

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No. 1450477
IN THE NAME OF REGENT INNS PLC**

AND

**IN THE MATTER OF AN APPLICATION FOR REVOCATION THERETO UNDER
No. 11558 BY E & J GALLO WINERY**

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and

IN THE MATTER OF an Application for Revocation thereto under No. 11558 by E & J Gallo Winery

BACKGROUND

1. On 4 April 2000, E & J Gallo Winery of Modesto, California, United States of America applied to revoke registration No: 1450477 standing in the name of Regent Inns Plc. The registration is in respect of the trade mark **WALKABOUT** and is registered for the following specification of goods:

“Beer, ale and porter; mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making drinks; fruit juices; all included in Class 32”.

2. The registration was applied for on 14 December 1990 and the registration procedure completed on 29 May 1992.

3. The application for revocation is expressed as follows:

“2. The applicant contends that within the period of five years following the date of completion of the registration procedure the trade mark had not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods for which it is registered, and there were no proper reasons for non-use and that registration of the mark should therefore be revoked by virtue of Section 46(1)(a) of the Trade Marks Act 1994.

3. The applicant contends that genuine use of the trade mark in the United Kingdom, by the proprietor or with his consent, in relation to the goods for which it is registered, has been suspended for an interrupted period of five years, and there are no proper reasons for non-use and that the registration of the trade mark should therefore be revoked by virtue of Section 46(1)(b) of the Trade Marks Act 1994.

4. The applicant contends that within the period of five years prior to the date of this application for revocation the trade mark has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods for which it is registered, and there are no proper reasons for non-use and that the registration of the trade mark should therefore be revoked by virtue of Section 46(1)(b) of the Trade Marks Act 1994.

5. The applicant contends that within five years prior to 25 January 1999, the trade mark had not been put to genuine use in the UK, by the proprietor or with his consent in relation to the goods for which it is registered, and there were no proper reasons for non-use and the registration of the trade mark should therefore be revoked by virtue of Section 46(1)(b) of the Trade Marks Act 1994.

6. The applicant contends that the date of revocation of the registration (No 1450477) under grounds (3) and (5) above should be 25 January 1999.”

4. On 17 August 2000, the registered proprietors filed a counterstatement in which they responded to the allegations of non-use. In essence, the registered proprietors deny the various grounds of revocation. The relevant statements from the counterstatement are as follows:

“The trade mark WALKABOUT registered under No: 1450477 was registered with effect from 5 June 1992 and has been in use in the United Kingdom since that time.

During the period 1995-2000, and prior thereto, the registered mark has been put to genuine use in the United Kingdom in relation to some of the goods in respect of which the said trade mark is registered. Such use of the registered trade mark has been in relation to beer, ale and lager.

Prior to mid 1998 the registered mark was used by Regent Inn plc’s predecessor in title, Free Traders International Limited.

The aforesaid use has been made during the period of five years prior to the date of the applicants’ application for revocation and the further details of such use are set out in the accompanying statutory declaration of Alan Charles Cracknell, the Commercial Director of Regent.

During 1998 Regent took assignment of the registered mark from Free Traders and has, at all times, planned to resume use of the registered mark in a revised format in relation to beer, ale and lager for sale exclusively in Regent’s Walkabout Inn bars.

Within the period of five years following the date of completion of the registration procedure the registered mark has been put to genuine use in the United Kingdom by or with the consent of Regent’s predecessor in title Free Traders in relation to some of the goods for which it is registered.

As stated above and confirmed in the accompanying statutory declaration of Alan Charles Cracknell use of the registered mark has not been suspended for an interrupted period of five years, prior to the date of this application for revocation or 25 January 1999.

Insofar as the registered mark has been unused by Regent following the assignment from Free Traders during 1998 it was, as explained in the accompanying statutory declaration of Alan Charles Cracknell, always Regent’s intention to resume use and

preparations for the resumption of use began before Regent became aware that this application for revocation might be made.

Insofar as it may prove necessary, it is contended that the provisions of Section 46(3) of the Trade Marks Act, 1994 are pertinent to this case and should be applied.”

5. Both sides seek an award of costs. Both sides filed evidence. The matter came to be heard on 14 December 2001. The registered proprietors were represented by Mr Guy Tritton instructed by Marks & Clerk their Trade Mark Attorneys. The applicants for revocation were represented by Dr Steven Richard James of R G C Jenkins & Co their Trade Mark Attorneys.

