

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 10175 BY  
KERRY GROUP PLC FOR A DECLARATION OF INVALIDITY  
IN RESPECT OF TRADE MARK No 1508933  
IN THE NAME OF UNILEVER PLC**

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF Application No 10175 by Kerry Group PLC for a Declaration of Invalidity in respect of Trade Mark No 1508933 in the name of Unilever PLC**

#### **DECISION**

1. Trade mark No. 1508933 is registered with the following specification of goods "Paper, cardboard, printed matter; photographs, instructional and teaching material; cookery books; recipe books; all included in Class 16."
2. The mark is I CAN'T BELIEVE IT'S NOT BUTTER. It stands registered from the filing date of 8 August 1992 and was placed on the register on 9 September 1994.
3. By application dated 19 June 1998 Kerry Group PLC applied for a declaration of invalidity in respect of this registration. The action is brought under Section 47 and by reference to Section 3(6) of the Act. The applicants say that the registered proprietors had no bona fide intention to use the mark in relation to the goods of the application and that to the best of their knowledge it has not been used.
4. The registered proprietors filed a counterstatement denying this claim.
5. Both sides ask for an award of costs in their favour. Both sides filed evidence. The matter came to be heard on 13 June 2001 when the registered proprietors were represented by Mr M Hickey of Castles and the applicants by Mr G Hamer of Counsel instructed by Marks & Clerk.
6. This is one of a number of actions between the parties. Previous opposition (No. 45888) and invalidity (No. 9304) actions by Unilever PLC (and Van Den Bergh Foods Ltd) against a Kerry Group application and registration respectively were the subject of decisions dated 7 November 2000. Kerry Group have filed the Unilever /Van Den Bergh evidence from those earlier proceedings in the current action under cover of a statutory declaration by Brian Durran, their Company Secretary. Arising from this evidence Mr Durran says

"It is apparent from the substantial volume of evidence filed in both the Opposition and the Revocation proceedings and which are exhibited hereto, that use of Trade Mark Registration No. 1508933 (hereinafter referred to as "the Trade Mark") by the Opponent is not Trade Mark usage of the Mark in Question as required under the Trade Marks Act, 1994. The evidence demonstrates that the Trade Mark is used by the Opponent only in respect of promotional and advertising activities related directly to that of their spread of the same name. Such usage cannot be deemed to be Trade Mark usage. I do not believe that the Opponent trades in the goods in respect of which the Trade Mark has been registered particularly in relation to paper and

cardboard or that the Opponent ever had the bona fide intention to trade in such goods as is required under Section 32 of the Trade Marks Act, 1994."

7. The registered proprietors have filed a statutory declaration by Jean-Marc Lideuna, the Brand Activation Group Manager for Van Den Bergh Foods Ltd, a wholly owned subsidiary of Unilever PLC. The most relevant part of his declaration is as follows:

"Exhibits GN7 to earlier declarations by Gillian Noble show use of the trade mark I CAN'T BELIEVE IT'S NOT BUTTER! in relation to a range of goods manufactured to support sales of yellow spread sold by reference thereto.

Such products include recipe books and playing cards, as well as a number of other product lines such as t-shirts, sports towels and mugs.

As can be seen from the material submitted under these exhibits, the trade mark I CAN'T BELIEVE IT'S NOT BUTTER! has been applied to a range of products over and above yellow spreads, including items which come within the description of "printed matter; photographs, instructional and teaching materials; cookery books; recipe books" within the specification of the registration in suit.

Many of the so called "promotional" goods referred to under the cover of exhibits BD2 and BD3 are only available to my Company's customers at a charge. In particular I refer to the evidence of use on playing cards, mugs and also the "I Can't Believe It's Not Butter" cook book.

In the course of developing a high profile mass market brand such as I CAN'T BELIEVE IT'S NOT BUTTER, my Company will nearly always undertake use of the mark upon associated goods, be it for promotional purposes or otherwise. The profile of a brand such as that in suit is such that it readily supports use of the mark in other sectors, such as cookery literature or cookery utensils.

