

O/450/11

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 1520720
IN THE NAME OF TESCO STORES LTD
OF THE TRADE MARK:**

MARQUES DE CHIVE

**AND THE APPLICATION FOR REVOCATION THERETO
UNDER NO. 83989
BY VICENTE GANDIA PLA SA**

Trade Marks Act 1994

**In the matter of registration no. 1520720
in the name of Tesco Stores Ltd
of the trade mark:**

MARQUES DE CHIVE

**and the application for revocation
thereto under no. 83989
by Vicente Gandia Pla SA**

BACKGROUND

1. On 15th February 2011, Vicente Gandia Pla SA ('Vicente') filed an application to revoke registration number 1520720, in the name of Tesco Stores Ltd ('Tesco') for the word mark MARQUES DE CHIVE, registered for the following goods:

Wines, spirits and liqueurs; all included in Class 33

The above goods are, as stated, in class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Subsequently, on 2nd September 2011 a Form TM23 was filed by the registered proprietor, being a notice of partial surrender, and "*spirits and liqueurs*" were removed from the specification, leaving just "*wines, all included in Class 33.*"

2. The trade mark registration was filed on 4th December 1992 and completion of the registration procedure took place on 29th August 1997.

3 Vicente sought revocation of the registration under section 46(1)(b) of the Trade Marks Act 1994 ('the Act'). The relevant five year period commences on 2nd December 2005 and ends on 1st December 2010. Vicente seeks revocation to take effect from 2nd December 2010.

4. Tesco filed a counterstatement, claiming the mark has been used in respect of the goods as registered during the relevant five year period, the last recorded sale of wine under the trade mark being in the trading week 47 in the year 2008.

5. Both parties have filed evidence which I shall summarise below. Both parties seek an award of costs. They were advised that they had a right to a hearing and that if one was not requested a decision would be made from the papers. Neither side requested a hearing and this decision is, accordingly, taken after a careful reading of the papers on file.

Evidence of the registered proprietor

6. This takes the form of a witness statement dated 27th March 2011 by John Alexander Groom of the firm Groom, Wilkes and Wright LLP, attorneys acting for the registered proprietor. He says the facts and information attached have been provided to him by Mr Andrew Gale, the Tesco wine buyer via Tesco's legal department. Other information has been extracted through a GOOGLE search.

7. He says the mark was used in relation to Spanish red wine, which was an exclusive brand for Tesco. Exhibit JAG 1 is a sales tracker produced by Tesco's wine department for the product MARQUES DE CHIVE which shows sales throughout 2006 with the last recorded sale being week 47 in 2008. The sales tracker commences with week 1 in 2006 with a recorded sales value of 5407.52 and sales volume of 1587. The product is designated 75cl TESCO MARQUES DE CHIVE RED. Up to week 21 sales of TESCO MARQUES DE CHIVE wine were quite constant. In terms of volume in week 1, it was 1587 and the value 5407.52. By week 20 the volume was 1555 and value 4836.34. Throughout that period there was nothing to suggest any 'disturbance' in supply. Week 21 saw a sharp decline, however, to a volume of 779 and value of 2637.36. Thereafter, the figures sharply declined from 747 by volume in week 24 to just 53 in week 25. Week 27 saw just 13 sold and, following an increase to just 18 in week 33 and 12 in week 44, the figures are either in single figures (per week) or simply nil. These sporadic low volumes continue into 2007 where the volumes recorded are always in single figures. Between week 18 of 2007 and week 47 of 2008 (being the last week for which a sale is recorded) there is never a week where the sales exceed 2 by volume. The vast majority of weeks in this period record nil value or volume.

8. Mr Groom explains that sales trackers are accurate in store records of sales in the UK as all goods that pass through Tesco's check outs are recorded by bar code and these are accurate in terms of date, volumes and sales value.

9. Mr Groom explains that tracking down specific labels is exceedingly difficult but he is informed, and has no reason not to believe, that the trade mark MARQUES DE CHIVE featured as a major element on the label. Exhibit JAG2 comprises two pages extracted from an internet search made on 29th March 2011, which makes reference to MARQUES DE CHIVE on a store comparison price site (www.comparestoreprices.co.uk) dated 2nd December 2004. The wine is described as TESCO MARQUES DE CHIVE 75 cl. A bottle is illustrated and although the label is hard to read, Mr Groom explains it features the mark MARQUES DE CHIVE in large gold letters on a red background. The producer of the wine is given as Vicente and the winemaker as Luis Garcia Severino from the Valencian region of Spain. Mr Groom says the applicant for revocation should be aware of the label used on the bottles as they were Tesco's supplier at the time.