REGISTERED PROPRIETORS' EVIDENCE

6. This consists of a statutory declaration dated 16 August 2000 by Alan Charles Cracknell. Mr Cracknell states that he is the Commercial Director of Regent Inns Plc (hereafter Regent) a position which he has held since 1989. He confirms that he is authorised to speak on the registered proprietors behalf, adding that the contents of his declaration come from either his own personal knowledge or from the books and records of Regent to which he has access.

7. Mr Cracknell explains that Regent acquired this trade mark in 1998 after it was cited by the Trade Marks Registry against later applications for registration made by Regent and after they commenced an action to have it revoked from the register on the grounds of non-use. This was because Regent concluded that the evidence submitted by the then registered proprietors, Free Traders International Limited (Free Traders) in those proceedings showed use of the trade mark on beer, ale and lager. Thus the proceedings were vacated and the trade mark WALKABOUT assigned to Regent.

8. Mr Cracknell goes on to indicate a reliance on the evidence filed in the earlier revocation process. Copies of the Form TM8 and counter-statement (exhibit ACC1), together with the statutory declaration and exhibits (exhibit ACC2) filed by Free Traders are provided. I note that that evidence consisted of a statutory declaration dated 27 August 1997 by Peter Hayward. He is a Director of Free Traders International Limited having been associated with the company since 1989. The information in the declaration comes from both his personal knowledge and company records. A number of claims are made:

- that his company carried on and had at all material times carried on a business as drinks brands wholesalers and consultants (that was the position as at August 1997);
- that Free Traders had used the WALKABOUT trade mark since the date of its registration and throughout the relevant period. Turnover of goods sold under the trade mark up to August 1997 exceeded £250k;
- that WALKABOUT branded products were sold by his company to primary distributors, who in turn then sold to secondary distributors and retailers. Goods bearing the WALKABOUT mark were sold by retailers across most of England and Wales together with smaller volumes in Scotland and France.

9. In support of these claims there were 11 exhibits:

(1) A specimen can of WALKABOUT beer (which has since been mislaid) showing a best before date of November 1995. Mr Cracknell confirms that the exhibit did exist.

(2) A specimen of outer cardboard packaging (undated).

(3) A specimen set of bar code labels (bearing best before end dates of November 1996).

(4) Specimen invoices showing sales of goods under the WALKABOUT trade mark to the value of approximately £52k. Mr Cracknell explains that the invoices are from Free Traders packaging sub-contractor Redruth Brewery Limited on his company's behalf to a customer (Realcontrol Ltd). I note that the relevant invoices are both dated 8 April 1994.

(5) A specimen delivery instruction from Wm Morrison Supermarkets plc (dated 8 November 1993).

(6) A specimen in-store demonstration report from BCL Marketing Group relating to a demonstration which took place on 4 August 1994.

(7) A booking confirmation (dated 9 November 1993) for WALKABOUT beers at the 1993 BBC Good Food Cooking and Kitchen Show (held at the National Exhibition Centre, Birmingham) together with a photograph of the exhibition stand.

(8) A Specimen in-store poster (undated).

(9) A specimen shelf display strip (undated).

(10) A specimen direct mail order form (undated).

(11) Two photographs showing WALKABOUT beers on sale in a drinks wholesaler in France (undated and irrelevant).

10. Mr Cracknell adds that since Regent took assignment of the registration in suit, during 1998, it had, at all times, been their intention to resume use of the trade mark in a revised format as a WALKABOUT brand of beer, ale and lager for sale exclusively in the company's Walkabout Inn bars throughout England and Wales.

11. Mr Cracknell comments on the resumption of use in the following terms:

“The resumption of use project was under consideration for well over a year before concrete steps were taken by Regent to proceed with its own WALKABOUT label. There is now produced and shown to me marked Exhibit ACC4 a copy of a letter dated 1 December 1999 which I addressed to Mr Toni W Mancer of Madison Drinks Company Limited. There is also now produced and shown to me marked Exhibit

ACC5 a copy of Mr T W Mancer's response to me dated 22 December 1999. This correspondence related to quotes for the production of labels for our WALKABOUT own label beer. Responsibility for the production of our WALKABOUT beer labels was ultimately entrusted to Mr Richard Luscombe of Ushers of Trowbridge. There is now produced and shown to me marked Exhibit ACC6 a copy of a letter dated 13 April 2000 addressed by Regent's company secretary Ms Claire Yarlett to Mr Richard Luscombe. In this letter Ms Yarlett refers to my prior telephone conversation with Mr Luscombe and requests that he provides us with samples of Walkabout Premium lager by no later than 6 May with a view to long term supply production.

