

TRADE MARKS ACT 1994

**IN THE MATTER of Trade Mark No 1546754
in the name of Aztec Mexican Foods Limited**

and

**IN THE MATTER of an application for
revocation No 11772 by Azteca Foods Inc**

Background

1. On 6 September 1993, Aztec Mexican Foods Limited of 20, Black Friars Lane, London, applied for the trade mark AZTEC. For reasons that will become apparent, I will call this company Aztec Mexican UK. The application was accepted, published and proceeded to registration on 17 February 1995. The specification of goods reads:

Class 30

Condiments; seasonings; spices; salt; pepper; sauces; flavourings; dips; chutney; salsas; chilli sauce; thickening agents for food; starch products for food; flour; corn flour; snacks; chips; snacks and chips, all being made from corn; tacos, nachos, tortillas, flour tortillas, all being snacks prepared from flour or cereals; breads; biscuits; bean meal; corn meal; all included in Class 30.

2. On 25 July 2000, Azteca Foods Inc of Chicago, filed an application for revocation on the grounds of non-use. I will call this company Azteca Inc. The application was made on Form TM26(N), together with the appropriate fee. The statement of grounds accompanying the Form TM26(N) set out two grounds of revocation. After setting out the fact that the trade mark AZTEC is registered in class 30 and listing the goods, the statement sets out the following grounds:

- (a) that trade mark 1546754 be revoked in its entirety as there has been no genuine use of the trade mark, by the proprietor or with his consent, in relation to the goods for which the mark is registered, within the period of five years following the date of completion of the registration procedure and that there are no proper reasons for non-use. As such, the registration should be revoked in its entirety; under section 46(1)(a). The applicant contends that the grounds for revocation existed on 17 February 2000 and requests that the rights of the proprietor should be deemed to have ceased as from that date in accordance with section 46(6)(b); and/or
- (b) that the trade mark should be revoked in its entirety as the trade mark has not been put to genuine use in the United Kingdom for an uninterrupted period of five years, preceding the date of the application for revocation, and there are no

proper reasons for non-use. As such, application is made under section 46(1)(b) of the Act. Again, application is made with reference to section 46(6)(b), if the registrar is satisfied that the grounds for revocation existed at a date earlier than the date of application.

3. On 17 August 2000, trade mark registration number 1546753 for the trade mark AZTEC in class 29 and standing in the name of the registered proprietors was merged with the registration in suit. Following merger, the specification for trade mark registration number 1546754 reads:

Class 29

Meat, fish, poultry and game; meat, fish, poultry and game, all being dried, cooked, frozen or preserved; meat extracts; fruit and vegetables, all being, dried, cooked, frozen or preserved; canned foods; edible oils and fats; dairy products; cheese; cream; sour cream; tomato juice; tomato puree; chillies; dips; guacamole dips; dips consisting of or flavoured with avocado; beans; prepared meals and snacks made from any of the aforesaid goods; chilli, burritos, empanadas, enchiladas, quesadillas, chimichangas, fajitas, flautas and taquitos, all being prepared meals made from any of the aforesaid goods; all included in Class 29.

Class 30

Condiments; seasonings; spices; salt; pepper; sauces; flavourings; dips; chutney; salsas; chilli sauce; thickening agents for food; starch products for food; flour; corn flour; snacks; chips; snacks and chips, all being made from corn; tacos, nachos, tortillas, flour tortillas, all being snacks prepared from flour or cereals; breads; biscuits; bean meal; corn meal; all included in Class 30.

4. On 21 February 2001, the registered proprietors filed a counter-statement and notice of the same on Form TM8 denying the grounds of revocation. In accordance with the requirements of rule 31(2) of the Trade Mark Rules 2000, if the registered proprietors intended to defend their registration they were required to file evidence of use of the trade mark. The registered proprietors filed a statutory declaration and exhibits dated 16 February 2001 by Edgar A. Elwes. This is summarised below. I should also explain the delay between the filing of the Form TM26(N) and the filing of the counter-statement. From the official file, it seems that on receipt of the Form TM26(N), the Trade Marks Registry recorded the filing of the revocation action on the official register. The application for revocation was sent to the registered proprietors and they were invited to file a counter-statement within a period of three months. During that three month period, the application for merger of the proprietors' two marks was made. In order to carry out that merger on the register it seems that it was necessary to remove the entry indicating that revocation action was outstanding.

