

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 10662
BY ARNOTT'S BISCUITS LIMITED FOR
REVOCATION OF REGISTRATION
No 642726 STANDING IN THE NAME OF
THE B MANISCHEWITZ COMPANY LLC**

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 10662 by Arnott's Biscuits Limited for Revocation of registration No 642726 standing in the name of The B Manischewitz Company LLC

DECISION

1. The trade mark TAM TAM is registered in the name of The B Manischewitz Company LLC for "biscuits (other than biscuits for animals)". It is numbered 642726 and has a filing date of 7 December 1945.

2. On 30 March 1999 Arnott's Biscuits Limited applied for this registration to be revoked citing the following grounds:

"Inquiries reveal that the mark protected by registration 642726 has not been used in the United Kingdom by the proprietor or by another party with the proprietor's consent in relation to any goods for an uninterrupted period of five years prior to 29 October 1998 and the mark has continued not to be so used by the proprietor or by another party with the proprietor's consent from 29 October 1998 up to the date of this application. It is alleged that there are no proper reasons for the non-use.

In view of the non-use set out in paragraph 3. above, the applicant applies for revocation of registration 642726 under s.46(1)(b) Trade Marks Act 1994 and requests that an order for revocation be granted in respect of all goods in the specification. It is additionally requested pursuant s.46(6)(b) Trade Marks Act 1994 that the date of revocation be 29 October 1998."

3. The registered proprietors filed a counterstatement which amounts to a denial of the above ground. In particular it is said:

"The trade mark protected by Registration No 642726 is at present in use in the United Kingdom and was in use during the five year period prior to 29 October 1998 and from 29 October 1998 up to the date of the application for revocation. Products bearing the trade mark are distributed by an appointed United Kingdom wholesale agent, Drumstick Products Co, and are available for sale in the United Kingdom in a number of retail outlets which specialise in Kosher food products. It also appears that various retailers in the United Kingdom purchase these products directly from the United States of America and re-sell the products in the United Kingdom in such outlets."

4. Both sides ask for an award of costs in their favour. Both sides filed evidence. The parties were offered the opportunity to be heard but neither side requested a hearing. The matter therefore falls to be decided on the basis of the papers filed. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

5. Section 46 reads as follows:

46.-(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 case the application is made to the registrar, he may at any stage of the proceedings refer to 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."

Section 100 is also relevant. It reads:

"**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."

6. The applicants' evidence came from Marcus Leonard Collins, a solicitor acting for them in this matter and Michael Robert Morris, an enquiry agent and investigator employed by Keypoint Services Ltd. The registered proprietors filed two statutory declarations by Catherine Ayers, their professional representative in this country. Exhibit CA1 to her second declaration is a statutory declaration by Laurel Elizabeth McBray another member of Ms Ayer's firm. I will come to this evidence in due course. It will be sufficient initially to say that the proprietors' case in defence of their registration is put on three bases (there is no claim of proper reasons for non-use). These are:
- a former distributorship arrangement with Elswood Food of Whetstone
 - the sale of products through retailers who purchased directly from The B Manischewitz Company in the USA
 - a new distributorship agreement with a London company called Drumstick Products Co which is said to have taken effect in December 1998 along with purchases by Drumstick from a US based wholesale distributor prior to that date.
7. Each of these heads needs to be considered in turn. The relevant five year period for the purposes of Section 46(1)(b) is 29 October 1993 to 28 October 1998. Some further reference to dates will need to be made later in the decision.

8. In approaching the question of what constitutes 'genuine use' of a mark I have regard to Jacob J's remarks in the following passage from *Euromarket Designs Incorporated v Peters* and another 2000 All ER (D) 1050 (the *Crate & Barrel* case):

"50. Assume, however there were these three things, namely the packaging on a few items posted at the US customer's request to the UK, gift registry sales, and a tiny amount of spillover advertisements in what the reader in the UK would know are US journals. Do they individually or collectively amount to "genuine use" of the UK registered mark? Miss Vitoria contends they do. She says the reference to "genuine" is merely in contradistinction to "sham". Small though the use may have been, there was nothing fake about it. The mark appeared in the UK in connection with genuine transactions and that is enough.