In the circumstances, I strongly reject the assertion made by Brian Durran in paragraph 5 of his declaration to the effect that this type of usage cannot be deemed to be trade mark usage. Whilst it may well have been made in respect of promotional campaigns to support my company's principal product line, namely a yellow spread sold by reference to the trade mark I CAN'T BELIEVE IT'S NOT BUTTER!, it is nevertheless trade mark use in its own right."

8. With that evidence in mind I turn to the single ground of opposition which is that the registered proprietor had no bona fide intention to use the mark in relation to the goods of the application (now registration). (Although No 1508933 was applied for and proceeded to registration under the provisions of the 1938 Act it is not disputed that a similar requirement existed under that Act (Section 17(1) and the definition of 'trade mark' in Section 68 refer).

The matter now falls to be considered under the provision of Section 47(1) and 3(6) of the 1994 Act. These provisions read:

"47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration ).

Where the trade mark was registered in breach of subsection 1(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered."

and

"(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

9. I was referred to a number of reported cases of which DEMON ALE Trade Mark, 2000 RPC 345, is probably the most relevant. In that case Mr Geoffrey Hobbs QC acting as the Appointed Person, upheld the Registrar's refusal to register a mark under Section 3(6) on the grounds that a) the applicant admitted that he had no intention of using the mark on the single item within the specification of goods, b) the application form contained a statement under Section 32(3) of the Act. Mr Hobbs observed that bad faith does not depend entirely upon an applicant's view of whether what he was doing was in accordance with his own moral code. The test under Section 3(6) is not therefore entirely subjective.

10. Central to Mr Hamer's submissions on behalf of the applicants was the claim that the registered proprietors have no business in the sale or provision of Class 16 goods. Rather, it is said, any use or intention to use in respect of such goods is for the purpose of promoting their yellow spread which is sold under the mark I CAN'T BELIEVE IT'S NOT BUTTER!. Such claims as had been made were restricted to the items referred to in the evidence filed in related proceedings between the parties (and adopted here) and no information or substantiation has been offered as to the proprietors' intentions beyond this narrow range of goods (see below).

11. Mr Hamer went on to contend (taking the relevant paragraph from his skeleton argument)

If such use as is relied upon constitutes use in relation to any relevant goods at all, it is not "genuine use" within the meaning of the Act: see Jacob J in the "**CRATE & BARREL**" case, **Euromarket v Peters** [2001] FSR 288 (one considers the extent and nature of the use in determining whether it is genuine). It is submitted that the requirement that a party applying for registration must intend to use the mark applied for is a requirement that he must intend genuine use, not insubstantial use nor use of a nature which is inappropriate (cf the "**NERIT**" case, where the user by Robin Jacob's clients was substantial but not of a nature which qualified).

12. On that basis it is suggested that the application for registration was not made with a bona fide intention to use the mark.

13. I accept that an applicant's intention must be directed towards genuine use. But it must be remembered that this is an invalidity action based on Section 47(1) and 3(6) of the Act. If or to the extent that the applicants for invalidity make out their case the consequence set out in Section 47(6) is that the registration is declared invalid and deemed never to have been made. The matter has to be tested by reference to the filing date of the application (8 August 1992 here) and the applicants' intentions at that time. Use after that date can, it seems to me, help to inform the tribunal as to the applicants' intention at the material date but that is a different matter to, in effect, subjecting the registered proprietors to the sort of genuine use test that they would face if the matter were before me as an action under Section 46 of the Act. The registered proprietors have not been asked to defend their registration on that basis and I cannot speculate on what further or different evidence might have been brought forward if such had been the case. In any case a proprietor has five years in which to bring his intention to fulfilment. That is five years from the date of completion of the registration procedure - Section 46(1)(a). I comment in passing that such a period had not yet been reached in this case when the application for invalidity was filed.

14. Although I am not entirely with Mr Hamer as regards the test to be applied (insofar as he invited me to look at the nature and extent of use) I accept his submission that, in the face of the applicants' challenge, the registered proprietors can be expected to have put forward their best case in relation to intention to use. I go on to consider the evidence as to their intentions bearing in mind the actions they have taken.