5. Whilst that entry was removed, the registered proprietors contacted the registry and enquired about the status of the application for revocation against their mark and they were informed that the register showed the application for revocation as withdrawn. As a consequence, the registered proprietors did not file a Form TM8 and counter-statement in the

period set and the registry treated the application as unopposed and moved to revoke the registration in so far as it covered goods in class 30. A short decision was issued to that effect. On receipt of that decision, the registered proprietors contacted the registry and stated that they had been informed that the application for revocation had been withdrawn. In the light of this error, the registry rescinded its earlier decision and set a period for the registered proprietors to file a counter-statement and evidence of use. A TM8 and counter-statement was filed together with evidence purporting to show use of the mark. Following receipt of these documents the usual evidence rounds followed, details of which are set out below.

6. On completion of those evidence rounds, the matter came to be heard before me on 29 May 2002. The applicants were represented by Mr James Abrahams of Counsel, instructed by Frank B Dehn & Co. The registered proprietors indicated in a letter dated 26 March 2002 that they were content for the matter to be determined on the basis of the papers on file and, therefore, would not attend the hearing.

Evidence

Registered Proprietors' Evidence filed under rule 31(2)

7. As noted above, the registered proprietors filed a statutory declaration by Mr Edgar A Elwes dated 16 February 2001 in support of the registration. Mr Elwes states that he is a Director of Aztec Mexican Foods Limited of 4045 Riple Road, West Vancouver. He refers to this company as "the opponents". It should be noted that the registered proprietors are Aztec Mexican Foods Ltd of 20 Black Friars, London. The declaration is made on paper with the heading AZTEC MEXICAN FOODS LTD (UK) but I do not think that I can read too much into that and will call the company Aztec Mexican (CA).

8. Mr Elwes states that he has been a director of the opponents since 1993 and that the opponents are the registered proprietors for the trade mark in suit. He states that the opponents are merchants of food products including articles such as corn and flour tortillas, tortilla chips, burritos, chimichangas, salsas etc. His declaration continues:

"5. There is now produced to me marked #1 a sample specimen label and #2 logo for the packaging, which show the manner in which the said trade mark has been intended to be used.

6. #3, #4, #5, and #6: Correspondence with food distributors in the UK regarding our offering of products with the trademark Aztec.

7. #7: Our letter explaining the reason why, in spite of having high quality products, we have not been able to sell in the UK our products with the trade mark Aztec. It also outlines what are our plans in order to solve the main problem which is the high cost of transportation from Canada to the UK."

9. The various exhibits referred to are:

- #1 a label for "AZTEC whole bean & cheese vegetarian BURRITO végétarien

Haricots entiers et fromage.” imported by Aztec Mexican Foods United Kingdom/
Amigo Imports Ltd Canada.

