

O-236-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2466209A AND 2466209B
BY BRITVIC SOFT DRINKS LIMITED TO REGISTER THE TRADE MARKS**



IN CLASS 32

**AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERE TO UNDER NOS 96992 & 96993
BY FOOD BRANDS GROUP LIMITED**

AND

**IN THE MATTER OF REGISTRATION NO 2039155
IN THE NAME OF FOOD BRANDS GROUP LIMITED
IN RESPECT OF THE FOLLOWING TRADE MARK**



IN CLASS 32

AND

**AN APPLICATION FOR REVOCATION ON THE GROUNDS OF NON-USE
UNDER NO 83241 BY BRITVIC SOFT DRINKS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF application Nos. 2466209A & 2466209B
By Britvic Soft Drinks Limited to register the trade marks**



and

**IN THE MATTER OF consolidated Oppositions thereto under Nos. 96992
and 96993 by Food Brands Group Limited**

and

**IN THE MATTER of registration No. 2039155
In the name of Food Brands Group Limited
In respect of the following trade mark**



and

**An application for revocation on the grounds of non-use
Under No. 83241 by Britvic Soft Drinks Limited**

BACKGROUND

1) On 7 September 2007, Britvic Soft Drinks Limited (“Britvic”) of Britvic House, Broomfield Road, Chelmsford, Essex, CM1 1TU applied under the Trade Marks Act 1994 (“the Act”) for registration of a series of four marks and in respect of the following goods in Class 32:


“Non-alcoholic beverages; cordials; squashes; carbonated non-alcoholic drinks; mineral and aerated waters; fruit drinks and fruit juices, slush drinks, syrups and other preparations for making beverages.”

2) The application was subsequently divided into two series of two marks as shown at the top of this page, with both the “A” and “B” applications adopting the

above specification of goods. The two applications were subsequently published in the Trade Marks Journal on 1 February 2008.

3) On 39 April 2008, Food Brands Group Limited (“FBGL”) of 9-10 Calico House, Plantation Warf, Battersea, London, SW11 3TN filed notice of opposition to both applications. The grounds of both oppositions are, in summary:

- a) The application for registration would offend against Section 3(6) of the Act because it was made in bad faith as the applicant was not using the mark, nor was it being used with its consent, and the applicant had no *bona fide* intention that it should be used for any goods in the application except fruit juices.
- b) The application offends Section 5(2) (b) of the Act because the application is similar to an earlier mark and all the goods claimed are identical or similar to those of FBGL’s earlier mark. The earlier mark relied upon is:

Mark	Relevant Dates	Relevant Goods
2039155 	Application date: 30 September 1995 Registration date: 5 July 1996	FBGL states that the mark has been used in respect of “fruit juices” in Class 32

- c) The application offends against Section 5(4) (a) of the Act and under the law of passing off because FBGL has an earlier right to “AJs” which has been used throughout the UK in respect of “fruit juices” since at least May 2005.

4) The applicant subsequently filed a counterstatement denying the opponent’s claims and putting it to strict proof of use.

5) Both sets of opposition proceedings were subsequently consolidated.

6) On 30 May 2008, Britvic filed an application to revoke FBGL’s registration for reasons of non-use under Sections 46(1) (a) and (b) of the Act. FBGL deny this allegation.

7) Only FBGL filed evidence in both the consolidated opposition proceedings and in the revocation action and I directed at the subsequent hearing held on 2 July 2009, that the revocation action be consolidated with the opposition proceedings and that all the evidence filed would be considered common to all the proceedings. Both sides agreed to this approach and this is the single decision covering all these proceedings. At the hearing, Britvic was represented by Mr Michael Edenborough of Counsel, instructed by Barker Brettell LLC and FBGL

was represented by Mr Ian Bartlett of Beck Greener. Both sides seek an award of costs.

FBGL's Evidence filed in support of its opposition to Britvic's applications

8) This is in the form of two identical witness statements by Mr Brian Chapman, both dated 8 December 2008, and filed in respect of the separate opposition proceeding prior to them being consolidated. I shall summarise these as if they are a single document.

