

O-107-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 81646
FOR REVOCATION OF REGISTRATION No. 2121989
STANDING IN THE NAME OF NATURES CHOICE LIMITED**

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BACKGROUND

1. Trade Mark No. 2121989 is registered in respect of:

Class 05:

Dietary and dietary food preparations and supplements: all containing extracts from the aloe vera plant.

Class 32:

Mineral and aerated waters and other non-alcoholic drinks; syrups and other preparations for making beverages; all containing extracts from the aloe vera plant.

The mark in question is:



The registration stands in the name of Natures Choice Limited. It was applied for on 29 January 1997 and registered on 25 September 1998.

2. On 3 March 2004 TTI Participations, S.A. applied for revocation of the registration under both Section 46(1)(a) and 46(1)(b) of the Act. The applicant seeks removal of the mark in its entirety or, in the alternative, for those goods in relation to which the mark has not been used.

3. The registered proprietor has resisted the application and claims use of the mark from 1996 onwards.

4. The applicant has asked for an award of costs. The registered proprietor has made no mention of costs. I note that the proprietor was not professionally represented at the outset of these proceedings.

5. Both sides have filed evidence. Neither side has asked to be heard or filed written submissions save in relation to a costs matter which is dealt with at the end of the decision.

EVIDENCE

6. The registered proprietor filed a witness statement by George Rush Duncan, its Sales and Marketing Manager. Before providing a brief review of Mr Duncan's evidence I think it is helpful to observe that the applicant's evidence does not seek to challenge the proprietor's fundamental claim to have used its mark. Rather, the applicant concentrates on what that use reveals about the underlying product and how it relates to genuine use within the meaning of the Section. In these circumstances I will confine my review of the evidence to the main points established by Mr Duncan's evidence:

- the mark is said to have been used on "non-alcoholic drinks; syrups and other preparations for making beverages, namely Aloe Vera juice and on dietary food preparations and supplements all containing extracts from the Aloe Vera plant".
- the company won the Best New Product Award at the Helfex '96 Show. The same label has been used since that time;
- the product is sold in 500 ml and 1000 ml bottles;
- annual turnover was £235,253 in 1998 and £174,770 in 2003. It has consistently been well above the £100,000 mark in the intervening years;
- the product has been advertised or featured in a variety of publications such as Healthy Eating Magazine, the Fresh & Wild catalogue and Health Food Business Magazine during the relevant period;
- the product has been listed on the Nutri-Centre website since 2001. Nutri-Centre is said to be one of the biggest direct mail operations for healthy food and drinks in the UK and has a presence in over 300 Tesco stores;
- the product is sold in over 1000 shops in the UK including Harrods, Holland & Barrett, Fresh & Wild and Planet Organic.

7. These claims are supported by exhibits GD1 to GD16 showing, inter alia, labelling, invoices, advertisements, a consumer leaflet and feature articles.

8. The remaining pieces of evidence are witness statements from the parties' professional representatives addressing the nature of the product. I will deal with this evidence in the body of my decision.

DECISION

The Law

9. 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.”

10. 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."

Guiding Principles

11. These can be found in the ECJ's judgment in *Ansul BV and Ajax Brandbeveiliging BV (Minimax)* [2003] RPC 40. I will record the relevant paragraphs in full:

“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 Art.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.”

12. I do not think there can be any doubt that the use described in Mr Duncan’s witness statement is genuine within the meaning of the *Ansul* guidance. It is neither token use nor is it purely internal use. As the sales confirm, the purpose of the use has been to create and sustain a market.

13. The issue for determination is the nature of the goods in respect of which use has been shown and how these goods should fairly be described. I have recorded, as the first point of my above review of the evidence, Mr Duncan’s claim as to the goods on which the mark has been used.

14. In a witness statement filed on behalf of the applicant Elaine Diana Margaret Rowley, the applicant’s professional representative, offers a number of submissions in relation to Mr Duncan’s evidence. The main points are that:-

- the price lists show the cost of the product as £7.99 and £8.49. The product itself appears under the heading Natural Remedies.
- the high price, recommended dosage levels and the products alongside which it is promoted suggest that it is a dietary supplement rather than a juice.
- simply because a product can be added to juice does not make it a preparation for making beverages.
- the suggestion that it may be mixed with a juice may be to remove any disagreeable taste. A number of internet articles are exhibited which refer to the unpleasant taste of aloe vera juice and the possibility of mixing it with a fruit juice.

15. In response to these submissions Natalie Mary Ramage, the registered proprietor’s professional representative, has filed a witness statement which makes the following main points:

- the definition of “drink” in the New Shorter Oxford English Dictionary indicates that it is a liquid swallowed or suitable for swallowing to quench the thirst but also a liquid for refreshment or nourishment. The latter is said to describe the Aloe Vera juice produced by the registered proprietor.
- this view of the matter is, in Ms Ramage’s view, supported by the internet material filed by Ms Rowley which emphasises that Aloe Vera juice is a liquid for nourishment in that it enriches and promotes the development of the body.
- in relation to the question of whether it is a preparation for making beverages she says it is a specially prepared substance, hence a preparation, which can either be drunk directly or diluted to suit individual taste by mixing it with another liquid.