51. I disagree. It seems to me that "genuine use" must involve that which a trader or consumer would regard as a real or genuine trade in this country. This involves quantity as well as the nature of the use. In part it is a question of degree and there may be cases on the borderline. If that were not so, if Miss Vitoria were right, a single advertisement intended for local consumption in just one US city in a journal which happened to have a tiny UK distribution would be enough to save a trade mark monopoly in this country. Yet the advertisement would not be "sham". This to my mind shows that Miss Vitoria's gloss on the meaning of "genuine" is not enough. And the only stopping place after that is real trade in this country. I think all the examples relied upon are examples of trade just in the US."

9. The first of the proprietors' points is the distributorship arrangement with Elswood Food. Ms Ayers says:

"I am advised by Mr Jonathan Mendel, the Managing Director of Elswood Food Distributors, that his company formerly distributed Manischewitz products (including products bearing the trade mark subject of United Kingdom Trade Mark Registration No. 642726), but that records, such as order forms, invoices, and sales receipts, for the relevant period are in archive storage and are inaccessible for use in connection with the subject proceedings. Mr Mendel was unable to confirm, with any certainty, the period over which his company distributed the Manischewitz products."

10. Mr Collins for the applicants criticizes this evidence as being hearsay. He also refers to the investigation report commissioned on behalf of the applicants, the results of which are contained in Mr Morris' declaration. The latter's evidence is as follows:

"Inquiries on the Internet revealed that Elswood Limited of Brook Point, 1412 High Point Road, London N20 9BH, were the sole distributor for Manischewitz in the United Kingdom.

On 20 October 1998, I spoke to a female employee at Elswood Limited. She confirmed that Elswood Limited was the only distributor for Manischewitz within the United Kingdom. She informed me that TAM TAM biscuits have a very short shelf life, being half or even less of other similar products. Because of this, and because of

the duty that had to be paid on the small quantities of TAM TAM biscuits required at any one time, it proved uneconomical to continue the product in the United Kingdom.

According to the employee at Elswood, the TAM TAM product was discontinued in the United Kingdom a little more than five years ago."

11. It seems reasonably clear from the above passages that there was a past trade in TAM TAM biscuits but that this was discontinued. The applicants' evidence suggests that such use as had taken place was outside the relevant five year period. The evidence on behalf of the proprietors is not specific as to dates but on any reading must be held to be insufficient to establish genuine use during the relevant period.
12. Mr Mendel of Elswood Food is also reported in Ms Ayers' declaration as stating that "Manischewitz products were available in the United kingdom through retailers who purchase these products directly from the United States of America. He provided some names and addresses of such outlets, one being the Country Market at 136-140 Golders Green Road."
13. Ms Ayers' declaration goes on to exhibit samples of packaging bearing the trade mark and a sales receipt for goods purchased at the above mentioned Country Market on 12 July 1999. Unfortunately that is both after the five year period and after the filing date of the application for revocation. That is the extent of evidence as to direct purchases by UK retailers from the US company other than purchases by Drumstick which I will deal with below.
14. The registered proprietors cannot succeed on the basis of the above.
15. That brings me to the dealings with Drumstick Products Co.
16. Although the proprietors' first round of evidence dealt primarily with the contact between Drumstick and Manischewitz regarding possible distribution arrangements that is not the complete story so far as Drumstick is concerned. Drumstick had earlier purchased TAM TAM goods. I will deal with this part of the proprietors' case first.
17. In evidence filed under the then Rules 31(4) and 13(6) Ms Ayers annexes a statutory declaration by Laurel Elizabeth McBray. The latter records the outcome of a visit paid to Drumstick's offices on 30 March 2000 when Ms McBray met Mr Spitzer, the Managing Director.
18. Ms McBray ascertained that Drumstick is an importer and wholesale distributor of kosher food products in the UK. Mr Spitzer is reported as saying that Drumstick imported products through a US wholesale distributor by the name of Bloom Packaging Corp. based in Brooklyn N.Y. Among the goods imported were TAM TAM biscuits emanating from the registered proprietors. In support of this Ms McBray exhibits three invoices supplied to her by Mr Spitzer.
19. Although Ms McBray's evidence must be considered to be first hand hearsay I have no reason to suppose that it is other than a fair account of Mr Spitzer's position and can be given due weight in these proceedings. What is perhaps a little more surprising in a case which turns on

