

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

**IN THE MATTER OF CONSOLIDATED APPLICATIONS
(NUMBERS 6653 & 6654) BY GERBER FOODS INTERNATIONAL
LIMITED FOR RECTIFICATION OF THE REGISTER
OF TRADE MARKS IN RESPECT OF REGISTRATION
NUMBERS 924099 & 1018879 STANDING IN THE NAME
OF GERBER PRODUCTS COMPANY**

**TRADE MARKS ACT 1938 (AS AMENDED) AND
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**IN THE MATTER OF Consolidated Applications
(Nos 6653 and 6654) by Gerber Foods International
Limited for Rectification of the Register of Trade
Marks in Respect of Registrations Nos 924099 and
1018879 Standing in the Name of Gerber Products Company**

DECISION

1. On 23 July 1990 Gerber Foods International Ltd applied under the Trade Marks Act 1938 for rectification of the register in respect of the following trade marks.

NO	MARK	CLASS	SPECIFICATION
924099	GERBER	05	Infants' and invalids' foods containing meat, poultry, offal, eggs, vegetables, sauces, soups, broths, fruit, cereals, rice, pasta products, tapioca and custard.
1018879		05	Infants' and invalids' foods containing meat, poultry, offal, eggs, vegetables, milk, milk products, sauces, soups, broths, fruit, fruit juices, rice, pasta products, honey, tapioca and custard, and in the form of puddings.



Gerber

The registrations stand in the name of Gerber Products Company

2. The grounds are brought under Sections 26 and 32 of the Act and/or in the exercise of the Registrar's discretion and put in the following terms:
- (i) That up to one month before the date of this application a continuous period of 5 years or longer elapsed in which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to any of the goods in respect of which the trade mark is registered by any proprietor thereof for the time being.

- (ii) The trade mark is not distinctive of the goods of the registered proprietor nor adapted to distinguish the goods of the registered proprietor within the meaning of the Trade Marks Act 1938, and the use of the said Trade Mark by the registered proprietor in relation to the goods in respect of which the trade mark is registered is calculated to deceive or cause confusion. Furthermore it is contended that any unauthorised use by persons other than the registered proprietor has rendered the mark deceptive, and registration is contrary to Section 11 of the Trade Marks Act 1938.”
3. By way of further substantiation of the grounds the applicants say they have used the name GERBER PRIDE in relation to canned and preserved foodstuffs and also wish to use and have applied to register that mark under Nos 1351957 in Class 29, 1351958 in Class 30 and 1351245 in Class 32. The existence of the registrations under attack is preventing these application from proceeding. The applicants therefore say they are persons aggrieved.
 4. The registered proprietors filed counterstatements denying the above grounds. Further they do not admit that the applicants are persons aggrieved.
 5. Both sides ask for an award of costs in their favour.
 6. Both sides filed evidence and the matter came to be heard on 8 May 2001 when the registered proprietors were represented by Mr M Edenborough of Counsel instructed by R G C Jenkins & Co and the applicants by Mr C Birss of Counsel instructed by Trade Mark Owners Association Ltd.
 7. By the time this matter came to be heard, the old Act had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the Trade Marks Act 1938 however, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, all references in this decision are references to the provisions of the old law, unless otherwise indicated.

Applicants' Evidence

8. The applicants filed statutory declarations by David Elias Fine and Sean Francis McManis. Broadly speaking Mr Fine, who is the applicants' Managing Director, deals with his company's use and his own beliefs as to the registered proprietors' position including the results of the enquiries he has made as to their use. Mr McManis is a Trade Mark Executive with the applicants' attorneys. His evidence records the results of questionnaire enquiries directed to companies in the infants' and invalids' foods market regarding the mark GERBER. He also exhibits the results of a common law search into use of the GERBER mark. It will be apparent that some of the evidence is directed towards establishing the applicants' status as persons aggrieved and establishing a prima facie case on non-use against the registered proprietors. I will deal with this to the extent necessary later in the decision.

9. Mr Fine's evidence as to his own company's use is relevant in the context of the Section 32/Section 11 claim. He describes the corporate structure of the Group and says that Gerber Foods International Ltd has been the principal trading company since 1984. The history of the Group dates back to 1910 when it was founded in South Africa. It expanded its operation into the United Kingdom in 1925.
10. Mr Fine says that the Gerber Foods Group has traded extensively in the United Kingdom and this is evidenced by the following figures which indicate the group's annual turnover during recent years.

