

IN THE MATTER OF THE TRADE MARKS ACT 1994

BLO/750/21

IN THE MATTER OF TRADE MARK NUMBER 2,530,242 IN THE NAME OF KEITH GRAHAM

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF INVALIDITY AND REVOCATION UNDER NUMBERS 502,754 AND 502,755 BY DRAGON CORP LIMITED

AND IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3,374,192 AND 3,374,193

AND IN THE MATTER OF AN OPPOSITION UNDER 416,410 and 416,405 BY KEITH GRAHAM

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MARK KING (O/206/21) DATED 26 MARCH 2021

DECISION

Introduction

1. This is an appeal from the decision of Mr Mark King, for the Registrar, dated 26 March 2021 (O/206/21). In his decision he rejected the application of Dragon Corp Ltd (“Dragon”) to invalidate the trade mark RASTA PASTA (No 2,530,242) in accordance with section 3(1)(b), (c) and (d). He granted Dragon’s application to revoke that mark on the grounds of non-use in respect of all goods except sauces for pasta in Class 30. Finally, Keith Graham’s opposition to Dragon’s application for the same word mark was successful under section 5(2)(b) of the Trade Marks Act 1994 (but the opposition based on section 5(3) was unsuccessful).
2. Dragon appeals the Hearing Officer’s finding that use of the mark RASTA PASTA was established in relation to sauces for pasta, and the attendant result that Mr Graham’s opposition succeeds under section 5(2)(b). It was accepted by Dragon that if use of the mark is established in relation to sauces for pasta then the Hearing Officer’s decision in respect of the opposition must stand.

Standard of review

3. The standard of appeal is by way of review. Neither surprise at a Hearing Officer’s conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The relevant principles were set out in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and subsequently by the Supreme Court in *Actavis Group PTC EHF v ICOS Corporation* [2019] UKSC 15, [2019] RPC 9.

4. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Scope of appeal

5. This appeal relates to whether RASTA PASTA has been used on sauces for pasta during the relevant five year period: 6 February 2010 to 5 February 2015. The findings of non-use in relation to other goods were not appealed by Mr Graham. Nevertheless, at times before me, the Respondent addressed the use of the mark RASTA PASTA on snack pots.
6. The Hearing Officer held that use was not established in relation to snack pots (Decision, [77]). There are potential errors in this finding: first, by reason of the Hearing Officer confusing royalty payments made to Mr Graham (and his affiliates) with sales of the product; and, secondly, because the Hearing Officer did not appear to take account of three exhibits. But there was no cross-appeal by the Respondent. It is therefore not appropriate for me to assess whether these errors would be material or to make subsequent findings. Further, it is not within the powers of the Appointed Person to allow a late cross-appeal (as I cannot extend the time limit under Trade Marks Rules 2008, r 71(2); see r. 73(4)). In short, the issue of snack pots was not live before me and the only matter in issue was the correctness or otherwise of the Hearing Officer's finding that the mark RASTA PASTA had been used in relation to sauces for pasta.

Background to the findings of use

7. The Appellant accepts that the Hearing Officer correctly summarised the law concerning whether a trade mark has been used (Grounds, paragraph 5). However, Dr Lowe, for the Appellant, submits that the finding that RASTA PASTA had been used on sauces for pasta was wrong as the evidence was of insufficient quality.
8. The evidence of use relied upon by Mr Graham before the Hearing Officer came from the Witness Statement of Teja Picton-Howell dated 25 October 2019 and four exhibits to that statement. The first of these exhibits was TOPH2, which is an article from the Grocer dated 11 June 2011 announcing the launch of RASTA PASTA sauces in Morrisons. The second exhibit, TOPH3, is an article from Talking Retail dated 9 June 2011 it also announces the same launch. The third exhibit, TOPH7, is a spreadsheet from Mr Graham's ultimate licensee setting out the volume and net sales of pasta sauce under the mark for each month from April 2011 to July 2016. TOPH8 is a royalty statement from the licensee to one of Mr Graham's companies setting out the sales and royalties due for October 2015.
9. The Hearing Officer's findings in relation to use are set out in paragraph 74 of his Decision:
 - 74) The evidence demonstrates that KG launched its pasta sauce in June 2011, under the sign RASTA PASTA, in the well-known supermarket Morrisons in the UK for £1.89. [TOPH2 footnoted] This is further evidenced from the article [TOPH2 footnoted] published in "Talking Retail" dated 9 June 2011. The evidence also shows that sales of the sauce totalled £520,010 from April 2011 to July 2016. These sales, combined with the advertising and examples of use, demonstrate sufficient use of the mark during the relevant period (6 February 2010 to 5 February 2015)...

