

**TRADE MARKS ACT 1938(AS AMENDED)
TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK Registration No 1450843
in the name of Bernard Matthews Plc**

**AND IN THE MATTER OF An Application by Etat Francais
representee par la Ministere de L'Agriculture de la Foret for the
invalidation of the registration**

Background

1. The trade mark LABEL ROUGE was registered in the UK with effect from 21 December 1990 in the name of Bernard Matthews plc in respect of:

Meat, meat products, poultry, poultry products, fish, fish products and seafood, all food for human consumption; prepared meals and constituents therefor: all included in Class 29.

2. On 20 May 1998, Etat Francais representee par la Ministere de L'Agriculture de la Foret applied under section 47 of the Trade Marks Act 1994 for the registration to be declared invalid. The applicant's grounds (insofar as they were pursued before me) are that:

i) the mark was registered contrary to section 5(4)(a) of the Act because use of the mark at the date of the application for registration was liable to be prevented by the law of passing off; and

ii) the mark was registered in breach of section 3(6) of the Act because the application was made in bad faith.

3. The registered proprietor filed a counterstatement denying the grounds of opposition. Both sides seek an award of costs.

4. The parties subsequently filed evidence in support of their pleadings and the matter came to be heard on 6 July 2001. The applicant was represented by Mr J Mellor of Counsel, instructed by Withers & Rogers, and the registered proprietor was represented by A P Bernard of fj Cleveland.

5. Registration is *prima facie* evidence of validity. The onus is therefore on the applicant to show that the registration was invalid from the outset .

Section 5(4)(a)

6. The applicant says that the registered proprietor's use at the date of application was liable to be restrained by the law of passing-off. The law of passing-off is well established and both

sides were content to rely upon the test set out by the House of Lords in the Jif Lemon case 1990 RPC 341. The requirements are (in summary):

1) That the claimant (or in this case “applicant”) had acquired a goodwill and reputation identified by some distinctive indicia, 2) misrepresentation by the defendant (“registered proprietor”) leading or likely to lead to confusion or deception (whether intentional or not), causing 3) damage to the claimant (“applicant”).

7. It is common ground that the matter must be judged at the date of the application for registration (the relevant date) and that the necessary goodwill must therefore have existed within the UK at that date.

8. The opponent’s evidence is contained within a statutory declaration (and seven exhibits) of Agnes Laszczyk-Legendre, who is a representative of Synamaf, a French trade association based in Paris. Mme. Laszczyk-Legendre states that the LABEL ROUGE mark was created in 1960 as an official quality mark for the French Ministry of Agriculture. The standards which the mark was to guarantee were set out in an official decree of 1965 (which has not been filed). Mme Laszczyk-Legendre states that the mark was introduced in France in 1965. It appears to have been used in France as a certification mark for poultry, pork, veal, lamb, beef, cheese, cooked meats and fruit and vegetables. In the case of poultry, the mark denotes control of breeding, rearing, feeding, ageing and selection. Birds bearing the mark are said to be raised in spacious conditions with feed that contains no animal matter. By 1992, (two years after the relevant date) sales of LABEL ROUGE poultry in France are said to have amounted to £225M and accounted for 30% of household purchases for fresh chickens.

9. Mme. Laszczyk-Legendre says that products bearing the LABEL ROUGE mark were imported into the UK. The exact date is not recorded but Mme. Laszczyk-Legendre believes that it was around 1988/89. Mme. Laszczyk-Legendre says that she appeared on a television programme called “Farming Today” in November 1988 to promote the mark. She also spoke at the Turkey Industry Conference held at Harrogate in February 1990. The title of the paper she delivered (which is exhibited at AL-4 to her declaration) was “Label Rouge Poultry In France”. There was evidently some concern about the safety of some British poultry products at the time and the purpose of Mme. Laszczyk-Legendre’s speech appears to have been to provide information about the official quality mark used to certify quality in France. There is no specific evidence about the nature of Mme. Laszczyk-Legendre’s role in the earlier “Farming Today” television programme, but it appears likely that her “promotion” of the mark on that programme was in a similar vein to that at the later conference, i.e. she was promoting the benefits of the scheme run in France by the French Ministry of Agriculture, who she names as the owners of the mark in her paper to the Turkey Industry Conference.

10. This is consistent with an article which appeared in “Farmers Weekly” on 16 June 1989 (also in exhibit AL-4) which encouraged turkey producers to promote their goods “along the same lines” as the French LABEL ROUGE scheme (which it mis-spells “La Belle Rouge”).