- the mere fact that it may for some people have an unpleasant taste does not make it any less a drink or a preparation for making a beverage or drink.

16. In approaching the issues raised by this case it is useful to take as a starting point certain general principles on the classification of goods which are set out under the heading General Remarks in the International Classification of Goods and Services, the so-called Nice Classification (the following is taken from the 8th edition but is in substance the same as the previous edition which was in force at the date of application of the registration in suit):

“(a) A finished product is in principle classified according to its function or purpose. If the function or purpose of a finished product is not mentioned in any class heading, the finished product is classified by analogy with other comparable finished products, indicated in the Alphabetical List. If none is found, other subsidiary criteria, such as that of the material of which the product is made or its mode of operation, are applied.

(b) A finished product which is a multipurpose composite object (eg clocks incorporating radios) may be classified in all classes that correspond to any of its functions or intended purposes. If those functions or purposes are not mentioned in any class heading, other criteria, indicated under (a), above, are to be applied.”

The general remarks go on to deal with the classification of certain other types of goods which are not relevant to this case.

17. In relation to the particular Classes relevant to this case I note that the Class heading for Class 5 opens with “Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes, dietetic substances adapted for medical use”. The explanatory note on page 9 of the Classification guide confirms that that Class “includes mainly pharmaceutical and other preparations for medical purposes” (my emphasis). By the same token the explanatory note in relation to Class 32 (page 24 of the guide) expressly confirms that the Class does not include beverages for medical purposes.

18. With that general guidance in mind I turn to the evidence itself. Exhibit GD3 to Mr Duncan’s witness statement consists of two sample labels for use on the product. An example is annexed to this decision for ease of reference. The opening paragraphs read:-

“FOREVER YOUNG ALOE VERA is the Crème de la Crème of Aloe Veras, containing higher levels of active and naturally occurring aloe polysaccharides than those found in any other Aloe Vera juice which has not been artificially concentrated.

These polysaccharide complexes are considered to be the most active components of Aloe Vera which also contains various enzymes, amino-acids, vitamins and minerals.”

19. There follows a description of the origin of the product, the production processes and a general statement of its properties (“high in aloe polysaccharides, free from aloin, aloe emodin and other irritant anthrquinones” etc). To the right of the central trade mark device is a further summary of the growing conditions, production processes and quality of the end product. The small print at the foot of the label indicates that the product is safe for pregnant and lactating mothers and gives directions for use. The latter suggests taking two dessert spoonfuls twice daily before meals either directly or mixed with fruit juice. There is a further

statement to the effect that “This product is not intended as a Medicine but as a Dietary Food Supplement”.

20. Exhibit GD2, a Helfex show report, is broadly consistent with the labelling statements. Exhibit GD5, is a copy of “What’s the Alternative?” column from Style magazine which the proprietor relies on as showing that the product is a non-alcoholic drink as well as a dietary food supplement. GD6 is a consumer leaflet which is said to have been in use since 1996. Again the information on the front page of the document is much the same as the labelling. The reverse of the document contains narrative text which, unlike the product labelling itself, makes the following claims:

“Now stories and testimonies about the benefits of aloe vera are widespread. It is said to help many conditions such as arthritis, digestive problems – gastric and duodenal ulcer, acid indigestion, irritable bowel syndrome – Crohn’s disease, liver problems, ME, skin disorders – acne, psoriasis, eczema – allergies and chronic fatigue.”

21. The document goes on to give advice from a Dr Ivan Danhof of who is said to be one of the world’s leading authorities on aloe vera.

“He (Dr Danhof) was amazed to find this natural juice produced even better results than the most effective orthodox medicines for indigestion, gastritis, peptic ulcer and other gastro-intestinal conditions.”

22. Exhibit GD8 is an advertising feature from Helfex News which, inter alia, describes Forever Young as a “high potency therapeutic juice”. Exhibit GD9 is a further advertisement along similar lines to the items discussed above. Exhibits GD11 consists of copy pages from catalogues which, I note, list the product under ‘Natural Remedies’. The remaining exhibits provide further confirmation of use of the mark but do not further the debate as to the nature of the product.

23. It would seem from the General Remarks section of the Nice Classification guide that a multipurpose composite object (the example given is a clock incorporating a radio) may be classified in all classes that correspond to any of its various functions. The quoted example suggests that the functions must both be clearly present in the product in question. Although the general guidance does not deal specifically with a product of the kind at issue here it seems to me that one should not rule out the possibility that it could perform two functions, one medicinal and one not (according to strength or formulation perhaps), and hence the support a claim to genuine use in more than one Class. Whether it does so is a question of fact. On my reading of the evidence the product is described as an aloe vera juice and the promoter expressly renounces any claim to it being a medicine. It is merely said to be a dietary food supplement or therapeutic juice.