- #2 a representation of packaging for “Aztec Tortilla Chips”.
- #3 a letter dated 14 October 1994 from a Mr Binge, Buying/Marketing Director of T & L Fine Food & Wine of Leeds. The letter is addressed to Mr Elwes of Aztec Mexican (CA). It refers to previous correspondence and talks about Mexican food in the European market including the UK. It discusses Aztec’s products and asks for further information on some of the products. The letter ends “When are you next in the UK? I am interested in furthering the discussion with you if you are still interested in a ‘partnership’ with T&L”. There is also a letter in reply dated 17 October 1994. This makes general comments concerning Mexican products on the market in the UK. It discusses the difficulties of importing various products into Europe and the UK. It indicates that Mr Elwes intends to visit the UK to discuss the possibility of manufacturing the products in the UK. It provides the clarification sought in Mr Binge’s letter concerning classification numbers to obtain the rate of duty as well as other information he requested. There is an offer to send certain samples and a statement that tortillas samples have been sent by air. The letter ends with an offer of a further meeting when Mr Elwes is in the UK.
- #4 Two letters. The first is from Aztec Mexican (CA) to Mr Mitchell of Trustin, Bury St Edmunds. It is dated 16 May 1995. The letter refers to a discussion between Mr Elwes’ daughter and Mr Mitchell at the International Food & Drink Exhibition at Earl’s Court “last April 23rd”. The letter confirms that Mr Elwes is very interested in the British market for Mexican food. It states: “We were successful in registering the trade mark “Aztec””. It makes various comments concerning Mexican food on the UK market and states: “I am interested in setting up a joint venture with a person or company in England that can provide the marketing not only of products such as those already known, but also capable of introducing new products.” The letter continues with some thoughts on how this might be achieved and a request as to whether the company is interested in taking the matter forward. The second letter is a facsimile communication from Trustin America to Mr Elwes dated 04/06/95. It states that they would wish to discuss matters further and perhaps look at some samples of the product.
- #5 consists of 5 letters between Inter Foods Limited of Canada and Red Mill Snack Foods Limited of Wednesbury, West Midlands. The first is dated 15 September 1997. The letter is from Inter.Foods Limited and signed by Mr Elwes as President. It states that they can offer Canadian made tortilla chips in a number of flavours. It ends, “ We will appreciate hearing from you should you be interested in distributing this line of products. Our registered trade mark in the UK is the Aztec brand. However, subject to contract and volume, we would be willing to pack on a private label basis.”

The letter dated 17 September is from Red Mill to Inter Foods and asks for an indication of prices for 200gr, regular corn flour, flavours chilli, cheese, taco, in full containers.

The letter dated 3 October 1997 is from Inter to Red Mill indicating that a case containing samples of the four flavours will be sent together with other flavours. The samples are “packed in 100g bags with mock labels”. It indicates that mock labels have been used because labelling regulations in the UK should be different from those in Canada and it requests those regulations. The letter states that prices were included.

A further letter dated 6 October from Inter to Red Mill states that samples are enclosed as per the fax of 3 October 1997 together with the price lists. There is also an air freight invoice dated 8 October from Inter Foods to Red Mill.

Finally, there is a letter dated 20 October 1997 from Red Mill to Inter stating, “Thank you for the samples..... Having tasted them with colleagues we are of the view that while some of the flavours are interesting the basic texture of the chip itself is not what we are looking for.”

- #6 This is a letter dated 31 August 1993 from J B Distribution Ltd of London to Mr Elwes, President of Amigo Imports Ltd. It thanks Mr Elwes for the samples left in London. It talks about concentrating on a vegetarian range and asks Mr Elwes to revert to them.
- #7 This is a letter dated 16 February 2001 to Mr Knight of the Patent Office. It is the letter enclosing the Form TM8 and counter-statement. It states:

“In spite of the quality of the products and favourable opinions from potential buyers, we have been unable to sort out the problem of the high cost of transportation between Canada and the United Kingdom. In view of this, we are studying the possibility of manufacturing these products in the UK..... At all times the Aztec name has been the banner of our activities, therefore we feel that the revocation requested should not proceed since we would lose all the efforts, work and investments made so far.”

Applicants’ Evidence

10. The applicants’ evidence consists of two witness statements. The first, dated 11 June 2001, is by Mr Kenneth Edward Linge, a partner in MacIntyre Hudson, a firm of Chartered Accountants. He states that he is aware that Aztec Mexican (UK) was incorporated in 1993 under company number 02822437. He states that he has read the annual returns for this company for the years 1994-2000 and the Accounts for the company for the years 1994-1999. From these documents he states that it appears that Aztec Mexican (UK) has not actively conducted a trading activity or earned any trading income since its incorporation in 1993.

11. The applicants’ second witness statement, dated 27 June 2001, is by Mr Roberto Calamita a partner in the firm of Frank B. Dehn & Co, the applicants’ representatives in this matter. Mr Calamita’s statement makes various comments concerning the registered proprietors’ evidence.

12. He comments that the exhibits to that evidence refer to Aztec Mexican Foods Ltd of West

Vancouver but that the registration stands in the name of Aztec Mexican Foods Ltd of London. Concerning exhibits #1 and #2 he notes that Mr Elwes states that they show the way in which the mark AZTEC was *proposed* to be used. He states that in his view, the labels do not appear to have been used on any product in the UK and in any case, these labels are undated.

