

O-207-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2431243  
IN THE NAME OF IXL PHARMA LTD  
OF THE TRADE MARK:**

**COZACHOC**

**IN CLASS 5**

**AND**

**THE APPLICATION FOR A DECLARATION  
OF INVALIDITY THERETO  
UNDER NO 82974  
BY E I DU PONT DE NEMOURS AND COMPANY**

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**In the matter of registration no 2431243  
in the name of IXL Pharma Ltd  
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thereto under no 82974  
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### **Introduction**

1) On 15 August 2007 E I du Pont de Nemours and Company, which I will refer to as du Pont, made an application for the invalidation of registration no 2431243. The application for registration, under no 2431243, was made on 30 August 2006 and the registration procedure was completed on 2 March 2007. The registration is for the trade mark **COZACHOC** (the trade mark). The trade mark is registered in the name of IXL Pharma Ltd, which I will refer to as IXL. The trade mark is registered for:

*pharmaceutical goods and preparations all for human use.*

The above goods are in class 5 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.

2) In its original statement of grounds du Pont only relied upon section 5(2)(b) of the Trade Marks Act 1994 (the Act). It is the owner of the trade mark **COZAAR**, which is registered in the United Kingdom under no 1487619 for the following goods:

*pharmaceutical products; pharmaceutical substances; all included in Class 5.*

The application for registration of the trade mark was made on 13 January 1992 and the registration process was completed on 29 September 1995. Du Pont claims that the respective trade marks are similar and that the respective goods are either identical or similar. Du Pont states that in the five years ending with the date for the application of invalidation that the trade mark has been put to genuine use, by it or with its content, in the United Kingdom in relation to the goods for which it is registered.

3) IXL filed a counterstatement in which is stated:

“COZACHOC refers to a chocolate bar comprising of thirty pieces of plain chocolate containing the food supplement glucosamine hydrochloride.

COZACHOC will be launched in the second quarter of 2008.

COZACHOC is not intended to be licensed medicine or pharmaceutical.

COZACHOC can be purchased from any food outlet.

We cannot foresee any circumstance whereupon COZACHOC could be mistaken for COZAAR tablets which is a licensed product and only available on a doctor's prescription from a licensed pharmacy dispensed by a qualified pharmacist.

The mark was registered in good faith.”

4) Consequent upon the counterstatement of IXL, du Pont filed an amended statement of grounds. In its amended statement of grounds du Pont states that the trade mark has not been used in relation to the goods for which it is registered. Du Pont states that IXL admits that COZACHOC is not intended to be a licensed medicine or pharmaceutical but rather refers to a chocolate bar containing the food supplement glucosamine hydrochloride which can be purchased from any food outlet. Du Pont states that this statement is contrary to the declaration made by IXL under section 32(3) of the Act when filing its application. Consequently, the application was made in bad faith and should thus be declared invalid pursuant to section 3(6) of the Act.

5) Neither side filed evidence. The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing; du Pont filed written submissions.

6) IXL in its counterstatement did not require du Pont to provide proof of use of the latter's trade mark; consequently, the grounds of opposition must be considered on the basis of the whole specification of the earlier registration. IXL has not limited its specification to the goods in relation to which it states, in its counterstatement, that it is interested and so I have to consider that specification of the registration as a whole.

### **Decision**

7) Applications for the invalidation of a trade mark registration are governed by section 47 of the Act<sup>1</sup>. Section 47 of the Act allows an application for invalidation to be based, inter alia, upon sections 5(2)(b) and 3(6) of the Act.

### ***The application and interpretation of the law***

8) One of the principle aims of the introduction of the Act was to implement First Council Directive 89/104 of December 21, 1988 (the Directive). It is necessary to interpret those parts of the Act derived from the Directive on the basis of what the Directive states. Interpretations of law are based upon judgments of domestic courts, the European Court of Justice (the ECJ) and the Court of First Instance (CFI). The ECJ is the final arbiter on the interpretation of the meaning of the Directive. All judgments of the

ECJ and the CFI can be accessed at the url: <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>.