On 2 May 2000 Mr Tony Jackson, the Operations Manager for Walkabout Inns, addressed a letter to Mr T Mancer of Madison Drinks Co listing the delivery requirements for Walkabout Inns own label beer. His letter lists a total of 187 cases for delivery to different Walkabout Inn bars in England and Wales and he has requested that Mr Mancer keeps him up to date on how the beer is moving throughout the different sites. A copy of this letter is now produced and shown to me marked Exhibit ACC7. There is also now produced and shown to me marked Exhibit ACC8 a copy of a letter addressed to me by Mr S F Goodyear, the Sales and Marketing Director of Young & Co's Brewery PLC on 3rd May 2000. This is a quote for a further 3100 cases of our WALKABOUT own label beer with artwork to be created and supplied by Regent.

WALKABOUT own label beer has been on sale in our Walkabout Inn bars since 5 May 2000, and there is now produced and shown to me marked Exhibit ACC9 a sample of the current Walkabout beer label.

In consequence of our ongoing planning and preparation, which commenced during late 1998 and has continued to date, Regent has successfully resumed the use of the registered trade mark WALKABOUT in relation to beer. Such planing and preparation are bona fide, and clearly began before Regent became aware that the present application for revocation might be made.

I also submit that the WALKABOUT trade mark registered under No 1450477 has been put to genuine use in the United Kingdom in relation to some of the goods in respect of which the trade mark is registered during the period 1995 to date."

APPLICANTS' EVIDENCE

12. This consists of a statutory declaration dated 8 December 2000 by Dr Steven Richard James. Dr James explains that he is a partner in the firm of R G C Jenkins & Co who are the applicants for revocation's professional representatives in these proceedings. This contains few relevant facts, merely submissions on the registered proprietors evidence which I need not summarise here. The one relevant fact is:

- that the applicants for revocation own a Community Trade Mark (CTM) application for the mark WALKABOUT in Class 33 under No 1054436. This application was published for opposition purposes on 23 August 1999 and prior to the end of the

opposition period ie. 23 November 1999, it was opposed by Regent Inns plc on the basis of the registration in suit. It follows, says Dr James, that by 23 November 1999 at the latest, Regent Inns Plc were well aware that an application to revoke the registration in suit may be filed.

REGISTERED PROPRIETORS' FURTHER EVIDENCE

13. This consists of a further statutory declaration dated 8 June 2001 by the same Alan Charles Cracknell mentioned above. He responds to the submissions of Mr James with reply submissions which, again, I do not need to summarise. The one relevant fact is:

- that in so far as the registered proprietors' opposition to the applicants' CTM is concerned, this opposition is not based solely on the registration in suit but also on registration Nos 2110458 and 2113034 for the trade marks WALKABOUT INN and WALKABOUT INN and device in Classes 41 and 42, as well as Regent's repute and common law rights in the WALKABOUT INN trade marks in relation to: Bar, public house and restaurant services, catering for providing food and drink, catering services etc. Regent were not aware of the applicants intention to attack the registration in suit prior to the registered proprietors' professional representatives Marks & Clerk receiving a letter dated 10 March 2000 from the applicants' professional representatives (a copy of the letter from Lovells Boesebeck Droste to Marks & Clerk is provided as exhibit AC1).

APPLICANTS' EVIDENCE IN REPLY

14. This consists of a further statutory declaration dated 25 July 2001 by the same Dr Steven Richard James mentioned above. This declaration again consists of submissions and arguments in response to the second declaration of Mr Cracknell. Consequently I do not propose to summarise the contents here.

