

1 TRADE MARKS REGISTRY

2 Harmsworth House  
3 13-15 Bouverie Street  
4 London EC4Y 8DP

5 Tuesday, 7th May 2002

6 Before:  
7 MR. SIMON THORLEY QC  
8 (Sitting as the Appointed Person)

9 - - - - -

10 IN THE MATTER OF THE TRADE MARKS ACT 1994

11 and

12 IN THE MATTER OF TRADE MARK NO. B1281083 IN THE NAME OF  
13 LABORATORIES ARKOPHARMA SA AND REVOCATION APPLICATION  
14 NO. 10520 BY AMERICAN CYANAMID

15 and

16 IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON FROM  
17 THE DECISION OF MR. G. SALTHOUSE, ACTING ON BEHALF OF THE  
18 REGISTRAR, DATED 14TH AUGUST 2001

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25 MR. G. PRITCHARD (instructed by Messrs Edward Evans Barker)  
appeared on behalf of the Applicant for Revocation

MISS A. CARBONI (instructed by Messrs Linklaters) appeared on  
behalf of the Registered Proprietor

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27 APPROVED DECISION

1 THE APPOINTED PERSON: This is an appeal to the appointed person  
2 from a decision of Mr. Salthouse acting for the Registrar,  
3 dated 14th August 2001. It arises in an application by  
4 American Cyanamid Company for revocation of trade mark  
5 B1281083 standing in the name of Laboratories Arkopharma SA,  
6 a French company. The trade mark was registered in respect  
7 of pharmaceutical, veterinary and sanitary substances,  
8 infants' and invalids' foods, all included in class 5 and all  
9 containing zinc. The mark consists of the words  
10 A TO ZINC.

11 The application was made on 8th January 1999, relying  
12 upon the provisions of section 46(a)(b) of the Trade Marks  
13 Act 1994. The grounds stated that the mark had not been put  
14 to genuine use in the United Kingdom in relation to vitamin,  
15 mineral or dietary supplement products.

16 The proprietors filed a declaration by an employee of  
17 their trade mark agents, Mr. Bilewycz, and that is the sole  
18 evidence that is relied upon in support of use.

19 Mr. Pritchard, who appeared before me on behalf of the  
20 proprietors, accepted that, by reason of section 100, the  
21 onus of proving use lay upon his clients, but he rightly  
22 urged on me that the level of proof that was required was the  
23 normal civil standard - the balance of probabilities.

24 Before I turn to the decision and the evidence, it is  
25 first necessary to deal with a preliminary point raised by

1 Miss Carboni, who appeared on this appeal on behalf of  
2 American Cynamid. She raised, in correspondence, in her  
3 skeleton argument and before me, the argument that I should  
4 dismiss this appeal on procedural grounds on the basis that  
5 rule 63(1) of the Trade Marks Rules 2000 had not been  
6 complied with. Rule 63(1) provides that: "Notice of appeal  
7 to the person appointed under section 76 shall be sent to the  
8 registrar within 28 days of the date of the registrar's  
9 decision which is the subject of the appeal accompanied by a  
10 statement in writing of the appellant's ground of appeal and  
11 his case in support of the appeal."

12 The document filed purporting to comply with that is a  
13 letter of 11th September 2001 from Edward Evans Barker, trade  
14 mark agents acting on behalf of Arkopharma. I do not propose  
15 to set it out in full; it consists of 14 numbered paragraphs,  
16 each of which purports to identify an error on the part of  
17 the hearing officer. Mr. Pritchard suggested that I should  
18 have particular regard to paragraphs 1, 2 and 12.

19 Paragraph 1. "The Hearing Officer erred in his  
20 analysis of the evidence filed on behalf of the registered  
21 proprietors."

22 Paragraph 2. "The Hearing Officer erred in the weight  
23 he gave to substantiality in relation to use."

24 Paragraph 12. "The Hearing Officer erred in holding  
25 that the level of sales was so minimal as not to constitute

1 genuine use."

2 Mr. Pritchard suggested that paragraphs 3 to 11 could  
3 properly be considered to be particulars in relation to  
4 paragraph 2. I agree.