### ***Material dates***

9) In decision BL O/214/06 I dealt with the issue of material dates in relation to applications for invalidation based on relative grounds<sup>ii</sup> (in this case the ground under section 5(2)(b) of the Act is a relative ground). In that decision I decided that in an invalidation action on relative grounds there are two material dates: the date of the application for registration and the date of the hearing; the grounds for invalidation had to exist at both material dates for an applicant for invalidation to be successful. I am not aware of any judgments since I wrote that decision which lead me to question my findings re the material dates. So, du Pont has to establish the grounds for invalidation under section 5(2)(b) of the Act at the date of the application for registration and at the date of the writing of this decision, there having been no hearing. The earlier registration is valid as of the date of the writing of this decision. In the total absence of any evidence I cannot see that the position of IXL can be any different at the date of the writing of this decision to that at the date of the filing of its application for registration of its trade mark. Consequently, I do not consider that in this case the existence of two material dates has any impact on the outcome.

10) Bad faith has to be considered at the time of the making of the application. Acts afterwards cannot change the fact that an application was made in bad faith; although they may be indicative of whether an application was or was not made in bad faith<sup>iii</sup>.

11) So to all intents and purposes I can deal with just one material date, the date of the application for registration, 30 August 2006.

### ***Likelihood of confusion – section 5(2)(b) of the Act***

12) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

The trade mark the subject of registration no 1487619 is an earlier trade mark as per section 6(1)(a) of the Act<sup>iv</sup>.

### ***Average relevant consumer and nature of purchasing decision***

13) Neither specification is limited to a particular pharmaceutical product. Consequently, the specifications will cover all types of pharmaceutical products, which will include self-service products such as cold remedies. The relevant consumers for self-service

pharmaceutical products come from the public at large. As the products are for use in relation to ailments and it is necessary to take into account contra-indications, the average, relevant consumer is likely to take some care in purchasing the product. However, a good deal of the care will be concentrated upon the purpose and effects of the products, rather than on the brand. For self-service pharmaceutical products I consider that a reasonable but not inordinate degree of attention will be taken in considering the trade mark. Specialist and prescription only medicines are likely to involve a more careful purchasing decision and so in relation to such products du Pont's case will be weaker vis-à-vis the effects of imperfect recollection. Consequently, in the absence of any particularisation of the specifications, I will deal with the issue of likelihood of confusion on the basis of self-service pharmaceutical products.

### ***The test for pharmaceutical products***

14) In its written submissions du Pont comments upon the risks to consumers if the wrong pharmaceutical product was taken. This is an issue that was dealt with by the CFI in *Madaus AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-202/04, where the court stated:

“31 The global assessment referred to in paragraph 30 above must be carried out objectively and cannot be influenced by considerations that are unrelated to the commercial origin of the goods in question.

32 Any harmful consequences linked to the incorrect use of a pharmaceutical product result from possible confusion on the part of the consumer as regards the identity or characteristics of the good at issue and not as regards their commercial origin in the sense of the ground for refusal laid down in Article 8(1)(b) of Regulation No 40/94.”

This is a position that was confirmed in *Sanofi-Aventis SA c Oficina de Armonización del Mercado Interior (marcas, dibujos y modelos)* (OAMI) Case T-146/06<sup>v</sup>. Consequently, the issue of the effects of taking the wrong product are not something that I can take into account in reaching my decision. (In any event, such matters are taken into account by the European Medicines Evaluation Agency and the Medicines and Healthcare products Regulatory Agency, when granting licences.)

### ***Comparison of goods***

15) The goods of du Pont's registration encompass all of the goods in the specification of IXL's trade mark. Consequently, the goods are identical.