1984 in excess of	£ 78	million
1985 in excess of	£ 81	million
1986 in excess of	£ 91	million
1987 in excess of	£106	million
1988 in excess of	£118	million
1989 in excess of	£140	million
1990 in excess of	£165	million

11. The Company, and its predecessors, are said to have traded over a large number of years in food and drinks, and principally in fruit juices, canned fruits and vegetables, fish and meat products, preserved fruits, frozen vegetables and ready meals. A typical brochure advertising some of the products sold by the Company is exhibited (A).
12. Mr Fine goes on to describe his knowledge of the trade gained through his trading activities with Gerber Foods. This includes dealings with major retailers, wholesalers, producers and suppliers of food and drink. As a result of his trade contacts, he believes that Gerber Products withdrew from the UK market around 1979/80. He says that his own enquiries, which he sets out in detail, supports this view. Again I will deal with the detail to the extent necessary later in this decision.

Registered Proprietors' Evidence

13. The registered proprietors have filed an affidavit by Christopher G Fitzpatrick and a statutory declaration by Pamela Jean Robertson.
14. Mr Fitzpatrick is Vice President and General Counsel for Gerber Products Company. He describes his company's trade in baby foods under the mark GERBER. To some extent his evidence accords with the position suggested by the applicants. That is to say there was a reasonably substantial trade during the period 1965 to 1979. That trade is outside the relevant period for the purpose of the non-use action so I do not propose to record further details save to say that during the period up to 1979 the products were made and sold under licence by a company called Brown & Polson which was part of Corn Products Company (Corn Products). Mr Fitzpatrick takes up the story as follows:

“In 1979, Corn Products decided to withdraw from the baby food market in the UK. This left my Company without a UK manufacturer. Moreover, my

Company was unable to appoint a new UK manufacturer, because the licence with Corn Products was exclusive and still in force.

There is now produced and shown to me marked Exhibits CGF 1 a copy of my Company's licence agreement with Corn Products.

My Company made efforts to re-negotiate its original agreement with Corn Products. However, the negotiations were protracted and not entirely successful. In view of this, my Company sought alternative ways of re-entering into the UK baby food market.

My Company's efforts to re-enter the UK baby goods market included discussions with its existing distributors in other European countries and hiring the services of a firm of marketing consultants in the UK with particular expertise in the market for food products. My Company also undertook a test marketing programme of its own.

For the test marketing, my Company arranged for six stores in the Haywoods Heath area to have a range of GERBER FIRST FOODS baby food products placed on their shelves. A consignment of some 100 dozen jars of baby food, consisting of seven varieties of fruits and vegetables, was delivered to the stores in August 1989.

There are now produced and shown to me marked Exhibit CGF 2 a sample label from one of the jars from the test marketing exercise and marked Exhibit CGF 3 copies of invoices for these initial sales."

and

"Notwithstanding its contractual dispute with Corn Products, my Company has for many years been selling its GERBER brand baby food to various US military bases in the UK. The bases that it has been supplying included Lakenheath in Norfolk, Upper Heyford in Oxfordshire, Mildenhall near Newmarket, Menworth Hills in North Yorkshire and Fairford in Gloucestershire. Shipments of products are sent through domestic exporters, one of which is the Norfolk Navy Commissary Warehouse, located at Ft. Lee. Virginia. My Company has been supplying its GERBER brand products to the Lakenheath Commissary, for example for the last 35 years. These products principally comprise baby foods, but also include, more recently, a range of baby care products."

15. In support of this Mr Fitzpatrick supplies:

CGF 5 - a 'Regional Stock List' for Lakenheath.

CGF 6 - two "Comparative Account Sales by Price Group" reports for Lakenheath for the periods 31 May 1994 and 31 March 1994 (earlier versions are not available).

- CGF 7 - a bundle of typical labels for products offered for sale on the bases.
- CGF 8 - a report identifying US bases to which GERBER brand baby food products have been supplied.
- CGF 9 - sample invoices from Lakenheath.
- CGF 10 - reports for fiscal years 1980-1995 identifying the European Commissaries including the UK, units sold and dollar sales.

