

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 12534 BY  
DOMENICO TANZARELLA T/A FRANCO'S ICES  
FOR REVOCATION OF TRADE MARK NUMBER 1012621 IN CLASS 30 IN  
THE NAME OF STELLA PRODUCTS LTD**

**AND**

**IN THE MATTER OF APPLICATION FOR INVALIDITY NO. 12464  
BY STELLA PRODUCTS LTD  
AGAINST REGISTRATION NO 2226680 IN CLASS 30  
IN THE NAME OF DOMENICO TANZARELLA T/A FRANCO'S ICES**

## BACKGROUND

1. The trade mark FRANCO'S RIVIERA CONE is registered under No 2226680 with effect from 22 March 2000 in the name of Domenico Tanzarella t/a Franco's Ices (Franco) in class 30 for "*Ices; ice creams*".
2. On 23 April 2001, Stella Products Limited (Stella) sought a declaration of invalidity in respect of this registration. In summary, Stella relies on its earlier registration and use of the Trade Mark RIVIERA to support its grounds for invalidity under Sections 5(2)(b) and 5(4)(a) of the Act because use of Franco's mark is likely to result in confusion with the earlier trade mark. Stella also claims that Franco registered its mark in bad faith because it was registered following a request by Stella for Franco to cease use of it.
3. Franco filed a counterstatement essentially denying the grounds of invalidity.
4. The trade mark RIVERIA is registered under No. 1012621 in Class 30 in respect of: *Chocolate, chocolates, and non-medicated confectionery*.
5. The registration stands in the name of Stella and is registered with effect from 13 June 1973.
6. On 21 May 2001, Franco applied for the revocation of the registration of the mark RIVERIA under the provisions of Section 46(1)(b) of the Act. The grounds for revocation are that the trade mark has not been used by the proprietor, or with his consent, in the United Kingdom in relation to the goods covered by the registration for an uninterrupted period of five years ending three months prior to the filing of the application, and there are no proper reasons for non-use.
7. Stella filed a counterstatement in which it accepted that no use had been made of the registration in relation to chocolate and chocolates and that these goods could therefore be removed from the specification of goods of the registration. Stella, however, claimed that the mark had been used during the relevant period in respect of non-medicated confectionery, in the form of ice cream logs, ice cream cones and ice lollies.
8. Both parties make a claim for an award of costs in their favour and both parties filed evidence. The matters came to be heard on 26 November 2002 when Stella was represented by Ms Maddox of W P Thompson & Co and Franco by Mr Gregory of T M Gregory & Co.
9. Following the hearing, I supplied the parties with a DTI translation of the Opinion of Advocate General Colomer in case C-40/01: **Ansul BV v Ajax Brandbeveiliging BV**. The case arises from a reference to the European Court of Justice by a Dutch court seeking clarification of the meaning of the term 'genuine use' in the Trade Marks Directive. The Act implements the Directive in the UK and the words in the Act must therefore be given the same meaning. I invited the parties to provide submissions on the Advocate General's Opinion because I thought it may be relevant to the outcome of the

revocation action. Both parties subsequently provided written submissions and I have taken these into account.

## **THE LAW**

10. I will deal first with the application for the revocation of Stella's mark which is based on Section 46(1)(b) of the Act. The relevant part of section 46 is set out below:

- “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;”*

11. It is common ground that the relevant five year period is 22 February 1996 to 21 February 2001. Where, as in this case, the registered proprietor claims there has been use of the trade mark, the provisions of Section 100 of the Act make it clear that the onus of showing use rests with him. Section 100 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.”*

## **THE EVIDENCE**

12. Although evidence was filed separately, and although the proceedings have not been formally consolidated, the parties agreed that I should take account of all the evidence in reaching my decisions. I think that this is a sensible concession as the evidence in both actions is very similar but not identical.