13. Mr Calamita then turns to the dates of the exhibits to Mr Elwes declaration. He notes that the majority occur outside the five year period preceding the date of application for revocation. Only that with Red Mill Snack Foods Ltd marked #5 relates to the period preceding the date of application, that is, 25 July 1995 - 25 July 2000.

14. Concerning the correspondence with Red Mill, Mr Calamita notes that it is between Inter Foods Ltd and Red Mill, and that Inter Foods is not the registered proprietor of the mark. From the exhibits, he states that it seems that a small number of free samples of tortilla chips were sent to Red Mill; 7 x 100g bags with “mock labels”. Mr Calamita states that no specimen of labels was included with the evidence and that the letter of 15 September from Inter Foods makes an offer to supply the product on a private label basis. He notes that Red Mill declined to commercialise the product.

15. Finally, commenting on exhibit #7, which he states claims to explain why the registered proprietors have been unable to sell its products under the AZTEC mark in the UK, he notes that the registered proprietors have not been prevented from using the mark. In his view, they have simply not been able to commercialise the product in this country. Mr Calamita submits that the evidence does not show any sales of a product falling within the specification of goods under the trade mark AZTEC in the United Kingdom.

Registered proprietors’ evidence

16. This consists of a further witness statement by Mr Edgar Elwes dated 2 November 2001. Mr Elwes states that he is a shareholder, director and officer of Aztec Mexican Foods Limited, London (Aztec Mexican (UK)) a position which he has held since July 1993.

17. Mr Elwes states that on 15 September 1997, they contacted four potential corn chip distributors in the United Kingdom by way of faxed letters from their sister company Inter Foods Limited. Mr Elwes states that Inter Foods Limited is the company which also corresponded with Red Mill Snack Foods Ltd. He exhibits copies of the letters together with fax confirmations at exhibit 1. Exhibit 1 consists of a number of documents; there is a list of companies dated 31 August 2001 to which it is stated contact was made by Inter Foods Limited. These include, Golden Wonder, Walkers Snack Food Limited, The American Snack Food Co, McVitie’s UK and Mexifoods Limited. Copies of letters to the first four of these are also found at exhibit 1. They all follow the same pattern. They state that Inter Foods Limited is a British Columbia based company specializing in Mexican food products. The letter notes that the addressee does not carry any brand of Tortilla chips and they offer Canadian made tortilla chips in a number of flavours. The letter ends:

“We will appreciate hearing from you should you be interested in distributing this line of products. Our registered trade mark in the U.K. is the Aztec brand. However,

subject to contract and volume, we would be willing to pack on a private label basis.”

18. There is no indication that there was any follow up correspondence from any of these potential distributors.

19. Mr Elwes states that on 14 January 1998, they contacted a further potential corn chip distributor in the United Kingdom by way of a faxed letter from Inter Foods Ltd. A copy of this letter is exhibited at exhibit 2. The letter is to Mexifoods Ltd of Reading. The letter refers to a visit to London. The letter continues:

“...I was able to speak with you regarding our flavoured organic tortilla chips. It is true that they are manufactured in Canada and I agree that on account of the freight they have to be more expensive than those manufactured in the UK. On the other hand, a good number of chips sold in England are imported from the United States and Canada. Most imported goods tend to be more expensive.....”

20. The letter continues by stating that Inter Foods Ltd can offer chips made with organic flour in seven different flavours and that they can be packed into any size and labelled to meet EU regulations. The letter states:

“Presently we are selling these chips in Canada and the United States; the general opinion is that they are an excellent product. We trust that you will agree with this evaluation.

We are attaching a price list and asking my daughter, who lives in London, to ship a small box of samples. The Aztec brand is our own registered brand. We don't know if you would object to sell the product under this brand. We feel it reflects a Mexican product better than [sic] any other brand name.

We will appreciate hearing from you and trust we can start doing business with your company.”

