to refuse registration of signs which are excluded from registration by the provisions of section 3. In this regard, I consider that the approach to be adopted with regard to registrability under the 1994 Act is the same as the approach adopted under the old Act. This was summarised by Robin Jacob Esq Q.C., in his decision on behalf of the Secretary of State in the *Colorcoat Trade Mark* [1990] R.P.C. 511 at 517 in the following terms:

“That possible defences (and in particular that the use is merely a bona fide description) should not be taken into account when considering registration is very well settled, see e.g. *Yorkshire Copper Works Ltd’s trade mark application* (1954) R.P.C. 150 at page 154 lines 20 to 25 per Viscount Simonds LC. Essentially the reason is that the privilege of a monopoly should not be conferred where it might require “honest men to look for a defence”.”

56. To date there has been limited guidance on the interpretation of the relevant provisions of the Directive (Article 3(1)(b) and (c)) and the Regulation (Article 7(1)(b) and (c)) from the European Court of Justice. Such guidance as there is can be found in the decision in *Windsurfing Chiemsee Produktions-und Vertriebs v. Boots-und Segelzubehör Walter Huber and Franz Attenberger* [1999] E.C.R. I-2779. More recently, the ECJ has given guidance in *Procter & Gamble v. OHIM (BABY-DRY)* Case C-383/99P. Both parties referred me to these two ECJ decisions and made submissions as to the approach these cases suggested I should take when considering the registrability of marks.

57. In *BABY-DRY*, the findings of the Court are set out in paragraph 35 et seq of the judgment. The ECJ stated that the provisions in Article 7(1) of the Regulation (the equivalent of section 3(1) of the Trade Marks Act 1994) and those in Article 12 (section 11) taken together prevent registration as trade marks, signs which are no different from the usual way of designating the relevant goods or services or their characteristics; paragraph 37. Thus, the ECJ concluded that the provision of Article 7(1)(c), (section 3(1)(c)) excluded signs which may serve in normal usage from a consumer’s point of view to designate an essential

characteristic of the goods or services concerned. Registration should not be refused unless it comprises no other sign or indication; paragraph 39.

58. Further, the Court found that in relation to trade marks composed of words, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form; paragraph 40. I must therefore have regard to the individual words but also to the mark as a whole.

59. In considering whether a mark consists exclusively of matter covered by the provisions of section 3(1)(c) the ECJ indicated that any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumer to designate the goods or services or their essential characteristic is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark; paragraph 40.

60. At first sight it appears that there is a conflict between the judgments of the ECJ in *BABY-DRY* and the earlier decision in *Windsurfing*. The decision in *Windsurfing* seemed to suggest that the provisions of Article 3(1)(c) pursue an aim which is in the public interest, namely that descriptive signs or indications may be freely used by all and therefore prevents such signs from being registered as trade marks; paragraph 25. The case concerned the use of geographical names as trade marks and the court concluded that the consideration of prohibition of registration was not confined solely to those cases where the geographical location was already famous or known for the category of goods concerned but where it is reasonable to assume that such an association may be established in the future; paragraphs 29-31. Referring to the German doctrine of *Freihaltebedürfnis* the ECJ found that the application of Article 3(1)(c) did not depend on a real, current or serious need to keep a sign free; paragraph 35.

61. The ECJ is aware of this apparent conflict of case law; see the opinion of the Advocate-General in *Koninklijke KPN Nederland NV. (Postkantoor)* (Case 363/99) at paragraphs 48-63. He has called upon the ECJ to remove uncertainty in this area by reiterating or repudiating *expressis verbis* its legal doctrine in *Windsurfing*. The outcome should resolve this issue. However, it should be noted that *BABY-DRY*, indicated that the provisions of Article 7(1)(c) and those in Article 12 of the Regulation prevent registration as trade marks, signs which are no different from the usual way of designating the relevant goods or services or their characteristics. Thus, it could be said that the effect of these provisions is to keep free those marks which describe a characteristic of the goods or services. As such, the provisions provide the first line of defence for the honest trader. Terms which are no different from the normal way of designating the goods or a characteristic will be refused registration. Regardless of whether there is a public policy in favour of such an approach, that is the effect of section 3(1)(c). This is logical as such marks cannot perform the function of a trade mark, that of guaranteeing the origin of the goods.

