

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 83792

IN THE NAME OF RED BULL GmbH

FOR REVOCATION OF TRADE MARK REGISTRATION No. 2122299

IN THE NAME OF POTTERS LTD

DECISION

1. The designation **RED KOOGA** was registered under number 2122299 as a trade mark for use in relation to the following goods in Class 32: *'mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages'*. Having been registered on 1 August 1997 with effect from 1 February 1997 in the name of Peter Black Healthcare Ltd, the trade mark was assigned to Omega Pharma UK Ltd in 2004 and further assigned to its current proprietor, Potters Ltd, in 2007.

2. On 15 June 2010, Red Bull GmbH filed an application for revocation of the registration on the ground of non-use. Revocation was requested with effect from 2 August 2002 under Section 46(1)(a) of the Trade Marks Act 1994 alternatively with effect from 14 June 2010 under Section 46(1)(b) of the Act.

3. Initially the trade mark proprietor sought to defend the registration for all goods of the kind for which its trade mark was registered in Class 32. However, it was not shown for the purposes of Section 100 of the Act that there had been any use of the trade mark prior to 14 June 2010 in relation to anything other than so-called food supplements.

4. Some of these had been presented in the form of elongated sachets containing 8ml of blackcurrant and cherry flavoured liquid. The ingredients of the liquid were identified on the product packaging in descending order of quantity as: Korean Ginseng Extract, Thiamin (as Nitrate), Riboflavin, Niacin (as Nicothiamide), Pantathenic acid (as Calcium Pantothenate), Vitamin B6 (as Pyridoxine Hydrochloride), Guarana Seed Extract (10% Caffeine), Water, Xanthan Gum, Glycerol BP, DC Sugar, Preservative: Potassium Sorbate, Blackcurrant Juice Concentrate, Black Cherry Juice Concentrate.

5. These items were promoted as '**ENERGISE GINSENG + GUARANA**' sachets „formulated to help keep mind and body on top form, containing the finest quality ginseng in a blackcurrant and cherry flavour liquid. The Ginseng herb has particular qualities that that enable it to adapt to each individual's needs, and may help to maintain health and counteract fatigue. The Guarana herb provides a natural source of caffeine, which may help maintain mental alertness. Suggested daily intake: one-two sachets a day'.

6. By the time the application for revocation came to be heard, the primary question for determination by the Registrar was whether the trade mark in suit was registered for goods listed in terms which encompassed the registered proprietor's food supplements in liquid sachet form. If so, a second question would then arise as to whether the coverage of

the registration should to any and, if so, what extent be reduced in accordance with the requirements of Article 13 of the Trade Marks Directive (Directive 2008/95/EC of 22 October 2008) for the purpose of confining it to goods of the kind for which the trade mark had genuinely been used. Article 13 provides as follows:

Grounds for refusal or revocation or invalidity relating to only some of the goods or services

Where grounds for refusal of registration or revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.

7. The application for revocation succeeded and the registration was revoked in its entirety with effect from 2 August 2002 for the reasons given by Mr. Oliver Morris on behalf of the Registrar of Trade Marks in a written decision issued under reference BL O-224-11 on 24 June 2011. The registered proprietor was ordered to pay £1,600 to the applicant for revocation as a contribution towards its costs of the registry proceedings.

8. The Hearing Officer answered the primary question adversely to the registered proprietor. The second question therefore did not arise for determination. His assessment with regard to the primary question was as follows:

24) There is no dispute that the product is liquid in nature. The product is described as a liquid on its packaging and upon inspection of the physical sample this can also be felt. The product seems to have a slightly thicker consistency than a water-based product, having a more syrup-like feel. The product is clearly intended to be consumed orally. One is to tear off the top of the packaging, to insert it into one's mouth, with the entire contents swallowed. This could be said to be an act of drinking. However, this fact alone is unlikely to mean that the average consumer would consider

the product to be a drink. I agree with Mr. Brandreth that just because something has the capacity to be drunk, this does not make it a drink, and certainly not a drink in class 32. The Nice class heading and explanatory remarks for class 32 read:

“Beers;
mineral and aerated waters and other non-alcoholic drinks;
fruit drinks and fruit juices;
syrops and other preparations for making beverages.

Explanatory Note

Class 32 includes mainly non-alcoholic beverages, as well as beer.

This Class includes, in particular:

- de-alcoholised drinks.

This Class does not include, in particular:

- beverages for medical purposes (Cl. 5);

- milk beverages (mild predominating) (Cl. 29);

- beverages with coffee, cocoa or chocolate base (Cl. 30.”

