

O-042-04

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No. 1516333
IN THE NAME OF TRADELINK (LONDON) LIMITED**

AND

**IN THE MATTER OF AN APPLICATION FOR REVOCATION
THERE TO UNDER No. 80806 BY EAST END FOODS PLC**

TRADE MARKS ACT 1994

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No. 1516333 in the name of Tradelink (London) Limited**

and

**IN THE MATTER OF an Application for Revocation
thereto under No. 80806 by East End Foods Plc**

BACKGROUND

1. On 26 April 2002, East End Foods Plc applied to revoke registration No. 1516333 standing in the name of Tradelink (London) Limited. The registration is in respect of the following trade mark:



and is registered for the following specification of goods:

Saffron, spices, tea, papads, papadoms; all included in Class 30.

2. The application for revocation is made under Section 46(1)(b) and is expressed as follows:

“...that, in the five years preceding 28 January 2002, 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, and there are no proper reasons for non-use.

The applicants submit that no use whatsoever of the Trade Mark has been made in this five year period, but also submit, in the alternative, that no genuine use of the trade mark has been made in relation to papads or papadoms, and there are no proper reasons for non-use.

Under the provisions of Sections 46(1)(b) and 46(5) of the Trade Marks Act 1994, the applicants request that the registration be revoked in its entirety, or, where some use is shown by the proprietor, that the registration be revoked in part.”

3. On 12 August 2002, the registered proprietors filed a counterstatement in which they responded to the allegations of non-use. In essence, the registered proprietors deny the various grounds of revocation. The relevant statements from the counterstatement are as follows:

“It is argued that use and such use being genuine, has been made since registration of our trade mark RUBY BRAND R as we have been trading for an uninterrupted period since registration in saffron and tea.

Further, in answer to the applicants’ allegation of non-use in their paragraph 2.E I put forward the following proper reasons for non-use in respect of papadoms;

Our company previously traded in papadoms in 1994 under the brand name VENUS. Due to having a vast quantity of stock available, purchased under the brand name VENUS, until 1996 we had no need to purchase further stocks.

In 1997 we decided to develop our RUBY BRAND R mark further by introducing a new variety of rice papadoms in various flavours. It was at this time that the applicants initiated their non-productive and deliberately vexatious invalidity action. This caused us to halt production of our new brand of papadoms under our mark RUBY BRAND R for an uninterrupted period of two years and two months.

Further, in 1999/2000 our business was, with great regret, hit by an illness of a family and company member who passed away at the age of 49 years. This again prevented us from the development of our brand RUBY BRAND R papadoms and any further product development.

Finally in the middle of 2001 our project recommenced to develop RUBY BRAND R papadoms as in accordance with Section 46(3) Trade Marks Act 1994 and we have now successfully launched our brand of papadoms on the open market.”

4. Both sides seek an award of costs. Both sides filed evidence.

5. Neither side took up the offer of an oral hearing although both provided written submissions in lieu of a hearing. Therefore, after a careful study of the papers and evidence I go on to make my decision.

Registered proprietors’ evidence-Rule 31(2)

6. This consists of a Witness Statement dated 22 July 2003, by Rajesh Doshi, a Director of Tradelink (London) Limited.

7. Mr Doshi refers to earlier proceedings in which East End Foods Plc sought a Declaration of Invalidity in respect of the trade mark registration that is now the subject of these revocation proceedings. He alleges that the applicants have deliberately made unauthorised use of his company’s trade mark in relation to papadoms. The remainder of his statement consists of submissions supporting that his company has made genuine use of the trade mark, referring to exhibit RD1, and in respect of papadoms, to say why his company has proper reasons for non-use.

8. Exhibit RD1 consists of a collection of correspondence, some of which falls within the relevant period and mention RUBY BRAND in relation to saffron and tea, although none showing the composite mark as registered. The exhibit also includes an undated photograph of packets of tea bearing the word RUBY placed below a star device containing the letter R, and a copy of a renewal certificate issued in relation to the registration that is the subject of these proceedings.

9. Exhibit RD2 consists of various items of trade mark documentation relating to the registration, labels for RUBY BRAND tea, showing best before dates of September 2001, March 1997 and December 1996, undated photographs and prints of packets of papads, and also papadoms, which although showing the mark in the form as registered, cannot be dated as originating within the relevant period. Exhibit RD 3 consists of invoices relating to the fees for professional services.

Applicants’ evidence-Rule 31(4)

10. This consists of a Witness Statement dated 8 January 2003, by Matthew Nigel Shaw, a partner in the firm of Forrester Ketley & Co, the applicants’ representatives in these proceedings.