11. Exhibit AL-2 includes part of an article from “Good Food Retailing” dated September 1989, in which Pierre Bruno of Pic’Or (UK) Limited is quoted as saying, inter alia, that:

“There have been many scares related to modern poultry farming techniques and Label Rouge guarantees chicken the way it used to be.”

and

“So many claims are made about free range but the simple truth is that most birds on the market fall a long way short of the requirements laid down by the French Agriculture Ministry, and it shows in the taste.”

12. The article in question is not particularly clear (perhaps because the first page of it is missing) but it seems to suggest that Pic’Or had started shipping free range chickens to the UK. The inference is that these chickens carried the LABEL ROUGE mark. However, the picture above the article, which is said to show the complete range of Pic’Or chicken products, does not reveal any use of the mark LABEL ROUGE on these products. The following page in the exhibit includes an advertisement for “Loue” free range chickens, which does include the mark LABEL ROUGE as a secondary sign on the label. However, I understand that Loue is a mark used by another company. This page does not appear to come from the same publication as the Pic’Or article. Mme. Laszczyk-Legendre gives no explanation about the provenance or date of this page of her exhibit. I do not therefore consider that either of these pieces of evidence take the applicant’s case any further forward.

13. Mme. Laszczyk-Legendre provides further evidence about use of the LABEL ROUGE mark in the UK after the relevant date. Mr Mellor agreed that this evidence was irrelevant except to the extent that it shed light backwards on the position at the relevant date. Mme. Laszczyk-Legendre gives evidence that 134K birds were exported to the UK bearing the mark in 1992. A similar number were exported the following year, although the figure for 1994 is considerably lower at just 40K. No figures are provided prior to 1992.

14. Mme. Laszczyk-Legendre states that LABEL ROUGE products tend to stocked by independent butchers and department stores such as Harrods, Selfridges and Harvey Nicholls and by restaurants. However, she does not place these claims within a particular timescale. There is some supporting evidence that such goods were stocked by Harvey Nicholls in the form of an article from the “Food and Drink” section of the Weekend Telegraph (in exhibit AL-4). However, this was some three years after the relevant date.

15. Mme. Laszczyk-Legendre further states that a promotional company called SOPREXA ran marketing campaigns for LABEL ROUGE in the UK in 1993 and 1994, again well after the relevant date. Mr Mellor also drew my attention to copies of two further articles in UK publications in exhibit AL-4. The first is from the June 1994 edition of “Caterer and Hotelkeeper”. It states that “France’s premium free-range poultry brand has hopped across the channel.” The second is an article dated August 1994 from “The Lady”. It states that “Now available in this country are the famous Label Rouge chickens...”. Mr Mellor submitted that the “famous” description was consistent with his case, whereas Mr Bernard asked me to note that, from the tone of the articles, goods bearing the mark were only recently available in the UK. These articles are no doubt the result of SOPREXA’s promotion of the mark in the UK in 1994. They tell me nothing about the position at the relevant date.

16. The applicant's main evidence of use of the LABEL ROUGE mark in this country prior to the relevant date is contained within exhibit AL-5 to Mme. Laszczyk-Legendre's declaration. This consists of copies of some 43 invoices for goods sent to three UK based companies between January and December 1990. Mme. Laszczyk-Legendre says that these invoices evidence sales of goods bearing the mark to William Low of Dundee, Lanigans Limited of Lancashire and Sproat & Harvey of Smithfield, London. There is no evidence about the nature of these parties businesses in the UK. Judging from the address of Sproat & Harvey, it seems likely that they are wholesalers of meat.

17. The invoices evidence the sale of 35K kilogrammes of products to these UK businesses at a cost of some £92K. The earliest invoices were issued (in French) from a French address, but the later ones come from a company called Arrive UK Limited with an address in Knightsbridge. These are in English.

18. The mark LABEL ROUGE does not appear on any of the invoices. A number of the individual entries contain the word "Label", eg "PLET BL LABEL FERMIER FR" and "PLET JA LABEL FERMIER FR.". Written underneath in English is "Free range chicken fresh." and "maize -fed free range chix fres", respectively. Mr Mellor referred me to a document in exhibit AL-4 entitled "La Production de Volailles Label Rouge en 1997". Two of the categories listed are "Poulet Blanc" and Poulet Jaune". Mr Mellor asked me to accept that the goods referred to in the invoices were the same goods listed in the 1997 document. He suggested that PLET =POULET, BL = blanc and Ja = jaune. On this basis he asked me to infer that the goods listed in the invoices were labelled LABEL ROUGE as Mme. Laszczyk-Legendre claims.

