

O-015-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 80874  
BY PLB GROUP LTD FOR REVOCATION OF  
REGISTRATION No. 2108737 STANDING IN THE  
NAME OF ASHWOOD GROVE PTY LTD**

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of Ashwood Grove Pty Ltd**

### **Background**

1. The trade mark ASHWOOD GROVE is registered in the name of Ashwood Grove Pty Ltd under No. 2108737 for “wines” in Class 33 of the international classification system. It has a filing date of 29 August 1996 but claims an international priority date of 18 March 1996 (Australia).
2. On 26 June 2002 PLB Group Ltd (previously Private Liquor Brands Ltd) applied for this registration to be revoked under the provisions of Section 46(1)(a) and/or (b) of the Act on the basis of non-use (and no proper reasons for non-use) for a five year period following the date of completion of the registration procedure and/or that use has been suspended for an uninterrupted period of five years.
3. The registered proprietors filed a counterstatement denying the above grounds and indicating that they are able to demonstrate use of the trade mark in the UK within the period of five years following the date of completion of the registration procedure.
4. Both sides ask for an award of costs in their favour.
5. Both sides filed evidence. Neither side has asked to be heard. Written submissions have been received on behalf of the registered proprietors from Bailey Walsh & Co., their professional representatives (under cover of a letter dated 25 September 2003).
6. I should record at this point that there is a further action between the parties, namely Ashwood Grove’s opposition (No. 91073) to PLB’s application (No. 2296259). The outcome of that action is in part dependent on the outcome of this revocation action.

### **The Law**

7. Section 46 reads:

“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 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.”

Section 100 is also relevant and 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.”

### **Relevant dates**

8. This action has been brought under subsections (1)(a) and (1)(b) of Section 46. No. 2108737 was filed on 29 August 1996 and registration occurred on 21 February 1997. The relevant period for the purposes of subsection (1)(a) is 22 February 1997 to 21 February 2002.

9. The applicants’ statement of case does not identify a specific five year period in relation to subsection (1)(b). I, therefore, take it to be the five years immediately proceeding the filing date of the application, that is to say 26 June 1997 to 25 June 2002.

10. In arriving at those dates I differ somewhat from the applicants whose evidence indicates that “The present application for revocation was filed on 26 June 2002. The relevant period for the purpose of Section 46 is therefore between 21 February 1997 to 26 March 2002”. That statement does not seem to me to adequately distinguish between the two subsections and is unexplained so far as the March date is concerned.

### **Evidence**

11. The evidence filed in this case is as follows:

#### **Registered proprietors’ evidence (Rule 31(2))**

Statutory Declaration of Gerald S Hargrave	Exhibits GSH1-GSH2
Statutory Declaration of Bill Moularadellis	Exhibits BM1-BM2
Statutory Declaration of Andrew Walker	No Exhibits

#### **Applicants’ evidence (Rule 31(4))**

Statutory Declaration of Bruce S Barraclough	Exhibit BSB1
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#### **Registered proprietors’ evidence (Rule 31(6))**

Second Statutory Declaration of Gerald S Hargrave	No Exhibits
Second Statutory Declaration of Bill Moularadellis	Exhibits BM3-BM5

12. Mr Moularadellis is the Managing Director of both Kingston Estate Wines Pty Ltd, an Australian company and its associated company Ashwood Grove Pty Ltd (the proprietors).

13. Mr Moularadellis says that the mark ASHWOOD GROVE was first used on wines in Australia in 1997. Since 1998 attempts have been made to promote and sell ASHWOOD GROVE wines in the UK. An exclusive distribution arrangement was offered to UK wine distributor, Matthew Clarke Brands, in 1998. The brand was also offered to several other UK importers/distributors during the years 1998 and 1999. Two of these were Independent Wine Buyers Consortium and McCabes in Northern Ireland. Also in 2001 ASHWOOD GROVE wines were offered to UK wine importer Moreno Wine Importers to try and obtain a distribution deal. No distribution arrangements have as yet been concluded. Recent market research has suggested the need for redesigning the labels and packaging. Specimens of the current and proposed new labels and packaging are exhibited at BM1 and 2.

14. Finally Mr Moularadellis says that a consignment of 500 cases of ASHWOOD GROVE wines was due to be shipped to Kingston Estate Wines (UK) Pty Ltd. This was expected to arrive in the UK on 15 November 2002 and be available for retail sale.

15. Mr Hargrave is a Director of Austwine Exports Pty Ltd, a company which has acted as a wine broker for Kingston Estate Wines Pty Ltd. He says he recalls, either in 1999 or 2000, taking several bottles of ASHWOOD GROVE wine as hand luggage on a business trip to the UK. They were displayed and offered for sale at the 1999 or 2000 London Wine Trade Fair (he thinks it was the 1999 event).

