

O/180/06

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 82151 BY  
NATURE FOOD HOLDINGS LIMITED FOR REVOCATION  
OF REGISTRATION NO 2212840 STANDING IN THE  
NAME OF BRETT HADLEY JOFFE**

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF Application No 82151 by Nature Food Holdings Limited for Revocation of Registration No 2212840 standing in the name of Brett Hadley Joffe**

#### **BACKGROUND**

1. Trade mark registration No 2212840, GLO, is registered in respect of “Non-alcoholic drinks; fruit drinks and juices; syrups and other preparations for making beverages” (Class 32 of the International Classification system). It was filed on 29 October 1999. The registration process was completed on 31 March 2000.

2. On 24 May 2005 Nature Food Holdings Limited applied for revocation of this registration under Section 46(1)(a) of the Act claiming non-use of the mark and no proper reasons for non-use. Revocation is sought as from 31 March 2005 in respect of all the goods for which it is registered.

3. Section 46 of the Act reads 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 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.”

4. Rule 31 of the Trade Marks Rules 2000 as amended by The Trade Marks (Amendment) Rules 2004 required a response from the proprietor as follows:-

“(3) The proprietor shall, within three months of the date on which he was sent a copy of Form TM26(N) and the statement by the Registrar, file a Form TM8, which shall include a counter-statement, and be accompanied by-

- (a) two copies of evidence of use of the mark; or
- (b) reasons for non-use of the mark,

otherwise the Registrar may treat him as not opposing the application.

(4) The evidence of use of the mark shall-

- (a) cover the period of non-use alleged by the applicant on Form TM26(N), or
- (b) where the proprietor intends to rely on Section 46(3), show that use of the mark commenced or resumed after the end of that period but before the application for revocation was made.

(5) The reasons for non-use of the mark shall cover the period of non-use alleged by the applicant on Form TM26(N).”

5. The registered proprietor filed a counterstatement, the substance of which reads as follows:

“The present proprietor started the GLO project and found the present trade mark registration standing in the way of his own application, and purchased the registration by an assignment dated 9 July 2003.

I am not in a position to deny absolutely the allegation of non-use. I am still seeking information from the previous proprietor, which may well show use within the period in question.

As to the present proprietor, there have been technical difficulties surrounding the project, and making the main products.

This is the present proprietor’s reason for non-use. *Magic Ball* is referred to.

The applicant requests an award of costs and (if applicable) exercise of the Registrar’s discretion to refuse the application to revoke.”

6. Despite the statement that information was being sought from the previous proprietor no evidence of use was filed within the requisite period. The matter has, therefore, proceeded on the basis of the present proprietor’s claim to proper reasons for non-use, a point which I note was conveyed to the applicant’s professional representatives by the Registry’s letter dated 8 September 2005 and again in the Registry’s letter of 13 April 2006 confirming the conclusion of the evidence rounds and inviting the parties to indicate whether they wished to be heard or offer written submissions.

7. I should add at this point that sub-paragraph (a) of Rule 31(3) requires a proprietor to file evidence of use of his mark but sub-paragraph (b) only requires reasons for non-use (my emphasis). I take the view therefore, that in the absence of evidence from the proprietor the only basis for continuing this action is the proprietor’s above-quoted statement relating to proper reasons for non-use.

8. The applicant filed evidence but neither side has requested a hearing or filed written submissions. Acting on behalf of the Registrar and with the above-mentioned material in mind I give this decision.

## **Applicant's evidence**

9. In the circumstances of this case a full evidence summary is not needed. Briefly the applicant has filed witness statements by Manish Joshi, a Trade Mark Attorney at Baker & McKenzie LLP and Gavin Hyde-Blake, a Manager at Carratu International Plc, a corporate investigations firm.

10. Mr Joshi gives evidence as to the investigations commissioned by the applicant into the use of the subject mark. The first of these investigations was conducted around November 2003, sometime before this action was launched. The firm that conducted the investigation, Phoenix Global Investigations, is no longer in existence but a copy of the report prepared at the time is exhibited at MJ1. An updating investigation was commissioned in December 2005. Mr Hyde-Blake's firm was responsible for the second set of enquiries. In each case the investigation failed to establish any use by the previous or current proprietor (the previous proprietor was Smithkline Beecham (or the Beecham Group)). As the registered proprietor has in effect not filed evidence to resist the non-use claim I need say no more about this.

11. So far as proper reasons for non-use are concerned Mr Hyde-Blake explains that in April 2004 his firm was instructed by Baker & McKenzie to attempt to purchase a number of trade marks in Mr Joffe's name. The marks all contained the element GLO. He adds that:

“3. At the time of our approaches to Mr Joffe in April and May 2004, he informed us that the GLO products were still in development and that none had been produced or sold. The Registered Proprietor never stated that there were any technical difficulties surrounding the project and making the main products.”