62. This does not however, resolve all the issues, one question in dispute in these proceedings is the extent to which, in making a finding as to whether a mark falls foul of section 3(1)(c), the tribunal should take account of the need to keep signs free for use in the future. Both parties made submissions on this point and I will deal with this below. Before

leaving the case law in this area I should mention that at the hearing I referred to the decision of the Appointed Person, Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person in *Cycling Is..... Trade Mark* (unreported SRIS O/561/01). I will refer to the decision where necessary below but both parties pointed out that this was a decision of the Appointed Person, not a court of record. They impressed on me the fact that the guidance I must rely upon is that provided by the ECJ.

Section 3(1)(c)

63. This section uses the wording *may* serve in trade. In many cases under this section the party opposing the mark will show that the trade mark under opposition is used by other traders in the United Kingdom in one of the capacities set out in the section. In such cases, it will be evident that the word or sign may serve in trade to designate a characteristic of the goods or services. As noted above, there was much debate between the parties as to whether, and if so to what extent, I should take into account the fact that a sign may serve **in the future** to designate a characteristic of the goods or services.

64. In many cases, this distinction will not be important. I do not think that it could be argued, even absent evidence, that a word such as BEST or PREMIER **may** serve in trade to designate a characteristic of the goods or services (quality). However, this distinction is important in this case as Mr Tritton did not seek to argue that the term ROLLBACK was in use in the United Kingdom at the relevant date, that is, the date of application. In contrast to many case under section 3, I have here a large amount of evidence relating to use of the word(s) ROLLBACK and ROLL-BACK both in the United Kingdom and in other English speaking nations. From that evidence, I should state that I believe Mr Tritton was right not to seek to argue that the word ROLLBACK was in use in the United Kingdom at the relevant date to designate goods that had been reduced in price. It seemed to me that Mr Tritton's argument fell into two parts. Either:

- (a) before the relevant date, the word ROLLBACK (originating in the United States) was in use in the US and other English speaking nations as meaning a reduction in price. That it is not possible to isolate British English from American/Australian/Canadian English and that many American words make the transition across the Atlantic via film, television and the internet. It is therefore, foreseeable that such use of ROLLBACK to designate a reduction in price would migrate to these shores and so the word **may** serve in the United Kingdom to indicate goods that had been reduced in price and thus fulfil an indication concerning the value of the goods; and/ or
- (b) as at the relevant date, although there was no use in the United Kingdom of the word ROLLBACK to designate a reduction in the price of goods, the meaning of the word(s) ROLLBACK applied to goods would immediately and without further need for explanation tell the average consumer that such goods were reduced in price. As such, he argued that the words naturally leant themselves to this meaning and so **may** serve in trade to indicate goods that have been reduced in price.

65. Both require me to have regard to future use of the word ROLLBACK such that it should be refused registration under section 3(1)(c). Mr Tritton referred me to the decision of the ECJ in *Windsurfing* in particular, at paragraph 25 where it states:

“25. However, Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

26. As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristic of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”

Later at paragraph 29 the ECJ stated:

“29. Article 3(1)(c) of the Directive is not confined to prohibiting the registration of geographical names as trade marks solely where they designate specified geographical locations which are already famous, or are known for the category of goods concerned, and which are therefore associated with those goods in the mind of the relevant class of persons, that is to say in the trade and amongst average consumers of that category of goods in the territory in respect of which registration is applied for.

30. Indeed, it is clear from the actual wording of Article 3(1)(c), which refers to ‘...indications which may service...to designate....geographical origin’, that geographical names which are liable to be used by undertakings must remain available to such undertakings as indications of the geographical origin of the category of goods concerned.

31. Thus, under Article 3(1)(c) of the Directive, the competent authority must assess whether a geographical name in respect of which application for registration as a trade mark is made designates a place which is currently associated in the mind of the relevant class of persons with the category of goods concerned, or whether it is reasonable to assume that such an association may be established in the future.”