11. Mr Shaw refers to an exchange of correspondence between the respective parties legal advisors, stating that the registered proprietors' responses suggested that there had not been use of the mark on the full range of goods for which it is registered, and specifically, in relation to papadoms. He says that an investigation into the registered proprietors' use was conducted, the results of which are shown as exhibit MNS1, the results of an earlier investigation undertaken in April 1999 being shown as exhibit MNS2. Both reports confirm that the sources checked did not confirm that the RUBY BRAND R device was in use in the United Kingdom.

Registered proprietors' evidence- Rule 31(6)

12. This consists of a further Witness Statement dated 8 April 2003, from Rajesh Doshi

13. Mr Doshi states that the goods sold under the RUBY BRAND mark are not advertised, nor are they registered with any databases or umbrella organisations. At exhibit A he attaches a list of customers where his company sells its RUBY BRAND products. Under the provisions of Rule 51 of the Trade Mark Rules 2000, the contents of the list are to be kept confidential, but insofar as it does not provide any details relating to the goods sold, the date from which trade commenced, or evidence showing the mark under which the goods are sold, it has no evidential value.

That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

14. The statutory provisions of Section 46 under which this application has been made are 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) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(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 case the application is made to the registrar, he may at any stage of the proceedings refer to 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."

15. Section 100 is also 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."

16. The applicants' attack has two strands, namely, that there has been no eligible use of the mark in respect of any of the goods for which it registered, or, in the alternative, if there has been use it does not cover papadoms. The registered proprietors defence is likewise on two fronts, stating that there has been use of the mark in respect of saffron and tea, and that there are proper reasons for non-use in respect of papadoms.

17. The first question is whether there has been any use of the mark as registered, or taking on board the provisions of subsection 2 of Section 46, "...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."

18. The applicants for revocation contend that there has been no use of the mark in the five year period preceding 28 January 2002. Although they do not say so, this date appears to have been derived from the filing date of the application for revocation, that is 26 April 2002, taking into account the proviso to subsection 3 of Section 46, which states that "...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". As I see it, the five year period is the five years that immediately precede 26 April 2002, the date on which the application is made. Subsection 3 does not move that date back three months, it discounts use that commenced or recommenced in the three months immediately preceding the date on which the application was made, that is, between 26 January and 26 April 2002. That is, unless preparations for such use were in train prior to the three month period.

19. There is evidence showing use of the words RUBY BRAND in relation to saffron and tea that falls within the relevant five year period (and outside of the three month exclusion), but this is in the form of these words alone. There is evidence that shows use of a composite mark, but none that can be dated and cannot be taken as establishing use with the relevant period. So the question is whether use of the words RUBY BRAND constitutes "...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."

20. The issue of use of a trade mark in a form other than which it has been registered has been dealt with in several cases, including the *R v Bud and Budweiser Budbräu Trade Marks* [2002] RPC 38 and the *Elle* trade mark [1997] FSR 529. In *the Bud* case, Mr Simon Thorley QC, sitting as a deputy judge of the High Court held:

"In my judgment this is indicative that the subsection is of narrow scope. Alterations which would be immaterial for the purpose of infringement, in that the alleged infringing mark was confusingly similar to the registered mark, are irrelevant. It is thus necessary

for any tribunal seeking to apply section 46(2) to determine what is the distinctive character of the mark and which are the elements that, in combination, contribute to that distinctive character. Thereafter it must enquire whether any alteration to any of those elements is of sufficient immateriality as not to alter that overall distinctive character. In this way the objective of the Directive will be met. In the light of the 8th recital, it cannot be the intention to clutter up the register with a number of marks which differ from each other in very minor respects because the proprietor of an earlier mark has subsequently seen fit to change that mark only in some minor way which nonetheless preserves its distinctive character. There should be no need to reapply for a further mark in those circumstances. On the other hand, where a proprietor wishes to alter his mark or believes that his mark has become sufficiently distinctive in a different form to be registrable in that form, it is right that he should register it in that form and allow the former unused registration to lapse.”

21. The words RUBY BRAND are clearly a significant and important element in the mark as registered, and it is by these words that the mark is likely to be known, and referred to by consumers. But it is plainly obvious that when the words RUBY BRAND are removed from the mark, what remains is, as put by Mr Justice Lloyd in the *ELLE* trade mark case “..at least as much what makes the mark distinctive..”. The remaining element, the “sun” device is such a significant distinctive element in its own right that I do not consider use of the words RUBY BRAND on its own comes anywhere near to establishing a defence under Section 46(2). As matters stand, I find there to be no evidence of any use of the mark, in a qualifying form, within the relevant period.