Licensing arrangement

10. Before proceeding it is important to note that while Mr Graham (commonly known as Levi Roots) is the proprietor of the trade mark, it was his licensees who used the mark. However, this is immaterial as use of the mark with the consent of the proprietor is sufficient to establish genuine use: section 47(2B) of the Trade Marks Act 1994.
11. The licensing arrangement can be summarised as follows: Mr Graham granted a master licence to LRE Limited, who in turn granted a sub-licence to Roots Reggae Reggae Sauce Limited, who granted a sub-sub-licence to AB Limited. The licence setting up this arrangement was exhibited as TOPH11. Under this agreement, the royalties were paid by AB Limited to Roots Reggae Reggae Sauce Limited (as evidenced by TOPH8).
12. While the issue was not live before me, Dr Lowe found certain discrepancies within the licence agreement and raised these before the Hearing Officer. The Respondent describes these as typographical errors. The Hearing Officer concluded, rightly, that a proprietor's consent does not have to be in a formal document and, in any event, the discrepancies in the licence do not stop it being evidence of the arrangement (Decision, [71]). The issue before the Hearing Officer and before me was, therefore, whether the licensee's use of the mark was sufficient to amount to genuine use.

Challenges to the Evidence

13. Dr Lowe challenges the adequacy of the evidence of use in various ways. First, he suggests that the sales figures provided by the Respondent are not good evidence to support that those sales actually occurred. Secondly, he indicates that there was no evidence before the Hearing Officer of the location of the supermarkets in which pasta sauces were sold (and so the mark used) and this failure should have been considered by the Hearing Officer. Thirdly, he questions the lack of royalty statements and suggests this undermines the existence of any licence agreement. Fourthly, he suggests that the proprietor had a minute market share and the Hearing Officer's failure to consider this was a material error. Fifthly, Dr Lowe criticises the Hearing Officer's reliance on TOPH2 and TOPH3 as indicating use. Finally, he submits that the Respondent's use of the mark (if any) was not trade mark use but rather use to indicate the flavour of a pasta sauce.

First challenge: Sales spreadsheet

14. While the evidence from the articles in the Grocer and Talking Retail indicate that the pasta sauce was about to be launched, the central evidence relied upon by the Hearing Officer was a spreadsheet produced by AB Limited indicating the volume and value of sales of pasta sauces made under the mark RASTA PASTA. Dr Lowe attacks this evidence head on.
15. He relies on a passage in *Abanka DD v Abanca Corporacion Bancaria SA* [2017] EWHC 2428 (Ch) where Daniel Alexander QC, sitting as a Deputy High Court Judge, said at paragraphs 87 and 88:
 87. Finally, Abanka contends that the hearing officer ignored an important exhibit (BRK-11) indicating the level of foreign exchange (and possibly other) trading conducted by Abanka with certain financial undertakings in the UK.
 88. It is an internally created spreadsheet of uncertain provenance which says nothing about any use of any mark. The source of the data is not identified. This exhibit was not regarded as

sufficiently important to feature in argument below. In my view, having regard to the requirements in proof of use to take care to dot the I's and cross the t's (see above), the hearing officer was entitled to disregard it. I do not think that it takes the case further.