16. Mr Hargrave also refers to bottles being shipped to Moreno Wine Importers (in this respect he corroborates Mr Moularadellis' evidence). In support of this he exhibits a shipment receipt (GSH1) and a value and origin declaration form (GSH2).

17. The final declaration from the registered proprietors' first round of evidence is from Andrew Walker, the UK manager of Kingston Estate Wines (UK) Pty Ltd. He says that on several occasions during the last 3 years he entered into negotiations with potential customers to supply wine manufactured by Ashwood Grove Pty Ltd under the trade mark ASHWOOD GROVE. He does not identify those contacts but says he has supplied advertising materials and sample bottles of wine.

18. Mr Barraclough is the joint Managing Director of the applicant company. His evidence in essence offers commentary on and criticism of the above evidence from the registered proprietors. I bear his submissions in mind in reaching my own decision on the matter.

19. The further evidence from the registered proprietors, filed under Rule 31(6) of the Trade Marks Rules 2000, contains little by way of additional relevant supporting material. Mr Moularadellis offers three new exhibits – a copy of his company's sales by debtors listings for the years 1997-2003 (BM3) and sales invoice history listings for the same period (BM4). He draws attention to sales made to Cathay Pacific Airways Ltd where the wines are sold on international flights. He suggests that it is a well known fact that Cathay Pacific regularly flies to London. Finally, he confirms that the consignment of 500 cases of ASHWOOD GROVE wine

referred to in his earlier declaration were received in the UK and samples were exhibited at the Australian Wine Bureau tasting in London during early February 2003. The new labels (referred to in his earlier declaration) are now in use. Specimens are exhibited (BM5). That completes my review of the evidence.

## Decision

20. The registered proprietors have not suggested that there are proper reasons for non-use of their mark. They rely instead on the use outlined above. The European Court of Justice (ECJ) has given guidance on what constitutes genuine use of a trade mark in *Ansul BV* and *Ajax Brandbeveiliging BV (Minimax)* [2003] RPC 40:

“36. ‘Genuine use’ must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that ‘genuine use’ of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or services at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.

40. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.”

21. I also bear in mind that the English Courts have emphasised the need for registered proprietors to prove their case with great care particularly where a few items or small amounts of use are relied on (see *Philosophy Di Alberta Ferretti Trade Mark* [2003] RPC 15 and *Laboratoires Goemar SA's Trade Marks* [2002] ETMR 34).

22. The registered proprietors refer to the efforts they have made to establish distributorship arrangements for their goods. The process appears to have started in 1998. In the case of three of the importers/distributors, Matthew Clarke Brands, Independent Wine Buyers Consortium and McCabes, there is no evidence that matters ever progressed beyond initial offers or discussions. In fact there is no documentary evidence at all to substantiate or explain the nature and extent of the contacts with these firms.

23. Reliance is placed on Austwines's dealings with Moreno Wine Importers in August 2001 (a date within the relevant periods). The two exhibits (GSH1 and 2) supplied in support of this part of the proprietors' case are a shipment receipt and value and origin declaration document. The latter reveals that some twenty bottles of wine were shipped to Moreno Wine Importers of which eight were ASHWOOD GROVE brand. A footnote to the Value and Origin document gives as reason for export "Not for resale – Trade Samples Only/For evaluation purposes only/Value for Customs purposes only". I infer that this small shipment was to allow Moreno to judge whether they were interested in taking on a distributorship. There is no evidence (as opposed to general claims) as to what contacts or correspondence preceded or followed the shipment of samples. Nothing appears to have developed as a result of this contact.

24. Mr Barraclough, in his evidence for the applicants, says of the Moreno shipment

"There is also no evidence submitted as to what, if anything, Moreno Wine Importers did if they received these bottles. Sending what can only be considered samples to third parties on a speculative, "cold call" basis should not in my view be considered genuine use of a trade mark. This could amount to nothing more than token use done for no other reason than to validate the trade mark registration."

Clearly, if this was token use, as Mr Barraclough puts it, then it cannot qualify as genuine use (*Ansul*, paragraph 36). The point is strongly challenged by the registered proprietors. I think they are right to do so. There is no basis for concluding that the contact with Moreno was simply motivated by a desire to keep the registration alive. Nor, in my view, is it necessary for me to decide whether the samples were sent on a "speculative cold call basis". Marketing new products may inevitably involve such processes.

25. The fact of the matter is, however, that nothing resulted from this contact with Moreno and I have not been told what Moreno did with the samples. To adopt the words from *Ansul* it neither maintained nor created a share in the market for the goods concerned. The wine buying public and the trade at large would, so far as I can see, have been completely unaware of the ASHWOOD GROVE brand on the basis of this limited and unproductive contact between Austwine and Moreno.