21. Mr Elwes goes on to refer to exhibit 3, which is an original letter from Webster Hudson and Akerly, solicitors. Mr Elwes states that this company are solicitors for both Amigo Imports Ltd and Inter Foods Ltd. He says the letter explains that as Aztec Mexican Foods Limited and Inter Foods Ltd have the same share holders, the beneficial ownership and right to the use the trade mark rests with the shareholders.

22. The letter from Webster Hudson & Akerly is dated 24 August 2001 and confirms that they have acted as corporate solicitors for Amigo Imports Ltd from 1996 to the present date and for Inter Foods Ltd until July 1999 when it was wound up under the Company Act (British Columbia). The letter states that all the outstanding shares of Amigo have and continue to be owned by Edgar and Marcela Elwes. The letter continues, “We are advised that Mr and Mrs Elwes, through Aztec Mexican Foods Limited of the UK (a company owned by them), are beneficial proprietors of the trade mark Aztec”. I note that they do not state that this is the case, merely that they are “advised”. It follows that they cannot state, as they do in the penultimate paragraph of their letter that, “the controlling shareholders of Inter

Foods and Aztec are one and the same”.

23. Mr Elwes refers to the comments in paragraph 3.1 of Mr Calamita’s statement that there is nothing to suggest that Aztec Mexican (CA) is the same company as the registered proprietor Aztec Mexican (UK). To rebut this, Mr Elwes attaches correspondence at exhibits 4 and 5 from the British Trade Investment Office in Toronto and Lloyds Bank in London. The letters are addressed to Aztec Mexican Foods Ltd of West Vancouver but they do not tell me anything as to the links, if any, between that company and Aztec Mexican (UK). I do not know from this evidence whether they are one and the same or different legal entities.

24. Mr Elwes refers to the evidence of Mr Linge and accepts that Aztec Mexican (UK) has not earned any trading income but he points out that the company is in good standing with respect to the filing of annual returns. Mr Elwes then refers to various comments made in the letter of Webster Hudson & Akerly. These express opinions concerning the law in the United Kingdom and I need not summarise them.

25. Mr Elwes concludes by referring to clause 3.4 of the statement of Mr Calamita concerning the absence of any specimen labels. Mr Elwes states that it is customary to include the name of the distributor in the final product label and accordingly, without knowing who would be distributing the products, it was impossible for the company to print final labels for use.

Applicants’ evidence in reply.

26. The applicants were given an opportunity to file evidence in reply. None was filed and this therefore, completes my review of the evidence.

Decision

27. The relevant parts of section 46 of the Trade Marks Act 1994 reads 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;
- (c)
- (d)

(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.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that -

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from -

- (a) the date of the application for revocation, or
- (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date."

28. In addition Section 100 of the Act is relevant. 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."

Preliminary Point

29. The applicants, in their skeleton argument, sought revocation of this registration in its entirety. That is, they sought revocation of all goods in classes 29 and 30. In setting out the background to this case, I noted that at the date of application for revocation this registration covered goods in class 30 only. Shortly after the application for revocation was made, the registered proprietors merged this registration with another for the mark AZTEC in class 29. The registrations were merged and at the time the counter-statement was filed, the registration covered goods in classes 29 and 30.

30. Mr Abrahams argued that as the application for revocation was made against trade mark 1546754 and that paragraph 5 of their statement of grounds sought revocation of the trade mark “in its entirety” then, when the class 29 registration was merged with the class 30 registration, the application for revocation became one that related to both classes 29 and 30. Further, he argued that it was plain that the registered proprietors had realised this and attempted to defend the registration in so far as it covered goods in both classes. He took me to exhibit #1 and noted that there was purported to be an example of use of the trade mark on burritos which he submitted fell in class 29. I note that #3 makes reference to Guacamole which also falls in class 29.