16. I note that Mr Fitzpatrick says that GERBER brand products sold to the various commissaries are available not only to authorised US military personnel on the base but also to their dependents.
17. Finally Mr Fitzpatrick refers to the results of a survey commissioned in March 1994 to determine public awareness of the GERBER brand name in relation to baby foods. In fact two surveys were carried out, one a nationwide survey and the other a 'booster sample' concentrated around the Lakenheath area. The process of commissioning that survey, its contents and the results are contained in a separate declaration by Pamela Jean Robertson, a Director of Interbrand UK Ltd, the consultancy which commissioned this work (through BMRB International Ltd). I will briefly return to this material later in my decision.
18. That concludes my review of the evidence.
19. Mr Birss indicated in his skeleton argument that the grounds based on Sections 11 and 32 of the Act were not being advanced at the hearing. I confirm that I can see no basis for these grounds and need, say no more about them. The substance of the rectification action is, therefore, the ground based on Section 26 of the Act, that is to say the non-use claim. The relevant part of the Section reads

"26.-(1) Subject to the provisions of the next succeeding section, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application by any person aggrieved to the Court or, at the option of the applicant and subject to the provisions of section fifty-four of this Act, to the Registrar, on the ground either -

- (a)
- (b) that up to the date one month before the date of the application a continuous period of five years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being."

20. The registered proprietor in this case do not place any reliance on the defence of non-use arising from 'special circumstances in the trade' so Section 26(3) has no part to play in these proceedings. They do, however, ask for discretion to be exercised in their favour in the event that my primary finding goes against them.
21. Before coming to the registered proprietors' evidence the applicants must establish that they are persons aggrieved and that a prima facie case of non-use has been made out. Neither point was resisted strongly by Mr Edenborough. I think he was right to adopt that position but I will briefly address the points.

The normal consideration for "persons aggrieved" is that set down by Lord Herschell in the *Powell v Birmingham Vinegar Company* case (Vol 1894) 11 RPC 4 at page 7 line 44 which reads as follows:

"The respondents are in the same trade as the appellant; like the appellant, they deal amongst other things in sauces. The courts below have held that the respondents are "persons aggrieved". My lords, I should be very unwilling unduly to limit the construction to be placed upon these words, because, although they were no doubt inserted to prevent officious interference by those who had no interest at all in the Register being correct and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, inasmuch as it is a public mischief that there should remain upon the Register a mark which ought not to be there, and by which many persons may be affected who nevertheless would not be willing to enter upon the risks and expense of litigation.

Wherever it can be shown as here, that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark if remaining on the Register would or might limit the legal rights of the applicant so that by reason of the existence of the entry upon the Register he could not lawfully do that which but for the appearance of the mark upon the Register he could lawfully do, it appears to me that he has a locus standi to be heard as a "person aggrieved"."

This guidance was quoted in the *KODIAK* trade mark case 1987 RPC 269, headnote 1 of which reads

"1 a locus was conferred on an applicant for rectification if his application for registration was blocked by the presence on the register of an allegedly unused mark."

22. That is the case here. The applicants for rectification have referred in their statement of grounds to three applications of their own (for the mark GERBER PRIDE) which are prevented from proceeding to registration because of the presence on the register of the marks at issue. That is sufficient in my view for them to claim the necessary status of persons aggrieved.

