

O-148-04

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2313409
IN THE NAME OF BULK BROKERS INTERNATIONAL**

AND

**IN THE MATTER OF AN APPLICATION FOR A
DECLARATION OF INVALIDITY NO. 81517
THERE TO BY WINE WORLD EXPORTS PTY LIMITED**

IN THE MATTER OF trade mark registration No. 2313409
in the name of Bulk Brokers International

AND

IN THE MATTER OF an application for a Declaration of Invalidity
No. 81517 thereto by Wine World Exports Pty Limited

BACKGROUND

1. The trade mark “WOODBURY ESTATES” was the subject of an application for registration filed on 17 October 2002 and has been registered since 16 May 2003 under number 2313409 and stands in the name of Bulk Brokers International (subsequently referred to as BBI). It is registered in respect of:

Class 33:
Wines.

2. On 20 November 2003, Wine World Exports Pty Limited (subsequently referred to as Wine World) filed an application for a declaration of invalidity of the registration. The action was filed on Form TM26 together with the appropriate fee. The statement of case accompanying the application set out the grounds of action, which are as follows under sections 47(2)(b) and 5(4)(a) of the Act and under sections 47(1) and 3(6) of the Act.

3. In the statement of case the applicant, Wine World, asserted that the registered trade mark incorporated their own trade mark “WOODBURY” with the addition of a non-distinctive element “ESTATES”, the goods concerned being identical; that Wine World had used their trade mark in the UK since January 2002 and as a consequence had acquired goodwill and reputation in relation to wines; that the trade mark was applied for in bad faith because the registered proprietor, BBI, had a commercial relationship with California Direct Limited (subsequently referred to as CDL) who in turn had a commercial relationship with Wine World as their distributor in the UK and thus BBI were aware of Wine Worlds’ trade mark and its use in the UK.

4. On 28 November 2003 a copy of the application for invalidation and the statement of grounds were sent to the address for BBI recorded on the register. The documents were sent by recorded delivery but returned by Royal Mail stamped “not known at this address”. The forms were then resent by normal mail to the same address. The BBI did not file a counter-statement to defend their registration. The consequences of failure to defend the registration were set out in the letter dated 28 November 2003, namely that the application for declaration of invalidity could be granted in whole or in part.

5. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to make the case that the registration should be declared invalid.

6. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

7. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transaction of it.”

8. With this in mind, on 29 January 2004, the Registrar wrote to the applicant’s representative inviting them to file any evidence or make any submission which he felt would support his client’s application to, at the least, establish a prima facie case. They were also invited to state whether they wished to be heard or would accept a decision from the papers filed.

9. On 11 March 2004 the applicant for invalidity provided a witness statement, with exhibits, to support the case the applicant alleged against the proprietor of the trade mark “WOODBURY ESTATES”.

10. The evidence and exhibits submitted consist of a witness statement by Rigel Moss McGrath, a trainee trade mark attorney at the applicant’s representative (W.P.Thompson & Co.), dated 11 March 2004, and four bundles of exhibits. The witness statement first refers to the application for a trade mark filed by Wine World, which had the registered proprietor’s trade mark cited against it during the examination, this gave rise to the suspicion that the earlier mark had been applied for in bad faith. BBI were known to Wine World as a major UK client, CDL, had transferred their business to BBI. It refers to letters from CDL to Wine World which indicate that certain orders are being handled by CDL for BBI, which form part of exhibit 1. Additional documentation is referred to which demonstrates that the word “WOODBURY” appears in shipping application forms, bills of lading, invoices and correspondence, this is exhibit 2. Enquiries were undertaken of the trade marks register and the Companies House database and one address shown on the trade mark register for BBI was found to be identical to an address shown on the Companies House database for CDL, this is exhibit 3. Further enquiries at Companies House revealed that for a period of time Mr Jason Korman held directorships of both BBI and CDL, this is exhibit 4. Details of the four exhibits are as follows:

- Exhibit 1 – copies of two facsimile transmissions, dated 13 and 14 January 2003, from CDL to Wine World regarding two orders processed for BBI which arrived in the UK on 30 April 2002. A copy of a form from the Internet web site of Export Finance and Insurance Corporation, an Australian government organisation, through which Wine World insured a shipment of goods to CDL, shipment date 25 March 2002. Copies of five purchase orders from CDL placed with Wine World for the bulk supply of wine, three dated 18 January 2002 and two dated 21 May 2002. In none of the foregoing does the trade mark “WOODBURY” appear. A copy of a letter, dated 4 July 2002, from Wine World to ALDI UK, informing ALDI that a Woodbury trade marked wine had won a silver medal at the London International Wine & Spirit Competition and this would “. . . enhance and strengthen the brand and bring added sales to ALDI.”, it goes on to state that future deliveries would display the award “. . . after current stocks at California Direct have been taken up,”.
- Exhibit 2 – two pieces of correspondence, dated 5 October 2001 and 9 July 2002, between Wine World and ALDI relating to wines, including WOODBURY wines; two pages showing WOODBURY wine labels, one for chardonnay verdelho and one for cabernet sauvignon, both 2001 vintage; none of these make reference to BBI or CDL. Two shipping applications; dated 25 January 2002 and 20 February 2002; for WOODBURY wine sold by Wine World to CDL. One bill of lading; dated 4 February 2002; for a shipment of WOODBURY wine from Wine World to CDL. Five Wine World invoices to CDL for WOODBURY wines; dated 4 February 2002, 23 March 2002 (2), 22 July 2002 and 16 October 2002. Two copies of a form from the Internet web site of Export Finance and Insurance Corporation, an Australian government organisation, through which Wine World insured shipments of goods to CDL, shipment dates 22 July 2002 and 16 October 2002. Two copies of Australian Wine & Brandy Corporation – Continuing Approval Applications for WOODBURY wines, from the product ID these would appear to relate to CDL shipments, both dated 10 June 2002.
- Exhibit 3 – two Internet web site print outs. One from the Patent Office web site, displaying the results of a trade marks proprietor search, in this case showing three entries for Bulk Brokers International, the second of which has the address shown as 2 Blythe Mews, Blythe Road, London, W14 0HW. The second is from the Companies House web site, displaying the company details for California Direct Limited, the address being 2 Blythe Mews, 186 Blythe Road, London, W14 0HW. The first print is undated but the second is dated 18 August 2003.
- Exhibit 4 – copies of seven forms submitted by BBI and CDL to Companies House. A form 288a appointing Jason Korman as a director of BBI, with effect from 11 September 2001, and showing that he is a director also of CDL at that time. A form 288b terminating the appointment of Jason Korman as a director of BBI, with effect from 10 October 2002. A form 363s Annual Return for BBI, dated 15 February 2003, and stating that Jason Korman was a director of BBI until 10 October 2002. A form 288a appointing Jason Korman as a director of

CDL, with effect from 26 October 2001. A form 288b terminating the appointment of Jason Korman as a director of CDL, with effect from 4 February 2003. A form 363s Annual Return for CDL, dated 13 February 1997, and stating that Jason Korman was a director of CDL at that date. A form 363s Annual Return for CDL, dated 4 July 2003, and stating that Jason Korman was a director of CDL until 4 February 2003.

11. Acting on behalf of the Registrar and after a careful study of the papers before me I give the following decision.

DECISION

12. The applicant claims that the registration should be declared invalid as per section 47 of the Act on the basis of the provisions of sections 3(6) and 5(4)(a). The relevant parts of the Act are as follows:

“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.

(2) The registration of a trade mark may be declared invalid on the ground-

(a) , or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

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

“5. - (1)

(2)

(3)

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

13. With regard to section 5(4)(a) of the Act the requirements for this ground of action have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Wild Child* trade mark [1998] RPC 455. Adapted to these proceedings, the three elements that must be present can be summarised as follows:

(1) that the applicants’ goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the registered proprietor (whether or not intentional) leading or likely to lead the public to believe that goods offered by the registered proprietor are goods of the applicant, and

(3) that the applicants have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the registered proprietors’ misrepresentation.

14. In this instance no evidence has been directed to any of the elements which must be present and there is therefore nothing to substantiate this ground of action. Therefore, I dismiss the application in so far as it is based upon sections 47(2)(b) & 5(4)(a) of the Act.

15. I go to the second ground of action based upon section 3(6), that the application for registration was made in bad faith. Recent case law has indicated that bad faith is a serious allegation. In *Royal Enfield* BL 0/363/01 Mr Simon Thorley QC, sitting as the Appointed Person, held:

“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 be lightly made (see Lord Denning M.R. in *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 judgement 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 distinctively proved and this will rarely be possible by a process of inference.”

16. In the witness statement Rigel Moss McGrath, trainee trade mark attorney at the applicant's representative (W.P.Thompson & Co.), details the business relationship between Wine World Exports Pty Limited and California Direct Limited. That Wine World supplied wine from Australia in bulk to California Direct Limited, who in turn bottled the wine in the UK, using labels carrying the trade mark "WOODBURY" of Wine World Exports Pty Limited, and distributed the wine to stores such as ALDI. That California Direct Limited also processed orders for Bulk Brokers International using the same sequence of order codes as used on wine from Wine World Exports Pty Limited. But the brand of the wines supplied to Bulk Brokers International has not been identified. Further, the exhibits establish that both Bulk Brokers International and California Direct Limited at some point operated from the same address and that they had, for a period of time, a company director, Jason Korman, in common.

17. The facts set out in the witness statement, which have not been challenged by the registered proprietor, in my view, establish that a prima facie case of bad faith has been made out in that, at the date of the application, Bulk Brokers International were not entitled to claim proprietorship of the trade mark the subject of the application for invalidation. In the absence of defence by the registered proprietor, the application for a declaration of invalidity made under section 47(1) of the Act succeeds.

18. As to costs, the applicant has been successful, and I order Bulk Brokers International to pay them £600. This sum is to be paid within seven days 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 26th day of May 2004

**Graham Attfield
For the Registrar
the Comptroller-General**