a small amount of evidence is that no one from the registered proprietors themselves has filed evidence. Rather they have devolved upon their UK trade mark attorneys the task of contacting Drumstick and constructing their defence. As Mr Spitzer felt unable to give evidence himself (for religious reasons) it might have been rather better if the proprietors themselves had stepped into the breach and put events into context.

20. One of the resulting difficulties with which I am faced is establishing whether the registered proprietors were even aware of the sales of goods that are said to have been made in the UK on what Ms Ayers calls the 'grey market', that is direct to UK retailers. That is also the case with the Drumstick invoices. They are addressed from Bloom Packaging to Drumstick. Whether Drumstick placed the orders with Manischewitz who then passed them on to Bloom for execution or whether they were placed directly with Bloom (as a wholesale distributor) is not clear. It follows that I cannot even say with confidence that Manischewitz were aware of this trade. The point is not simply of academic significance. Section 46(1) is expressed in terms of the use being "by the proprietor or with his consent". It is, of course, quite plausible that when the previous distribution arrangements with Elswood were terminated that Manischewitz decided not to solicit new business but consented to Bloom servicing any remaining UK customers directly. Without knowing more about the relationship between Manischewitz and Bloom that is of course no more than speculation on my part. More importantly for these proceedings I am at best left to infer that the trade in TAM TAM biscuits between Bloom and Drumstick was with Manischewitz's consent.
21. Turning to the invoices themselves they carry dates in May, June and August 1998 ie. within the five year period. They represent invoiced sales of TAM TAM goods to the value of \$760, \$950 and \$340 respectively. There are two further small sales of TINY TAMS EVERYTHING and TINY TAMS items but there is reason to suppose that TAMS is a separate mark (as well as being outwith Section 46(2) - see also paragraph 35 below). Other goods feature in the invoices but are probably from different suppliers (the TAM TAM goods have a 'Man' code which I take to mean Manischewitz). The product codes do not appear to correspond to those shown on the Manischewitz price list. I assume, therefore, they are Bloom's reference codes. The result is that I am again left to infer from the invoices that the goods are within the specification of the registration (though I accept that this is probably the case as TAM TAM seems to be a single product mark).
22. There is no supporting or contextual information to indicate whether these were isolated sales or part of an established pattern of trade. Nor has it been confirmed that the invoices were paid, the goods received and placed on the market. It follows also that I have no information on sales outlets, geographical spread of sales etc. It was held in NODOZ Trade Mark, 1962 RPC1 that "the fewer the acts relied on the more solidly ought they to be established". NODOZ was a rectification action under the preceding law but I regard the principle as being equally applicable in the context of a revocation action under the 1994 Act (a point accepted by Matthew Clark QC sitting as the Appointed Person in Floris Trade Mark 0/465/99).
23. By any standard the invoiced sales of TAM TAM goods involved very modest sums even allowing for the fact that biscuits are likely to be relatively low cost items. Whether such sums could be held to be commercially significant amounts is doubtful. They scarcely establish that the proprietors can be said to have a genuine trading presence in this country.

24. I do not mean to imply that occasional sales by an overseas firm direct to a UK importer, distributor or retailer cannot constitute genuine use. There will be circumstances where the genuineness of such a trade will not be in doubt. The matter must be looked at in the round taking account of the proprietors' circumstances, the nature of the goods and the market to be served. However, the small amount of trade here, the absence of surrounding information as to how or whether the goods were sold and the doubt as to whether the proprietors played any active or consensual part in the trade leads me to the view that it does not in itself establish genuine use.