9) Mr Chapman explains that he is the managing director of FBGL, a British company he founded in 1983. He states that FBGL is the proprietor of UK trade mark registration 2039155, the subject of the revocation action by Britvic in these proceedings.

10) FBGL is also the proprietor of UK trade mark application 2473997 which is in respect of a wide Class 32 specification of goods that includes "fruit juices". This application is not subject to these proceedings, but it is in respect of a series of two marks showing the letters and leaf device in the same form as a variant mark used by the applicant and discussed later in this decision. I therefore reproduce these marks below:



11) Mr Chapman states that FBGL's products are sold in the UK and abroad, through major grocery retailers, independent trade and "out of home" catering outlets including vending. FBGL started selling a range of fruit drinks known as "AJ" in the mid 1990s and he provides, at Exhibit BC4, a copy of a label which was applied to these goods. This label shows the mark, the subject of registration 2039155, together with the words "AJ's Sparkling Apple Juice". He states this mark was used until 2004. During 2005, the mark was modified to the form applied for under 2473997 and is used together with a representation of fruit and copies of labels illustrating this form of the mark are provided at Exhibit BC5. These exhibits show the mark used in close proximity to a device of fruit that appears to vary according to the flavour of the juice i.e. a device of an apple appears on the label for apple juice, a device of an orange appears on the label for orange juice etc. I note that text on the label includes a reference to either "AJs" or "Aj's", examples of which are:

"AJs Orange contains a minimum of 90% Fairtrade ingredients..."

"Aj's Fairtrade Orange has the delicious taste of sun-ripened oranges..."

12) Mr Chapman also explains that no records exist of the sales of fruit drinks under the original mark i.e. before 2005, but that it does have records of sales since May 2005, under the later mark, which were as follows:

2005 - £8,231
2006 - £137,887
2007 - £418,997

13) By May 2008, fruit drinks bearing the mark were being distributed throughout the UK and have continued to do so. The current range of drinks under the later mark includes peach juice, orange juice, apple juice, and a mixed tropical fruit drink. Exhibit BC6 provides copies of five invoices raised in 2007. The first two of these are dated in March and August of that year. The company name has been redacted but its location was in County Dublin, Eire. Both these invoices refer to "A J" orange juice and "AJ's" apple juice and tropical fruit drink. One also lists "AJ's" pineapple juice. The remaining three invoices are to addresses in the UK (two to Newtonards, Northern Ireland and the third to an address in High Wycombe), again with the company names redacted. These three invoices illustrate use of "A J" and "AJ's" in the same way as the first two invoices. The total value (inc. VAT) of the goods invoiced in the latter three is £3501, £5252 and £13747, but I note the first of these is dated 29 November 2007, which is after the date of filing of Britvic's applications ("the relevant date" in the opposition cases).

FBGL's evidence in response to Britvic's application for revocation based on non-use

14) On 15 September 2008, FBGL filed its notice of defence and counterstatement to Britvic's application for revocation. With this notice of defence was a further witness statement by Mr Chapman, dated 11 September 2008. Mr Chapman repeats much of what is presented in his earlier witness statements and I will not repeat it again here. In addition, he draws attention to the copies of the labels showing use of FBGL's earlier mark (the same mark that is under attack for non-use) and to the fact that whilst the main mark consists of the letters "AJ" and a device, the label also includes the words "AJ's Sparkling Apple Juice". He does so to illustrate that "AJ" in its possessive form was also used and goes on to state that the two forms are of, what is, essentially the same mark.

15) Mr Chapman states that he has been unable to uncover any documentary evidence that the earlier form of the mark was still being used as at 29 May 2003, but he expresses the view that he thinks this was possible.

16) He sheds further light on the nature of FBGL's customers and he states that "[m]ost of our sales have always been to customers in the UK. These are

primarily wholesalers who in turn supply “out of home” outlets such as vending, caterers, hotels, restaurants and universities, and also UK “corner shops” and other independent retailers including petrol forecourts. (There are also some retailers to whom we have sold the products direct).”