5 The purpose underlying rule 63 has been considered in  
6 this tribunal on a number of occasions, in particular in  
7 Coffeemix [1998] RPC 717, where the appointed person  
8 concluded, on page 722: "The above considerations highlight  
9 the importance of a full Statement of Grounds of Appeal and  
10 Statement of Case being served pursuant to [what was then]  
11 Rule 57. When I say full, I do not mean that the document  
12 should be prolix or, indeed, drafted with any degree of  
13 formality, such as might be the case as with a Notice of  
14 Appeal to the Court of Appeal. It must be full in the sense  
15 that it must outline each of the grounds of appeal relied  
16 upon and state the case relied upon in support of those  
17 grounds. It should be as succinct as possible but it must be  
18 complete."

19 I intend to adopt that approach in considering the  
20 adequacy of this document. It is to be noted that the  
21 document is dated 11th September 2001. This was a short time  
22 after the High Court and the appointed persons had considered  
23 the status of an appeal to the appointed person in inter  
24 partes hearings as a result in the changes introduced in  
25 appeal processes by the CPR.

1           In South Cone v. Reef and in the Royal Enfield case, it  
2           was concluded that an appeal to the appointed person in inter  
3           partes proceedings should be treated no differently to an  
4           appeal to the High Court from the Trade Mark Registry which,  
5           in turn, is treated no differently to an appeal from the High  
6           Court to the Court of Appeal. It is necessary to show that  
7           the hearing officer has erred in principle or was in some  
8           respect plainly wrong.

9           I do not believe that the notice of appeal in this case  
10          can be criticized for not approaching the appeal on the basis  
11          of the necessity to raise an error of principle. No doubt,  
12          now that the decisions in South Cone and Royal Enfield are  
13          well known, it will be incumbent upon those filing notices  
14          of appeal to seek to analyse, in an appropriate case, where  
15          it is that the hearing officer has erred in principle; but I  
16          do not believe that it would be just to direct a specific  
17          criticism at this notice of appeal drafted, as it was, a very  
18          short time after those judgments had been given.

19          Secondly, the decision in question relies upon the then  
20          existing authorities relating to non-use, particularly the  
21          Crate & Barrel decision of Jacob J ( Euromarket Designs  
22          Incorporated v. Peters & Another [2000] ETMR 1025). Since  
23          that date, Jacob J has given a further judgment, dated 19th  
24          December 2001, in an appeal from the Trade Mark Registry in  
25          the matter of UK Registered Trade Marks Nos. 1338514 and

1           1402537 in the name of Laboratories Goemar SA and in the  
2           matter of Applications for Revocation by La Mer Technology  
3           Incorporated, a case which has been referred to before me as  
4           La Mer. As will be apparent from those dates, the judgment  
5           of Jacob J in La Mer came after the notice of appeal.

6           The notice of appeal is brief. In effect, it says that  
7           the hearing officer was plainly wrong in his analysis of the  
8           evidence and in his approach to that evidence. In a case  
9           such as this, such a brief notice of appeal may well be  
10          acceptable. I do not suggest for a moment that it should be  
11          used as a precedent, but I do not think that, reading it as a  
12          whole, American Cyanamid could be left in any doubt that, on  
13          this appeal, Arkopharma intended to challenge, root and  
14          branch, both the hearing officer's approach to the law and  
15          his analysis of the evidence.

16          In these circumstances, whilst I fully understand the  
17          concern of American Cynamid that they were not able to see  
18          precisely where it was that Arkopharma were going to come  
19          from on this appeal, I think it would be wholly inappropriate  
20          to dismiss this appeal in the exercise of my discretion on  
21          the ground that rule 63 had not adequately been complied  
22          with. In my judgment it has - just.

23          I turn then to the substantive appeal. By the time  
24          this matter came for hearing before me, both American  
25          Cyanamid and I had been supplied with a skeleton argument by

1 Mr. Pritchard, which identified two separate submissions,  
2 first, a submission that the hearing officer had erred in law  
3 in approaching the Crate & Barrel case in the wrong way now  
4 that that case had been further explained by Jacob J in the  
5 La Mer case and, secondly, he urged that, once that error of  
6 principle had been identified, it was open to me to review  
7 afresh the evidence filed and to conclude that the hearing  
8 officer had been wrong in reaching the conclusion he did in  
9 paragraph 26 of his decision, in which he concluded that  
10 there was no evidence of use of the mark A TO ZINC during the  
11 relevant period at all.