25) As the explanatory notes explain, goods in class 32 (or at least the ones relevant to my decision) are beverages of various sorts. The product upon which the trade mark has been used has not been sold as a beverage or a drink. The packaging, as noted in my evidence summary, refers to it as a food supplement. Mr. Strickland suggested that this description was to meet food labelling regulations. There is no evidence about this, but the fact remains that this is how the product is described which will have an influencing factor on the average consumer who encounters the product. RB’s evidence also shows the product on the websites of retailers who list the product as an “OTC Product” or an “Alternative healthcare > herbal remedies” product. This is symptomatic of how the product is likely to be categorised which, in turn, will also inform the average consumer’s perception of the product. Potters provided a number of press-releases and other pieces of evidence about the product. At no point is the product ever referred to as a drink or beverage. The product is referred to as ginseng (and other ingredients) in a blackcurrant liquid. It does not describe the product as a ginseng (and other ingredients) drink or beverage. The use of the word “liquid” is not an ordinary alternative word for a drink or a beverage. The word “liquid”

merely describes the physical state of the product as opposed to its product categorisation or type.

26) Whilst it may be counterintuitive to believe that the average consumer will describe the product as a drink or a beverage in the face of Potters' marketing and packaging (and the categorisation by retailers), I must countenance the possibility. However, the product is sold in small 8ml sachets, this does not strike me as a normal form of packaging for drinks or beverages. The product seems to have a syrup-like consistency, again, this does not fit in with most people's expectations of what a drink or beverage is. Setting alcoholic beverages to one side, drinks and beverages are normally consumed in order to quench thirst, to hydrate, or to drink alongside a meal. This is not an exhaustive list, but the product in question does not fall within such norms. Drinks may perform dual roles, for example, there is no doubt that a ginseng based energy drink would fall in class 32, but the product would still have to be a drink. None of what I have said about the product is indicative of the average consumer considering the product to be a drink. I come to the view that the product in question would not be fairly described as a drink of any sort. I have answered the question in the negative (what it would not be described as), but in terms of what the product would be described as then it would be some form of liquid food/vitamin/mineral supplement. I consider Mr. Brandreth to be correct in that the product is a food or vitamin product that is simply in liquid form for ease of administration. Such a product is likely to fall in class 5. It certainly does not fall within any of the terms listed in the specification. The outcome is consistent with the genuine use test. This test relates to use in such a way so as to create or maintain a share in the market for the goods for which it is registered. Potters have not created or maintained a share in the market in the drinks sector.

9. His finding to the effect that the registered proprietor's food supplements in the form of liquid sachets fell outside Class 32 buttressed his finding that they were not encompassed by the wording of the list of goods in Class 32 as a basis for revoking the registration in suit.

10. The registered proprietor appealed to an Appointed Person under Section 76 of the 1994 Act contending in substance that the registration of its trade mark should have been allowed to stand on the basis of use in relation to its **RED KOOGA ENERGISE GINSENG + GUARANA** liquid sachets, with the coverage of the list of goods for which the mark was registered being reduced by amendment only so far as might be necessary to make it commensurate with that use in accordance with the requirements of Article 13. In addition, it was contended that there had been a serious irregularity in the conduct of the proceedings at first instance. The complaint was that the Hearing Officer had taken into account further written submissions which the applicant for revocation had filed pursuant to directions given at the hearing, but which had not been copied to the registered proprietor. This matter was ventilated in argument at the hearing before me, but ultimately not pressed as a ground of appeal.

11. By not filing a respondent's notice under Rules 71(4) to (6) of the Trade Marks Rules 2008, the applicant for revocation effectively chose to proceed upon the basis that the Hearing Officer's decision was correct for the reasons he had given.

12. It appeared to me on reviewing the papers when the appeal was listed for hearing that the Hearing Officer could be said to have determined a question arising as to the class within which the registered proprietor's food supplements in liquid sachet form should be held to fall. If so, it would be relevant to consider whether he had made a decision to which the provisions of Section 34 of the Act applied.

13. Section 34 provides as follows:

34. Classification of trade marks

(1) Goods and services shall be classified for the purposes of the registration of trade marks according to a prescribed system of classification.

(2) Any question arising as to the class within which any goods or services fall shall be determined by the registrar, whose decision shall be final.

Section 3 of the Trade Marks Act 1938 previously provided:

3. Registration to be in respect of particular goods

A trade mark must be registered in respect of particular goods or classes of goods, and any question arising as to the class within which any goods fall shall be determined by the Registrar, whose decision shall be final.

Although Section 8 of the Trade Marks Act 1905 (corresponding to Section 65 of the Patents, Designs and Trade Marks Act 1883) had simply stipulated:

Trade mark must be for particular goods

8. A trade mark must be registered in respect of particular goods or classes of goods.

the intention expressed in Rule 5 of the Trade Marks Rules 1906 was that:

If any doubt arises as to what class any particular description of goods belongs to, the doubt shall be determined by the Registrar.