DECISION

Preliminary Point – Additional Evidence from FBGL

17) Mr Bartlett submitted his skeleton argument, three days before the hearing. Included with this was an additional witness statement by Mr Chapman. In this witness statement, he reiterated some of the factual information provided in his earlier witness statement and he also provided further factual information regarding the use of the mark throughout the UK. He also sought to clarify a statement made in his earlier witness statement in respect of when FBGL’s fruit drinks, bearing the mark, were distributed throughout the United Kingdom.

18) As it was not clear from the manner that this witness statement was submitted, I queried if Mr Bartlett has seeking leave to file additional evidence and he confirmed that he was. He explained that it was in the form of a clarification and was a move to avoid any misapprehension arising from a reading of the earlier witness statement.

19) Mr Edenborough pointed out that no reason was given as to why this evidence was not adduced at the given time and referred me to the principles as set out in *Ladd v Marshall* [1954] 1 WLR 1489 at p1491. The principles are:

- (i) It must be shown that the evidence could not have been obtained with reasonable diligence;
- (ii) The evidence must be such that, if given, it would probably have an important influence on the result of the case, although it need not be decisive;
- (iii) It must be apparently credible, though it need not be incontrovertible.

20) I am also mindful that an additional possible reason was identified in *Hunt Wesson (Swiss Miss)* [1996] RPC 233, namely to avoid multiplicity of proceedings. Whilst both cases were commenting in respect of appeal proceedings, I believe the principles are appropriate here. Whilst there is no suggestion that the additional evidence is not credible, it is clear to me that it could have been obtained earlier and, in fact, no reason was given as to why it was not. Further, the additional evidence does not appear, to me, to have an important influence on the outcome of the case and neither does its exclusion lead me to conclude that there is a greater risk of a multiplicity of proceedings.

21) I refused leave to file this additional evidence stating that the reasons put forward by Mr Bartlett did not persuade me that I should exercise my discretion in this matter.

Proof of use

22) FBGL's success in its opposition to Britvic's application will be dependent, in part, on its ability to demonstrate genuine use as required by Section 6A of the Act and the outcome of the application to revoke its registration for reasons of non-use under Sections 46(1) (a) and (b). I shall begin by dealing with this issue.

23) The relevant parts of Section 6A of the Act read as follows:

“(1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met. (3) The use conditions are met if –

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

...

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) ...”

24) Section 46 of the Act reads as follows:

“(1) The registration of a trade mark may be revoked on any of the following grounds—

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that—

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from—

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

25) Consideration has to be taken, also, of section 100 of the Act which states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequent upon section 100 the onus is upon the registered proprietor to prove that it has made use of the trade mark in suit, or that there are proper reasons for non-use.

26) The provisions set out in Section 6A and Section 46 of the Act are virtually identical in respect of the requirements for demonstrating genuine use. Only the applicable dates as set out in Section 6A(2) (a) and Section 46(1) (a) respectively are points of variation. I will consider the issue of genuine use in respect of the

application for revocation but will be mindful that the outcome of my considerations will also apply to the genuine use requirements within the context of the opposition proceedings.

27) The revocation action is based on Section 46(1)(a) and Section 46(1)(b) of the Act. In *Philosophy di Alberta Ferretti Trade Mark* [2003] RPC 15, the Court of Appeal held that an application for revocation on the grounds of non-use may be made only after the five years following completion of the registration procedure has ended. In *WIS/ Trade Mark* [2006] RPC 22, Geoffrey Hobbs QC, sitting as the Appointed Person said:

“...This permits revocation with effect from the day following the fifth anniversary of completion of the registration procedure in the case of an application which succeeds under s.46(1)(a) and with effect from any subsequent date at which there has been suspension of use for an uninterrupted period of five years in the case of an application which succeeds under s.46(1)(b).”