66. Mr Purvis suggested that I should not have regard to the possibility of such future use, relying on the ECJ decision in *BABY-DRY* he argued that if the word or words were not in common parlance then they should be eligible for registration. He argued that the decision of the ECJ in *BABY-DRY* had cast doubt on the principle that there was a need to keep such marks free. He referred to the opinion of the Advocate-General in *BABY-DRY* where he stated that the principles he was seeking to apply appeared at odds with the ECJ in *Windsurfing*. Mr Tritton took me to the relevant paragraphs and noted that the footnotes in the Advocate-

General's opinion in *Baby-Dry* referred to those paragraphs of *Windsurfing* concerned with the public policy aspects of keeping marks free. He suggested that the Advocate-General had not dealt with the more general point covered in *Windsurfing* paragraph 30 et seq, of having regard to possible future use of the term. He noted that whilst *Windsurfing* concerned a geographical location there was nothing in the wording of the Directive or statute to suggest that the **may serve** only applied to geographical locations. Mr Purvis' submission was that different considerations applied when considering geographical locations. Whether a particular geographical location had or could in the future acquire a reputation for a particular good was foreseeable and that this should be taken into account when looking at marks of that type. When the mark was not a geographical location, the same considerations could not be applied.

67. I have considered carefully the submissions made to me on this point. As noted above, the apparent conflict between the decisions in *Windsurfing* and *BABY-DRY* may be resolved in *Postkantoor*. However, my own view is that section 3(1)(c) cannot be interpreted so narrowly that it should apply only to marks that are currently in use in the trade. If that were so, the provision would be otiose since such words are refused registration under section 3(1)(d). In my view, a plain reading of the word **may** indicates that some consideration of future use of a word in a manner contrary to section 3(1)(c) must be a part of any consideration of that section. Following an analysis of the case law, Mr Hobbs, in *Cycling is.....*, stated at paragraph 32:

“There is a degree of foreseeability in the conclusion that a syntactically unusual juxtaposition of words in the nature of a lexical invention would not be understood purely descriptively by the relevant class of persons. There is likewise a degree of foreseeability in the opposite conclusion that a sign or indication would simply be perceived by such person as a new form of description. The latter conclusion points to unregistrability. I do not understand the Judgment of the Court in the *Baby-Dry* case to have decided otherwise and I can see no reason why the exclusion from the registration contained in Article 3(1)(c)/Section 3(1)(c) should make no allowance for the advent of new forms of descriptive expression.”

68. In effect, it seems to me that this point identified by Mr Hobbs, is the same as the second of Mr Tritton's lines of argument, that **ROLLBACK** would be seen by the public as a “new form of descriptive expression” and I will deal with this below. However, the first of Mr Tritton's lines of argument suggests that as the word **ROLLBACK** was in use in the US prior to the date of application, it was foreseeable that such use would transfer to the UK market. There is evidence of the use of the term **ROLLBACK** in a number of different contexts. It seems from the evidence that the use to denote a reduction in prices originated in the US. Mr Tritton referred to the relevant dictionary definitions. I agree that several dictionaries, some clearly American, do show this meaning. However, as stated at the hearing, the fact that a word appears in a dictionary does not, in my view, lead to the conclusion that the word is in use or known to the average consumer. In making a point on another matter, Mr Purvis used the word *appropate*. I doubt that the fact that this word appears in a standard English dictionary would be basis for asserting that it is in use or the meaning known, amongst the general public.

69. That said, although the evidence is not extensive on this point, it seems to me that as at the relevant date, the evidence shows that the word ROLLBACK had a number of established meanings in the United States one of which was a reduction in price. The opponents' evidence also shows use in Australia and Canada of the word ROLLBACK in this context and more limited examples of use in India. As noted above, Mr Tritton argued that the English language as spoken and used in Britain was not isolated from the rest of the English speaking world. Television programmes frequently come from the US and Australia. Words spoken in those countries would, through use in television, film other media and the internet, make their way into the UK. Indeed, some examples were put in evidence.

70. There was some evidence directed to this point in *The New Dictionary of American Slang*. This attempted to show a number of words, American in origin, that were now in common usage in the UK. However, the relevant pages of this dictionary show that a number of what might be termed "Americanisms" have remained just that and would not in my view be known to the average consumer in the UK. Reference was made to the term "Rollover". Ten years ago, I would say that the term would have meant nothing to the average consumer in the UK. The dictionary indicated that in America it means a convict's last night in prison. To my knowledge it does not hold that meaning here. To me, and I believe myself to be an average consumer, it is used to indicate that no one has won the latest national lottery draw and that the jackpot will be rolled over to the next draw. The difficulty with Mr Tritton's position is that it is almost impossible to predict from this dictionary which if any of the terms will make the transition across to the United Kingdom.