25. That brings me to the registered proprietors' evidence intended to show that after the five year period but before the application filing date they had set about establishing a formal importation and distribution channel in the UK through an arrangement with Drumstick. Ms Ayers exhibits at CA1 a bundle of papers relating thereto. Before dealing with the substance of these documents I must return to the question of dates. The documents begin with a fax from Drumstick dated 8 December 1998 and conclude with an invoice from Manischewitz dated 27 April 1999. It will be apparent from this that all of the material post-dates the relevant five year period which runs up to 28 October 1998. Section 46(3), therefore, comes into play. The first part of this sub-section reads:

"(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:"

On that basis those documents that fall within the period 30 October 1998 to 29 March 1999 (the application filing date being 30 March 1999) can potentially be taken into account in determining the question of use. But the first part of Section 46(3) is made subject to the following proviso:

"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."

The period of three months applicable for the purposes of the proviso is 30 December 1998 to 29 March 1999.

26. The evidence in CA1 falls into three categories:

- (a) material that is after the five year period (specified as being up to 29 October 1998) but before the 'proviso' period. That is:
 - a fax transmission dated 8 December 1998 from Drumstick to Manischewitz said to be about possible future distribution arrangements

- an invoice dated 17 December 1998 from Manischewitz to Drumstick (but relating to sales samples and said to be of no commercial value)
- a Manischewitz 1999 price list that appears to have been sent to Drumstick on 17 December 1998
- a fax transmission dated 22 December 1998 from Drumstick regarding prices

(b) material that is within the three month 'proviso' period. That is:

- a fax transmission dated 31 December 1998 from Drumstick placing an order with Manischewitz
- a fax transmission dated 31 December 1998 from Meyer Shipping confirming shipping instructions for goods destined to go to Drumstick
- a Manischewitz invoice dated 5 January 1999 addressed to Drumstick
- a Manischewitz invoice dated 10 February 1999 addressed to Drumstick

(c) material that is after the filing date of the application:

- a Manischewitz invoice dated 27 April 1999 addressed to Drumstick.

27. The latter invoice ((c) above) must be disregarded as it falls after the application filing date.

28. If the material in (a) is taken as showing commencement or resumption of use then, on my reading of Section 46(3) categories (a) and (b) can be considered without the proviso coming into play. If, on the other hand, I take the view that the material in (a) does not in itself show the commencement or resumption of use then consideration of the material in (b) is subject to the overriding requirement of the proviso namely that the proprietors must show that preparations for commencement or resumption began before they became aware that the application might be made. I must first of all approach the evidence with these considerations in mind.

29. The first of the four items in (a) above is the fax of 8 December 1998. It is little more than an expression of interest in a trading relationship (there is no specific mention of a distributorship). It includes information for the US company on likely levels of duty payable on certain goods. There is also what I take to be a request for samples. This is followed by a commercial invoice from Manischewitz to Drumstick dated 17 December 1998. It is annotated 'sales samples, no commercial value' together with what I take to be a nominal value for Customs' purposes. None of the goods listed carry a price. Small quantities are involved. It is clear that these were sample items to enable Drumstick to judge the acceptability/viability of the products for the UK market and were not intended for commercial trade.