28) Therefore, I have to consider whether there was genuine use in the UK of the mark subject to registration 2039155, for all or any of the goods for which it is registered, by FBGL or with its consent either between 6 July 1996 and 5 July 2001 (for the purposes of Section 46(1) (a)) or between 6 September 2002 and 5 September 2007 (for the purposes Section 46(1) (b)). Britvic also claim, as an alternative, that in accordance with Section 46(6)(b), I have to consider whether there was genuine use in the UK in respect of all or any of the goods between 29 May 2003 and 28 May 2008. Finally, I am also mindful that in respect to the requirements set out in Section 6A, I must consider whether there was genuine use in the UK within the period of five years ending with the date of publication of the application, namely between 2 February 2003 and 1 February 2008.

29) The basis of what constitutes genuine use was decided by the European Court of Justice (ECJ) in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] ETMR 85 at paragraph 47:

“1. Article 12(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that there is “genuine use” of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or

create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark that is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.”

30) In *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38, the ECJ considered the extent of use, the amount of use and the types of use that can be considered when deciding whether there has been genuine use of a trade mark:

“20. It follows from those considerations that the preservation by a trade mark proprietor of his rights is predicated on the mark being put to genuine use in the course of trade, on the market for the goods or services for which it was registered in the Member State concerned.

21. Moreover, it is clear from paragraph 39 of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.

23. Similarly, as emerges from paragraphs 35 to 39 of *Ansul* set out above, the characteristics of the market concerned, which directly affect the marketing strategy of the proprietor of the mark, may also be taken into account in assessing genuine use of the mark.

24. In addition, use of the mark by a single client which imports the products for which the mark is registered can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor of the mark.”

31) In *Laboratoires Goemar S.A. v La Mer Technology Inc* [2005] ETMR 114, Neuberger LJ held that:

“45 The notion that the use of the trade mark must be substantial or significant before it qualifies as "genuine" seems to me to run into two difficulties in any event. The first is that it does not involve attributing the word "genuine" its natural meaning, although this point of course potentially substantially weakened by the fact that the equivalent word used in the text in Art.10 in other languages may carry with it a slightly different meaning.

46 Secondly, once one imposes a requirement of significance or substantiality, it becomes potentially difficult, time-consuming, and expensive to decide whether, in any particular case, that requirement is satisfied. In this connection, Mr Tritton made a fair point when he suggested that the introduction of a test of significant use could lead to detailed arguments about the precise nature and extent of the market in which a particular trade mark is to be used, as well as a detailed enquiry in many cases as to the precise nature and extent of the use of the particular mark over the relevant five-year period. I do not regard that as a particularly desirable outcome.

47 Although the use of the instant mark within the jurisdiction can be said to be close to exiguous, I do not think it could be characterised as *de minimis*. Even if it could be so characterised, I do not consider that that concept would be a useful or helpful one to invoke or apply, even if it had not been effectively ruled out by the European Court.

48 I turn to the suggestion, which appears to have found favour with the judge, that in order to be "genuine", the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such a requirement, whether in the words of the Directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a trade mark" as explained in [36] and [37] of the judgment in *Ansul*, it appears to me that genuine use for the purpose of the Directive will be established.

49 A wholesale purchaser of goods bearing a particular trade mark will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. The fact that the wholesaler may be attracted by the mark because he

believes that the consumer will be attracted by the mark does not call into question the fact that the mark is performing its essential function as between the producer and the wholesaler.”

32) In *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-416/04 P* the ECJ stated:

“72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A de minimis rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

33) Taking account of this guidance from the courts it is clear that genuine use does not need to be quantitatively significant and that when asking if the use is sufficient it is necessary to assess all surrounding circumstances.

34) At the hearing, Mr Bartlett conceded that an appropriate specification for FBGL’s registration would be “fruit juices”, as he claimed, this is what is demonstrated in the evidence of genuine use. In light of this concession, I will restrict my analysis to whether the evidence supports a claim of genuine use in respect to “fruit juices” only. In addition, Mr Bartlett pointed to Mr Chapman’s candid comments in his witness statement when he stated that the mark (as registered) was used but he has been unable to locate any clear documentary evidence to support this. As a consequence of this candidness, Mr Bartlett conceded that FBGL is unable to rely upon the examples in Exhibit BC1 (Exhibit BC4 in the evidence submitted in support of its case in the opposition proceedings) that show the registered mark on bottle labels.