13. Stella's evidence consists of the following witness statements:

Stefania Knowles dated 8 August 2001, 31 August 2001, 7 June 2002 and 9 August 2002

Charles Mancuso dated 31 August 2001

Jennifer Margaret Maddox dated 20 July 2001, 26 April 2002 and 9 August 2002

William Lane dated 17 July 2002

Colin Mullin dated 26 September 2002

14. Franco's evidence consists of the following:

- 2 x Statutory declarations of Domenico Tanzarella dated 21 December 2001
- 2 x Witness statements of Albert Thomas Williams dated 3 January 2002
- 2 x Statutory declarations of Jonathan Banford dated 18 October 2001
- 2 x Statutory declarations of Peter Frederick Hulance dated 31 October 2001
- 2 x Witness statements of Timothy Mark Gregory dated 27 December 2001
- Witness statement of Michael Lowe dated 21 December 2001

15. I have carefully considered all this evidence. The following facts are relevant.

### **Stella's evidence**

16. Ms Knowles has been the company secretary of Stella since 1977. She gives evidence that her company has traded in ice cream products for over 30 years and has around 270 customers on its database. Stella acquired the RIVIERA trade mark in 1991 and claims to have first used the trade mark in 1995 in respect of ice cream products. She says that the mark has been used for ice lollies, ice cream cones and an ice cream log.

17. Ms Knowles states that during the period 1995-1997 sales of ice lollies and ice cream cones under the trade mark RIVIERA were made exclusively to the supermarkets Netto and Aldi. Ms Knowles originally claimed that the mark was used by a subsidiary company of Stella called Riviera Ltd. She exhibits packaging for ice cream cones and ice lollies bearing the mark RIVIERA. These are said to date from 1996. The packaging carries the name Riviera Limited along with a postcode which, she says, was used by them in around 1996. She states that sales amounted to £301,139 in 1995/96 and to £96,156 in 1996/97.

18. Exhibited to Ms Knowles witness statement of 9 August 2002 are three invoices, delivery notes and receipts. All date from 1997. The invoices and delivery notes are addressed to Netto Foodstores Limited and refer to a "CONO-CHOC/NUT" product. The documents described as delivery notes appear to be computer print outs. They carry the name "NETTO WAREHOUSE" and the same order numbers as the invoices/delivery notes. The receipts are initialled but it is not possible to identify the person concerned. These delivery notes describe a product called "RIVIERA CONO".

19. Ms Maddox says that the contract to supply Netto was terminated and not renewed. No further use is claimed to have been made of the trade mark RIVIERA until Stella itself used it for an ice cream log product.

20. Both Ms Knowles and Mr Mancuso say that the development of the RIVIERA ice cream log began in December 1999 with sales commencing in May 2000. Ms Knowles last witness statement, dated 9 August 2002, includes a claim that total sales of the ice cream log product "to date" amounted to approximately £5000. Only the sales that occurred in the period from May 2000 to 21 February 2001 would have fallen within the

period under review. I have not been told what proportion of the sales claimed fell within this period.

21. Ms Knowles' evidence is supported by witness statements from Mr Lane and Mr Mullin. Mr Lane works for Quayside Frozen Foods, a wholesaler of ice cream products. He does not say what his role is in the company, but he says that he is familiar with the products purchased by his company. He says that his company has bought the RIVIERA ice cream dessert in the form of a log from Stella on a regular basis since 1 October 2000. He further says that he would regard the RIVIERA ice cream log as "ice cream confectionery".

22. Mr Mullin works for Mullins Ice Cream Ltd. In other respects, his statement is virtually identical with that of Mr Lane save that he says his company has purchased the RIVIERA ice cream dessert in the form of a log from Stella since August 2000.

### **Franco's evidence in response**

23. Mr Gregory's evidence includes some copies of pages from the websites of two trade bodies, namely the Ice Cream Alliance (ICA) and the Biscuit, Cake, Chocolate and Confectionery Alliance (BCCCA). He points out that the BCCCA appears to cover three sectors – cakes and biscuits, chocolate confectionery and sugar confectionery. He further points out that there is no mention of ice cream or frozen products on the sections of the web site devoted to chocolate or sugar confectionery. Similarly, he regards the fact the ICA's web site is only concerned with frozen products as support for Franco's submission that 'non-medicated confectionery' does not cover frozen products. Mr Gregory's evidence also includes copies of print outs from the register of trade marks showing the specification of goods of other registered trade marks. This is intended to show that there is a practice of listing frozen products separately to the description 'non-medicated confectionery' thus showing that the trade regard these as different products.