71. The evidence of use in the UK from the various reference works, databases and journalism showed, in my view, that the use of the word ROLLBACK had risen in recent years but that such use was associated with Asda. Whilst Asda did not rely on distinctiveness acquired through use, I must question whether, if Asda had not chosen to use the word, it would have remained in use in the US and a few other places without making the transition to the UK. It seems to me that on the evidence before me, it is impossible to say with any certainty that that transition would have taken place. As such, I reach the view that the fact that it was a descriptive term in the US and in use in a number of other jurisdictions, is insufficient for me to find that it is a term which may serve in trade to designate a kind or quality of the goods in the United Kingdom.

72. I believe there is more force in Mr Tritton's second point. It was accepted that the words roll and back are used together to give various meanings. Those meanings are listed above in my summary of the evidence. Some are very technical, eg computer language use, others are specialised, for example aircraft engines. The two which seem to me to be in the domain of the general public would be in the strategic sense of rolling back frontiers; but even this would, it seems to me, be a more obscure use of the term. The more general use would in my view be, a car to roll back down a hill, a golf ball to roll back off the green or to roll back a carpet from the wall.

73. However, I must in my view take care here when assessing whether, as at the relevant date, this word was apt to describe a characteristic of the goods, namely that they have been reduced in price. Mr Tritton stated that if ROLLBACK means REDUCED then the mark is unregistrable. I would agree with that statement. The dangers that I foresee are twofold. I

am looking at the position as of 19 February 1999. I must therefore put myself in the shoes of an average consumer as of that date, an average consumer who is unaware that there is a question to be addressed. Firstly, in so doing, I must be careful to avoid placing too much weight on the manner in which Asda have used the mark since that date. The evidence clearly shows that the use of ROLLBACK in the sense of a reduction in price has increased in recent years but that this has been with reference to Asda. Secondly, Asda's own campaign has been designed to inform and educate the public as to the meaning of ROLLBACK. That said, I place no weight on the statement made by Mr Hodgson in his evidence that Asda conducted a survey to gauge the public's recognition of the word ROLLBACK. The survey suffers from all the faults identified by Mr Tritton. There is no indication as to the manner in which it was carried out and it cannot be relied upon.

74. With these considerations in mind, I turn to address the question in hand. As at the relevant date, was ROLLBACK a sign which may serve in trade to designate a characteristic of the goods? Mr Purvis argued that ROLLBACK butter or ROLLBACK shoes would not mean anything to the average consumer. It seems to me that he is right. Although one can imagine use of the words roll back or rolled back to indicate price reduction I must consider use of the word ROLLBACK. Indeed, the applicants' own use indicates that they use the words ROLLED and BACK in such a manner - "We're rolling back the price of phone calls too". When used in such a manner, the words do in my view indicate clearly that the price of the product or service has been reduced. It does not indicate the exact level of reduction but that is not important. It indicates to me that the goods or services have been reduced to a price that they were sold at sometime in the past. However, as at the relevant date, I reach the view that the same cannot be said of the word ROLLBACK when applied to goods. The use of this word simpliciter as at that date, did not in my view immediately and without further information inform the consumer that the goods have been reduced in price. Whilst descriptive marks are excluded from registration, honest traders who wish to use words to describe a characteristic of the goods may do so. One can imagine for example, use of "TESCO - this week we will roll back our prices".

75. To conclude, it seems to me that ROLLBACK does to some extent allude to the meaning that the applicants give it, but it does not without further explanation indicate that the goods in question have been reduced in price. Such use has been shown in America but I cannot find that it is foreseeable that such use would inevitably migrate to the UK. Whilst this is in my view a fairly borderline case, I reach the view that the mark is acceptable for registration **and the opponents' ground of opposition under section 3(1)(c) is dismissed.**

Section 3(1)(b)

76. It could be argued that as I have found that the applicants' mark should not be refused under section 3(1)(c) this leads inevitably to the view that it should not be refused under section 3(1)(b). This argument is based on the premise that as the mark does not consist exclusively of signs or indications which may serve in trade, the mark cannot be devoid of distinctive character. I do not agree. A mark which does not consist exclusively of such matter may, nevertheless, be devoid of distinctive character if it cannot perform the function of a trade mark, that of identifying the origin of the goods or services in question. That said, Mr Tritton did not seek to argue this ground separately, referring almost exclusively to the

wording of section 3(1)(c). In the circumstances of this case I think that this was right. This is a mark which if it is not caught by the provisions of section 3(1)(c), is not devoid of distinctive character within the meaning of section 3(1)(b). It follows in my view from my finding that the meaning of the term ROLLBACK would not be understood by the relevant public that it can perform the function of a trade mark and is not devoid of distinctive character. **The opponents' ground under section 3(1)(b) is dismissed.**