35) As a result of these concessions, I am left to consider if the variant marks, shown in the evidence, constitute acceptable variants within the context of Section 46(2) of the Act. If I find in the affirmative, then I must find so only in respect of “fruit juices”.

36) I should say that it was also apparent at the hearing that Britvic accept that there has been use in respect to fruit juices, but contends that the variant marks are in such forms that they differ in elements which alter the distinctive character of the mark in the form in which it was registered.

37) Anna Carboni in *Orient Express* BL O/299/08 succinctly described the purpose of Section 46(2):

“73. ..., I bear in mind the purpose of section 46(2), which is to allow a trade mark proprietor to rely on variations in the way in which the mark is used, when exploiting it commercially, for example so as to enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned, provided that the distinctive character of the mark remains the same: *Case T-194/03 Il Ponte Finanziaria SpA v OHIM* at [50]. In this way, a proprietor can also avoid the need to register every different variant of his mark in which the differences do not alter its distinctive character. But variants that go beyond that test, even if the differences are only “slight”, will need to be registered separately to be protected: *BUD* at [22]-[23]; *Case C-234/06P Il Ponte Finanziaria SpA v OHIM* [2008] ETMR 13 at [86].”

38) The leading English authority on the interpretation of Section 46(2) is the court of appeal decision in *Bud and Budweiser Budbrau* [2003] RPC 25 where Lord Walker stated the following:

“43 ...The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

...

45 ... It is for the Registrar, through the hearing officer’s specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who “normally perceives a mark as a whole and does not proceed to analyse its various details.”

The quotations are from paragraph 26 of the judgment of the Court of Justice in *Lloyd Schuhfabrik v Klijsen Handel* [1999] ECR I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

39) More recently, the same issue has been considered by both the CFI and the ECJ. These cases have been reviewed by Richard Arnold QC, sitting as Appointed Person, in *NIRVANA Trade Mark* (BL O/262/06) and *REMUS Trade Mark* (BL O/061/08). He summarised his review in *NIRVANA* (and reiterated it in *REMUS*) in the following way:

“33. The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period....

34. The second question is whether the sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all..."



40) Ms Carboni, in *Orient Express* noted that Mr Arnold's comments appear to be fully consistent with the approach laid down in *BUD* in that he set out what is effectively a step-by-step version of the process that Lord Walker described. With these comments in mind, I intend to approach the issue by applying the process set out by Mr Arnold in *NIRVANA* and *REMUS* to the circumstances of the current proceedings.

41) I must therefore identify what is the distinctive character of the registered mark. This consists of the stylised letters "aj" that appear within a simple line drawing of an apple and the dot (or "tittle") of the letter "j" is elongated and curved in such a way as it appears to form the stalk of the apple. Mr Edenborough also argued that the main, long element of the letter "j" formed an additional element of the apple itself. This is a moot point that, in my mind, does not impact upon the assessment of distinctive character. Visually, the device of the apple and the letters "aj" are equally dominant in the mark and certainly neither can be ignored when assessing distinctive character. There is a suggestion that "aj" may be viewed as an abbreviation for "apple juice", but no evidence has been forthcoming to support this. Nevertheless, two letter marks do not possess the highest level of distinctive character and as such "aj" has no more than an average level of such. Similarly, a line drawing of an apple is not of the highest level of distinctive character when used in respect of fruit juices and in particular in respect of apple juice. However, the interaction between these two elements, with the tittle of the letter "j" forming part of the device, adds an additional distinctive aspect when viewing the mark as a whole.

42) I now turn to consider the variant uses and the differences between these variants and the mark as registered. At the hearing, Mr Edenborough put forward his view that the evidence showed three distinct variant uses of the mark, namely:

- (i) a variant stylised word mark (as shown in paragraph 9 above and the subject of FBGL's UK application 2473997);
- (ii) the plain letters "AJ's" as shown on invoices and in respect of numerous different fruit juices but not orange juice;
- (iii) the plain letters "A J", again, as shown on invoices but this time, in respect of orange juice only.