23. In so far as establishing a prima facie case of non-use is concerned the applicants' evidence consists of
- Mr Fine's own knowledge of the trade
 - the articles from Super Marketing and The Grocer referring to Gerber Products' withdrawal from the UK market
 - the results of enquiries with third party firms as to Gerber Products' use (contained in Mr Fine's evidence)
 - the questionnaire evidence submitted by Mr McManis
 - the results of the common law search conducted by Mr Lloyd, the trade mark searcher.
24. This evidence overwhelmingly suggests that the registered proprietors were not active in the marketplace. Mr Edenborough offered some muted criticism of the evidence. Some of it, for instance, he pointed out was hearsay and some of those responding to the questionnaires did not appear to be well placed to comment. I do not think the applicants' position can be said to be above criticism but there is in my view more than sufficient evidence particularly the unprompted and undenied press reports of Gerber Products' withdrawal from the UK market for me to conclude that a prima facie case of non-use has been made out.
25. I turn now to the registered proprietors' case and the authorities that have been drawn to my attention as offering guidance on how to approach their evidence. In particular I was referred to the Official Ruling dealing with bona fide use in the context of samples 1944 RPC 148, ELECTROLUX v ELECTRIX 1954 RPC 23, NODOZ Trade Mark 1962 RPC 1, VAC-U-FLEX Trade Mark 1965 FSR 176, LEVI STRAUSS v SHAH 1985 RPC 371 and BON MATIN Trade Mark 1989 RPC 537. Mr Edenborough took me particularly to those cases (NODOZ, VACU-U-FLEX and BON MATIN) which suggest that small amounts of use can be sufficient to amount to bona fide use. Mr Birss on the other hand relied on ELECTROLUX v ELECTRIX and LEVI STRAUSS v SHAH as support for the view that the use must be real commercial use on a substantial scale (though strictly substantiality of use was not itself in question in the first of these).
26. BON MATIN is the most recent of the authorities referred to. The case is particularly notable from the point of view of establishing the date from which non-use is to be measured. Strictly Mr Justice Whitford's consideration of whether the registered proprietors' use was bona fide was obiter. Nevertheless he conducted a review which encompassed most of the above authorities. The following passage from his judgment reflect his approach to the matter

"The main argument on the appeal centred around the question as to the extent to which one must consider the substantiality of the use. Various authorities can be cited, pointing in different directions. I suppose in the interest of Mr Morcom's clients perhaps one of the earliest and most favourable approaches is that which is to be found in Official Ruling 61 RPC which was concerned with the question of a despatch to the United Kingdom of a sample of the product to

be sold under the registered trade which it was held might be regarded as a use of the trade mark in the United Kingdom. I was not taken to the Official Ruling as such but it is to be found referred to in a judgment which was given by Dr R G Atkinson, then acting for the Registrar in *VAC-U-FLEX Trade Mark* [1965] F.S.R. 176. There is no doubt that Dr Atkinson did consider a number of earlier authorities. To my mind what plainly emerges from the authorities is this, and Mr Morcom did not attempt to shirk the point, the substantiality of the use is undoubtedly a relevant factor to be considered and at the end of the day one has got to consider every relevant factor. It must always be remembered that what one is directed to by section 26 of the Act is the question as to whether there has been bona fide use. Although the extent of the use is one factor which may be of significance, some of those factors may lead to the conclusion that although the use could not in the commercial sense be described as anything other than slight, nonetheless it may be appropriate to reach a conclusion, in the light of the circumstances as a whole, that the use ought to be regarded as bona fide."

27. Having regard to the above authorities it seems to me that I should approach the matter on the basis that bona fide use must be real or genuine and not "fictitious or colourable"; it must be considered in a commercial context; substantiality is a factor but; it does not necessarily have to be large scale use; and all relevant factors must be taken into account. I note particularly Morris L J's words in the *Electrolux* case "It is of course clear that when the phrase 'bona fide' is used, its context must be considered when deciding what is its meaning". That comment may have had particular application in that case in the context of considering the difference between genuine and artificial use but it is, I think, equally relevant to consider the overall context in cases where (as here) there is no real suggestion that the use passes the honesty of use test but still has to be considered against the other criteria identified by the Courts. Thus it might be argued that modest sales linked to the establishment of a longer term basis for trade (an agency or distributorship arrangement for instance) may count for more than a larger opportunistic or isolated trade that is not intended to give the proprietor an ongoing commercial presence in the UK market (the sort of 'spasmodic and temporary' trade alluded to in *Electrolux*). But generalisations of any kind are fraught with difficulties. I do not for instance read the above reference in *Electrolux* to mean that occasional sales are incapable of constituting bona fide use. Clearly some items of capital equipment are occasional purchases only and an irregular pattern of sales will result. At the other extreme spasmodic sales of, say, low value consumer goods (where a more regular trade might be expected) may face a rather stiffer test if such use is to be regarded as bona fide. No doubt Whitford J had such considerations in mind when he said in *BON MATIN* that "at the end of the day one has got to consider every relevant factor."
28. The relevant period for this action is 24 June 1985 to 23 June 1990. The use relied on by Gerber Products can be broadly classified under two heads - the test marketing in Haywoods (Haywards?) Heath in August 1989 and the sales to US military bases in the UK. A few other peripheral matters are referred to in Mr Fitzpatrick's affidavit but are not of direct assistance in the context of this action and Mr Edenborough sensibly placed no reliance on them.