### *Comparison of trade marks*

16) The trade marks to be compared are:

**Earlier trade mark:**

**Trade mark registration:**

**COZAAR**

**COZACHOC**

17) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>vi</sup>. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components<sup>vii</sup>. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind but he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>viii</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>ix</sup>.

18) Du Pont's trade mark does not naturally fall into separate components; consequently, there is no separate distinctive and dominant component. IXL's trade mark divides naturally between the COZA and CHOC components. In relation to goods containing chocolate, the CHOC component will not be distinctive; for such goods COZA will be the distinctive and dominant component; for goods that are not chocolate based CHOC will be a distinctive component. However, there has been no limitation of the specification so I have to consider the case on the basis that chocolate based products are involved. I am aware that such products as laxatives are produced in chocolate form; so there are pharmaceutical products that are chocolate based; this is not a mere flight of fancy. The reality of the case is, anyway, that IXL intends to use the trade mark in relation to a bar of chocolate; whether such goods in fact are encompassed in the specification is a matter with which I deal in relation to the grounds of opposition under section 3(6) of the Act.

19) Both trade marks start with COZA. COZAAR is likely to be pronounced as COZA, so in relation to the COZA element of IXL's trade mark there is a good deal of phonetic and visual similarity. Du Pont's trade mark has no meaning, the CHOC element of IXL's has a meaning. So in relation to this latter element there is a conceptual dissimilarity, although not conceptual dissonance, and in relation to chocolate products this element will have little effective impact upon the perception of the average, relevant consumer.

**20) Taking into account the similarities and dissimilarities of the respective trade marks in their entirety and bearing in mind the perception of the average, relevant consumer, I consider that they are similar.**

### *Likelihood of confusion – conclusion*

21) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa<sup>x</sup>. In this case the respective goods are identical. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion<sup>xi</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xii</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings<sup>xiii</sup>. COZAAR is an invented word with no allusion to the goods for which it registered. It enjoys a good deal of inherent distinctiveness.

22) I note the comments from IXL about the use that du Pont makes of its trade mark and the use that IXL will make of its trade mark. However, IXL has not asked du Pont to prove the use that it claims to have made and so I have to take the specification in its entirety into account. I also have to consider the specification which IXL has filed, not simply the intended use. So, as indicated above, I am presented with identical goods.

**23) I find that there is a likelihood of confusion and the registration of the trade mark was contrary to section 5(2)(b) of the Act. The registration is to be cancelled and, as per section 47(6) of the Act, is deemed to never have been made.**

### *Bad faith – section 3(6) of the Act*

24) Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

25) Bad faith has to be considered at the time of the making of the application. Acts afterwards cannot change the fact that an application was made in bad faith; although they may be indicative of whether an application was or was not made in bad faith<sup>xiv</sup>.

26) Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined<sup>xv</sup>”. Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptable<sup>xvi</sup>. It is necessary to apply what is referred to as the “combined test”. This requires me to decide what IXL, knew at the time of making the application and then, in the light of that knowledge, whether the behaviour fell short of acceptable commercial behaviour<sup>xvii</sup>. Bad faith impugns the

character of an individual or collective character of a business, as such it is a serious allegation<sup>xviii</sup>. The more serious the allegation the more cogent must be the evidence to support it<sup>xix</sup>. However, the matter still has to be decided upon the balance of probabilities.

27) The claim of bad faith in this case derives from section 32(3) of the Act which states:

“(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be so used.”

By making the application and signing the application form IXL was making this declaration. The relationship between sections 32(3) and 3(6) of the Act was dealt with by Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA's Trade Marks* [2004] RPC 29<sup>xx</sup>. Mr Kitchin decided that an application made contrary to section 32(3) of the Act may to be treated as being made in bad faith and so contrary to section 3(6) of the Act.