12 In the La Mer case, Jacob J reviewed section 46 and his  
13 own decision in Crate & Barrel. In the final event, he  
14 concluded that it was necessary to refer a question to the  
15 European Court of Justice in order to determine the precise  
16 meaning and ambit of the words "put to genuine use", which  
17 occur in section 46.

18 However, before doing so, he expressed his own views.  
19 In paragraphs 7-9 he stated as follows: 7. "It is common  
20 ground that the key question in the case of each mark is  
21 whether it has been 'put to genuine use' within the relevant  
22 period 'in connection with the goods in respect of which it  
23 is registered.' The relevant period is 5 years" leading up  
24 to the application for revocation, which in this case was in  
25 January 1999.

1           8: "Our Act, sensibly, explicitly requires the trade  
2 mark owner, to prove use of his mark when non-use is alleged.  
3 Probably that is implicit under the Regulation too, for who  
4 is to know most about the details of use other than the owner  
5 of the trade mark? The way the UK Act puts it is in section  
6 100: 'If in any civil proceedings under this Act a question  
7 arises as to the use to which a registered trade mark has  
8 been put, it is for the proprietor to show what use has been  
9 made of it'."

10           9: "In the present case, use was not proved well.  
11 Those concerned with proof of use should read their proposed  
12 evidence with a critical eye - to ensure that use is actually  
13 proved - and for the goods or services of the mark in  
14 question. All the t's should be crossed and all the i's  
15 dotted. In the present cases there was a difference between  
16 the total sales figures and relevant sales. Mr. Mellor, for  
17 the applicants for revocation, told me that sorting out the  
18 wheat from the chaff involved a lot of work. In the end,  
19 however, he accepts that some very small potentially relevant  
20 sales under the marks were proved."

21           Jacob J continued in paragraph 12 to state as follows:  
22 "The sales were not over a continuous period. What happened  
23 was that the company appointed an agent, Health Scope Direct  
24 Ltd. This was a small enterprise, based in Banff, Scotland.  
25 It appears to have made preparations to sell the products via

1 a 'Tupperware' system, i.e. appointing members of the public  
2 as sub-agents who were to sell via private parties. Whether  
3 that ever got off the ground is not disclosed, even though  
4 the owner of Health Scope gave some evidence touching other  
5 matters. Mr. Mellor, rightly in my judgment, submits that no  
6 inference as to sales to the public should be drawn. The  
7 onus lies on the trade mark owner - if sales to the public  
8 were to be proved, it would seem nothing could have been  
9 easier."

10 Jacob J then went on to review the history of the Act  
11 and the purposes underlying it, and eventually concluded with  
12 his own opinion in paragraph 29. He said: "Now my own  
13 answer. I take the view that provided there is nothing  
14 artificial about a transaction under a mark, then it will  
15 amount to 'genuine' use. There is no lower limit of  
16 'negligible'. However, the smaller the amount of use, the  
17 more carefully must it be proved, and the more important will  
18 it be for the trade mark owner to demonstrate that the use  
19 was not merely 'colourable' or 'token', that is to say done  
20 with the ulterior motive of validating the registration.  
21 Where the use is not actually on the goods or the packaging  
22 (for instance it is in advertisement) then one must further  
23 inquire whether that advertisement was really directed at  
24 customers here. For then the place of use is also called  
25 into question, as in Euromarket."

1           I think it is clear from this judgment that the  
2 question of what is or is not genuine use is a question of  
3 some complexity. It is equally clear that a prerequisite to  
4 invoking any question of genuine use is to show use at  
5 all.

6           In the present case, I am satisfied that the evidence  
7 that has been filed is insufficient to constitute any  
8 evidence of use. I propose therefore to dismiss this appeal  
9 on the basis that no evidence of use has been shown. Had it  
10 been that I was satisfied that there was some minimal  
11 evidence of use, it would have been appropriate, in all the  
12 circumstances, I believe, to invite submissions as to whether  
13 or not this appeal should be stayed pending the result of the  
14 reference in La Mer.