31. There are in my view, several flaws in Mr Abrahams’ argument on this point. Firstly, at the date of application, the registration only covered goods in class 30. The applicants’ statement of grounds in paragraph 1 referred to the goods for which the mark is registered and set out the goods in class 30. Paragraph 3 of the statement of grounds reads:

“The applicant requests that registration number 1546754 of the Trade Mark be revoked in its entirety under section 46(1)(a) of the Trade Marks Act 1994 because within the period of five years following the date of completion of the registration procedure the trade mark has not been put to genuine use in the United Kingdom by the proprietor or with his consent, **in relation to the goods for which it is registered....**” [my emphasis]

32. Although Mr Abrahams took me to paragraph 5 of the statement of grounds and the general request that the mark be revoked in its entirety, that paragraph continues, “**for all the goods for which it is registered**”. In any event, it seems to me that the statements made in the statement of grounds can only be taken to refer and apply to the specification of the trade mark as at the date of application for revocation. As at that date, it did not cover goods in class 29. The subsequent merger of the two registrations cannot, without some sort of amendment to the statement of grounds, change this application into one that relates to both classes 29 and 30.

33. Secondly, whilst it is true that some of the proprietors’ evidence does indeed purport to show use on burritos and other goods which fall within class 29, I cannot in my view take that to be an admission by the registered proprietors that they were attempting to defend the registration in both classes 29 and 30. The same evidence also purports to show use on goods in class 30. The registered proprietors in defending their registration in that class, cannot be expected to sift out or blank out any use on goods which are in other classes.

34. Finally, I noted at the hearing that in no correspondence between the Office and the

parties has there been any mention of the class 29 specification. As recently as 1 February 2002, the applicants' representatives were referring to class 30 and only class 30 in their correspondence. In a letter of that date, the applicants' representatives stated:

“We hereby notify you that we shall not be submitting evidence-in-reply on behalf of the applicant for revocation.

We note that the **class 30 specification** of the registration in suit involves a lengthy list of goods, by that the Proprietor's evidence relates only to tortilla chips. It is therefore clear that the registration must be cancelled in relation to most of the goods covered.”
[my emphasis]

35. To conclude on this point, I find that this application for revocation relates to the registration in so far as it covers goods in class 30. At the time the application was filed, it was open to the applicants to file a separate application for revocation against the registered proprietors' other registration 1546753. They did not, they filed an application for revocation against registration number 1546754 covering goods in class 30. No application for revocation against the class 29 registration has been made, and subsequently no request was made to amend the statement of grounds or invite the proprietor to defend their class 29 registration. Therefore, I go on to consider the application for revocation accordingly.

Substantive Points

36. The applicants' grounds of attack go to sections 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994. Once this application was made, the effect of section 100 of the Act, was to place the onus on the registered proprietors to show the extent and nature of the use made by them of the mark; see comments of Mr Clarke Q.C., sitting as the Appointed Person in *FLORIS* [2001] R.P.C. 19. The registered proprietors' counter-statement does not rely on any proper reasons for non-use, however, this issue was addressed at the hearing and so I will consider the point later in my decision.

37. The issue of applications for revocation on the grounds of non-use have been the subject of judicial comment in a recent High Court decision. Mr Justice Jacob in, *Laboratories Goemar SA v. La Mer Technology Inc* (19 December 2001) stated at paragraph 19:

“19.what amount and kind of use will suffice to prove that a mark has been *put to genuine use* within the meaning of Art.10 [of the Directive - section 46(1) of the Trade Marks Act 1994]? It is worth stating in some detail why the question is so important. There are a number of reasons:

- (a) There is an obvious strong public interest in unused trade marks not being retained on the registers of national trade mark offices. They simply clog up the register and constitute a pointless hazard or obstacle for later traders who are trying actually to trade with the same or similar marks. They are abandoned vessels in the shipping lanes of trade.

- (b) The 8th recital of the Directive gives express recognition of that public interest. It says: “Whereas in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation.....”.

38. Earlier in the same case, Mr Justice Jacob, commenting on the provisions of section 100 set out above stated at paragraph 9:

“9. In the present case, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye - to ensure that use is actually proved - and for the goods or services of the mark in question. All the t’s should be crossed and all the i’s dotted.”

39. With these comments in mind, I go on to consider the evidence submitted by the registered proprietors in support of their claim to use of the trade mark.