43) As I have already identified in paragraph 10, the evidence also shows use in two further variants, namely “AJs” and “Aj’s” and I will consider the issue by reference to these two and the three variants identified by Mr Edenborough. Firstly, with regard to the stylised variant, Mr Bartlett drew attention to a particular use of this, shown in Exhibit BC2 of Mr Chapman’s witness statement of 11 September 2008. An extract of the label showing the variant mark, referred to by Mr Bartlett, is reproduced below alongside the mark as registered:

Mark as registered	Variant Mark
	

44) This exhibit shows a number of labels relating to various fruit juices. All these labels include the letters “aj” together with a letter “s” in small case. A leaf device forms the tittle of the letter “j”. The labels also include a representation of the relevant fruit appearing either partially obscured by the letters or placed alongside the letters. For example, a representation of a slice of orange appears behind the letters “ajs” on the 500ml orange juice label, representations of apple, orange and mango appear on the 500ml juice made from these fruits. Mr Edenborough argued that because the representation of the fruit changes depending on what fruit juice it is used in respect of, then the representation does not form part of the mark. Of course, the consumer may form this view if they are familiar with the complete range of “ajs” fruit juices, and would be able to note the changing representation of fruit, in accordance with the flavour. However, the consumer may not be familiar with the full range and may therefore perceive the device of a piece of fruit as being part of the mark. Therefore, to my mind, the mark used in respect of apple juice includes a representation of an apple slice and is not merely some element additional to the mark that designates the content. The mark as used on apple juice is recognised by Mr Bartlett as representing FBGL’s best case in respect of the stylised variants (because the representation of an apple slice is closest visually and conceptually to the mark as registered) and, if I find that this variant does not survive an analysis under Section 46(2) of the Act, then the other stylised marks used in respect of other fruit juices will not survive such an analysis either.

45) Mr Bartlett argued that the distinctive character is not changed. He claims that both marks are “aj” marks appearing with the device of an apple, the font used for the letters “aj” is identical to that used in the registered mark and that the

device of the apple is positioned in almost the same place in relation to the letters as in the registered mark. However, there are a number of differences that Mr Bartlett did not highlight. Firstly, the registered mark contains a stylised line drawing of an apple where the tittle of the letter “j” forms the stalk of the apple. In the variant mark, the apple device is a much more “true-to-life” and is in the background, with the letters “aj” stand alone from the device element and not being integral with it. There is also the addition of the letter “s” in a smaller font, appearing alongside the larger letters “aj”. Whilst there is no apostrophe, as this additional letter is smaller, it still creates the impression of possessive use and it will be seen as an “aj’s” mark rather than an “a j s” mark. Further the tittle of the letter “j” in the variant mark takes the form of a leaf device, absent in the registered mark. I do not agree that the fonts are identical. The “droplet” shape that marks the end of the loop of the letter “a” in the registered mark is replaced by a “point” in the variant mark. Nevertheless, the fonts are so similar, so as not to be noticed without close, side-by-side scrutiny of the two marks.

46) Do these differences, I have identified above, combine to change the distinctive character of the mark? To my mind, they do. The differences may only be slight but they subtly change the distinctive character. The main reason for this is the absence of the line drawing of an apple from the variant mark. This line drawing endows the registered mark with a distinctive visual appearance that is not present in the variant mark. This, together with the change in the role and form of the tittle of the letter “j” and the addition of the letter “s” in the variant mark is sufficient to create a mark with a different distinctive character.

47) As such, I find that the stylised forms of the mark used are not variant marks within the meaning of Section 46(2) of the Act as interpreted by Mr Arnold QC in *REMUS* and *NIRVANA*.