15           As indicated, the evidence consists of a statutory  
16 declaration of Mr. Bilewycz. The relevant parts are  
17 paragraphs 6 and 7, which state as follows:

18           "6. As part of its business the registered proprietor  
19 attaches a significant importance to vitamin, mineral and  
20 dietary supplements, and indeed, to service the UK market,  
21 has a presence in the UK, the location of which is shown on  
22 its UK packaging. Now produced and shown to me, exhibit  
23 MDB 2, are two sample packages relating to the registered  
24 proprietors multi vitamin and mineral capsules and bearing  
25 the trade mark A TO ZINC."

1                   A reference to that exhibit shows packaging sold under  
2                   the primary trade mark AZINC. It has on it the name  
3                   Arkopharma, an address, Couldsdon, Surrey, CR5 2HT, and in  
4                   two locations has the expression FROM A TO ZINC. For present  
5                   purposes, I am prepared to assume without deciding that the  
6                   words FROM A TO ZINC constituted use as a trade mark. It is  
7                   to be noted that paragraph 6 gives no evidence as to whether  
8                   the packaging was ever used at all and, in particular, when  
9                   it was used. There is merely an example of a pack.

10                  Paragraph 7 reads as follows:

11                         7. "Now produced and shown to me marked exhibit MDB 3  
12                         are a series of documents including a copy invoice dated 3rd  
13                         April 1998 relating to a quantity of the proprietors AZINC  
14                         complex product (AZINC complex is the range branding which  
15                         appears on the sample packs exhibited in MDB 2 and which bear  
16                         the trade mark A TO ZINC). Also included in exhibit  
17                         MDB 3 is a copy shipping document dated 3rd April 1998  
18                         relating to the AZINC complex product."

19                         Paragraph 7 then goes on to deal with exhibit MDB 4 and  
20                         a letter dated 12th April 1999. Mr. Pritchard accepted that  
21                         if he could not succeed on the basis of exhibits MDB 2 and  
22                         MDB 3, he could not succeed on the basis of any information  
23                         contained in exhibit MDB 4.

24                         Exhibit MDB 3 consists, as indicated, of the invoice  
25                         dated 3rd April 1998, with a shipping document which adds

1 little. The invoice is from the registered proprietor to  
2 Arkopharma UK. It is partly in French and partly in English,  
3 and I am not prepared to take any point on the fact that part  
4 of it is in French. It is abundantly plain what the document  
5 is referring to; it is referring to the 2070 packages of  
6 AZINC complex. It refers to a price of £1,656.

7 On its face, this document shows that Arkopharma were  
8 invoiced for that quantity of AZINC complex and that there  
9 were shipping instructions to send it by truck. It is a  
10 proper inference from this, in the absence of any challenge  
11 from American Cyanamid, that this quantity of AZINC complex  
12 was imported into this country and was received by  
13 Arkopharma UK in this country in 1998. Any further inference  
14 however is not, in my judgment, proper.

15 Mr. Pritchard urged upon me that it was proper to draw  
16 an inference from the passage in parenthesis in paragraph 7  
17 of the declaration that I have quoted above, that the AZINC  
18 complex products imported were in the packaging shown at MDB  
19 2. Whilst the number of packs and the weight given are  
20 consistent with packaging of the size contained in exhibit  
21 MDB 2, there is absolutely no material in exhibit MDB 2 which  
22 entitles me to draw any inference that the products were in  
23 that packaging or, indeed, that the products were distributed  
24 in this country.

25 Jacob J made it quite plain in the La Mer decision that

1           it is for the proprietor to prove use. As he put it, all the  
2           t's should be crossed and all the i's dotted.

3           In my judgment, there is not even the beginnings of a  
4           case here to satisfy me, on the balance of probabilities,  
5           that the trade mark was used at all in this country in the  
6           relevant period.