15. That concludes my review of the evidence filed in so far as I think it necessary.

PRELIMINARY POINTS

Additional Evidence

16. Mr Tritton asked for leave to file further evidence on behalf of the registered proprietor. This consisted of a Witness Statement by Claire Rosalind Yarlett, Company Secretary of Regent Inns PLC dated 13 December 2001. The aim of this Witness Statement was to put in further evidence to reinforce the claim to use of the trade mark in suit in the period April 1995 to August 1997. Mr Tritton submitted that the information contained within the Witness Statement of Ms Yarlett had only recently become available, and that to refuse to exercise any discretion I had to allow this Witness Statement into the proceedings would prejudice the registered proprietors' case. I was referred to SWISS MISS trade mark (1998) RPC 889 in support of these submissions. Dr James for the applicants for revocation resisted the application. He referred to Kerly Law of Trade Marks and Trade Names (13th Edition) at page 89 and 95 and also to CLUB EUROPE trade mark (2000) RPC 329. However, I did not take

Dr James' resistance to be absolute and, in all of the circumstances, I decided to exercise the discretion I believe I had, under the provisions of the Trade Mark Rules 2000 Rule 31(8), which states:

"No further evidence may be filed, except that, in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit."

to agree that the Witness Statement of Ms Yarlett could be admitted. However, I did so on the basis that Dr James' client would have the opportunity to provide evidence in response within four months of the date of the Hearing and that the registered proprietor paid to the applicants for revocation costs of up to £2,500 in relation to the cost of perusing the new evidence, the cost of discussions with clients, and the cost of preparing and filing any additional evidence. In the event no additional evidence was filed by the applicants for revocation.

Date of the Application for Revocation

17. The parties disagreed about the date of the application to revoke this registration. This clearly had ramifications in terms of the grounds alleged under Section 46 of the Act. This dispute arose because the applicants for revocation had applied to the Trade Marks Registry on the wrong form. They had applied on an out of date form TM26 rather than the Form TM26N. The outdated Form TM26 was filed on 4 April 2000 but on examining the form and the Statement of Case, the Trade Marks Registry asked the applicants to supply a Form TM26N in place of the Form TM26 (which they subsequently did on 11 May 2000). In doing so it is to say the least unfortunate that the Trade Marks Registry did not make clear what effect, if any, their actions were to have on the actual date of the application for revocation, given its importance in terms of the section of the Act dealing with that subject. Be that as it may, I heard submissions from both sides on whether the date of the application should be that on which the wrong form was filed or the date on which the correct form was filed.

18. In reaching my decision I bore in mind that Rule 3(2) of the Trade Marks Rules 2000 allow any party to any proceedings before the Trade Marks Registry to use either a replica of a published form or "a form which is acceptable to the Registrar and contains the information required by the form as published and complies with any directions as to the use of such a form". I also took into account that, from the outset, the date of 4 April appeared on both forms and was used by the registered proprietors on their counterstatement in responding to the allegation. That date also appeared in Dr James' evidence. Though Mr Tritton submitted that his clients assumed that those dates were simply wrong I do not consider that they did sufficient at the appropriate time to satisfy themselves that that was so. The original date of application was used by the registered proprietors upon whom there must have been an onus to check if they believed that the date or dates in this case were wrong, and to flag their view accordingly. Bearing in mind Rule 3(2), it was not put to me that the Form TM26 and the information it contained was deficient in any way other than it did not have the letter (N) as a suffix to the Form number. From my own observations the Form TM26 and TM26(N) used in this case are identical in every respect except for the addition of the form number to be used in non-use revocation actions. In those circumstances I do not believe that the failure of

one form to contain a letter of the alphabet is or ought to be sufficient to penalise a party to any proceedings before the Registrar, any more than it would be unfair to penalise a registered proprietor in a case such as this, had they filed their evidence within time but that it contained an error of some sort, for example if a Witness Statement had not been signed or a Statutory Declaration had not been completed properly. It is always the Trade Marks Registry's practice to allow correction of an error without loss of a filing date.

19. It seemed to me to be reasonable and fair in a case such as this, where someone has put all of the information onto the wrong form, but without causing any inconvenience or prejudice to the other side, for the action to commence on the date the original form was filed. Taking account of all of the circumstances I therefore directed that the original Form TM26 which was filed on 4 April by the applicants for revocation be the one to be taken into account in these proceedings. The Form TM26(N) filed later was no more than a means of correcting a minor error in relation to the former. Mr Tritton did not seek an adjournment in order to consider an appeal on that point and the Hearing continued.

20. I should note here that in the course of his submissions Mr Tritton referred to the *Laboratoires Goemar v La Mer Technology* (2002) ETMR 34 where judgment had not been at that date handed down. The parties were therefore given time after the hearing to send in written submissions on that case, both sides did so and I have taken these into account in reaching my decision below.