28) In its counterstatement IXL states that the trade mark is to be used in relation to a chocolate bar comprising of thirty pieces of plain chocolate containing the food supplement glucosamine hydrochloride. I cannot see that this can be read other than as a statement of the actual intent of use; a use that is far more limited than specification for which the trade mark has been registered. In *Knoll AG's Trade Mark* [2003] RPC 10 Neuberger J held:

“27 Over and above this, it is important to bear in mind that s.3(6) of the 1994 Act, upon which the claimant's case hinges, involves alleging not merely that the applicant has framed its claim too widely, but that it was guilty of bad faith. The precise meaning of "bad faith" may vary depending on its linguistic context and purpose, but it must, I think, always involve a degree of dishonesty, or at least something approaching dishonesty. To say that one intends to use a mark in connection with "pharmaceutical substances", when one intends to use the mark in connection with a specific category of pharmaceutical substances, does not appear to me, as a matter of ordinary language or concept, to amount to want of good faith. Of course, it might well be different if it was clear from the document in which the statement is made, or from information supplied to the person making the statement, or from well established principles of law, that the intention concerned has to apply across the whole range of goods and services concerned. There is nothing to support such a contention in the words of the 1994 Act or the Order.”

It is common practice for applications for trade marks to include portmanteau terms, whether it be pharmaceutical products or computer software. It is most unlikely that a trade mark will be used for the whole spectrum of such products. Of course, that a practice is prevalent does not make it acceptable. However, as Neuberger J states it is



seven days of the final determination of this case if any appeal against this decision is unsuccessful

**Dated this 21 day of July 2008**

**David Landau**  
**For the Registrar**  
**the Comptroller-General**

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i “47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if -

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by

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the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

(a) 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

(b) 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.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(3) An application for a declaration of invalidity 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.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

<sup>ii</sup> “9) Having received the skeleton arguments, I notified counsel that I considered that it would be helpful to receive submissions in relation to what the material date(s) was. I drew their attention to the comments of Professor Annand, sitting as the appointed person, in BL O/227/05:

“My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined

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Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*).”

I also asked them to consider the findings of the European Court of Justice (ECJ) in *Levi Strauss & Co v Casucci SpA* Case C-145/05. In that case the ECJ stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark’s distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked.”

Subsequently, counsel produced supplementary skeleton arguments and addressed this matter.

10) Under Article 4.4 (b) the rights must have been acquired prior to the date of application for registration. That right is also qualified as being a right that would confer upon the proprietor the right to prohibit the use of a subsequent trade mark. So one material date is clearly set out in the Directive. UK has to establish that by the date of application for registration, 18 December 1992, it could prevent the use of the trade mark under the law of passing-off. If it cannot do this its case is lost. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Owing to Article 4.4 (b) the date for establishing the preventive right cannot be later than the date of application, but passing-off is about the behaviour complained of. So one could look to a date earlier than the date of application if the behaviour complained of arose before the date of application. In this case the behaviour

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complained of is the use of the trade mark in relation to the goods of the registration. There is no evidence of any such use prior to 18 December 1992. So the first material date is the date of application.

11) Article 4.4 (b) of the Directive and section 47(2)(b) of the Act use the present tense. Too much can be easily read into the use of the present tense, it is the natural tense to use in legislative texts; which are not drafted by committees of philologists. The comments of Professor Annand and the judgment of the ECJ in *Levi Strauss & Co v Casucci SpA* suggest that a later date may also need to be considered; so that an applicant will not only have to succeed in its claim at the date of application but also at a later date. This is clearly the position in relation to grounds relating to the distinctiveness of a trade mark. The proviso to section 47(1) of the Act, derived from Article 3.3 of the Directive, states that a trade mark registered in breach of subsection (3)(1)(b), (c) or (d) of the Act shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered. So the Act recognises, at least in relation to certain grounds, that where the grounds no longer exist a trade mark shall not be declared invalid.