29. I will deal with the test marketing exercise first. The bare facts are recorded in the above evidence summary. Some 100 dozen jars of baby food were involved. Six invoices are exhibited with a combined value of a little under US\$300. A rough calculation based on the number of jars covered by the invoices suggests that the six invoices represent the totality of the test marketing or something close to it. All the sales were to retail stores in the county of Sussex and all have the same invoice date of 8 September 1989 consistent with what one might expect from a market testing process. An identical selection of seven different baby foods (in the company's First Foods range) was supplied to each store. Again that is to be expected in the context of an attempt to gauge store and customer reaction and preferences.
30. I conclude from this that the test marketing was geographically limited; that insubstantial sums were involved; and that it was likely to have been directed mainly towards testing the new First Foods range of goods (application for registration of the mark FIRST FOODS was made on 18 August 1989 though I accept that GERBER also appears on the sample label at CGF 2). There is nothing to say how this test marketing was presented to the public other than the branding on the label. More significantly perhaps there is no evidence to suggest that it was ever followed up or for instance that it took place concurrently with attempts to establish a longer term basis for trade through agency or distributorship arrangements or supply from existing European distributors if the problems with Corn Products (the former licensee) were continuing. I bear in mind also that with a product such as baby food it is likely to be vitally important to establish a continuing presence in the market to meet customer expectations. I do not mean to suggest by this that the test marketing was 'fictitious or colourable' use to protect the registration. I do not think that was the case. I have, however, come to the view that the low level of sales taken together with the one-off nature of the trade and absence of follow-up activity either at the time or in the intervening years must mean that it cannot be held to be bona fide use.
31. That brings me to the sales to US military bases in the UK. It raises the question as to how such use is to be treated and not just consideration of the substance of the use. The issue of sales to US military bases in the UK has arisen before in *Anheuser-Busch Inc v Budejovicky Budvar N.P.*, 1984 FSR 413, a passing off action between the US and Czech brewers and one of a number of actions over the years between the two companies involving the Budweiser marks. The US military bases are referred to in the decision as PX (Post Exchange) stores. The nature and extent of the plaintiff's sales to US service personnel is described on page 458 of the decision. Oliver L.J.'s conclusions in relation to this use are contained in the following passages from page 469

"What goodwill, then, was generated by the sales of beer in the P.X. stores? No doubt these served to preserve the goodwill already generated in the minds of the American personnel, but it is doubtful whether it could have created any new goodwill, for the plaintiffs' reputation in the United States is so widespread and established that the sale of Budweiser in American bases was no more than preaching to the converted."

and

"They [Anheuser-Busch] clearly regarded-and in my judgment rightly regarded-their sales to the P.X. for consumption by servicemen the world over as no more than a part of their American business. Those sales were, in my judgment, sales for a very special market having no connection with the market in the countries in which the consumption actually took place. They were made, moreover, on very special terms. The beer was imported free of duty and was to be sold for American currency and only to American personnel. Indeed, as one witness put it, the purpose of the P.X. is, in effect, to create a "little America" abroad. It may well be that the effect of sales within the P.X. is to create, if it is not there already, a localised goodwill within the P.X. which will qualify for protection against wrongful intrusion in that area. But that is not this case, and it is unnecessary to consider what the effect would be if the defendants had been able to sell and had in fact sold their beer into the P.X. It cannot, in my judgment, be right to treat the sale in this separate, artificial and special market, as the foundation for a business goodwill in the market at large into which the plaintiffs had never ventured.

It may perhaps be tested in this way. Suppose an American product which is well known in America, but is and remains totally unknown to the general public in this country. It is, however, sold in the P.X. stores on American bases here but nowhere else. Is it credibly arguable that this could create a business goodwill in this country which would entitle the American manufacturer to nationwide injunction against selling under a similar name in a market in which he does not sell and in which the name has never previously been used or heard of? It is, of course, true that some of the cases to which reference has been made above indicate that a business may be established by relatively modest acts. Nevertheless, all those cases have this feature in common, that the sales relied on were sales on the open market to the public generally. None was concerned with what we have here, namely, sales on a closed and separate market to a particular section of the public only, having the qualification of belonging to or being employed by the United States Services."