26. In the *Philosophy Di Alberta Ferretti* case Peter Gibson LJ considered the circumstances surrounding the supply of 500 bottles of perfume (to the value of £1500) as samples and concluded that:

“The whole transaction cries out for an explanation. The bottles may well be samples, but not, as I see it, without further evidence, samples to be used in the ordinary commercial way in which samples are used to induce sales in real trade.”

I accept that the factual circumstances here are rather different but this aspect of the proprietors’ claimed use suffers from similar defects and involves an even smaller number of items (eight bottles with a notional value of £32).

27. In addition to the attempts to establish a UK distributorship, Mr Hargrave refers to a small number of bottles of ASHWOOD GROVE wine brought to the UK in 1999 or 2000 and displayed at the London Wine Trade Fair. I find this claim to be unconvincing and unsubstantiated. There is even doubt about the date though Mr Hargrave thinks it was likely to have been 1999. There is no photographic or other evidence showing that the goods were exhibited and what (if any) prominence they were given. More importantly there is no record of enquiries received or followed up or anything else to suggest that the goods made any impact or impression at the Fair.

28. The only other claim that falls in the relevant period relates to the sale of wines to Cathay Pacific Airways Ltd for their international flights. The claim is tenuous in the extreme. To the best of my knowledge Cathay Pacific is a Hong Kong based airline. Strictly there is no evidence on the point but I am prepared to accept that they fly to London. There is no evidence that ASHWOOD GROVE wines available on their flights were sourced from the UK. If that was the case I would have expected the registered proprietors to say so. It seems probable that purchases of wine will be dealt with by the airline’s purchasing or supplies department at their head office. But whether or not that is the case it is enough to say that no relevant trade connection has been established in the UK relating to the business with Cathay Pacific.

29. On the basis of the above claims, whether taken individually or collectively, I am of the clear view that the registered proprietors have not shown genuine use in the UK as distinct from an intention to trade if a suitable opportunity arises or can be developed. But I remind myself that Ansul indicates that “use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising” (my emphasis). Can it be said that the registered proprietors’ efforts to find a UK importer or distributor suggest that the goods are ‘about to be marketed’ even though no actual sales to end consumers have taken place?

30. The eighth recital to the First Council Directive 89/104 indicates as follows:

“Whereas in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation;”

Consistent with that clear policy objective the primary requirement on a proprietor whose registration has been challenged in revocation proceedings is to show actual use of his mark. There is nothing to indicate that a firm intention to use can save a registration. Nevertheless the ECJ's observations in *Ansul* suggest that something short of actual sales may in certain circumstances be enough.

31. I note that the ECJ have qualified their observations in *Ansul* by indicating that, where goods are about to be marketed, preparations to secure customers must be under way. They give advertising campaigns as an example of such preparations. It seems to me that what the ECJ had in mind are circumstances where the relevant public has (within the relevant period) been alerted to the actual or imminent availability of a product and where the proprietors' plans are sufficiently far advanced that they are able to promote such availability. An example of such a circumstance might be the launch of a new car marque by a major manufacturer where consumer awareness and expectation is likely to be raised by publicity in the trade press and pre-launch advertising in advance of the commencement of sales.

32. There is nothing in the registered proprietors' evidence that reassures me they have a product that was about to be marketed under the mark ASHWOOD GROUP in the relevant period. They may well have had a genuine intention to establish the brand but the clear impression left by the evidence is that their plans had not developed beyond the initial enquiry stage. The activity that they have pointed to falls far short, in my view, of constituting genuine use within the terms of the *Ansul* case.

33. The final point I need to deal with is Mr Moularadellis' claim that a consignment of 500 cases of ASHWOOD GROVE wines was shipped to the UK and received by their subsidiary company, Kingston Estate Wines (UK) Pty Ltd in December 2002. There are two significant problems with this claim. Firstly, there is no documentation to support it and, secondly, it is in any case outside the relevant period (hence it raises somewhat different issues to the claims dealt with above). The subsequent sampling of the wine at the Australian Wine Bureau tasting in London did not take place until February 2003.

34. I am aware that in *Laboratoires Goemar* Mr Justice Jacob (as he then was) was of the view that sales after the relevant period might have a bearing on assessing the genuineness of a small amount of use within the relevant period. However, that case is of no assistance to the proprietors here. They cannot point to any sales to end consumers within the relevant period and no sales or even orders are recorded as a result of the tasting session involving the December 2002 shipment.

35. Accordingly, the registration falls to be revoked in relation to the goods for which it is registered. The applicants have sought revocation under both subsection (1)(a) and (1)(b) of Section 46 and would succeed under either head. In accordance with Section 46(6)(b) I am satisfied that the grounds for revocation existed at the earlier date that applies under subsection (1)(a). The rights of the proprietors shall be deemed to have ceased to have effect from 21 February 2002.

**Costs**

36. The applicants have been successful and are entitled to a contribution towards their costs. I order the registered proprietors to pay them the sum of £1500. 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 14<sup>th</sup> day of January 2004**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**