12) One can consider certain situations in relation to applications for invalidation on relative grounds. A registration is attacked on the basis of the law of passing-off. The registration was filed twenty years earlier. At the time that attacker could succeed, however, its goodwill has dissipated and the registered proprietor has built up its own goodwill. So the attacker would not have been able to succeed in a passing-off case for fifteen years. It would seem odd that such an attacker could succeed. A trade mark registration may have lapsed after the date of application for a registration and after it was registered. The attacker could prove use within the relevant period although it no longer had a trade mark registration. Again it would seem odd that a registration should be invalidated because of a trade mark registration that no longer existed. In *Levi Strauss & Co v Casucci SpA* the ECJ clearly considered that matters after registration of a trade mark had to be taken into account in an infringement action and will have a bearing on the remedies of the action.

13) It is difficult to see the purpose of invalidating a trade mark when the basis for the invalidation no longer exists. In these circumstances, I consider that the use of the present tense does have weight and effect; it is intrinsic to the purpose of the Directive and the Act. It is a position that is, in my view, recognised by the ECJ in *Levi Strauss & Co v Casucci SpA*. Consequently, there is a second later date that has to be considered in an invalidation action. What is that date? Ms Clark submitted:

"I think the same must apply here because otherwise you have an open-ended enquiry and it is difficult to see how you could ever complete the rounds of evidence. As a purely practical matter, I would tend towards saying that you are looking at the date of the application for a declaration of invalidity because I cannot see otherwise how you conclude your rounds of evidence or end up at a decision. Supposing you go up on appeal. Fresh evidence as to what has happened since the hearing below. Is it the case that when the rounds of evidence finish as in some cases happen in 2003 and then the parties talk for four years you get to 2007 and they say, "Oh, hang on a minute, things have moved on, Registry.""

So she adopted a pragmatic approach, which gave the second date as that of the date of application for invalidation. It is certainly a pragmatic approach that would be to the administrative convenience of the Registry. However, such an approach could be to the distinct inconvenience of a registered proprietor. The fundamental principle has to be, in my view, should the trade mark be declared invalid with all the evidence in and considered. In *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 Lord Nicholls stated:

"49 The claim in these proceedings is that, in consequence of the use made of the marks by Scandecor Marketing and Scandecor Ltd with the consent of Scandecor International, the marks are "liable to mislead the public". That is essentially a question of fact. That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past. In deciding this issue of fact the court must have due regard, as I have been at pains to emphasise, to the message which a trade mark conveys. But since the question is whether the marks are currently liable to mislead, the message which is relevant is

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the message which use of the marks conveys today, not the message it would have conveyed to the public in the past.”

So he was looking at the date of trial as the date at which the question had to be considered. This was a case dealing with section 46(1)(d) of the Act, revoking a trade mark registration on the basis that in the consequence of the use made of it, it is liable to mislead the public. The principle seems good for an invalidation action on relative grounds. If at the date of the trial/hearing there is no longer a basis to invalidate a trade mark, should it be invalidated for administrative convenience. If one is attaching one self to the date of application for invalidation, does one ignore evidence filed in the evidence rounds dealing with matters after the date of application? The latter course of action would seem to be untenable. Taking the date of hearing as the second material date may give rise to administrative problems at times but administrative convenience should not override the purpose of the law. If late evidence is filed, there can always be compensation in costs for the other side. I consider that the second material date has to be the date of the hearing.

**14) So the first material date is the date of application for registration and there is a second material date, the date of the hearing. So for UK to succeed it has to establish that it could have prevented use of the trade mark as of 18 December 1992 and that it could also have prevented use of the trade mark on 6 June 2006. It has to succeed on both dates; if it fails in relation to the first material date, its case fails.”**

<sup>iii</sup> Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA's Trade Marks* [2004] RPC 29:

“12 Section 3(6) of the Act states that:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

Bad faith must therefore be established as at the date of the application. Nevertheless I do not believe this excludes from consideration matters which have occurred after the date of the application. They may well assist in determining the state of mind of the applicant at the date of the application. In the present case the hearing officer certainly did take into consideration matters which fell after the relevant filing dates.”