22. This then brings me to the question of whether there are, as the registered proprietors’ contend, “proper reasons for non-use” of the mark. It should, however, be borne in mind, that this defence is advanced only in respect of papadoms. I have said earlier that Section 100 of the Act places the onus for proving use on the proprietor. Having conceded that they have not used the trade mark but that there are proper reasons for non use, the onus in my view stays with the proprietor to establish this.

23. In the *Invermont* trade mark case [1997] RPC 130, the Registrar's Hearing Officer considered the meaning of the words “proper reasons for non use”, and drawing a distinction between the wording of Section 26(3) of the Trade Marks Act 1938 and the provisions of Section 46(1)(a) of the 1994 Trade Marks Act said:

“Moreover, the word “proper” appears, rather than the slightly more restrictive word “special”. The reasons do not have to be special, it seems merely “proper”. As can be seen in any English dictionary, “proper” is a word with many meanings. But bearing in mind the need to judge these things in a business sense, and also bearing in mind the emphasis which is, and has always been placed on the requirements to use a trade mark or lose it, I think the word proper in the context of Section 46 means:-“apt, acceptable, reasonable, justifiable in all the circumstances

.....He describes difficulties which by his own admission are normal in the industry concerned and in the relevant market place. I do not think that the term “proper” was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or market, or even in perhaps some temporary but serious disruption affecting the registered proprietor's business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman's own control and I think he should plan accordingly....”.

24. The Hearing Officer concluded that distinct from the decision in *James Crean & Sons* [1921] 38 RPC 155, the wording of Section 46 of the 1994 Trade Marks Act did not restrict the circumstances to those affecting the trade as a whole, and that disruptive situations affecting the registered proprietor's business alone could be proper reasons within the meaning of this section of the Act. In the *Bali* trade mark case [1966] RPC 387 at 406, Ungood-Thomas J gave further consideration to the matter of “special circumstances” saying:

“A trade mark is a commercial asset intended to be used commercially by businessmen, and "special circumstances" have to be understood and applied in a business sense”.

25. The Hearing Officer in *Invermont* adopted a similar approach saying “..bearing in mind the need to judge these things in a business sense..”

26. The registered proprietors give a series of reasons as to why they had not put the mark into use . They say that in 1994 their company was trading in papadoms under the brand name VENUS, but having a vast quantity of stock, had no need to purchase further stocks until 1996. The inference seems to be that they had all these papadoms bearing the brand name VENUS and saw no reason to sell the same item under another name. This may seem to be a commercially sensible decision, but does not, in my view, constitute a proper reason for non-use of the trade mark.

27. They also say that in 1997 “we decided to develop our RUBY BRAND R mark further by introducing a new variety of rice papadoms in various flavours. It was at this time that the applicants initiated their non-productive and deliberately vexatious invalidity action. This caused us to halt production of our new brand of papadoms under our mark RUBY BRAND R for an uninterrupted period of two years and two months.” There is no evidence that the registered proprietors had made any plans or efforts to put the RUBY BRAND mark into use in respect of papadoms. Even though the registration was subject to invalidity action, they owned the mark on the register and I do not see why the attack on that registration should baulk or thwart any plans to do so.

28. They go on to say that “Further, in 1999/2000 our business was, with great regret, hit by an illness of a family and company member who passed away at the age of 49 years. This again

prevented us from the development of our brand RUBY BRAND R papadoms and any further product development.” Whilst I do not doubt that this regrettable event took place, there is nothing to say why it prevented the business proceeding with its plans to market RUBY BRAND papadoms.

29. They say that in the middle of 2001 “our project recommenced to develop RUBY BRAND R papadoms...we have now successfully launched our brand of papadoms on the open market.”. There is no evidence to support this claim, at least not in respect of the date given, or that clearly falls within the relevant period.

30. For the reasons set out above I find that the registered proprietors have not discharged the onus placed upon them in establishing that there are proper reasons for non use of the trade mark. Section 100 clearly places the onus on the registered proprietor and as the Hearing Officer in *Invermont* said, “..the emphasis which is, and has always been placed on the requirements to use a trade mark or lose it.”. Consequently, the application for revocation under section 46(1) succeeds.

31. The application for revocation on the grounds of non-use for the reasons given above succeeds. The applicant is entitled to an award of costs. I order the registered proprietor to pay to the applicant the sum of £1,500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of February 2004

**Mike Foley
for the Registrar
the Comptroller-General**