Dillon L.J. expressed similar views

"Sales in the American Embassy alone would not be enough to establish a goodwill for the plaintiffs in this country, and accordingly it is crucial to their case that they must be able to pray in aid the extensive sales of their Budweiser in the American bases.

But the sales in American bases are made under very special arrangements in a very special and deliberately limited market. If the question were whether, by sales of their beer to the general public, the plaintiffs had acquired a goodwill in this country, I would not think it right to exclude tourists, or foreign nationals working here, from the general public. But the special arrangements with regard to sales in the American bases make them, as it seems to me, essentially an extension of the plaintiffs' American market, and not a market with the public in this country. The public cannot buy in the

bases. As I see it, the position in 1973 was that there were two separate markets. There was the limited market in the P.X. stores and canteens in the American bases, which was the plaintiffs' market which the first defendants could not enter and did not seek to enter, and conversely there was the general market with the general public in the country which the first defendants entered, and the plaintiffs, at that stage, deliberately kept out of."

32. I should say at this point that Mr Birss, who relied on this case, acknowledged that the context in which the above comments were made (a passing off action) was quite different to a trade mark rectification action. The question therefore arises as to whether it is in principle correct to adopt the same approach when considering bona fide use in a rectification action. The Courts have been at pains to distinguish between use in the context of trade mark proceedings and passing off - see for instance Lord Upjohn's comment in BALI Trade Mark, 1969 RPC 472 that "it is not necessary in order to find that a mark offends against Section 11 to prove that there is an actual probability of deception leading to a passing off or (I add) an infringement action". Different tests are involved.
33. Mr Edenborough, for his part, drew my attention to a later action between Anheuser-Busch and Budejovicky Budvar reported at 1988 RPC 535 which resulted in the Czech company securing a registration (after opposition) of a specification in Class 32 (beers etc.) but with an exclusion which reads "but not including any such goods for supply to, or sale in the United States of America's Embassy and PX stores in the United Kingdom." If I have understood his position correctly his submission is that, notwithstanding the finding in the earlier passing off action between the parties, the 1988 case shows that use at or from the PX stores on the US military bases was sufficient to operate as the basis for an objection under Section 11 of the Act. The argument would run that the exclusion to the Czech company's specification would have been unnecessary if user in the US military bases did not constitute a UK trade at all. The more general proposition implicit in this is that the 1988 case being an opposition action under Trade Mark law brings the issue and considerations much closer to the action I am considering than the earlier passing off case.
34. Having given further consideration to the 1988 case I am not persuaded that this is the case. Whilst there is no disputing the outcome of the 1988 case, the circumstances in which the exclusion came to be present require further consideration not least because they shed light on the approach adopted in relation to the US company's user in the UK. The report in the 1988 RPC covers both the then Assistant Registrar's (Mr J M Myall) decision in the Registry proceedings and Mr Justice Walton's decision on appeal. The relevant part of Mr Myall's decision dealing with the opponents' sales to US military bases in the UK is as follows

"Finally, in considering the opponents' user at the material date, I take note of their sales in the non-domestic market: that is to say in the United States military bases and diplomatic establishments. The majority view of the Court of Appeal was that those sales were effectively made in an enclave of the United States and, in passing off terms, did not constitute the carrying on of a

business and the establishment of goodwill in the United Kingdom. By the same token, it seems to me, they did not contribute to the opponents' trade mark user in the United Kingdom."

35. Anheuser-Busch failed in their Section 11 attack though Mr Myall went on to consider the alternative position under Section 12(2) in the event that he was found to be wrong in relation to Section 11. So far as is apparent from the report of the case the issue of the exclusion to the applicants' specification did not arise before the Assistant Registrar. Given that Mr Myall's decision was upheld on appeal it might be wondered why the application proceeded to registration with an exclusion. The answer appears to lie in the final paragraph of Walton J's judgment which is as follows

"Therefore, it seems to me that, at the end of the day, the assistant registrar came to a right conclusion. As I understand Mr Drysdale Wilson, BB would have no objection to their use of the mark being confined to the whole of the United Kingdom, excepting Post Exchanges and the U.S. Embassy which, at any rate, would cut out a certain amount of likely confusion. Therefore, I see no reason why that should not be a part of the order, but otherwise as it seems to me, the registration must go ahead."