15. As recorded earlier the registered proprietors have relied substantially on evidence filed in related proceedings and particularly Exhibit GN7 showing use of the mark in relation to "a range of goods manufactured to support sales of yellow spread". The goods are said to include recipe books, playing cards, t-shirts, sports towels and mugs. I note that Mr Liduena uses the word 'include' but he does not go on to offer any further particularisation or extension to the list. Instead he suggests that the mark has been applied to goods which come within the description "printed matter; photographs, instructional and teaching materials; cookery books and repine books". The suggestion is that this in itself should be sufficient to defend the registration against attack (though I note that no mention is made of 'paper' and 'cardboard').

16. Reaching a view on the registered proprietors' position involves consideration of a number of interrelated issues. What goods amongst these referred to in the evidence are relevant to the registration in Class 16? What does the evidence show? Does it matter that the proprietors concede their intentions are in the nature of promotional support for the spread product? How does the claimed use/intended use stand in relation to the specification as framed?

17. It is, I think, acknowledged by the registered proprietor that terms such as t-shirts, sports towels and mugs are not directly relevant to the inquiry as they fall outside Class 16. The most that Mr Hickey wanted me to take from this particular part of the evidence was the fact that it is indicative of the proprietors' intentions and efforts to develop commercialisation of the brand beyond the core product of yellow spreads. It follows that the only Class 16 items dealt with in the evidence are recipe books and playing cards. A point arises as to whether the latter are within the specification of the registration. They are not referred to in so many words but can playing cards be said to come within 'printed matter'? Mr Hamer noted that the

Classification of Goods heading (see Schedule 3 of the Trade Marks Rules 2000) identifies playing cards as a separate item from printed matter. Printed matter is in my view capable of a broad interpretation. Faced with the term in MINERVA Trade Mark, 2000 FSR 734 Jacob J commented that "'printed matter' as a pure matter of language, I suppose, covers anything upon which there is printing". I see no reason why it could not cover ordinary playing cards which quite clearly have printing on them just as much as say a book, a newspaper or printed stationery. The mere fact that playing cards receive a separate mention in the Classification heading does not result in their exclusion from a broader heading of goods.

18. Turning to what the evidence shows about recipe book and playing card usage, the material before me consists of photocopies of promotional material. Having originally been filed in proceedings relating to Class 29 goods the material not surprisingly consists in the main of advertisements and promotional matter relating to the I CAN'T BELIEVE IT'S NOT BUTTER! spread but with associated 'special offers'. The material does not generally carry dates but from the offer closing dates can be placed mainly in the period 1993/94.

19. A typical example of the recipe book offer reads:

"So many people have written to us asking about I Can't Believe It's Not Butter! and how it can be used in cooking that we have produced a 58 page recipe book. All recipes are easy to prepare and are illustrated with a colour photograph. They show just how versatile I Can't Believe It's Not Butter is. The recipe book can be yours for just £1.50 including post and packaging. To apply send your name and address to: "I Can't Believe It's Not Butter" Recipe Book."

20. This is followed by a PO Box address and pricing information. A copy of the recipe book itself is also included in Exhibit GN7. Mr Hamer criticised the latter on the basis that it is actually headed 'Good Taste' then in small print "Delicious recipe ideas from the makers of 'I Can't Believe It's Not Butter!'". The cover photograph on the recipe book shows a finished dish and a picture of an I CAN'T BELIEVE IT'S NOT BUTTER! carton. Given the circumstances in which customers would come across the special offer (ie having purchased the spread) and the way in which it is referred to in the on-pack advertisement it is reasonable to infer that the offering would be known as the I CAN'T BELIEVE IT'S NOT BUTTER! recipe book.