24. Franco challenges the veracity of Stella's evidence on a number of grounds. Firstly, Mr Gregory points out that although Ms Knowles claims to have held the position of Company Secretary of Stella since 1977, Stella was not in fact incorporated until 1985. Secondly, Franco disputes that there is, or ever has been, a registered company named Riviera Ltd. In support of this point it provides copies of reports of searches of the companies register (Mr Hulance's evidence). Thirdly, Franco disputes that there is or ever has been a valid postcode corresponding to that printed on the packaging supplied in evidence by Stella. In support of this last point it provides Mr Banford's evidence which records the outcome of enquiries he made of the Royal Mail through their web site and by telephone. Franco therefore says that Stella's supporting evidence of use of the mark in the period 1995-1997 appears to be bogus with the packaging being mere mock-ups.

25. Mr Tanzarella is the proprietor of Franco's Ices, which he has owned since 1970. He says that it is important for him to keep in touch with new developments in the trade and that he will usually find out about new products from his competitors as soon as they become available. Franco is a member of the Ice Cream Alliance, as is Stella. He

regularly obtains copies of his competitor's price lists. He exhibits copies of Stella's 'Take Home' and 'Impulse' price lists for 1996 and its 'Impulse' price list from 2001. He points out that the name RIVIERA does not appear on either list. For reasons that I explain below, I note that the name CONO appears on all three lists.

26. Mr Williams states that he is a director of Cold Carriers Ltd, a wholesaler of ice cream which operates as both a distributor and as a cash and carry business and that he has worked in the ice cream trade since 1951. He says his company deals with both Stella and Franco. He says that his company has only been distributors for Stella for the last two years but that he has known Mr Mancuso of Stella since the 1960s. Mr Williams says he quickly becomes aware of products on the market from any supplier and would have known about Stella products even before his company became their distributor whether they be ice cream cones or a packaged ice cream dessert as his company handles both types of product. He says he knows of no products sold under the name RIVIERA from Stella at any time within the last six years.

### **Stella's response**

27. In reply, Ms Knowles concedes that her earlier evidence was not accurate. She explains that Stella's business had previously traded under the name Mancuso Brothers. She joined this company in 1977 and her function was equivalent to that of Company Secretary. In 1985, when the company was incorporated as Stella, she continued in the same job but did so under the official title of Company Secretary.

28. In relation to Riviera Ltd, Ms Knowles explains that Netto had asked her company not to use the name Stella on these particular lines of ice cream products but she does not explain why. She says that agreement was reached with Netto whereby the name Riviera Ltd was used along with the home postcode of Stella's chairman, Mr Mancuso. She says that this postcode has recently been changed by the Royal Mail but was in existence for many years and exhibits a copy of a reminder notice which she says was sent to Mr Mancuso and bears the same postcode as appears on the packaging. Ms Knowles claims that she had previously believed that her company had registered a company under the name Riviera Ltd. She expresses dismay at her apparently recent discovery that this was not done but she offers no explanation as to what led her to believe that a company called Riviera Ltd had been incorporated, or why it was never carried out.

29. Ms Knowles does, however, provide an explanation for the omission of RIVIERA products from the price lists exhibited by Franco. She says that the product did not appear in the 1996 list because the ice cream cones and lollies produced under the mark were sold exclusively to Netto Foodstores. Ms Knowles says that the 2001 list refers only to "impulse" lines and so would not have included the RIVIERA log which was a "take home" product. She adds that her company's 1999 "take home" list did not include the RIVIERA log as it had not then been launched and the list was not reprinted in 2000 or 2001.

30. Mr Mancuso says that in March 2000 he telephoned Mr Tanzarella and requested that Franco cease use of RIVIERA. He claims that Mr Tanzarella said he would cease to use RIVIERA provided he could use up his current packaging for cones. Mr Mancuso says he agreed to let Mr Tanzarella use RIVIERA on the cones until either the current packaging was finished or until the end of March 2001, whichever was earlier. He confirmed the terms of this verbal agreement by way of a letter dated 3 April 2000. Mr Mancuso says he received a response by way of a letter dated 2 June 2000 from Mr Tanzarella's son indicating that levels of stocks of packaging would be ascertained.