16. Dr Lowe suggests that this passage supports his position that the spreadsheet (TOPH7) should have been totally ignored by the Hearing Officer due to its inadequacies. As I have no idea of the form of the exhibit in *Abanka* (BRK-11) (other than it was a spreadsheet) it is difficult to make a comparison. However, as TOPH7 directly relates to sales made under the mark RASTA PASTA it appears to be very different from the spreadsheet described by Mr Alexander. A further contrast is that the provenance of TOPH7 is clear: it is a statement of sales generated by the licensee.
17. This should not be taken to suggest that I do not agree with Mr Alexander that when establishing use it is necessary to take care to “dot the i’s and cross the t’s”. However, the assessment of use is always fact dependent. There is no one size fits all and there is no checklist of evidence which can be applied by a Hearing Officer. A tribunal’s expectations will depend on a host of things including: the goods or services in question; whether the use was by the proprietor or a licensee; the passage of time since the end of the period of non-use being considered; and, ultimately, the evidence that can reasonably be expected to be in the possession or control of a party during the proceedings to establish whether the use of the mark was genuine.
18. I think it was entirely proper for the Hearing Officer to accept the sales figures based on the report from the licensee. It would be absurd to require trade mark proprietors to evidence every single sale made (particularly, where in a case like this where it is claimed that over 100,000 sales were made). Accordingly, even where other evidence is filed (such as sample invoices) at some point any court or tribunal will need to rely on tables, spreadsheets, or similar in order to set out the total value and number of those sales.
19. Therefore, I cannot accept Dr Lowe’s submission that a spreadsheet like TOPH7 cannot be used to support evidence of use. It is also clear that the judge in *Abanka* was not making such a sweeping ruling

Second challenge: No evidence of the locations where the pasta source sold

20. Turning to Dr Lowe’s second point, the Court of Justice indicated in C-416/04 *Sunrider* [2006] ECR I-4237, [76] that the territorial scope of use is only one factor to consider when looking at whether there has been genuine use. Indeed, in the same case it was made clear that the use of a mark does not have to extend across a substantial part of the territory to be genuine. Therefore, while evidence of the locations of the supermarkets in which RASTA PASTA sauces was sold might have been helpful, the absence of this evidence is not problematic. I therefore reject this criticism of the Hearing Officer’s decision.

Third challenge: Royalty statement is inadequate

21. Dr Lowe argues that because only one royalty statement was filed in evidence (that for October 2015), it was not open to the tribunal to conclude there was a licence

agreement. This was, he submits, down to there being a lack of consideration for the granting of the licence as there is no evidence that any money was paid.

22. It was pointed out during the Hearing before me there clearly was an error in the royalty statement or the sales spreadsheet. This arises because the sales spreadsheet indicates that 933 units were sold with a net sale price of £3,055 (TOPH7) whereas the royalty statement suggests that 933 units were sold but for £3,395 (TOPH8). This discrepancy could not be explained by Ms Reid, for the Respondent, but there is nothing to suggest this error significantly affects the veracity of the evidence overall.
23. As to Dr Lowe's point, a trade mark licence can be entirely gratuitous (albeit a contractual licence would need consideration) and, as mentioned above, it need not be in writing. Therefore, whether payments were made to Mr Graham (or his companies) does not affect the issue of use. I therefore think there is nothing in Dr Lowe's point.

Fourth challenge: Absence of consideration of market share

24. Dr Lowe criticises the Hearing Officer for not considering the very low share RASTA PASTA has in the pasta sauce market. Dr Lowe calculates its market share to be 0.0000495%. I can deal with this point quickly. While market share can indicate genuine use, it will be extremely unusual for a mark with a discernible market share to face a challenge alleging it has not been used. Put another way, while market share can be a relevant factor in non-use cases, it will usually be vanishingly small and even if it had been considered by the Hearing Officer it would have been given so little weight that it would not be material.

Fifth challenge: News articles as evidence of use

25. The Appellant criticises the Hearing Officer's reliance on the article in the Grocer and Talking Retail (TOPH2 and 3) for supporting the finding of use. Dr Lowe's criticism is that there is no analytical data to show how many internet users viewed this material, or where those users were based. On my reading of the Hearing Officer's decision, these articles were used merely to evidence that the product was put on the shelves in June 2011. It was not being used as "advertising" type use. The weight given to an article in a reputable publication in establishing that a product was launched in June 2011 does not vary by the number of readers that article had. It was either launched in June 2011 or it was not. and this does not change whether the article was read by one person or one million people.
26. Dr Lowe said there was no other evidence of "advertising" and so it is not clear as to what the Hearing Officer was referring in paragraph 74 of his Decision. I agree with Dr Lowe it is not clear to what advertising the Hearing Officer refers. However, it is my view that the evidence put forward, and summarised in paragraph 8 above, is sufficient to establish use and so, even if the Hearing Officer did make an error in this respect, I am content his ultimate conclusion is right.