<sup>iv</sup> Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”.

<sup>v</sup> “71 De ello se infiere que el examen del riesgo de confusión con arreglo al artículo 8, apartado 1, letra b), del Reglamento nº 40/94 debe hacerse sobre el riesgo de confusión relativo al origen comercial de los productos, y no sobre el riesgo de confusión entre éstos, y, en el caso particular del consumidor final, sobre el riesgo de que éste tome un medicamento en vez de otro. Asimismo, a pesar de su posible influencia sobre el grado de atención del consumidor, el argumento esgrimido por la demandante (apartado 17 *supra*) para demostrar que la marca también es un elemento de protección del consumidor –según el cual el consumo de medicamentos no indicados puede tener graves consecuencias para el enfermo– no es directamente pertinente en el marco del examen del riesgo de confusión. En efecto, las posibles consecuencias perjudiciales ocasionadas por la utilización indebida de un producto farmacéutico resultan de la posible confusión, en el ánimo del consumidor, en cuanto a la identidad o a las características del producto de que se trata y no a su origen comercial en el sentido del motivo de denegación a que se refiere el artículo 8, apartado 1, letra b), del Reglamento nº 40/94 (sentencia ECHINAID, antes citada, apartado 32).”

<sup>vi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>vii</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>viii</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

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<sup>ix</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>x</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xi</sup> *Sabel BV v Puma AG* [1999] RPC 199.

<sup>xii</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

<sup>xiii</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

<sup>xiv</sup> Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA's Trade Marks* [2004] RPC 29:

“12 Section 3(6) of the Act states that:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

Bad faith must therefore be established as at the date of the application. Nevertheless I do not believe this excludes from consideration matters which have occurred after the date of the application. They may well assist in determining the state of mind of the applicant at the date of the application. In the present case the hearing officer certainly did take into consideration matters which fell after the relevant filing dates.”

<sup>xv</sup> *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

<sup>xvi</sup> *Harrison v Teton Valley Trading Co* [2005] FSR 10.

<sup>xvii</sup> (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and *Ajit Weekly Trade Mark* [2006] RPC 25.

<sup>xviii</sup> See *Royal Enfield Trade Marks* [2002] RPC 24.

<sup>xix</sup> *Re H (minors)* [1996] AC 563.

<sup>xx</sup> “12 Section 3(6) of the Act states that:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

Bad faith must therefore be established as at the date of the application. Nevertheless I do not believe this excludes from consideration matters which have occurred after the date of the application. They may well assist in determining the state of mind of the applicant at the date of the application. In the present case the hearing officer certainly did take into consideration matters which fell after the relevant filing dates. In particular he took into account the extent to which the registered proprietors had filed applications for trade marks comprising the word KINDER, the period of time over which the applications had been filed and the extent to which they had been put into actual use. I believe those were all relevant matters to consider in assessing the state of mind of the registered proprietors at the dates of the applications in issue. It is also true that the hearing officer did not consider each of the applications separately. Nevertheless I think it is clear that he did consider the state of mind of the registered proprietors over the whole period (1990 to 1994) that the applications were made. Accordingly I do not accept that the hearing officer fell into error in the manner suggested.....

20 In *DEMON ALE Trade Mark* [2000] R.P.C. 345 Mr Hobbs Q.C., sitting as the Appointed Person, considered s.3(6) in the context of a lack of a bona fide intention to use a mark. He cited the passage from the judgment of Lindsay J. and continued (at p.356):

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"These observations recognise that the expression 'bad faith' has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant. Quite how far the concept of 'bad faith' can or should be taken consistently with its Community origins in Article 3(2)(d) of the Directive is a matter upon which the guidance of the European Court of Justice seems likely to be required: *Roadtech Computer Systems Ltd v Unison Software (UK) Ltd* [1996] F.S.R. 805 at pages 817, 818 *per* Robert Walker J. In the present case the objection under section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under section 3(6). I see no reason to doubt that section 32(3) is compatible with Community law. The 8th recital to the Directive specifically confirms that 'in order to reduce the total number of trade marks registered and protected in the Community ... it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation'. I am satisfied that this is not a case which tests the limits of section 3(6) of the Act (Article 392)(d) of the Directive) from the point of view of Community law."