DECISION

21. The statutory provisions of Section 46 under which this application has been made are 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 in question are pending in the court, the application must be made to the court; and
- (b) if in any case the application is made to the registrar, he may at any stage of the proceedings refer to 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."

22. Section 100 is also relevant. It reads:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

23. The first point is that the registered proprietors sought in their pleadings and evidence to defend the registration in respect of beer, ale and lager. However, Mr Tritton in his submissions said "I accept that the use relied upon is in relation to beer. Insofar as one has

claimed explicitly other goods, I cannot support those claims". I believe Mr Tritton to be right. The evidence does not in my view begin to support a claim to use other than on beer. In those circumstances, the applicants for revocations' case in so far as the remainder of the specification can be taken to be made out.

24. The applicants are seeking revocation of this registration on the basis that it has not been used or was not used:

- a) in the five years following the completion of the registration period (Section 46(1)(a)), thus in the period 29 May 1992 and 29 May 1997;
- b) for a period of five years ending 25 January 1999 and there were no proper reasons for such non use (Section 46(1)(b)). Thus in the period 25 January 1994 to 25 January 1999;
- c) in the five year period up to the date of this application (Section 46(1)(b)), thus in the period 4 April 1995 to 4 April 2000.

25. Both parties made submissions following the Hearing on the basis of the judgment of Jacob J in *Laboratories Goemar v La Mer Technology* (2002) ETMR 34. The relevant parts of the judgement in my view, and insofar as this case is concerned, are the following paragraphs:

"7. It is common ground that the key question in the case of each mark is whether it has been "put to genuine use" within the relevant period "in connection with the goods in respect of which it is registered." The relevant period is the 5 years expiring on 27th March 1998.

8. Our Act, sensibly, explicitly requires the trade mark owner, to prove use of his mark when non-use is alleged. Probably that is implicit under the Regulation too, for who is to know most about the details of use other than the owner of the mark? The way the UK Act puts it is in section 100:

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

9. In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye - to ensure that use is actually proved - and for the goods or services of the mark in question. All the t's should be crossed and all the i's dotted."

and:

"28. I turn to the present, European, legislation, focussing on the adjective "genuine". Other languages may not convey quite the same flavour. The corresponding adjectives used in other language versions of the legislation are, in French "serieux",

German "ernsthaft", Italian "effettivo", Spanish "efectivo", Portuguese "serio", Dutch "normaal", Danish "reel" and Swedish "verkligt". The researches of counsel did not provide the Greek or Finnish words, but no matter. The flavour of some of the words used may mean that use must be more than very slight, even where that use has been without ulterior purpose. "Serious" may mean that insubstantial does not count. If that is so, a further question would arise: "how do you decide that a use is too slight to count?" After all what might be "slight" for a large company might be not insignificant for a small one.

29. Now my own answer. I take the view that provided there is nothing artificial about a transaction under a mark, then it will amount to "genuine" use. There is no lower limit of "negligible." However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely "colourable" or "token", that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further inquire whether that advertisement was really directed at customers here. For then the place of use is also called into question, as in *Euromarket*.

30. I think that formulation fits exactly with what I said in *Crate & Barrel*. As a matter of commerce small sales are nonetheless sales under and so uses of the mark. The objective observing trader or consumer would so say. The absence of any purpose, other than trying to sell goods under the mark, would lead him to the conclusion that the uses were genuine."

26. It seems to me, from the above, that there is an onus on the registered proprietors to show that they have used the trade mark in suit (or that they have consented to such use by others) in relation to the goods (beer) covered by the registration in the period concerned. And that the use is in the normal course of the business ie. not artificial in any way.

27. Dr James for the applicants for revocation criticised the registered proprietor's evidence from a number of directions; it did not show use of the registered trade mark by either the current or previous registered proprietors; there was no basis for determining that any use was with the registered proprietors' consent; much of the evidence was hearsay and should be given little weight. For his part Mr Tritton relied upon the following, what he called 'critical evidence':

- (i) The statement in Mr Hayward's evidence that Free Trader International Limited used the trade mark regularly during the period commencing upon the date of registration and throughout the period in suit.
- (ii) The trade mark was used in relation to beers.
- (iii) Mr Hayward's statement that turnover of goods sold under the trade mark up to August 1997 exceeded £250,000 (para 5, Hayward - ACC2).
- (iv) The now mislaid specimen can of Walkabout Beer showing a "Best Before

date” of November 1995 which was referred to in Mr Hayward's declaration.