Evidence of the applicant for revocation

10. This comprises a witness statement dated 28th June 2011 of Jose Gandia, Proxy of the applicant since 2003.

11. He says Vicente Gandia is a Valencian wine producing company founded in 1885 by Vicente Gandia Pla. It is currently the largest winery in the Valencian Community and ranks amongst the top 15 in Spain and the top 100 throughout Europe. It has a presence in 85 international markets and has been rewarded by a number of prizes and awards.

12. Vicente Gandia is the owner of the MARQUÉS DE CHIVÉ mark and it is used in Spain as well as Norway, Belgium, UK, Netherlands, Finland, Israel, Germany, Cameroon, Czech Republic, Nigeria, Switzerland, Brazil and many other countries.

13. Exhibit JG1 comprises photos of a selling point in an unnamed supermarket(s) or other retail outlet (possibly a duty-free) showing bottles of red and white wine, either boxed or unboxed, and having a gold and red label (or outer box) reading MARQUÉS DE CHIVÉ.

14. Exhibit JG2 comprises promotional and advertising material being photos of bottles of wine: a Dry Muscat, the date appearing on the label being 2004 and a Crianza, the date appearing on the label being 2002. Both bottles have the words MARQUÉS DE CHIVÉ as the main designation. Additional designations on the adverts are HAUGEN-GRUPPEN AS T STORM AND SØNNER and No 1 VINMONOLET. There is a photo of a corkscrew with the words MARQUÉS DE CHIVÉ engraved on the side and a photo of an apron with the words MARQUÉS DE CHIVÉ in bold on the front. Finally, there appears list of wines, priced in Danish 'Kr', including MARQUÉS DE CHIVÉ. The text in this advert is not English and appears to be Danish.

15. Mr Gandia explains the company has successfully registered the mark in several jurisdictions such as Spain, OAPI, Nigeria, and has an international trade mark. Exhibit JG3 comprises copies of applications or registration certificates from the various jurisdictions. In Spain, for example the mark was filed in 1992. It also has an international registration registered in 2003.

16. Mr Gandia concludes by saying that Vicente supplied Tesco with MARQUÉS DE CHIVÉ wine in the early 1990's and at least before Tesco applied for registration of the mark in 1992. As far as he is aware Vicente did not consent to the registration of MARQUES DE CHIVE in the UK. The business relationship with Tesco was carried out verbally, without the existence of written documentation.

Evidence in reply of the registered proprietor

17. This comprises a witness statement dated 11th August 2011 of Ian Wilkes, partner with the firm Groom Wilkes and Wright LLP, as I have said, acting for the registered proprietor. He explains that on 18th July 2011 he made a search on GOOGLE to try to find any proof of use of the mark made by Tesco during the relevant period. At Exhibit IW1 there is a copy of a print out relating to an wine article published online in The Hexham Courant on 22nd June 2006 which contains the sentence ".....life after Rioja in Spain, especially with the Tesco beauty I recommended last week (Marques de Chive)". Mr Wilkes submits this shows that Tesco was selling wine under the trade mark in 2006.

18. Finally, there is a witness statement dated 12th August 2011 from James Griswood, Product Development Manager in the Beer Wines and Spirits department at Tesco. He explains the nature and figures contained in Exhibit JAG1 (the sales tracker) to which I have already referred. Based on that sales tracker he is certain Tesco was selling its own MARQUES DE CHIVE red wine from at least as early as the first week in 2006 through to the forty-seventh week of 2008. At Exhibit JG2 is an example of a label used in connection with its MARQUES DE CHIVE wine. There are photos of two labels in fact. The first contains the words SPANISH MERLOT RESERVA 1991, beneath the words SELECTED BY TESCO. A crest appears between the word 'SELECTED' and 'BY'. The same crest and words SELECTED FOR TESCO appears on the second label, which also has the words MARQUES DE CHIVE RESERVA 1989 as the main designation on the label. The words BOTTLED BY VICENTE GANDIA 46370 CHIVA, VALENCIA, SPAIN also appear on the label. Mr Griswood confirms this label was used during 2006 and thereafter, right up until the forty seventh week of 2008.

Decision

Preliminary comment

19. It is clear these two parties have been in a business relationship in the past which, according to the Vicente's evidence, has been undocumented. It appears that Tesco has acted as an exclusive distributor for Vicente in the UK in respect of MARQUES DE CHIVE wines. But the question before me is not whether Tesco were entitled to apply for the trade mark MARQUES DE CHIVE; the question is whether the mark should be revoked for non-use during the relevant period. Had Vicente sought to challenge Tesco's right to apply for and hold the registered mark in its name then there are other provisions of the Act which apply but these have not been pleaded.