36. Two things emerge from this. Firstly the judge expressed no disagreement with the Assistant Registrar's decision or reasoning and secondly that the exclusion to the specification resulted from his acceptance of an unobjectionable concession offered by the Czech applicants which in effect reflected the de facto position in the marketplace. I do not read his comments as in any way suggesting that he accepted sales on US military bases as being use in the UK contrary to the view that emerged in the earlier case. Certainly no adverse comment is offered on Mr Myall's view that "they [sales to the US bases] did not contribute to the opponents' trade mark user in the United Kingdom." There is nothing in the circumstances of the case before me that suggests I should adopt a different approach. Accordingly I find that the registered proprietors' sales to US military bases in the UK does not avail them in their defence against this rectification action.
37. In case the above view as to the nature of the use on US military bases does not prevail in the event of an appeal I will briefly consider the evidence relied on by the registered proprietor in substantiation of this particular claim. Exhibits CGF 5 to 10 are provided for this purpose but require some sifting through to identify material that is both relevant to the five year period covered by the rectification action (24 June 1985 to 23 June 1990) and also relates to trade in baby foods in the UK. Thus the regional stock list at CGF5 is dated June 1994. The 'Comparative Account Sales by Price Group' reports for Lakenheath at CGF 6 relate to dates in 1994 (previous reports having been purged). The samples of product labelling at CGF 7 are either undated or carry dates in 1994. CGF 8 identifies US bases to which Gerber brand baby foods products have been supplied but shows a date in 1993. The most that can be said is that it represents a historical perspective on sales because it refers to the closure of two UK bases in June 1990 and July 1992. CGF 9 consists of sample invoices for Lakenheath but only in respect of dates in 1994. The most relevant document is, therefore, CGF 10 which

contains reports for Fiscal Years 1980 - 1995 identifying European Commissaries, including the UK, units sold and sales (in dollars). At first glance this is a weighty piece of evidence but it does, of course, cover US bases throughout Europe, a variety of goods (including apparel and care products as well as baby food) and extends to years which are outside the scope of the present inquiry. Mr Birss subjected this report to detailed analysis at the hearing. I broadly agree with the conclusions he reached. He identified the following items from the lists which are relevant to the proprietors' case

Sales of 4918 units of baby food in 1988 to a value of US\$ 1,939-55

Sales of 4553 units of baby food in 1989 to a value of US\$ 2,050-49

38. Other sales whose relevance to the period in question cannot be determined with certainty are 6845 units of baby food in 1990 to a value of US\$ 3,259-45 and 5009 units of baby food in 1991 to a value of US\$ 2,446-94. The relevance of these depend on what is meant by the headings Fiscal 1990 and Fiscal 1991. I infer it is probably a US fiscal year but do not know whether that is the same as the UK fiscal year. Assuming it is not a calendar year then the further question arises as to whether the references are to fiscal years beginning or ending in the years in question. The only items I consider that I can safely rely on are the 1988 and 1989 sales though I note that Mr Fitzpatrick refers to this trade with US bases having been conducted over a 35 year period. On that basis and bearing in mind the guidance contained in the authorities referred to above it seems to me that, even so far as this limited trade with US military bases in the UK is concerned, the proprietors' position is not overwhelmingly secure but I bear in mind that the narrower the target market the greater impact a modest level of sales is likely to have. With some hesitation I would conclude that if my primary finding is wrong the registered proprietor should retain their registration but only for a specification of goods which reflects the particular and very specialist market served.
39. Finally I turn to the registered proprietors' request that discretion be exercised in their favour. Mr Edenborough put the case primarily on the basis of the ongoing nature of the business as demonstrated by sales after the relevant five year period and the continued awareness of the brand suggested by the survey evidence adduced by Ms Robertson. There is also the registered proprietors' problems with their UK licensee (Corn Products Company) but that occurred in 1979 and I find it difficult to accept that it can be held to justify an exercise of discretion favourable to the proprietor so long after the event.
40. Kerly's Law of Trade Marks (Twelfth Edition) at 11-40 says in relation to discretion (footnotes omitted)

"It is to be observed that the whole section is governed by the words in section 26(1) "may be taken off." The word "may" involves a discretion not to remove. It is clear, however, when section 26(1) is read with its proviso, that only in exceptional circumstances should removal be refused: the words in the proviso, that in certain cases (see below) the tribunal "may refuse the

application," carry the unavoidable implication that in other cases, prima facie, the application ought not to be refused."