31. A further letter was sent by Mr Mancuso stating that Franco should stop using RIVIERA by 31 January 2001. A letter was received in reply confirming that Franco had registered its trade mark No. 2226680 and asserting that there was no infringement given the respective specifications of the two registrations.

### **Franco's further evidence**

32. Mr Tanzarella exhibits a copy of 'Ice Cream' Magazine of May 1999 announcing the launch of Franco's RIVIERA cornet/cone. He explains that 'Ice Cream' is the official magazine of the Ice Cream Alliance. During the summer of 1999, Franco took delivery of 3 shipments containing RIVIERA cones. There were, says Mr Tanzarella, a total of 285,000 cones. RIVIERA cones were promoted at every opportunity, including exhibitions in November 1999. He contrasts this activity with Stella's claim to have sold ice cream logs to the low value claimed by Ms Knowles, which he says would not amount to genuine commercial quantities.

33. Mr Tanzarella accepts that he was contacted by Mr Mancuso of Stella who claimed he owned the registered trade mark RIVIERA. He also agrees that Mr Mancuso agreed to let him continue use of the mark until March 2001, but he denies that he agreed to cease use of the mark thereafter. He exhibits a copy of some packaging that he was sent for Stella's Riviera Coni cone. Mr Tanzarella notes that the copy packaging differs from that exhibited by Ms Knowles in that it bears the marks RIVIERA and CONI, although both samples bear the same name and address, Riviera Ltd, Allerton, L18 2PJ.

34. Mr Tanzarella explains how he took professional advice from his trade mark representatives and how, given the advice he received he discounted the threat of infringement and carried on with his own business including making his own application to register FRANCO'S RIVIERA CONE on 22 March 2000.

### **DECISION ON FRANCO'S APPLICATION FOR THE REVOCATION OF STELLA'S REGISTRATION**

35. The specification of goods covered by Stella's registration No. 1012621 is "*chocolate, chocolates, and non-medicated confectionery*". Stella has conceded that no use has been made of the registration in relation to chocolate and chocolates and that the registration should be revoked to that extent. The matter in dispute is whether the mark

RIVERIA was put to genuine use during the relevant period in respect of non-medicated confectionery in the form of ice cream logs, ice cream cones and ice lollies.

36. Franco argues that the term ‘non-medicated confectionery’ does not include such products and thus the registration should be revoked in its entirety. As Section 46 requires use to have been in relation to the goods for which the trade mark is registered, I must first decide whether the term ‘non-medicated confectionery’ includes frozen confectionery, and thus the goods for which use is claimed.

37. Confectionery is defined as “sweets and other confections collectively” (Collins English Dictionary 3<sup>rd</sup> Ed). ‘Confection’ is defined (same source) as:- “any sweet preparation of fruit, nuts, etc., such as a preserve or a sweet.”.

38. The term ‘confectionery’ is therefore a very general term. Included within it are various sub-categories. In the present case the general term has been limited, to non-medicated confectionery. This merely excludes medicated confectionery from the still general category of goods.

39. I did not understand Mr Gregory to dispute that ‘ice cream logs, ice cream cones and ice lollies’ could today be classified as ‘frozen confectionery’. Rather, Franco’s position appears to be that the term ‘non-medicated confectionery’ does not include frozen confectionery. This is what their evidence seeks to establish.

40. The printouts from the web sites of the Ice Cream Alliance and the Biscuit, Cake, Chocolate and Confectionery Alliance establishes that there are at least two different trade bodies for producers of ice cream products on the one hand and confectionery producers on the other. It establishes no more than that. The material from these web sites cannot be taken as expert evidence as to the meaning that the trade would attach to the words ‘non-medicated confectionery’. I do not find it surprising that there exists trade bodies promoting the interests of producers of various types of confectionery products. In particular, one can see that ice cream producers will have certain common interests with which they will be uniquely concerned.