19. Although Mme. Laszczyk-Legendre has first hand knowledge of the LABEL ROUGE scheme she does not claim to have any first hand knowledge of these particular exports. Instead she appears to rely upon the "copy invoices evidencing sales of goods bearing the mark" to these UK businesses. Those invoices do not do that because they do not bear the mark in question. There is no evidence from any UK recipient of these goods. In these circumstances I am not prepared to draw the inference that simply because the terms used in the invoices are somewhat similar to those used in the 1997 document describing the LABEL ROUGE scheme, that the mark would have appeared on the goods referred to in those invoices issued some seven years earlier.

20. The goods appear to have been exported to the UK in batches of typically 40-160 pieces. There is no evidence that the individual pieces carried the mark. Even if some of the goods sent to the three UK businesses described above in 1990 did bear the mark LABEL ROUGE, it does not necessarily follow that the goods still carried that mark when they were sold on to the public. If the UK firms are wholesalers, as Mr Mellor suggested, the goods may have been sold on under the wholesalers own name. Mr Mellor argued that was unlikely because the goods were sold at a price premium precisely because of the higher quality certified by the mark. However, the evidence does not establish that ordinary members of the UK public were familiar with the LABEL ROUGE scheme at the relevant date. If LABEL ROUGE meant nothing to the ordinary UK consumer in 1990, the names of the UK firms may have regarded as a better guarantee of the quality of the goods.

21. This leads to another point. The LABEL ROUGE mark is not a traditional trade mark but an official mark of quality of the French government - a state run certification mark. Consequently, the mark would have appeared on any goods as a secondary mark to that of the individual trader responsible for the trade origin of the goods. In these circumstances, it does not follow that limited use of the LABEL ROUGE mark in the UK would have generated any goodwill. Simply placing words on packaging does not generate goodwill in a business unless those words are liable to be taken as indicating some relevant connection between the goods and the business responsible for the mark. As LABEL ROUGE was a secondary mark denoting not trade origin but quality, goodwill will only have started accruing to the proprietor of the mark at the point at which UK customers attached a significance to the LABEL ROUGE mark because of explanatory statements on the goods themselves or through related promotional activity. There is no evidence that this was the position in the UK in 1990.

22. In the recent case of South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenmy Gary Stringer (a partnership) 16 May 2001, Pumfrey J. in considering an appeal from a decision of the Registrar to reject an opposition under S5(4)(a) said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the 1938 Act (see Smith Hayden (OVAX) (1946) 63 RPC 97 As qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

23. As Mr Bernard pointed out, the applicant in this case is attempting to establish a passing off right without any evidence at all from the trade or the public in the UK as to the existence of any reputation under the mark in the UK at the relevant date (or at all) and in circumstances where 1) the facts surrounding the extent of the use of the mark prior to the relevant date are less than clear and b) the nature of the use is not as a straightforward indicia of trade source. In these circumstances the objection is bound to fall at the first hurdle because the applicant has failed to establish that there existed an actionable goodwill under the mark in the UK at the relevant date.

Section 3(6)

24. The applicant's case is that the registered proprietor made the application to register LABEL ROUGE in 1990 in the knowledge of the scheme of that name run by the applicant and as a mere “spoiling tactic.”

25. I have already described most of the evidence that the applicant relies upon to support its contention that the LABEL ROUGE scheme was known to the trade in the UK at the relevant date. Exhibit AL-2 to Mme. Laszczyk-Legendre's declaration also includes a copy of a letter dated 20 July 1990 from a Mr J Johnstone, the General Manager Agriculture of D.B. Marshall (Newbridge) Ltd to Syndicat National Des Labels Avicoles De France. Mr Johnstone states that he is studying methods of Free Range Production throughout Europe and "as the French "label" brand of free range poultry is one of the best known" he asks for details of the scheme. Mme. Laszczyk-Legendre says that this letter was written following her talk at the Turkey Industry Conference earlier in 1990, but there is nothing to suggest that this is the case, eg it is not addressed to her. It shows that Mr Johnstone was aware of the French scheme and knew that the name of it included the word "Label". It does not show anything more than that.

26. Mme. Laszczyk-Legendre states that the Turkey Industry Conference "is an industry event attended by all major UK poultry producers, including the holders of the registration in suit who must then have been aware that the mark belonged to the French Government."