21. The evidence bearing on use of playing cards is less convincing and appears to rely on a single photocopied document. Under the banner heading 'Deal me an Udder One' the text reads "Here's your chance to own the I Can't Believe It's Not Butter" Big Deal pack of playing cards ....." There is a later reference to the Big Deal pack. The cards themselves have a cartoon style drawing of a cow. Further information is given on price and the address for purchases. The small print indicates that the offer closes on 30 June 1997. There is nothing to indicate the circumstances in which the offer is to be made to the customer but I infer that they will be similar to the recipe book offer that is to say on the back of purchases of spread.

22. There is no other evidence of actual trade in Class 16 goods or claims as to the proprietors' specific intentions in terms of developing a trade in Class 16 goods. In the

absence of any such evidence I consider that I am entitled to assume that this is the extent of the registered proprietors' intentions.

23. Does it matter that the recipe book and playing card trade was intended to be in support of the core product, that is the yellow spread? The position of a brand which is known primarily in relation to a particular type of goods but applied to ancillary items used for promotional purposes (typically clothing) has arisen before - see for instance KODIAK Trade Mark 1990 FSR 49. More recently Pumfrey J has dealt with it in *Daimler Chrysler AG v Alavi*, 2001 All ER (D) 189 (Jan). In paragraph 20 of that decision he commented:

"Of course, the goodwill accruing in respect of T-shirt use is always a matter of fact. There is no rule that T-shirt use of a mark primarily used in relation to some other kind of goods altogether, say computers, does not confer on the user a goodwill, in relation to T-shirts. It is a question of fact in every case, but one should not blindly accept that this kind of advertising use necessarily gives rise to a protectable goodwill in respect of the substrate which carries the advertisement."

24. These comments were in the context of an infringement and passing off action and in relation to clothing rather than the Class 16 goods in issue here. The point I draw from the above remarks is that 'it is a question of fact in every case'. It should not, in my view, be held against the registered proprietors that they wish to exploit the full commercial potential of their brand. Nor is it a criticism that any resulting trade may be small in relation to sales of the core product. I find the circumstances here to be somewhat different to the sort of t-shirt use that often raises difficult issues as to the underlying intention (promotion of the underlying product or a trade in clothing in its own right?) Offering recipe books particularly seems to me to be a natural extension of trade. It provides reinforcement of the main product and the opportunity for supplementary commercialisation of the brand. I regard it as a trade in its own right as well as secondary promotion/reinforcement of the core product (particularly as the sale of the main product is likely to have taken place in order for the special offer to come into play). The position with regard to playing cards is rather less obvious in terms of such items being a natural extension of trade. Equally however, playing cards, unlike t-shirts, do not strike me as being the most natural vehicle for wider promotion of the core product if that were the only intention. I do not, therefore, accept the applicants' contention that use/intention to use on these Class 16 goods should be discounted on the basis that it is simply a means of promoting the core product.

25. Use in relation to particular goods after the material date is a useful indicator as to the proprietors' intention at the time of filing but is not of course conclusive as to those intentions. However, the applicants for invalidity who bear the initial burden in this matter have produced no evidence or submissions that would lead me to a different conclusion. The registered proprietors are, therefore, successful in their defence in relation to recipe books and playing cards. So far as the balance of the specification is concerned the registered proprietors have offered no retrospective explanation as to their intentions. Given the nature of their business it seems inherently unlikely that their intentions ever extended to a trade in paper, cardboard, photographs and instructional and teaching material (save to the extent that the latter term covers recipe books). I have accepted that playing cards come within the term printed matter. Mr Liduena offers no other justification for such a broad category of goods other than the fact

that recipe books and playing cards come within the generality of the term. The registration will, therefore, be declared invalid in respect of all goods except 'recipe books, cookery books and playing cards'. I have included cookery books. There may be a subtle distinction between a recipe book and a cookery book but for practical purposes they seem to me to be indistinguishable.

26. The applicants for invalidity have achieved a large measure of success in terms of their attack on the specification as it currently stands. They are entitled to a contribution towards their costs. I order the registered proprietors to pay them the sum of £800 as a contribution toward their costs. 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 12<sup>TH</sup> day of July 2001**

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