Relevant dates

40. As the application relates to both sections 46(1)(a) and (b) two five year periods have to be considered; although in this case there is only a matter of a few months between them. They are:

46(1)(a)	Five years following registration	17/02/1995 - 17/02/00
46(1)(b)	Five years preceding date of application	25/07/1995 - 25/07/00

41. Several questions fall to be considered:

- (1) Has the proprietor shown genuine use of the mark in the United Kingdom?
- (2) Is the use shown by the proprietor or with his consent?
- (3) Has use been shown “in relation to the goods or services for which it is registered...”?
- (4) Are there proper reasons for non-use?

(1) Has the proprietor shown genuine use of the mark in the United Kingdom?

42. Mr Abrahams’ primary submission is that the evidence submitted by the proprietors does not show use of the mark. If, contrary to that submission, I found that use had been shown then in his view it did not amount to genuine use. Mr Abrahams argued that at its best, all the evidence showed is that the proprietors have attempted from time to time, to establish a distributor in the United Kingdom for their products. All such attempts on the evidence have failed. Mr Abrahams concluded that such attempts to find a distributor in the United Kingdom could not amount to use or genuine use in the United Kingdom sufficient to defend the registration from revocation. He referred me to paragraph 7 of Mr Elwes’ first declaration where, commenting on a letter exhibited to his declaration, he states:

“Our letter explaining the reason why, in spite of having high quality products, we

have not been able to sell in the UK our products with the Trademark Aztec”. [my emphasis]

43. It seems, that the registered proprietors do not contend that there have been sales under the trade mark in the United Kingdom. They do, however, argue that the correspondence with food distributors in the United Kingdom show them offering their products under the trade mark AZTEC. Is this “use” of the mark and if so does it amount to “genuine” use?

44. All I have before me is the evidence supplied in the declaration and witness statement of Mr Elwes. Exhibited to the first declaration at #1 & #2 was a sample specimen label and a logo for packaging, which in Mr Elwes’ own words, showed the manner in which the said trade mark, “has been intended to be used”. This, in my view, does not show use of the mark in the United Kingdom. As noted above, there are a number of pieces of correspondence to various potential distributors in the United Kingdom across a period from August 1993 (which is before either of the relevant periods), through to January 1998. Some make reference to the trade mark Aztec, others do not. What they do show is that attempts were made by Aztec Mexican (CA), Inter Foods Ltd and Amigo Imports Ltd, to establish a distributor in the United Kingdom for Mexican food products; much of it relates to tortillas. A sample of tortilla chips with “mock labels” was sent from Inter Foods to Red Mill Snack Foods Limited in October 1997. However, I do not know how these products were labelled and Red Mill did not pursue the venture with Inter Foods.

45. There is another reference to a sample being left in London in a letter dated 31 August 1993 from J B Distribution to Amigo Imports. This as noted above is outside either of the relevant periods but again, there is no indication as to how this product was packaged. Mr Abrahams also noted that in a letter to Red Mill Snack Foods, Inter Foods, informed Red Mill of their registered trade mark AZTEC but offered to supply on a private label basis. Similar offers to supply on a private label basis were made in letters to various snack manufacturers in September 1997. Mr Abrahams suggested that this correspondence merely showed the company trying to find outlets for its products, regardless of the mark that they carried. I think that he is right but I do not think anything will turn on this point.

46. Taking all the proprietors’ evidence together, it seems to me that all the registered proprietors have shown are the very earliest stages in the normal preparatory processes that companies go through before entering into a trading relationship. Sending letters to a number of companies in the relevant field, in the hope that someone will wish to take matters further. The sending of samples of product is just another step in that process. Such tentative enquiries and sending of samples, even if they carried the trade mark AZTEC, cannot in my view amount to use of the trade mark in the United Kingdom. Not a single sale or transaction of a product bearing the trade mark has been shown in the evidence. None of the enquiries resulted in a distributor taking the matter further or even purchasing a small quantity of the product in order to carry out trial sales.

47. Mr Abrahams submitted that it would be extraordinary to allow a trade mark to remain on the register to the detriment of other traders on the basis that the registered proprietors sent a few letters every few years to potential distributors in the hope that someone might respond. I am inclined to agree. Such a finding would enable a proprietor to keep their mark on the

register indefinitely without any use of the mark on the product in the United Kingdom.
Therefore, on the evidence before me, I reach the view that the proprietors have failed to show use of the trade mark within either of the periods for revocation.