- (v) Bar code labels.
- (vi) Several invoices of substantial sales of WALKABOUT beer (although they are outside the relevant period, they demonstrate that there is nothing insubstantial about the prior WALKABOUT business).

28. Mr Tritton reminded me that Mr Hayward's declaration was filed to defeat an application for non-use from the period 30th May 1992 to 29th May 1997. There was no particular need to show hard documentary evidence of use from 11th May 1995 to 29th May 1997. Use prior to that date was sufficient. However, despite that, Mr Hayward had stated that use was throughout the period and the documentary evidence exhibited made that, in his view, highly plausible.

29. He also relied upon the newly admitted Witness Statement of Ms Yarlett which refers to conversations she had with Mr Hayward in which the latter recalled that:

- (i) Free Traders International Limited did enjoy sales of WALKABOUT beer during the period April 1995 - August 1997;
- (ii) Following the sale of his registered Trade Mark No 1450477 to Regent he destroyed most of his records and is unable to provide any further documentary evidence; and
- (iii) during the relevant period, he used three different breweries for the packaging and distribution of WALKABOUT beers namely Hall & Woodhouse in Blandford St. Mary, Dorset, Eight Acres in Essex and Mitchell's Brewery in Lancaster.

30. Ms Yarlett goes on to say that she subsequently spoke to Hall & Woodhouse who have provided copies of invoices in respect of goods they supplied to Roy Hall Cash & Carry (in June 1995) to M G Cash & Carry (in July 1995) and Barking Cash & Carry (in July 1995). She believes that the goods referred to in the invoices were packs of WALKABOUT Beer. I will come back to these.

31. So, have the registered proprietors been able to show use of the trade mark WALKABOUT in any of the periods covered by the pleadings? In short, and in these proceedings, no. The evidence upon which Mr Tritton relies is by and large assertion that the trade mark was used on beer and that significant sales were made. In his submissions Mr Tritton said:

"In terms of what exactly was happening, I would say that it is tolerably clear from the evidence as corroborated by the documentation that a Mr Hayward, through his company, used Hall and Woodhouse as a brewery to package and distribute Walkabout beers. Indeed, it was a beer contract which Mr Morris of Hall and Woodhouse refers to. Here one sees in the exhibits corroboration of that very point,

that indeed he was supplying WALKABOUT branded beer, the international selection 6 or 8 pack, I cannot quite read it, to various wholesalers throughout the country in the relevant period. There may be nuances within those facts, but those facts I would say are established. Whether or not there are nuances within that, I would submit, will not change the affect of these proceedings, because that is sufficient use for the purposes of this particular application. I say that that is fairly tolerably clear as to what is the effect of that evidence."

32. An important exhibit on which the trade mark appeared has been lost and in any event there was no clear indication of when it was produced - statements about what may be the shelf life of canned beer in relation to the fact that the can bore a 'best before date' do not assist much. Similarly, cartons on which the trade mark WALKABOUT does appear are not put into context by dates at all. The bar code labels do not show use of the trade mark WALKABOUT nor do all the various invoices that were filed in terms of sales of the goods under the trade mark up to the date of the application for revocation. However, the main problem with the invoices is that they have been raised by parties outwith these proceedings, seeking payment from others also outwith these proceedings for goods supplied. There is no clear indication of what the relationship was between the supplier of the WALKABOUT goods and the registered proprietor.

33. It was suggested that I should infer from all the material I had that the registered proprietor had authorised the supplier. But the evidence and the submission beg more questions than they provide answers. In his submissions on the evidence Mr Tritton said:

"Obviously one cannot close absolutely every circle, but I would have thought it would be relatively clear that what one has here is three breweries acting on behalf of the registered proprietor, WALKABOUT beers, supplying to Barking Cash & Carry, in other words, wholesalers distributing those beers to Cash & Carry who no doubt distribute it down the retail chain.

In relation to the question of that link with the registered proprietor, one would have thought it was relatively clear from the witness statement of Claire Yarlett, that, in effect, the way we found this was indeed actually through Mr Hayward who used these three companies to distribute and package WALKABOUT beers who then supplied them onwards. One has in paragraph 7 Mr Tim Morris who worked on the Walkabout beer contract and produced the WALKABOUT branded cans and packaging. "Mr Morris informed me that he had joined Hall and Woodhouse during mid 1995 and agreed to check his archives relating to sales of Walkabout beer."