24. My understanding is that goods that fall in Class 5 remedy some disfunction of the body which may be as simple as dandruff or indigestion. But, unless they come under Class 5 for some other reason (vitamin preparations, for instance, are in this Class), goods that merely claim to possess health giving or ‘feel good’ properties are properly classified in the relevant food or drink Class. The mere fact that the product in this case is taken in relatively small quantities (suggestive of medicinal size) does not in itself turn it into a Class 5 item.

25. I am, nevertheless, conscious of the fact that the narrative text in the consumer leaflet (Exhibit GD6) indicates that aloe vera may assist in treating or alleviating a wide variety of conditions. But it seems to me that these claims are couched in deliberately cautious terms (“Now stories and testimonies about the benefits of aloe vera are widespread”, “it is said to help many conditions”, “All this may well be true”). Write-ups of this nature are in marked contrast to the actual product labelling which as I have noted above, concentrates on the production process etc but expressly disclaims any right to call the product a medicine. Accordingly, I take the view that the use shown is in relation to a product that properly falls in Class 32. Whilst I recognise that use of the term ‘dietary food supplement’ in the product labelling may be suggestive of a Class 5 item, it is clear from the Nice Classification guidance that this will only be the case if the dietary supplement is adapted for medical use. On the evidence before me, that is not the case here.

26. That brings me to the question of what would constitute a fair specification of goods having regard to the use shown. The proper approach to this question was considered in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 where Aldous L J said:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use

that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

27. The product in question here is very specific one, aloe vera juice. That is how it is described by the registered proprietor. It is also, in my view, how the trade would refer to it and how consumers would ask for it in a retail environment. I see no reason why fairness to the proprietor calls for a broader specification.

28. There is, however, a further aspect of the matter to consider, namely whether the registered proprietor should be allowed to retain the term preparations for making beverages. The proprietor’s position is that its aloe vera juice can be mixed with fruit juice to make it more palatable. The applicant contends that, simply because it can be added to juice, does not make it a preparation for making a beverage.

29. On its natural construction the term preparations for making beverages is suggestive of a product that is not a drink in itself but can, by some further process, be turned into a drink. I do not consider that the simple fact that one product can be mixed with another necessarily means that it would lend itself to being described as a preparation for making a beverage. Whisky may be mixed/diluted with water, for instance, but neither item would in any conventional sense be termed a preparation for making a beverage (unlike say, a syrup or concentrate which would not be taken on its own but would nevertheless form the basis of a beverage).

30. The evidence in relation to the aloe vera product is that it is a juice which is suitable for ingestion in the form in which it is sold. The directions on the labelling, for instance, indicate that it is to be taken twice daily either directly or mixed with fruit juice. That does not suggest to me that consumers would regard aloe vera juice as a preparation for making a beverage. There is, therefore, no reason for leaving this term in the specification.

31. In the event, the application for revocation has been largely successful. In accordance with Section 46(5), revocation will relate to all goods except “Juices all containing extracts from the aloe vera plant” (Class 32). This wording reflects, and is in keeping with, the terms of the current specification.

32. The application has been made under Section 46(1)(a) and (b) but the applicant has not specifically raised a claim for revocation from a date earlier than the date of the application for revocation. That, therefore, appears to be the relevant date for revocation purposes – see *Datasphere Trade Mark*, BL O/018/06 where the Appointed Person considered the question and followed *Omega SA v Omega Engineering Inc*, 2003 FSR 49, where Jacob J (as he was then) indicated that “the mere reference to Section 46(1)(a), to my mind, does not fairly put in play the use going back beyond the five year period immediately before the application for revocation”. Revocation to the extent indicated above will, therefore, take effect from 3 March 2004.

COSTS

33. The applicant’s pleaded case indicated that it was seeking removal of the subject mark either for the entirety of the specification or for those goods in relation to which the mark in suit has not been used. No further detail or substance was given to the latter part of the claim.

34. The registered proprietor, for its part, was unequivocal in its defence indicating that it intended to defend the full range of goods and had no intention of considering a partial surrender.

35. In the event the applicant for revocation has achieved a substantial but not complete measure of success and is entitled to a commensurate award of costs.

36. I should record at this point that the trade mark attorneys acting for the registered proprietor wrote to the Registrar on 6 March 2006 requesting that an award of costs be adjusted to reflect dealings between the parties with a view to a settlement of the dispute. Briefly, it is said that the applicant for revocation initiated an approach in October 2004 and that, after a number of drafts a settlement agreement was finalised and sent for signature by the applicant's agents on 21 November 2005. After signature by the registered proprietor the document was sent to the applicant's agent on 14 December 2005 for countersignature.

37. A number of stays of the proceedings were sought to allow the process to be completed but by the date of the last of these, 26 February 2006, the applicant had still not signed the document. The registered proprietor submits that time and effort has been wasted to no good effect. The applicant for revocation has not commented on or disputed the position. My understanding is that the registered proprietor's request relates not so much to the fact that settlement proposals eventually came to nothing but that time was lost in the latter stages as a result of the applicant's inactivity. There appears to be some force to the latter submission and I propose to reduce the cost award to the applicant to reflect this. Taking this into account I order the registered proprietor to pay the applicant the sum of **£900**. 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 13th day of April 2006

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