41. I accept that the goods in respect of which Stella claims to have used its RIVIERA mark for would not fall within the sectors ‘sugar confectionery’ or chocolate confectionery’ as listed on the BCCCA web site. However, the very fact that the trade sub-divides confectionery in this way points to a broad meaning of the general term ‘non-medicated confectionery’. It appears to me that as a matter of language ‘frozen confectionery’ is a further sub-set of ‘non-medicated confectionery’.

42. Franco also filed printouts showing the specifications of goods of other registered trade marks. I do not find these printouts to be particularly helpful. The fact that some proprietors chose to list particular items of frozen confectionery alongside the term ‘non-medicated confectionery’ does not mean that the former is not included within the latter. Unfortunately, it is common practice for applicants, or rather their advisors, to construct specifications in such a way as to cover both the specific products of interest



and the more general category of products in order to maximise both the certainty and the scope of the protection sought. I do not therefore believe that the appearance of the terms 'non-medicated confectionery' and 'ice cream' in the same specifications disturbs my finding that the former includes the latter.

43. I further find that the term 'frozen confectionery' includes the specific items 'ice cream', 'ice cream cones' and 'ice lollies'.

44. The next question I have to answer is whether Stella has shown genuine use of the mark RIVIERA within the relevant period in relation to these goods.

45. I turn first to Stella's claim to have used the trade mark on ice lollies and ice cream cones until 1997. Stella provides sales figures for the periods 95/96 and 96/97, but it is not clear what proportion of these sales are claimed to have occurred during the relevant period, which began on 22 February 1996.

46. Apart from the undated example of packaging from Ms Knowles first witness statement, there is no supporting evidence of any sales of ice lollies under the trade mark RIVIERA. Further, there is no evidence to support Stella's claim to have sold lollies or ice cream cones to Aldi.

47. Stella has produced copies of three invoices, delivery notes and receipts from 1997 which it says supports its claim to have sold ice cream cones under the mark RIVIERA to Netto supermarkets. Neither the invoices nor the delivery notes bear any reference to the mark RIVIERA. They all refer to the mark CONO. It appears from Mr Tanzarella's evidence that Stella sells another product under the name CONO. Each of the copy receipts refers to a product called RIVIERA CONO. This is confusing because RIVIERA and CONO do not appear to be the same product. This much is clear because the CONO product is listed in Stella's 1996 price list, yet Ms Knowles explains the absence of RIVIERA from these lists on the grounds that the product was sold exclusively to Netto supermarkets. Further, the product name shown on the receipts is inconsistent with the packaging for an ice cream product exhibited by Ms Knowles, and which is said to date from 1996. This contains the descriptive word CONE, but not the mark CONO. The further undated example of packaging sent by Stella to Mr Tanzarella in April 2000 (some three years after the contract with Netto supermarkets finished) bears the mark RIVIERA and, in the position where the description CONE appears on the packaging filed by Stella, the mark CONI. No explanation has been offered for this difference.

48. I find that the evidence presented to support Stella's use of the mark RIVIERA to be inconsistent and confusing. It raises more questions than it answers.

49. Ms Knowles originally gave evidence that the company that used the mark RIVIERA in 1995-97 was a subsidiary of Stella called Riviera Limited. She says that this was at Netto's request but she provides no reason for this. In the face of Franco's evidence she later admitted that her earlier evidence was not accurate in that Riviera Limited never

existed. This shows that her earlier evidence was not reliable in at least one important respect.

50 Ms Knowles explains the absence of the mark RIVIERA from Stella's 1996 price lists, and Franco's trade witnesses' ignorance of Stella's use of the mark on the basis that the RIVIERA ice cream and ice lolly products were sold exclusively to Netto supermarkets. However, this statement does appear entirely consistent with her other claim in the same witness statement, and in earlier witness statements, that these products were sold both to Aldi and Netto supermarkets.

51. The onus is on the proprietor to "show" use of the mark, within the relevant period, by it or with its consent. I bear in mind the comments of Jacob J in **Laboratoires Goemar SA v La Mer Technology Inc**, [2002] ETMR 34 where he said:

*"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."*

52. I do not consider that Stella has shown use of the mark RIVIERA in relation to ice cream cones or ice lollies. I do not consider that Ms Knowles written evidence is sufficiently reliable, consistent or supported to prove such use.