7           Mr. Pritchard sought to draw comfort from the fact that  
8           American Cyanamid had not to challenged his evidence. In my  
9           judgment, they were correct in not challenging the evidence.  
10          The evidence was not good enough; it did not need to be  
11          challenged. It is for the proprietor to adduce evidence of  
12          use. It does not seem to me, in this case, that there would  
13          have been any difficulty in adducing evidence of use. If  
14          Arkopharma UK had indeed dealt in the products in the  
15          packaging, nothing could have been simpler.

16          It was not done and, therefore, the hearing officer was  
17          correct in reaching his conclusion that the evidence of use  
18          did not exist. This appeal will therefore be dismissed.

19          MISS CARBONI: May I apply for costs? I think the usual tribunal  
20          practice notice applies. The ability to award costs is  
21          derived from a combination of section 76(5) of the Act and  
22          section 68(1)(a), which effectively says that rules can be  
23          made for the award of costs by the appointed person. Under  
24          rule 60 of the Trade Marks Rules, it says that the registrar,  
25          and for that read the appointed person as well, may, by

1           order, award to any party such costs as may be considered  
2           reasonable and direct how and by what the parties are there  
3           to be paid.

4                     In this case, I like to ask for more than you would  
5           perhaps get under the standard awards. There is a Tribunal  
6           Practice Notice No. 2/2000.

7           THE APPOINTED PERSON: I get referred to it fairly frequently.

8           MISS CARBONI: The basic policy is for cost awards to be dealt  
9           with by reference to the scale set by the office, but it is  
10          said that hearing officers, and I am just reading from the  
11          summary at the front of that ----

12          THE APPOINTED PERSON: We can deviate, but we need good reason to  
13          do it. That is what it comes down to.

14          MISS CARBONI: In this case, they did manage to get the appeal  
15          heard by the skin of their teeth, just getting their notice  
16          in. You have found that the case was essentially hopeless on  
17          the evidence that was presented. They had the first  
18          opportunity to put their evidence in in the first round, and  
19          they had a further opportunity under the rules to add  
20          evidence subsequently before the first instance  
21          hearing.

22                     Subsequently, all they have tried to do is to show that  
23          the hearing officer got it wrong. You have established that,  
24          really, a better job should have been done to support the  
25          mark. In the meantime, American Cynamid have had to battle

1           on to actually get rid of the mark from the register. We  
2           actually handed to the other side a statement of costs in the  
3           appeal this morning. That is done in the format  
4           that ----

5           THE APPOINTED PERSON: That is the High Court format. Have you  
6           had a chance to look at this, Mr. Pritchard?

7           MR. PRITCHARD: I have, yes.

8           MISS CARBONI: That does include the work done on the request for  
9           the appeal not to be heard at all in the terms of formality.  
10          In that respect, I think it needs to be perhaps discounted as  
11          I did not succeed on that point. Of course, we had to do all  
12          the work in looking into the ----

13          THE APPOINTED PERSON: I understand.

14          MISS CARBONI: At first instance, there was an award which has  
15          not been paid pending the appeal.

16          THE APPOINTED PERSON: That is 1235.

17          MS. CARBONI: That is right.

18          THE APPOINTED PERSON: Mr. Pritchard?

19          MR. PRITCHARD: I will address you first on the principle of the  
20          scale and come back to the costs. We say this is no  
21          different from any other normal appeal to the appointed  
22          person. There is no particular defect here, we say, that  
23          allows a punitive award of costs, the effect of which  
24          effectively to go outside the scale is punitive. Of course,  
25          having found that there was no use, it is inevitable that the

1 evidence is not what it would have been if it had found use.  
2 That is the inevitable result.

3 On that argument, one would in fact find the High Court  
4 scale would be used for virtually every appeal in front of  
5 the appointed person. That must be wrong, and that is not  
6 why the scale is there, sir, because there is a very good  
7 reason for the scale, which I do not need to rehearse.  
8 Because of the nature of appeals in front of the appointed  
9 person, it would be wrong, we say, to start a practice  
10 deviating to award proper costs, or costs that are close to  
11 proper costs, except under very exceptional circumstances.  
12 We say that this is not a very exceptional circumstance.

13 The fact that an application was not made to put in  
14 further evidence, we say, is neither here nor there, in  
15 particular, because we mainly relied upon this appeal on the  
16 decision in La Mer.