41. I accept Mr Edenborough's submission that the evidence confirms a continuing trade after the relevant period and that, if anything, the trade grew in size after the period. However, use after the date is always likely to be open to criticism even if considered in the context of discretion. If the tribunal was to take it into account as a matter of course it would enable any proprietor whose mark came under attack to belatedly develop a trade by way of defence. I am not however, suggesting that is the case here - sales in the years after the relevant period were not, in my view, in any way artificial. Even so given the significance attached to demonstrating use within the relevant period I would be reluctant to place reliance on this later trade. However, as it relates entirely to sales at the US military bases in the UK it does not advance the registered proprietors' position beyond the decision I have already reached above though it might be said to reinforce that decision.
42. What of the survey evidence and the claimed continued awareness of the proprietors' marks by the public? I do not propose to consider the survey results in detail but will record Ms Robertson's concluding remarks

"The results of the two surveys indicate that in general around the country the brand name GERBER is known by almost a third of people over 15 and of these, almost two thirds associate the brand with baby foods. This represents an impressive awareness of the brand and in my experience, there are many other brands available in the market that would not achieve such a high level of recall. The level of recall of products sold under the name GERBER other than baby foods was low, which indicates that the GERBER brand name is primarily associated with baby foods."
43. As indicated earlier two surveys (Mr Birss characterised them as prompted awareness surveys) were conducted one representing the UK as a whole, the other concentrated in the Lakenheath area (where there is a US base). Not surprisingly the latter produced the more favourable result but the omnibus survey also showed continued awareness of the brand deriving presumably from the trade that was discontinued in 1979.
44. Does the existence of a residual reputation (if accepted) assist a registered proprietor and can it be taken into account as a matter of discretion? Neither Counsel was able to take me to any reported case which deals directly with the point and I am not aware of any myself. If residual brand awareness is to be considered in this context as a defence to a non-use action I find it surprising that the point has not arisen before and been reported. Doubtless many examples could be found of marks whose reputation lingers on despite the abandonment or discontinuation of the underlying business that generated the original reputation (Mr Birss cited old car marques). That is no more than an expected consequence of trade. If residual or continuing awareness of a brand was to be a relevant factor I find it a little surprising that the legislation does not make specific provision for such an occurrence rather than leaving it to be dealt with as an 'exceptional circumstance' (Kerly) under the heading of discretion.

45. However, that is not to say that residual reputation (if established) should be ignored completely. What troubles me particularly about the circumstances here is that, with the exception of the test marketing in Sussex in 1989 there appears to have been no use in the UK since Gerber Products' fairly public withdrawal from the market in about 1979 (the sales on the US bases excepted). Furthermore despite the length of time that has since elapsed there is no suggestion of a return to open market trading in the UK. This is not a case where a company is seeking to regenerate a business by building on residual brand awareness. Even if I were to accept the registered proprietors' claim it seems to me that as a matter of discretion I should also weigh in the balance the undoubted inconvenience to the applicants for rectification. They have built up their own substantial business but find themselves prevented from achieving registration for their own marks because of the presence on the register of the registrations under attack. Taking all these considerations into account I do not think I should exercise discretion in the registered proprietors' favour on the basis of any continuing awareness of their brand.
46. In summary I find that the applicants are persons aggrieved and have made out a prima facie case of non-use; that the proprietors have failed to show use of their marks in the UK; that sales to US military bases in the UK cannot be taken into account; and that I should not exercise discretion to preserve the registration. If I am held to be wrong in my approach to the sales to US military bases in the UK then, on the basis of the use shown or as a matter of discretion having regard to all the surrounding circumstances, the registered proprietors would be entitled to retain their registrations but only to the extent that their specifications are limited to reflect that specialist area of trade. In the latter case a limitation of the respective specifications as follows would achieve the required result - "; all for supply to, or sale in, the United States of America's military bases in the United Kingdom."
47. As matters stand the applicants have been successful and the register will be rectified accordingly by the removal of these registrations. The applicants are entitled to a contribution towards their costs. I order the registered proprietor to pay them the sum of £1000 in respect of these consolidated proceedings. This sum is 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 06 day of June 2001

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