48. As I have found that they have not shown use of the mark in the United Kingdom the issue of whether there has been “genuine use” does not arise.

(2) Is the use shown by the proprietor or with his consent?

49. Given my finding that the proprietors have not shown use of the mark then the other issues fall away. In particular, Mr Abrahams made detailed submissions on whether, if the evidence showed genuine use of the mark, such use was with the proprietors’ consent. Although I do not need to determine this matter, in view of these detailed submissions and as a courtesy to Mr Abrahams, I should perhaps comment. Much of the contact with potential distributors was made by Inter Foods Ltd and Amigo Imports Limited. It seems to me that on the evidence submitted by the proprietors, I would have been unable to find that such use was by the proprietors of the trade mark or with their consent. There is no formal understanding or agreement that has been put in evidence, nor in my view, has the relationship between Aztec Mexican (UK) and these other two companies been explained. The fact that they may share common shareholders, which in any event has not been shown in evidence, does not in my view lead to the conclusion that use by one company of intellectual property belonging to the other company was with the latter company’s consent. The companies are separate legal entities.

50. Equally, in my view, the evidence does not explain the relationship between Aztec Mexican (CA) and the registered proprietors. They may be one and the same company but that has not been explained or proved in the evidence. As noted, the issue of whether the use made of the mark was with the registered proprietors’ consent does not arise but if it had, then I would have determined that the proprietors’ consent had not been shown.

(3) Has use been shown in relation to the goods for which the mark is registered?

51. Again, I need not determine this question and choose not to express a view on this matter.

(4) Are there proper reasons for non-use?

52. The registered proprietors in their counter-statement did not specifically rely on or refer to the provisions relating to proper reasons for non-use. That said, Mr Abrahams addressed me on this issue and some of the registered proprietors’ evidence is directed to explaining why, despite their attempts, they have been unable to sell their products in the United Kingdom. Their evidence suggests that their failure to sell the product in the United Kingdom has been as a result of the difficulty and cost in shipping their product from Canada to the United Kingdom. To that end, they have enquired into establishing a manufacturing base in the United Kingdom to produce their products locally. Nothing has come of this and the expense and difficulties in transporting products from Canada remain. Mention is also made of the EU Regulations with which any food imports would have to comply.

53. Mr Abrahams argued that the reasons put forward by the proprietors to explain why they had not used the trade mark did not amount to “proper” reasons under the Trade Marks Act 1994. Referring to *Halsbury’s Law of England* (4th Edition 2000 reissue) Vol 48 at paragraph 107, he submitted that the difficulties set out by the registered proprietors were faced by all companies seeking to market their product in another country. The difficulties in transporting products, complying with local Regulations, finding distributors and manufacturers were all merely normal conditions of trade. I must agree. The registered proprietors have had in excess of five years to use their mark in the United Kingdom and to overcome, if that is possible, the difficulties that they have outlined. Ordinary difficulties in transporting products, complying with Regulations and finding local distributors or manufacturers cannot in my view, amount to proper reasons for non-use.

Conclusions

54. The registered proprietors have failed to show use of the trade mark AZTEC in respect of goods falling in class 30 within either of the periods set by section 46(1)(a) or (b). The applicants asked for the revocation to take effect from a date earlier than the date of the application for revocation; under section 46(6)(b) they ask that the mark be revoked with effect from 17 February 2000. As such, I order that:

Trade mark registration number 1546754 is revoked in respect of goods falling in class 30 with effect from 17 February 2000.

Costs

55. The applicants for revocation have been successful and are entitled to a contribution towards their costs. From the scale of costs I make the following award of costs:

£500-00	For the official fees and filing of statements of case.
£200-00	For perusing the registered proprietors’ counter-statement.
£100-00	For perusing the registered proprietors’ evidence under rule 31(2).
£200-00	For the applicants’ own evidence.
£100-00	For perusing the registered proprietors’ evidence.
£600-00	For preparation and attendance at the hearing.

Total £1700-00

56. **Therefore, I order that the registered proprietors pay to the applicants the sum of £1700-00.** 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 26 day of June 2002

S P ROWAN
For the Registrar
the Comptroller General