48) Next, I shall consider use of the plain letters “AJ’s” as illustrated on the invoices exhibited. Obviously, this variant use is without any device element and there is also an absence of stylisation in respect of the letters themselves. The letters “AJ” are in upper case and the addition of the apostrophe “s” are both further points of difference. Such use cannot be considered to be use of the registered mark and the differences identified above create in a different distinctive character.

49) Finally, similar considerations apply to the “A J”, “AJs” and “Aj’s” variants of the mark and I reach the same conclusion that the absence of stylisation of the letters, their capitalisation or partial capitalisation and the absence of the integrated device element create a different distinctive character.

50) As a result of these findings, Britvic is successful in respect of its revocation action based on the grounds of non-use. As no use of the registered mark has been shown, it follows that the revocation takes effect from the earliest date requested by Britvic, namely 6 July 2001.

Section 5(2) (b)

51) It also follows that, as there has been no genuine use of the earlier mark as required under Section 46, neither is there genuine use as required by Section 6A. Therefore, my finding in respect to the revocation action will also settle the issue of genuine use that arises in the co-pending opposition proceedings. As a consequence Britvic have no case to answer in respect to the grounds based upon Section 5(2) (b) of the Act.

Section 5(4)(a)

52) I will now go on to consider the ground under Section 5(4) (a). That section reads as follows:

“5.-(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”.

53) The requirements for this ground of opposition 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] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

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

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

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

54) To the above I add the comments of Pumfrey J (as he then was) in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case [2002] RPC 19, in which he said:

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

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

55) The relevant date for determining the opponent’s claim will be the filing date of the application in suit, that is to say 7 September 2007. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based).

56) I must first assess if the opponent has acquired any goodwill and if so, what is the extent of this goodwill at the relevant date. At the hearing, Mr Edenborough contended that I must approach the issue on the presumption that there are three distinct goodwills corresponding to the use of the three variant marks he identified earlier. I do not accept this proposition. Goodwill resides in a business not in the marks it may use. With this being the starting premise, it follows that all variant uses of the earlier mark contribute to the single goodwill that may reside in FBGL’s business. The evidence provided by Mr Chapman, provides sales figures from May 2005 to 2007 and totalling over £450,000. This use is supported by a small number of invoices relating to the sale of various fruit juices. I am, therefore, content that FBGL has a protectable goodwill in the UK in respect of “fruit juices”. Mr Edenborough did not put forward any submissions regarding the existence of goodwill beyond the premise that there are three distinct goodwills. Such a position is consistent with his position regarding genuine use discussed earlier.

57) Mr Edenborough argued that there can be no misrepresentation for two reasons. Firstly, the use of the small “s” functions as an apostrophe “s” which will, in the stylised variant of the earlier mark, result in the perception that the goods came from a company named “aj”. He contended that the same cannot be said for Britvic’s marks and, in fact, the marks subject to application 2466209B clearly originate from Britvic because the company name features in the mark. Secondly, as the two plain text marks only appear on invoices, it follows that these variant marks will only be known in the trade and therefore, there is no evidence that there would be any goodwill (and therefore no misrepresentation) in respect of these variant marks *vis-à-vis* the general public.

58) I do not accept the first argument. In considering this point, I am mindful of the comments of Morritt L J in the Court of Appeal decision in *Neutrogena Corporation and Anr. v Golden Limited and Anr.* [1996] RPC 473 when he confirmed that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of members of the public would be misled into purchasing the applicant’s products in the belief that it was the opponent’s. The purchasing act in respect to fruit juices is not highly considered, it is often conducted at a bar where the emphasis will be on identifying the goods aurally without any, or at least without close attention to the label. Even where these goods are purchased via other outlets such as a shop or vending machine, slightly more attention may be given to the label, but still the purchasing act will remain one of little consideration. As a result, the small “s” is likely to go unnoticed during the purchasing act and it will not have the effect contended by Mr Edenborough and will not create any distance between it and Britvic’s marks. Therefore, I believe that substantial numbers of the public would be misled into purchasing Britvic’s fruit juices in the belief that they are, in fact, FBGL’s.