17 THE APPOINTED PERSON: You are not suggesting that I should make  
18 any deduction from any award that I was proposing to make on  
19 the basis of the argument relied upon for striking you out,  
20 on which you have just succeeded?

21 MR. PRITCHARD: It depends on which basis. If one is on the  
22 scale basis, no. If one is on the basis of looking at the  
23 bill of costs, then I have several comments to make; that is  
24 but one of them.

25 THE APPOINTED PERSON: Let us deal, first of all, with the

1 question of the scale basis. If I decide to go off the  
2 scale, I will come back to you.

3 MISS CARBONI: There are two points. One is that it is being  
4 said that what we are asking for is a punitive award of  
5 costs. It is not; it is a compensatory award. The second  
6 point is a point which, in some respects, can be made on  
7 every application to the appointed person, which is that this  
8 could have been heard in the High Court.

9 In this case, the appeal was made in September. It  
10 turned into a potential debate on a new principle of law  
11 which appeared to have been laid down in Goemar. That  
12 decision came out in December. Had that apparently been the  
13 purpose of the appeal at the time, I suspect that this is  
14 something which may well have ended up in the High Court  
15 rather than before the appointed person because it was  
16 dealing with a decision of Jacob J.

17 THE APPOINTED PERSON: Neither of you applied to transfer, and  
18 neither of you wanted me to send it to Europe.

19 MISS CARBONI: That is right. Should we stick with a method of  
20 payment, method of costs award, which is like the first  
21 instance registry decisions, or should we deal with the  
22 matter in a case which is more akin to the High Court  
23 approach? I am saying that this is closer to the High Court,  
24 more akin to the High Court approach.

25 THE APPOINTED PERSON: I turn then to the question of costs.

1           Although the appointed person has the usual wide discretion  
2           as to costs in the normal case, it is the policy of this  
3           tribunal, as with the Registrar, to make an award of costs  
4           well knowing that that will not compensate the successful  
5           party in the same way that an award of costs on a High Court  
6           scale would do. The reasons for this are well known, and I  
7           do not propose to amplify upon them.

8           The question is whether in any particular case there  
9           are exceptional reasons for departing from the conventional  
10          scale. It is suggested by Miss Carboni in this case that  
11          there are exceptional reasons. First, she drew attention to  
12          the fact that the outcome of my decision was that their case  
13          was essentially hopeless on the evidence and that, therefore,  
14          the appeal should never have been proceeded with. Secondly,  
15          she drew attention to the fact that, as a result of the  
16          La Mer case, difficult questions of law now arose, making  
17          this more akin to the sort of case which would go to the High  
18          Court.

19          I am not persuaded that either of these grounds make  
20          this an exceptional case. I have not castigated the evidence  
21          of Arkopharma as being frivolous; it simply was not good  
22          enough. They were entitled to appeal, to argue that it was  
23          good enough. In that respect, this is not an exceptional  
24          case.

25          So far as the question of the similarities on this

1           appeal to an appeal to the High Court are concerned, this  
2           will apply to many appeals which come before this tribunal.  
3           It is the election of the appellant to come here, knowing  
4           that, save in an exceptional case, this will serve as a cap  
5           both on the costs he will have to pay and equally that he  
6           will receive if successful. Again, I do not think this is  
7           exceptional.

8                     In the tribunal below, Mr. Salthouse made an award of  
9           £1,235. Mr. Pritchard has accepted, I think quite rightly,  
10          that if I were minded to make an award on the basis of the  
11          usual scale, it would not be appropriate in this case to  
12          penalize American Cyanamid for having narrowly failed on  
13          their preliminary issue.

14                    In all the circumstances, I propose to make a further  
15          award, equivalent to that awarded by Mr. Salthouse, in the  
16          sum of £1,235 in addition to the sum already ordered by him.  
17          It will be paid within 7 days of today, as will the sum  
18          ordered by Mr. Salthouse.

19                    Is there anything else?

20          MISS CARBONI: No.

21          MR. PRITCHARD: No.

22          THE APPOINTED PERSON: Thank you both very much indeed.

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