34. Despite these submissions, it is not clear that these breweries were acting on behalf of the then registered proprietors - what were the contractual relationship between them? and who produced the beer on behalf of the registered proprietor that the breweries were simply packaging and distributing?

35. Section 100 of the Act requires a proprietor to show, when challenged, what use they have made of the trade mark. As Jacob J said in the above mentioned case "Those concerned with proof of use should read the proposed evidence with a critical eye - to ensure that use is

actually proved - and for the goods or services of the mark in question." I am sure that Mr Tritton sought to do this - hence the request for late evidence to be admitted. But in my view even this evidence does not show use. And I am unable to infer from the assertions, the material provided which is outside the relevant date, or undated, that there is, nevertheless, prime facie evidence of use. The evidence in my view does not show use of the trade mark in the periods 29 May 1992 to 29 May 1997, 25 January 1994 to 25 January 1999 or 4 April 1995 to 4 April 2000. In those circumstances, I consider the grounds of attack under Section 46(1)(a) and (b) to be made out.

36. Before going on to consider the matter of whether preparations for use had begun such that the provisions of Section 46(3) apply, there is another point with which I must deal. Mr Tritton submitted, relying on *Stiching Greenpeace Council v Income Team Limited and others* [1997] FSR 149, that beer was clearly sold in WALKABOUT INN branded bars and that such use was use of the trade mark WALKABOUT in relation to beer. I do not agree. The case to which I was referred, determined by the High Court of Hong Kong, was decided on its own facts (see the headnotes) and is not relevant here. In *Primark Stores Limited v Primark Corporation* BL 0/357/01, I drew on the views of Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 20 in reaching the following, directly applicable view:

"49. In this case the registered proprietor relies upon the fact that on all goods in the store they put a price ticket which bears their trade mark and a bar code, as shown in the annex. This price ticket, bearing in mind the above decision, is, in my view, a statement of the provider of the retail service. It does not indicate the origin of the goods. It is the originator of those goods (and whose trade mark is likely in any event to be on the goods) who would be responsible for the quality of those goods and not the retailer who, under consumer protection legislation must ensure that they are of merchandisable quality, but no more. Thus, as indicated by Jacob J, a retailer can not claim to have used their trade mark on goods merely by affixing to them their name and price bar code. The list of uses of a trade mark set out in Section 10(4) is not directly relevant in a case such as this. This is because the retailer is not seeking to infringe the trade mark by confusing the public as to origin. The public is well able to discern that the originator of the goods can be different from the entity selling those goods. For example, a public house chain such as Wetherspoons providing public house services could not claim to have used the trade mark WETHERSPOONS in relation to whisky, simply because they have sold, as part of the public house service they provide, JOHNNY WALKER whisky. Thus, there has been no genuine use in my view of the trade mark PRIMARK on wrapping paper by the registered proprietor in any period."

37. In this case, merely because the registered proprietor has sold beer in their establishments does not mean they have used the trade mark WALKABOUT on or in relation to those goods.

38. The registered proprietors in defending this registration against the attack on the grounds of non-use have also relied upon the provisions of Section 46(3) which I re-state below:

"46.-(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.”

39. This is based upon the fact that the current registered proprietors (Regent Inns plc) took assignment of the trade mark in 1998 and intended to resume use of it on beer, ale and lager in its Walkabout Inns (of which there were 20 at the date these proceedings commenced). In particular, Mr Tritton drew my attention to the following:

The project to resume use of WALKABOUT was "under consideration for well over a year following purchase of the purchase of the mark on 22nd March 1998".

Regent Inns wrote to Madison Drinks Company to arrange for a modest bottling-run of Walkabout branded beer. WALKABOUT branded stationery was enclosed for that purpose, letter dated 1st December 1999.

Madison wrote back to Regent Inns enclosing quotes for Walkabout Inn Own Label Beer, letter dated 22nd December 1999.

Production of labels was finally entrusted to Usher's, Trowbridge. This is evidenced in a letter from Regnet Inns to Ushers dated 13th April 2000. The letter requested that Usher provides Walkabout Premium Lager by 6th May 2000 with a view to long term supply production.

Madison were informed of Regent Inns requirement for delivery of Walkabout Inns own label beer as evidence in letter dated 2nd May 2000.