14. I therefore indicated that I wished to receive submissions at the hearing (plus any written observations that the Registrar might wish to make) in relation to the question whether the provisions of Section 34(2) of the 1994 Act were engaged by the present

appeal. I am grateful to the parties and the Registrar for the assistance they have given me in that connection.

15. In written observations provided on behalf of the Registrar, Mr. Allan James made the following points:

The Hearing Officer found that the product in question could not be fairly described as a “drink” or as any of the other goods listed in the specification. This appears to be a question of fact. Therefore, and notwithstanding the provisions of Section 34(2), this finding appears to be subject to appeal and review.

The Hearing Officer went on to say that the product on which the mark had been used was a Class 5 food or vitamin product in liquid form. To that extent, Section 34(2) may have application because a finding has been made as to the classification of the product for which the mark has been used. There is nothing in the wording of Section 34(2) that has the effect of limiting the scope of the provision (for example, by limiting its application purely to pre-registration questions). However, the Registrar submits that Section 34(2) must be interpreted in the light of Section 34(1). This indicates that the “questions arising” under Section 34(2) are those concerned with classification “for the purposes of registration”. This seems to mean “for the purpose of deciding in which class a mark should be registered”. In the Registrar’s view, this does not preclude a post registration analysis by an appellate body as to whether the goods in respect of which a mark has been used fall within the specification in the class(es) of registration.

Accordingly, if the Appointed Person finds that the proprietor’s goods could fairly be described as a ‘drink’ then it would be open to the Appointed Person to review whether they fall within the scope of the registration in Class 32. In exercising that assessment it is respectfully submitted that the class number appearing in the application should be taken into account for the reasons set out in the judgment of the Court of Appeal in *Altecnic* [2002] RPC 34.

16. The registered proprietor broadly concurred with those observations. It maintained that the purpose and effect of Section 34(2) in the context of Section 34(1) was to prevent the re-opening of determinations as to classification made by the Registrar at a stage prior to registration. It further maintained that the Hearing Officer had only referred to the product in question being *'likely to fall into class 5'* and that this was insufficient to amount to a 'decision' for the purposes of Section 34(2), even if it did relate to a question arising as to the class within goods fall.

17. The applicant for revocation submitted firstly, that the operation of Section 34(2) was not confined to decisions of the Registrar on questions arising as to the class within which any goods or services fall for the purposes identified in Section 34(1) i.e. *'for the purposes of the registration of trade marks'* and secondly, that even if it was so confined, a decision to the effect that a trade mark had been used in relation to goods of a kind which did not fall within the class for which a trade mark was registered so as to lead to revocation of the registration for non-use must surely be a decision made *'for the purposes of the registration of trade marks'* within the scope of that expression as used in Section 34(1).

18. As I see it, the effect of Section 34(1) in the context of the statutory duties of the Registrar under Sections 63 to 65 of the Act is to require him to ensure that all trade marks are registered for protection with reference to goods and services identified with clarity and precision (see Case C-307/10 Chartered Institute of Patent Attorneys v. Registrar of Trade Marks [2012] ECR I-0000) by means of listings formulated within the framework of the classes prescribed by the Nice Classification (see Rule 7 of the Trade

Marks Rules 2008). That is not always a straightforward task. It can be particularly difficult to perform in cases where there is a possibility that the goods or services in question might simultaneously be classifiable in more than one class (as to which see paragraphs [71] and [72] of the judgment of Arnold J. in Omega Engineering Incorporated v. Omega SA [2010] EWHC 1211 (Ch); [2010] ETMR 49; which were not called into question in the subsequent judgment of the Court of Appeal in Omega SA v. Omega Engineering Incorporated [2011] EWCA Civ 645; [2011] ETMR 40). In view of the uncertainties which can arise, it is not surprising to find that the task of classifying goods and services has been treated as a matter upon which the determination of the Registrar should be regarded as final (subject to the safeguard of judicial review) within the scope of Section 34(2) and its statutory forebears.

19. What, then, is the scope of Section 34(2)? In Ofrex Ltd v. Rapesco Ltd [1963] RPC 169 the claimant sought an interim injunction in proceedings for infringement under the 1938 Act. Its claim for infringement could only succeed if staples used for paper fastening were encompassed by its registration for 'stationery' in what is now Class 16. Having produced a letter from the Registrar confirming that such staples were officially classified as stationery within the relevant class, the claimant contended that the Court was bound to treat the letter as determinative of that issue in accordance with the provisions of Section 3 of the 1938 Act.

20. Pennycuik J. approached the matter on the basis that Section 3 raised questions of some difficulty on which it was better to express no concluded view since he had *'reached the clear conclusion, apart from that section, that the registration effected in*

1936 does cover staples'. He plainly saw no reason to regard Section 3 as the source of any restriction upon the power of the Court to interpret the specification of the claimant's registration for the purpose of determining the scope of the protection it conferred in the context of infringement proceedings.