12. Mr Joshi's evidence refers me to two decisions (copies are exhibited at MJ2 and 3) bearing on proper reasons for non-use. These are *Magic Ball Trade Mark*, O/84/99 and *Invermont Trade Mark*, [1997] R.P.C. 125. The first of these at Exhibit MJ2 is the Registry decision. In fact the case went to appeal. Mr Justice Park's appeal judgment has been reported in [2000] R.P.C. 439. I accept that these are relevant authorities.

## **DECISION**

13. Kerly's Law of Trade Marks and Trade Names (at 10-72 to 10-73) has this to say in relation to proper reasons for non-use referring in doing so to the *Invermont* case:

“Reference to “proper reasons for non-use” need to be interpreted in accordance with Article 19(1) of TRIPS which uses the expression “valid reasons based on the existence of obstacles” to the genuine use which is required. “Circumstances arising independently of the will of the owner of the trade mark which constitute an obstacle to the use of the trade mark, such as import restrictions on or other governmental requirements for goods or services protected by the trade mark, shall be recognised as valid reasons for non-use.””

Whether there are proper reasons for non-use is something to be decided in all the circumstances of the case. One factor which must always be taken into account is the legislative purpose of the non-use provisions (see above), which has been described as the requirement to use a trade mark or lose it. In *Invermont*, the hearing officer gave some guidance, which has been applied subsequently:

“.....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 requirement 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.

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 the market, or even perhaps some temporary but serious disruption affecting the registered proprietor’s business. Normal delays caused 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.” (footnote omitted).

14. Mr Justice Park in *Magic Ball* indicated that he had no disagreement with the views expressed by the Hearing Officer in *Invermont* but added:

“..... the comment that, while the adjectives which he puts forward – “apt, acceptable, reasonable, justifiable in all the circumstances” – seem to me to be well chosen, it must not be forgotten that the statutory word which falls to be applied is “proper”, not any of the near-synonyms which the hearing officer suggested.”

15. The proprietor too has referred to the *Magic Ball* case. He does so because he relies on “technical difficulties surrounding the project and making the main products”. It was technical difficulties in that case that constituted proper reasons for non-use and allowed the registration to stand in part. The nature and extent of those difficulties can be gauged from the following extract from the judge’s overview of the facts of the case:

Senor Escola describes how the Magic Ball lollipop is a new concept which requires the development of a new manufacturing technique. In 1989 Zeta made a contract with an English company, APV Baker Limited, for APV Baker to make a new machine which would be used to manufacture the lollipops. APV Baker had a lot of problems in attempting to fulfil the contract. It built a prototype, but the prototype was unsatisfactory in several ways. In late 1990 there was a renegotiation between Zeta and APV Baker. It resulted in Zeta purchasing the existing prototype. I believe that the prototype was transported to Zeta's own premises in Spain and set up there--a process which itself took some time. Senor Escola deposed that from 1991 to the date of his

affidavit (which was October 10, 1997) between three and four members of Zeta's technical team had been working almost exclusively and almost continuously on the project. There had been a series of problems, all of which he described in his affidavit. By 1997 they had not been entirely overcome, but he expressed a degree of confidence that they would be overcome and that the project would be launched.

.....

Zeta had spent a great deal of money on developing the machinery for the product, and it continued to have a firm intention of launching the product on the market as soon as the production difficulties had been resolved.

16. Mr Justice Park accepted that the circumstances described above were not a normal situation or a routine difficulty. On the contrary he considered them to be exceptional and supportive of the claim to proper reasons for non-use.

17. It does not require detailed analysis to conclude that the proprietor in this case is a very long way from putting himself in a comparable position to *Magic Ball*. Principally, this is because there is simply no explanation of the product or products envisaged, the nature of the technical difficulty faced, the steps that were being taken to overcome those difficulties, what remained to be done and the timescale within which it was taking place. In other words there is a complete lack of contextual information that would enable the tribunal to reach a decision on whether the reasons were proper or not. It is well established that Section 100 of the Act places the onus on a proprietor to show that use has been made of his mark if a question of that nature arises in civil proceedings. It must also follow that a similar onus is placed on a registered proprietor who is claiming the benefit of a proper reasons for non-use defence. Mr Joffe has signally failed to discharge that onus here.

18. There is one further matter I must touch on. The counterstatement invites the exercise of the Registrar's discretion (if applicable) in refusing the application for revocation. Mr Joshi has referred me to *ZIPPO Trade Mark*, O/190/98, as support for the proposition that no such residual discretion exists to maintain a mark on the register when grounds for revocation have been established.

19. The question has since been addressed by the Court in *Premier Brands UK Ltd v Typhoon Europe Ltd*, [2000] F.S.R. 767 where Neuberger J (as he was then) considered conflicting Registry decisions on the issue (including *ZIPPO*) and concluded that there was no residual discretion available. That judgment is binding on me.

20. Accordingly, the case for revocation has been made out. The registration will be revoked in its entirety under Section 46(6)(b) with effect from 31 March 2005.

21. The applicant for revocation has been successful and is entitled to a contribution towards its costs. I order the registered proprietor to pay the applicant the sum of **£1200**. 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 27<sup>th</sup> day of June 2006**

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