Walkabout beer was on sale in Walkabout Inn bars since 5th May 2000.

40. For his part Dr James submitted that these exchanges of correspondence did not constitute genuine use of the trade mark.

41. First of all I note that Section 46(3) is constructed such that preparations for use of a trade mark may only be considered if use is commenced or recommenced "after the expiry of the five year period and before the application for revocation is made". Thus that provision only applies if the use is commenced in the period between the expiry of the five year period specified and the filing of the application. That is not the case here, one of the five year periods set out in the application is the five years up to and preceding the filing date 4 April. There is no period therefore between the expiry of the stated period and the date of the application for revocation. The registered proprietors can not therefore rely upon that provision in this case.

42. Notwithstanding the above, I go on therefore to consider whether in fact the exchange of correspondence in relation to the printing of labels does represent use of the trade mark. In that connection my attention was again drawn to the *Laboratoires Goemar v La Mer Technology* (2002) ETMR 34 case and also to *Hermes International v KHT Marketing* (1999) RPC 10. Mr Tritton submitted that the term 'use' in the Trade Marks Act 1994, as in the Trade Marks Act 1938 (as amended), and as set out in the *Hermes* case, 'must be wide enough to embrace the steps necessary for the production of the goods as well as the actual placing of them on the market'. I think that is right. It certainly chimes with the view of Jacob J in the *Laboratoires Goemar v La Mer Technology* (2002) ETMR 34 where he said:

"Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further inquire whether that advertisement was really directed at customers here"

and

"I think that formulation fits exactly with what I said in *Crate & Barrel*. As a matter of commerce small sales are nonetheless sales under and so uses of the mark. The objective observing trader or consumer would so say. The absence of any purpose, other than trying to sell goods under the mark, would lead him to the conclusion that the uses were genuine."

43. So, does the material provided show use of the trade mark in the relevant period ie. up to 4 April 2000? The answer is no. The letter dated 22 December 1999 to Alan Cracknell of the registered proprietors from Madison Drinks Company Limited offers quotes for labels and products under the heading Walkabout Inn, Own Label beer. But there are a number of problems with that document as evidence of use (and evidence of preparations for use) of the trade mark WALKABOUT. These are:

- i) the letter is not put into context - there was no response to the offer and therefore there was no definite intention that can be inferred from the letter;
- ii) there is no indication that the trade mark to be used was WALKABOUT - the heading refers to Walkabout Inn, Own Label beer which might mean WALKABOUT INN, WALKABOUT or indeed another trade mark entirely;
- iii) the letter gives no indication that any member of the public or the trade would assume that the trade mark WALKABOUT was, or about to be, used on a genuine basis in the market place.

44. For the above reasons I am unable to hold that these documents indicate that there was any use of the trade mark in suit, or preparations for use which might be termed use, in the relevant period.

45. The applicants also alleged that the preparations for use that the registered proprietors claimed to have undertaken were only brought about in anticipation of this application for revocation. In the light of my decisions above I do not need to deal with this point but for

completeness I will record my view which is that the allegation was without foundation.

46. Gallo claim that Regent Inns would have known when they opposed Gallo's application for registration of a Community Trade Mark (CTM) on the basis of the registration in suit that they were likely to be put to proof of use of it in relation to the goods covered by it in the five years prior to the publication of Gallos' CTM application. Thus it was in their interests to begin to try and make some use or at least preparations for use as soon as possible. Mr Cracknell for Regent Inns says that he was unaware of the implications of opposing Gallos' CTM application.

47. Mr Tritton submitted the following main points; that it had to be shown that the registered proprietor (not their representative) was aware that an application for revocation might be made; the opposition to Gallos, CTM application was based upon other grounds in addition to that based upon this registration, thus a successful application to revoke this registration might not have determined the issue of the CTM application.

48. I agree with Mr Tritton that the mere administrative possibility of taking action to revoke an earlier right in the circumstances the parties found themselves, is not enough to allege that the registered proprietor must have been aware that the application for revocation was likely to be made. It would require more positive evidence that the proprietor was deliberately seeking to thwart the intention of the revocation provisions set out in Section 46 before such an allegation could be upheld.

49. The application for revocation on the grounds of non-use for the reasons given above succeeds. The applicant is entitled to an award of costs. I order the registered proprietor to pay to the applicant the sum of £800. This sum 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 2ND day of August 2002

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