21. In GE Trade Mark [1969] RPC 418 at p.458 Graham J. referred to Section 3 of the 1938 Act, in the context of invalidity proceedings, in the following terms:

This section, in my judgment, is dealing with administrative matters and enables the Registrar to decide without appeal in which class any particular goods must be registered. It does not oust the jurisdiction of the court to decide, as in the present case, whether any goods as to which there is a dispute properly fall within the specification of one class or another. The matter is not free from doubt on the authorities and in *Ofrex v. Rapesco* [1963] R.P.C. 69, Pennycuik J. left the point open, though he did decide in that case, as a matter of construction, that "staples" were "stationery" within the particular registration. In *Carless, Capel & Leonard v. Pilmore-Bedford & Sons* (1928) 45 R.P.C. 205, Tomlin J. at 217, in dealing generally with the question whether "petrol" came within a registration covering "petroleum oil for burning", did not decide the specific question, but said that if it did then the specification of goods covered by the mark ought to be amended so as to exclude it.

These observations were not called into question in the subsequent judgments of the Court of Appeal at [1970] RPC 339 or the House of Lords at [1973] RPC 297.

22. The proposition (borne out by the approach of Pennycuik J. in Ofrex and Graham J. in GE Trade Mark) that Section 34(2) does not derogate from the jurisdiction of the court seems to me to lead to the conclusion that the section is applicable only to determinations made in the context of proceedings within the exclusive competence of the

Registrar. Which is to say that Section 34(2) applies only to determinations made by the Registrar with regard to questions of classification in proceedings of a kind which must and can only be brought before him in the first instance. That would include determinations made in the context of applications for registration and also in the context of oppositions to registration, as indicated by Boord & Son v. La Societe Anonyme Dubonnet (1915) 32 RPC 241 (CA) at pp. 254, 255; cf Altecnic Ltd's Trade Mark Application [2002] RPC 34 (CA) at paragraphs [36] and [41(f)]. It would not include determinations made in the context of applications for invalidity, revocation or rectification of the register.

23. I therefore consider that in the context of the present proceedings for revocation the registered proprietor is not precluded by Section 34(2) from challenging the Hearing Officer's decision to the effect that its food supplements in liquid sachet form were not goods of the kind listed in its trade mark registration in Class 32. In considering its challenge to the Hearing Officer's decision, I must bear in mind that nutritional supplements in liquid form are not necessarily or inevitably incapable of constituting goods of the kind listed in the registration in Class 32. That is borne out by the Judgment (22 January 2007) and Supplemental Judgment (31 January 2007) of Warren J. in Sunrider Corporation (trading as Sunrider International) v. VITASOY International Holdings Ltd [2007] All ER (D) 139 (Jan); [2007] EWHC 37 (Ch); in which it was decided that the trade mark of the registration there in issue should remain registered with a reduced specification of goods listed in the following terms:

syrops and other preparations for making herbal drinks, all
being nutritional supplements in liquid form; herbal drinks,

nutritional syrups for making herbal drinks, all being for sale on a one to one basis directly to consumers and not through retail outlets; all included in class 32.

24. Under the relevant system of classification (the Nice Classification) goods and services are classified by reference to their nature and the function or purpose for which they are suitable. The question whether any particular goods or services do or do not fall within a specified description is, so far as possible, to be answered on the basis of an objective assessment of the particular needs and requirements fulfilled by the goods or services concerned.

25. At the hearing before me, the registered proprietor accepted that its 8ml sachets of blackcurrant and cherry flavoured liquid had to be classifiable as drinks in Class 32 in order for its appeal against revocation to succeed: Transcript pp.10, 11. That is to say, they had to be food supplements in liquid form in sachets which fulfilled the needs and requirements of consumers wanting drinks within the scope of Class 32 whether or not they might also have fulfilled the needs and requirements of consumers wanting products within the scope of Class 5. However, it appears to me that the composition, size and presentation of the products in question combine to define an item of commerce which would not normally be imbibed by anyone interested in having a drink. I therefore agree with the Hearing Officer in thinking that they were not drinks within the wording of the registered proprietor's trade mark registration in Class 32.

26. For the reasons I have given, the registered proprietor's appeal is dismissed. I direct the registered proprietor to pay £1,300 to the applicant for revocation as a contribution towards its costs of the proceedings on appeal. That sum is to be paid within

21 days of the date of this Decision. It is payable in addition to the sum of £1,600 awarded by the Hearing Officer in respect of the proceedings in the Registry.

Geoffrey Hobbs QC

20 November 2012

Mr. Piers Strickland of Waterfront Solicitors LLP appeared on behalf of the registered proprietor.

Mr. Benet Brandreth instructed by Keltie LLP appeared on behalf of the applicant for revocation.

The Registrar submitted written observations, but was not represented at the hearing.