Sixth challenge: No trade mark use

27. Dr Lowe finally suggests that the use made of the mark RASTA PASTA was not use relating to the essential function of the trade mark (see C-40/01 *Ansul* [2003] ECR I-2439, [35 and 36]). Essentially, his submission is that RASTA PASTA was used as a flavour indicator and not as an indication of origin (with the mark LEVI ROOTS being

the indication of origin). He tries to bolster this submission by arguing that LEVI ROOTS was the stronger part of the mark. However, even if this is true this does not of itself preclude the weaker mark being genuinely used. Finally, Dr Lowe suggests that RASTA PASTA should be treated as if it were part be a composite mark (ie the mark is LEVI ROOT's RASTA PASTA). There is no basis for this suggestion. The question before the Hearing Officer was whether RASTA PASTA was used and this is what he assessed. I will therefore turn to the submission that RASTA PASTA was used as an indication of flavour and not a mark.

28. There will be instances where a mark is used on a product, but consumers take it to describe a generic flavour (as happened in *TWG Tea Company Pte Ltd v Mariage Frères SA* (O/358/17)). But, likewise, the use of a new word to describe a flavour may be seen by consumers both as a flavour and as an indication of origin. In this case, the Appellant had unsuccessfully attempted to invalidate the mark RASTA PASTA on the grounds that the mark was customary in the trade. The Hearing Office had “no doubt” in his mind that the mark was not customary in 2009 (Decision, [57]) and there is nothing in the evidence to suggest it had become generic subsequently. There would therefore be no basis for the Hearing Officer to conclude that consumers did not see RASTA PASTA as an indication of origin.
29. Accordingly, I reject the Appellant’s submission that the use of RASTA PASTA would be taken to be indicating flavour only (and not origin).

Overall finding in respect of use

30. The evidence of use put forward by the Respondent was not of the highest quality and in many cases the absence of invoices or other documentation exemplifying particular sales might be fatal. Nevertheless, as I indicated in paragraph 26, the evidence of the launch in June 2011 and the sales figures set out in the spreadsheet was enough to substantiate a finding of genuine use. I accordingly uphold the Hearing Officer’s finding that the mark should be revoked with effect from 6 February 2015 for all goods except for Class 30: Sauces for pasta.

Bias

31. In the Grounds of Appeal, it was suggested by Dragon that the Hearing Officer’s failure to consider the evidence gave rise to apparent bias. However, during the Hearing before me, Dr Lowe accepted that what he was alleging was that the evidence was not properly considered by the Hearing Officer, rather than the tribunal was biased against him (in the sense the Hearing Officer was prejudiced against the Appellant for reasons unconnected with the case: see *Bubbles & Wine Ltd v Lusha* [2018] EWCA Civ 468, [17]). Accordingly, I do not need to consider separately this alternative way of putting the case.

Opposition

32. It was accepted by Dr Lowe that only if the appeal were successful and the Respondent’s mark were to be revoked in respect of sauces for pasta would it affect the outcome of the opposition. Therefore, the Hearing Officer’s finding that the opposition was entirely successful stands.

Costs

33. As the Appellant was entirely unsuccessful in its appeal, I order that Dragon should pay the Respondent a contribution of £1,000 towards its costs. This is in addition to the costs order made by the Hearing Officer. Accordingly, the Appellant must pay a total of £4,000 to the Respondent within twenty-one days of the date of this decision.

PHILLIP JOHNSON
APPOINTED PERSON
8 October 2021

Representation:

For the Appellant: Dr Roger Lowe of IP4All

For the Respondent: Jacqueline Reid (instructed by Pennington Manches Cooper)