27. The registered proprietor filed a statutory declaration by David Reger, the Company Secretary of Bernard Matthews Plc. Mr Reger states that he took over responsibility for the companies trade marks in 1997; the person responsible for trade marks in 1990 having left the company. He has access to the companies records. He says:

"I am not aware of Label Rouge having being used in UK by the Applicants for revocation at anytime before they applied to revoke our registration. As the UK's leading turkey products manufacturer, people in Bernard Matthews Plc would know of another competing brand, or any other mark of which customers or retailers are aware, or have any regard to. As Company Secretary I am in contact with all departments in the company, including our marketing department. I myself have responsibility for managing our Trade Mark portfolio and co-ordinate on Trade Mark issues. Unlike other brands used by our competitors or other names used in the industry, LABEL ROUGE is not one that has ever been mentioned as a name that customers or retailers would recognise. It is hard to believe that if we are not aware of any recognition of the name in the UK market that customers and retailers do recognise it. This being the case now I do not believe that the name could have been known in 1990 when we applied for registration."

and

"I note that Ms Agnes Laszczyk-Legendre refers to a 1990 turkey industries conference. She says that it is an industry event attended by all manor UK poultry producers. This is not true. After enquiries in this company I can find no indication of our attending this conference. After making enquiries I have discovered that this conference ran for a limited number of years and was then discontinued due to lack of interest or participation. There is an implication in the use of general terms like 'Turkey Industries Conference' that this is an official one or the main one. This is far from the case. The main annual conference of the turkey industry is the Technical Turkey Conference which is now in its 23rd year which is sponsored by members of the industry and which we regularly attend."

28. Mr Mellor sought to persuade me that Mr Reger's evidence was carefully worded and failed to adequately rebut the *prima facie* case presented by Mme. Laszczyk-Legendre's evidence. As part of that submission Mr Mellor pointed out that 1) despite applying to register the trade mark in 1990 the registered proprietor did not put the mark into use until 1999 (after this application for invalidation was filed), and 2) the explanation put forward by Mr Reger for the adoption of the mark (earlier use of red coloured labels for its poultry products) was unconvincing for an English company and inconsistent with its other marketing.

29. Although the mark was applied for in 1990, it was not registered until 1997. In these circumstances I see nothing suspicious about the delay in putting the mark into use. The registered proprietor's reasons for adopting its mark do seem somewhat odd but this only becomes a relevant consideration once the applicant has established a *prima facie* case of bad faith. I do not believe that it has.

30. It is plain that some UK traders in poultry would have known about the LABEL ROUGE scheme at the relevant date. However, there is nothing to establish that the registered proprietor knew of it. Mme. Laszczyk-Legendre's asserts that the registered proprietor was present at the Turkey Industry Conference in early 1990, but she does not say why she believes this to be the case or provide any supporting documents. Mr Reger says that after making enquiries within his company he can find no evidence of attendance at this conference. Mr Mellor criticised this evidence as inconclusive, which it is, but that is beside the point. The onus is on the applicant to make out its case and Mme. Laszczyk-Legendre's assertions are insufficient to establish that the registered proprietor was aware of the French LABEL ROUGE scheme when it made its application for registration.

31. In any event, mere knowledge of the French scheme and its name is insufficient to establish that the registered proprietor's application to register the LABEL ROUGE mark in the UK was made in bad faith, particularly given the lack of evidence of general knowledge of the French scheme amongst UK customers for the goods at the relevant date. Even if I accepted that the registered proprietor knew of the French scheme and its name, there is no evidence that could justify a finding that the registered proprietor knew of plans to extend the French scheme to the UK. Mme. Laszczyk-Legendre's paper to the Turkey Industry Conference appears to be describing the benefits of the French scheme merely as an example of the sort of measures which could be introduced in the UK.

32. Mr Mellor's submission that the application for registration was a "spoiling tactic" must therefore be rejected because that depends upon the registered proprietor having knowledge of plans to extend the scope of the French LABEL ROUGE scheme to the UK. Even assuming that the registered proprietor was also aware of plans to extend the French scheme, it is not obvious to me what commercial benefit there would have been for the registered proprietor in preventing the extension of the French scheme to the UK. Mr Mellor submitted that the registered proprietor operated at "entirely the opposite end of the market from Label Rouge." In that case there would be no reason for the proprietor to be concerned about diversion of trade.

33. In considering a recent appeal from a decision of the Registrar, Mr S Thorley Q.C. , sitting as The Appointed Person, stated that:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in Associated Leisure v. Associated Newspapers (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see Davy v. Garrett (1878) 7 Ch. D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”

34. It seems to me that the applicant is inviting me to reach a finding of bad faith by just such a process of inference. I do not consider the circumstantial evidence before me to be so compelling that I find this to be one of those cases where it is possible to do so. The section 3(6) objection therefore also fails.

Costs

35. The application having failed, the registered proprietor is entitled to a contribution towards its costs. I order the applicant to pay the registered proprietor the sum of £1200. This to be paid within seven days of the end of the period allowed for appeal.

Dated this 12 Day of September 2001

**ALLAN JAMES
For the Registrar
the Comptroller-General**