59) As regards the second argument, the long established description of goodwill as “the attractive force which brings in custom” (*Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 224, HL) would appear to allow for the inclusion of business to business trade. Another business may well be attracted to FBGL just as the end consumer may be. Mr Edenborough also pointed out that trade purchasers have a greater knowledge of the products and traders in the field and are less likely to confuse them. It is true that the purchasing act may be somewhat more considered in respect of trade customers, but nevertheless, the common use of the letters “aj” or “AJ” used in all the marks is sufficient to create the potential for deception or misrepresentation. Britvic’s marks are overridingly “aj” marks, even where the word “Britvic” appears above the letter “j” and as such, even a trader, with his greater trade knowledge, may be deceived into believing that the fruit juices, the subject of the respective marks, originate from the same undertaking. Having addressed this point, I should say, as I observed earlier, the “AJs” and “Aj’s” variants of the mark appear on the packaging itself and these variants are therefore not subject to the same criticism that Mr Edenborough directed at the

other plain letter variants. These variants clearly are presented to the end user and not just the trade.

60) As such, I am not persuaded by Mr Edenborough's second argument and conclude that use and registration of Britvic's marks would result in misrepresentation of FBGL's marks.

61) I must go on to consider if FBGL has suffered, or is likely to suffer, damage as a result of this misrepresentation. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

62) In the current case, both Britvic's and FBGL's marks contain, as the dominant and distinctive element, the letters "aj". Registration of Britvic's marks would be in respect to goods that include "fruit juices", the same goods in respect of which FBGL uses its marks. This being the case, people and traders familiar with FBGL's fruit juices would expect fruit juices and other similar soft drinks under the same name to be from the same undertaking that had used that name in the past. I have already found that, as such, there is a real likelihood of deception amongst a substantial number of the relevant public. Taking all this into account and considering the close similarity between the marks, I conclude that FBGL's goodwill will be damaged in that, FBGL may lose business to Britvic because of the existence of a mistaken belief that Britvic's drinks are in fact those of FBGL. It would therefore be deprived of its benefits. Further, if Britvic's drinks are unsatisfactory in anyway, this will result in the public avoiding FBGL's fruit juices in the mistaken belief that it was also responsible for Britvic's goods.

63) These findings are clear in respect of "fruit juices", but Britvic's specification of goods includes a wider range of drinks, including "cordials", "waters" and "slush drinks". It is my view that these goods are all highly similar to fruit juices in that they are all soft drinks, often sold in bottles, in the same area of retail outlets and often the same trader will provide a range of different soft drinks. Similarly, "preparations for making beverages" can include preparations for making "fruit juices", for example, fruit concentrate. As such, it would not be unusual for a trader in "fruit juices" to also provide such preparations to the trade, or even to the public. As such, I find that registration of Britvic's mark for the wider range of goods claimed would result in damage to FBGL's goodwill.

64) The consequence of my findings is that FBGL's opposition in respect of the grounds under Section 5(4) (a) of the Act is successful.

Section 3(6)

65) In light of my finding in respect to Section 5(4) (a), any finding in respect to these grounds will not have a bearing on the outcome of the proceedings. Nevertheless, I shall comment briefly on what the outcome would have been.

66) FBGL, in its statement of grounds claimed that Britvic's applications would offend Section 3(6) of the Act because they were made in bad faith as Britvic was not using the mark, nor was it being used with its consent, and the applicant had no *bona fide* intention that it should be used for any goods in the applications except fruit juices. Firstly, there is no requirement that a mark must be in use before an application can be made to register it. This first point is therefore clearly without foundation. Secondly, FBGL claim that Britvic have no *bona fide* intention to trade in any goods other than fruit juices, however, there is no evidence to support this and the claim must be dismissed accordingly.

67) In summary, if I was required to make a finding in respect to the Section 3(6) grounds, I would dismiss it as being unfounded.

COSTS

68) As both parties have been successful in the respective actions against each other's marks, it is not appropriate to make an award of costs and I find that each party should bare its own costs.

Dated this 6th day of August 2009

**Mark Bryant
For the Registrar,
the Comptroller-General**