30. Receipt of the samples is acknowledged by a fax from Drumstick dated 22 December 1998. In the meantime Manischewitz had supplied their complete export price list on 17 December.
31. All of this material seems to me to reflect the normal preparatory processes that companies go through before entering a trading relationship. There is nothing that suggests use was commenced in the sense that goods were placed on the market or offered for sale. Consequently I find that the material in (a) does not demonstrate commencement or resumption of use.
32. The effect of that finding is that, even if commencement or resumption of use is shown within the three month proviso period ((b) above) such use is subject to the overriding requirement that preparations must have begun before the proprietors became aware of the possibility that their registration might be attacked.
33. I am prepared to accept that the activity described above whereby samples and price lists were supplied can be said to constitute preparations for use. Were the proprietors aware at the time that the application might be made? I do not think there is any good or sufficient reason for supposing that the proprietors had prior knowledge of the attack. My reasons for this can be summarised as follows:
- the statement of grounds makes no mention of any approach having been made prior to the filing of the TM26
 - the applicants' enquiries were conducted by an investigator initially through the mechanism of the Internet and subsequently by discussion with an unnamed female employee of the proprietors' former distributor (Elswood Ltd)
 - it is in the nature of investigators' enquiries that they are carried out discreetly
 - there is no suggestion that the US company was approached directly and no reason to think that the former distributor would have felt obliged to pass on the enquiry even if that enquiry had surfaced at a sufficiently senior level within the firm
 - Ms McBray records Mr Spitzer, the Managing Director of Drumstick, as having met representatives of the registered proprietors at a kosher food trade show in Newark, New Jersey in November 1998. That rather than getting wind of the possible attack appears to have triggered events in December 1998.
34. The evidence relating to use shown in the three month proviso period (category (b) above) should not therefore be disregarded because in my view preparations had begun before the proprietors became aware that the application might be made. I go on to consider this evidence.

35. On 31 December 1998 Drumstick placed a faxed order for goods with Manischewitz. It is said to be a sample order. It covers a range of products including some under the mark TAM TAM. There is no corresponding invoice to confirm that this order was met. To be more accurate there is no evidence that it was met in full. A fax from a shipping company on the same day to Manischewitz is not specific as to the goods to be shipped. There is however an invoice dated 5 January 1999 containing two items namely 'Heimische Everything Tiny Tams' and 'Heimische Original Tiny Tams'. The product code names and quantities correspond to those on the Drumstick order of 31 December 1998. However it can be seen that the mark used is not TAM TAM. My initial impression was that TAMS might simply be an abbreviation for TAM TAM. But on closer inspection of the evidence there are grounds for thinking that they are separate product ranges (see, for instances, the packaging at CA2 which shows two TAM TAM packages, one ONION TAMS, and one GARLIC TAMS package). I do not consider that for the purpose of Section 46(2) TAMS can be considered use in a form differing in elements which do not alter the distinctive character of the registered mark TAM TAM. The 5 January 1999 invoice is, therefore, of no assistance to the registered proprietors
36. The question of the precise mark being used is further complicated by the fact that the invoices/orders are not internally consistent in their use of the brand names. Thus product code 72700-00022 is shown on the 17 December 1998 invoice as TAMS but on the 31 December 1998 order as TAM TAMS. Some care is, therefore, needed with this evidence. I consider that the most reliable indicator is the 1999 Price List which appears to contain rather fuller product titles and product codes. By cross checking the invoice codes against the price list the full name of the products can be established. On that basis it is possible to deduce from the only remaining (relevant) invoice of 10 February 1999 that entries for 'Pass Tams-Garlic' and 'Pass Tam-Everything', refer to Passover Garlic Tam Tam Crackers and Passover Everything Tam Tam Crackers. These invoiced items are thus relevant use but amount to only \$2192. There is no confirmation that goods were delivered or put on sale. In other words this invoice suffers from the same weaknesses as the other sales considered above.
37. The direct contact between Drumstick and Manischewitz after the five year period but before the application filing date regarding a possible formal distribution arrangement which I have dealt with above might appear to point to a more active trading presence in the UK. But again the proprietors' case hangs on small sums and poorly substantiated evidence and without any clear confirmation that a distributorship agreement was ever concluded.
38. I have not found this an easy matter to determine not least because of the nature of the evidence filed by the registered proprietors and the extent of the analysis needed to draw any meaningful conclusions. The onus is, however, clearly on the registered proprietors to demonstrate use. The proprietors in this case base their defence on very small amounts of trade and have in my view failed to substantiate their claims sufficiently for me to be satisfied that there has been genuine use.

39. The application for revocation is, therefore, successful. The registration will be revoked in its entirety with effect from 29 October 1998 in accordance with the applicants' request and the provisions of Section 46(6)(b). The applicants are entitled to a contribution towards their costs. I order the registered proprietor to pay them the sum of £735. 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 07th day of March 2001

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