21 More recently, in *LABORATOIRE DE LA MER Trade Marks* [2002] F.S.R. 51, Jacob J. said, at para.[19], in considering the meaning of "genuine use":

"The wider the specifications of goods or services permitted by the registration authorities, the greater the extent of the problem of unused marks. In practice there is likely to be a greater problem caused by wide specifications in the case of Community marks than in the case of, at least, UK marks. For UK registrations, the application form (TM3) requires the applicant or his agent to say:

'The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used.'

If that statement is untrue then it seems fairly plain that the registration is vulnerable to an attack as one made in bad faith (section 3(6) of the UK Act implementing Article 3(2)(d) of the Directive). There is no such requirement in the case of Community Trade Mark applications (see the requirements for the content of the application in rule 1 of the Implementing Regulation 2868/95). An applicant for a CTM does not expressly have to say he uses or intends to use the mark applied for. So, unless the mere making of an application is taken as an implicit statement of intention to use, then a bad faith attack based on any lack of intention to use (under Article 51(1)(b) of Regulation 40/94) may fail. The First Cancellation Division of OHIM so held in *Trillium Trade Mark* (Case C000053447/1, March 28, 2000). The decision is not particularly satisfactory (see the criticisms in *Kerly's Law of Trade Marks and Trade Names* (13th ed.) at para.7-230). If it is right, however, there is simply no deterrent to applicants seeking very wide specifications of goods or services for CTMs--with all the greater potential for conflict that may give rise to. I understand that in practice OHIM are quite content to admit such very wide specifications--indeed often all the goods or services within a class are asked for and granted. The *Trillium* point will undoubtedly come up again--for it seems bizarre to allow a man to register a mark when he has no intention whatever of using it. Why should one have to wait until five years from the date of registration before anything can be done? Whatever the width of the 'umbra' of the specification, it should also be remembered that the holder's rights to stop infringement or prevent registration of a later similar mark extend to the 'penumbra' of 'similar goods' (section 10(2) of the UK Act, Article 5(1)(b) of the Directive and Article 9(1)(b) of the Regulation). A wide umbra means there is an even wider penumbra. Other traders with a similar mark may not go into either the umbra or the penumbra, whether by use or registration."

22 It was submitted on behalf of the registered proprietors that it is a nonsense to differentiate between the Directive and the Regulation, because they are both part of a scheme to harmonise trade mark law throughout the Community and that what applies under the Regulation ought to apply equally under the Act. I was therefore invited to follow *TRILLIUM* and to conclude that bad faith requires actual dishonesty.

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23 I am unable to accept these submissions. Gromax makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. In so far as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in *DE LA MER*, and he evidently had well in mind the difference in approach of OHIM as revealed by *TRILLIUM*.

24 It is convenient at this point to deal with the further submission made by the registered proprietors that s.32(3) of the Act is *ultra vires* in that it seeks to impose an improper restriction on the term "bad faith" as it is used in s.3(6) of the Act. I do not accept this submission. It is indeed true that there is no equivalent of s.32(3) of the 1994 Act in the Directive but nevertheless, like Mr Hobbs Q.C. in *DEMON ALE*, I see no reason to doubt that s.32(3) is compatible with Community law. On the contrary, the Eighth Recital of the Directive expressly recognises the public interest in requiring that registered trade marks must actually be used. The same public interest was recognised by Jacob J. in clear terms in *DE LA MER*."

<sup>xxi</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>xxii</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>xxiii</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

"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 section 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"