53. And even if I am wrong about that and the evidence does show that Stella sold ice cream cones and lollies to Netto supermarkets which bore the mark, I do not consider that it establishes that any use made of the mark by Netto was with Stella's consent. The suggested inference arising from Ms Knowles later evidence seems to be that either Stella made use of the mark between 1995-97 on its own account, or that Netto made use of it with Stella's consent. However, this does not appear to be consistent with the unexplained reluctance of Netto to permit Stella to place its own name on the packaging of the products it claims to have supplied. To my mind this evidence does not establish that any use of the mark by Stella was on its own account or that any use made of the mark by Netto was with Stella's consent.

54. I next consider Stella's claim to have resumed use of the trade mark in respect of ice cream logs in 2000. Stella claims to have sold ice cream logs totalling some £5000 between May 2000 and August 2002. Most of this use falls outside the relevant period. I have not been provided with a breakdown showing the proportion of sales which occurred within the relevant period. There are, however, some invoices in evidence which date from the relevant period. These invoices show sales of approximately 200 boxes of ice cream logs to the value of approximately £1300. Ms Knowles accepts that the sales, which Ms Maddox says were trial sales, were small. She provides a number of invoices showing sales of the Stella Riviera Log to a handful of wholesalers in the year 2000. All but two of these sales are for four boxes or fewer. The largest sale (of 81 boxes each containing ten logs) was made to a company in the Isle of Man.

55. Mr Lane gives evidence that Quayside Frozen Foods, a wholesaler of ice cream products, bought ice cream desserts from Stella under the RIVIERA mark from October

2000. He gives no details of the volume of purchases made within the relevant period. None of the invoices provided by Ms Knowles appear to relate to purchases made by Quayside Frozen Foods or Mr Lane.

56. Ms Knowles provides one invoice showing a sale to Mullins Ice Cream Company in July 2000 for 27 boxes of RIVIERA log totalling £156.60. This company is one of the names referred to by Mr Mullin in his evidence. Although this is not entirely consistent with Mr Mullin's evidence, it appears to support his claim to have bought RIVIERA ice cream logs since August 2000.

57. Bearing in mind that the companies purchasing these products appear to be wholesalers, the volume involved is consistent with these being trial sales of a new product.

58. This may explain Mr Williams' evidence. Mr Williams says that his company has been a distributor of Stella's products for two years covering the period Stella say they sold the RIVIERA ice cream log. Mr Williams says his company deals with both impulse and take home products but he says he has no knowledge of a RIVIERA ice cream log (or any other RIVIERA product) from Stella within that period.

59 I find that this evidence does show that there were some sales of an ice cream log under the trade mark RIVIERA during the relevant period. It also shows that Stella made this use of the mark.

60. Franco claims that Stella's use is not genuine, that the use was solely to preserve Stella's trade mark, and that it was prompted by Stella awareness of Franco's use of its mark.

61. Since the hearing the European Court of Justice has given its judgement in the Ansul case. The only point that I need be concerned with for the purposes of this case is that the court has confirmed that "*token use for the sole purpose of preserving the rights conferred by the mark*" is not to be regarded as genuine. This is a point that featured in the Advocate General's Opinion and in respect of which the parties have been allowed to provide submissions. The court's finding is not radical. It has long been established in the UK under the pre-Directive law that use simply intended to resist a non-use attack is not to be taken into account in an action of this type. See, for example, **Nerit Trade mark** [1982] FSR 72.

62. Mr Tanzarella's evidence shows that Franco started making preparations in late 1998 to sell ice cream cones under the Franco's Riviera Cone trade mark. This claim is supported by the evidence of Mr Lowe. Mr Tanzarella says that Franco began selling its ice cream cone in May 1999, and a copy of an article in the Ice Cream Alliance magazine of May 1999 confirms this. Both Franco and Stella are members of the Ice Cream Alliance. It was not, however, until some ten months later in March 2000, that Stella, through Mr Mancuso, contacted Franco by telephone to discuss Franco's use of its trade

mark. Stella's use of the RIVIERA mark in respect of its ice cream log product started some two months later in May 2000.