Section 3(3)(b)

77. This objection can be dealt with quite quickly. It was Mr Tritton's position that use of the mark on goods which were not reduced in price would deceive the public. Mr Purvis pointed out and I believe Mr Tritton conceded, that this objection could not succeed unless Mr Tritton had shown that the mark was also contrary to section 3(1)(b) or (c). If not, then the mark could not deceive the public since they would be unaware of the meaning of the mark. I think that Mr Purvis' position here is correct. If the mark is not one that may serve in trade to designate the characteristic of the goods then it cannot be deceptive.

78. Even if that were not so, in my view the opponents' objection under this section cannot succeed. There are many marks that could deceive the public if they were used inappropriately by their proprietors. The registrar takes what I believe to be a realistic and pragmatic view. Whilst the provision is there to protect the public, the registrar has to have regard to the intentions of businesses applying the marks in their own interests so that they do not deceive. Mr Tritton, quoting from the Registry Work Manual stated that this is not a "strawberry jam" case where the applicant has applied for jam and clearly will not apply the mark including the word strawberry to jam other than strawberry jam. In his view, the applicants could apply the mark ROLLBACK to goods on which the price has not been "rolled back". He points to Advertising Standards complaints concerning another of the applicants' strap lines. I do not find the reference to Advertising Standards helpful. Looking at the evidence it shows that there are a large number of marks owned by the parties to these proceedings which could, if used inappropriately, mislead the public. ALWAYS LOW PRICES ALWAYS TESCO could deceive the public if Tesco did not always have low prices. Two factors seem to me to weigh against using this provision to prevent such registrations. Firstly, the average consumer is reasonably well informed and circumspect. They are accustomed to traders seeking to tempt them with offers and accustomed to advertising puff. It seems to me that many of the claims to PERMANENTLY LOW PRICES etc are just that. Secondly, it does not make good business sense for traders to misuse such marks. If the consumer becomes aware through Asda's use of the mark, that they apply it to goods reduced in price then that customer will object if it is not used in such a way. Misuse of such a mark would damage the goodwill of that trader and lead to loss of custom. **It follows from the above that I find that this ground of opposition should be dismissed.**

Conclusions

79. The opponents have failed on all three of their grounds of opposition and the opposition is dismissed.

Costs

80. The applicants have been successful and are entitled to a contribution towards their costs. I heard submissions on costs from Mr Purvis. He pointed out that until the day before the hearing, the opponents had maintained all their grounds of opposition. It was only after he had prepared and filed his skeleton argument, dealing with all these grounds, that he received the opponents' skeleton indicating that only the grounds under section 3(1)(b) & (c) and 3(3) were being pursued. He pointed out that he had dealt with the remaining grounds in his skeleton and that the practice of only withdrawing grounds immediately before the hearing lead to increased costs for the parties.

81. I am not unsympathetic to Mr Purvis' position. Whilst pleadings are now more focussed than in the past, it remains common practice for opponents in their skeletons to withdraw several of their grounds of opposition. Where the grounds pleaded have not been supported by evidence or are clearly hopeless, then this is only to be encouraged. It means that the hearing can focus on the real issues in dispute between the parties. However, a question arises as to why these grounds are only withdrawn the day before the hearing or sometimes on the day of the hearing itself? In some cases, as here, the applicants will have prepared to defend all the grounds pleaded. Again, sometimes this will not be a hardship since some of the grounds may be hopeless, but in other cases they will have to prepare fully in case the opponents maintain their objection on that ground.

82. I would always seek to encourage parties to review their grounds once the evidence has been filed in order to assess whether, in the light of their own and the other party's evidence, grounds can be maintained. That is not to say that grounds which are arguable should be withdrawn, but sometimes it is clear that a ground can no longer be maintained. Undertaking that review, before the other party prepares for the hearing is it seems to me, something to be encouraged.

83. Taking all this into account, I consider that in this case, Mr Purvis was put to some inconvenience in preparing to defend the grounds which were subsequently withdrawn. I will therefore increase the award I was minded to give by £200-00. Therefore, I order that the opponents pay the applicants the sum of £1235-00 as a contribution towards their costs. 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 10 day of May 2002

**S P Rowan
For the Registrar
the Comptroller General**