The law

20. Section 46 of the Act reads as follows:

“(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 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.”

Consideration has to be taken, also, of section 100 of the Act which states:

“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.”

21. In the case of *SANT AMBROEUS* (BL O/371/09) (*Sant Ambroeus*) the Appointed Person sought to distil the various legal authorities in relation to ‘genuine use’, as follows:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector

concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

22. Primary evidence in this case comes in the form of the Tesco sales tracker, the nature and accuracy of which is attested to also in the evidence. From this it can be seen that in the year 2006, up to week 21 sales of TESCO MARQUES DE CHIVE wine were quite constant. In terms of volume in week 1, it was 1587 and the value 5407.52. By week 20 the volume was 1555 and value 4836.34. Throughout that period there was nothing to suggest any ‘disturbance’ in supply. Week 21 saw a sharp decline, however, to a volume of 779 and value of 2637.36. Thereafter, the figures sharply declined from 747 by volume in week 24 to just 53 in week 25. Week 27 saw just 13 sold and following an increase to just 18 in week 33 and 12 in week 44, the figures are either in single figures (per week) or simply nil.

23. That said, it is clear to me that in the first six or so months of the relevant period, there was something of a steady supply by Tesco of wine under the mark MARQUES DE CHIVE. This steady supply, in my view, amounts to genuine use consistent with maintaining a market in the UK under the mark, in accordance with the case law.

24. I would add at this point that I do not believe Vicente has taken any issue on the manner in which the mark was used; that is to say, the words ‘MARQUES DE CHIVE’ were used as the main designation on the labels under which the wine was sold by Tesco. I would also add at this point that the labels were used on the wine itself and so it is not the case that Tesco’s were using the mark in respect of *retail* of the wine. The labels were on the wine itself.

25. Although the supply of wine tails off after six months into the relevant period, and there are no recorded sales after week 47 in 2008, there is no *additional* requirement under the case law, that use of the mark has to be continual, repeated or constant throughout the relevant period. In *Sant Ambroeus*, the Appointed Person says:

55. The most recent ECJ decision that falls to be considered in this line of cases is *Il Ponte Finanziaria SpA v OHIM (BRIDGE Trade Marks)* Case C-234/06 P, [2008] ETMR 13 (ECJ), in which an opponent was required to prove genuine use of various Italian trade marks containing the word BRIDGE. There was particular focus on whether the trade mark, THE BRIDGE, registered in respect of “clothing, footwear, headgear”, had been used in connection with those goods within the relevant five year period. The opponent claimed that the CFI in the decision below had imposed a requirement of continuous use of the trade mark throughout the whole period, since it stated that the evidence did not demonstrate “that [the trade mark] was consistently present on the Italian market, in connection with the goods in respect of which it is registered, during the [relevant period]” (Case T-194/03, 2 February 2006 at [36]). The ECJ ruled that this statement did not amount to a requirement of continuous use, stating that the CFI had – in accordance with the ECJ’s case law in *Ansul*, *La Mer*, and *Sunrider* – assessed “whether

the scale and frequency of use of that mark were capable of demonstrating that it was present on the market in a manner that is effective, consistent over time and stable in terms of the configuration of the sign”.

56. I do not read this statement as imposing a new legal requirement of repeated, regular or continuous use, which would contradict the previous rulings as to the absence of a fixed minimum. It was merely confirmation that the scale and frequency of use were relevant factors to be taken into account in the overall assessment and that the CFI had not erred in taking this into account in the particular case at hand.”

26. In all the circumstances, I am satisfied that Tesco has shown genuine use during the relevant period in relation to the goods for which the mark is now registered, “wines”, and the application for revocation must, accordingly, fail.

Costs

27. Tesco has been successful in defending against the application and is entitled to an award of costs in its favour. I take account of the fact that no hearing took place. Awards of costs are governed by Tribunal Practice Notice (TPN) 4/2007, supplemented by TPN 6/2008. Using this guidance, I award costs on the following basis:

Preparing a statement and considering other side’s argument - £200

Filing evidence - £ 300

Total: £500

28. I order Vicente Gandia Pla SA to pay Tesco Stores Ltd the sum of £500. 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 14th day of December 2011

**Edward Smith
For the Registrar,
the Comptroller-General**