63. Stella claims to have begun preparations for sale of the RIVIERA log in December 1999 but they have filed no evidence to support this claim.

64. The sales that followed are said to have been test sales. The fact that sales are test sales does not necessarily mean the use of the mark is not genuine. Initial sales periods are commonly recognised as a critical time for businesses in establishing the success of a new product, especially one which, as Stella has pointed out, was introduced into a market with a dominant market leader. Yet it is during this period that Stella says that it was prepared to allow Franco to continue to use what it considered to be an infringing mark in relation to a product in the same distinct area of trade as its own. And that it was prepared to allow this use to continue for up to one year. This seems very surprising.

65. Taking account of the timing of the start of this use of the RIVIERA mark by Stella (i.e. following the first hostile exchange between the parties in March 2000), and the commercially insignificant size of the subsequent trade, I find that this use was intended merely to protect Stella's trade mark from a non-use attack. This use of the RIVIERA mark by Stella in relation to ice cream logs cannot therefore be regarded as genuine use.

66. The application for revocation must therefore succeed in full. Registration No. 1012621 will be revoked in its entirety with effect from 21 May 2001.

67. I go on to consider Stella's application for a declaration of invalidity in respect of Franco's trade mark registration No.2226680.

## **FINDINGS AND PROVISIONAL DECISION ON STELLA'S APPLICATION FOR FRANCO'S REGISTRATION TO BE DECLARED INVALID**

### **The Law**

68. The grounds for invalidity of a registration are set out in Section 47 of the Act. The relevant part reads:

*"47. The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).*

*Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has, after registration acquired a distinctive character in relation to the goods or services for which it is registered.*

*(2) The registration of a trade mark may be declared invalid on the ground-*

*(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or*

*(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,*

*unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.*

*(3) .....*

*(4) .....*

*(5).....*

*(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:*

*Provided that this shall not affect transactions past and closed.”*

69. At the hearing, Ms Maddox confirmed that she was not proceeding with the ground based upon section 5(4)(a). This leaves two remaining grounds under Section 5(2) (b) and section 3(6).

70. Section 5 (2)(b) reads:

*“5.-(2) A trade mark shall not be registered if because-*

*(a)...*

*(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,*

*there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”*

71. I have already found that registration No 1012621 for the mark RIVIERA covers ice cream because ice cream is covered by the term ‘non-medicated confectionery’ in the specification of the earlier trade mark. The respective goods must therefore be regarded as identical.

72. According to the case law of the European Court of Justice (ECJ), trade marks must be compared through the eyes and ears of an average consumer of the type of goods

concerned, who has to rely upon the imperfect recollection of the earlier mark he has in his mind. Regard must therefore be had for the overall impression created by the respective marks bearing in mind their distinctive and dominant components. Further, the likelihood of confusion is greater where the respective goods are identical compared to the position where they are only similar.

73. Applying this guidance to the case in hand, I have no hesitation in finding that the respective marks are similar and that there is a strong likelihood of confusion if the marks are used concurrently in relation to ice cream products by unrelated economic undertakings.

74. Franco's evidence shows use of marks consisting predominantly of the word RIVIERA with the words Franco's appearing in much smaller script. Mr Gregory appeared prepared to accept that at least one of these marks should be regarded as an example of normal and fair use of the mark applied for. If that is right, and if I am right about the scope of the specification of the earlier trade mark, I would go as far as to say that confusion would be inevitable if these marks were used concurrently in respect of the same goods. For these marks would be confused even when seen side by side.

75. However, even if I assume that normal and fair use of the mark applied for would require the word FRANCO'S to be used in a size that is not too much smaller than the word RIVIERA, I would still conclude that there is a likelihood of confusion. It is clear from the ECJ's judgement in **Canon v MGM** [1999] 117, that there exists a likelihood of confusion if the similarities between the respective marks and goods are such as to cause the average consumer to believe that the goods sold under the marks originate from the same undertaking, or from economically linked undertakings. The word RIVIERA is not descriptive of ice cream and appears to me to have a relatively high distinctive character as a trade mark for ice cream products. In my judgement the average consumer of such goods who becomes aware of the use of the trade marks RIVIERA and FRANCO'S RIVIERA CONE is likely to assume that the similarities between the marks indicate that these are marks of the same undertaking or of economically linked undertakings.

76. If I am right so far, the case for invalidating Franco's registration must succeed on the ground that it is contrary to section 5(2) of the Act. I have asked myself the question whether my earlier decision to revoke Stella's registration for non-use has the effect of removing the ground for invalidation.

77. In **Transpay Trade Mark** [2001] RPC 191, the Registrar's Hearing Officer considered a similar point in relation to an opposition. He concluded that:

*"...as a matter of practical common sense that the Act must have regard to any event which occurs in relation to any earlier trade mark on the basis of which an objection under Section 5 arises, such that the objection itself falls away".*

78. As far as I am aware, the point has not been addressed in the context of an application for invalidation, although I cannot on the face of it see any reason why the result should be different. However, as I have not received submissions on this point I think it appropriate to allow the parties 14 days from the date of this provisional decision to provide any submissions that they may wish to make on the effect (if any) that my decision on the revocation action should have on the outcome of the invalidation. Any further submissions should be limited to this point. The opportunity to provide further submissions cannot be used to re-argue existing findings.

79. The remaining ground is that based on Section 3(6) which reads:

*“3.-(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”*

80. There is a significant body of case law on what constitutes bad faith for the purposes of Section 3(6). General principles are set out in **Gromax Plasticulture Ltd v Don and Low Nonwovens Ltd** [1999] RPC 367 where Lindsay J said:

*“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealing which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances”.*

81. Stella points out that Franco’s application was made after it was asked by Stella to cease use of the RIVIERA mark. Ms Maddox suggested at the hearing that what Franco had done was in effect to have stolen the trade mark from Stella. I can deal with this ground quite shortly because I do not consider that there is anything in it.

82. It is clear on the evidence that Franco took legal advice following Stella’s approach in March 2000. This application was no doubt part of that advice. Mr Tanzarella claims that he was advised that his use was not infringing Stella’s registration because of a distinction between the goods of the registered mark and the goods in respect of which he used his mark. Franco’s mark had been in use in various forms for nearly a year at this point. The specification of goods in the application reflects the products in relation to which the mark had been used. Further, Franco evidently believed that the registered mark was susceptible to a non-use attack. In these circumstances, I do not believe that it can be said that Franco acted in any way which, to use the words of Lindsay J, *“fall short of standards of acceptable commercial behaviour”*.

83. Stella alleges that in March 2000, Mr Tanzarella told Mr Mancuso of Stella that he would cease use of the mark after his stocks ran out or by March 2001. Mr Tanzarella accepts that he was told that he could continue using his mark until then, but he denies giving any undertaking that he would cease to use his mark. There is nothing in writing to support the claim that such an undertaking was given, and despite the conflict of evidence on this point, neither party has requested cross examination. There is a persuasive burden on a party alleging a breach trust to make out its case. In civil proceedings the matter can be decided on a balance of probabilities. However, on the evidence available to me I find that Stella has not made out its case in this respect.

84. The ground for invalidation based upon section 3(6) of the Act must therefore fail.

### **SUMMARY**

85. In respect of the revocation action by Franco against Stella, the application succeeds and Registration No. 1012621 will be revoked in its entirety with effect from 21 May 2001.

86. The period allowed for appeal against this decision commences on the date of this decision, which is shown below.

86. In respect of the invalidity action by Stella against Franco's registration, the ground based upon section 3(6) will be rejected. The substance of the ground based upon section 5(2) is made out, but is subject to my decision to revoke the earlier trade mark.

87. The parties are allowed 14 days from the date shown below to provide any further submissions they wish to make on the effect the revocation should have (if any) on the outcome of the invalidation action.

88. The period allowed for appeal against all the aspects of my decision in the invalidation action will commence at the date of my final decision and not at the date shown below.

### **COSTS**

89. My decision on costs in the invalidation action will be included in my final decision. In these circumstances, I reserve my decision on costs in the revocation action and will issue a further decision on costs in the revocation at the same time as I give my final decision in the invalidation action.

**Dated this 15 day of April 2003**

**Allan James  
For the Registrar**