TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 9738

IN THE NAME OF CLINTEC BENELUX SA

FOR THE REVOCATION OF TRADE MARK No. 1,228,426

IN THE NAME OF CERNITIN SA

DECISION

Introduction

1. The trade mark CERNIVET was registered under number 1,228,426 on 28th August 1992 for use in relation to "pharmaceutical and veterinary substances and compositions; cultures of micro-organisms; medicated additives for food; foods for invalids; medicated foods for animals" in Class 5. Cernitin SA is and has at all material times been registered as the proprietor of the trade mark.

2. On 3rd September 1997 Clintec Benelux SA applied for revocation of the registration on the ground that the trade mark had not been used in the United Kingdom, by or with the consent of the proprietor, in relation to any goods of the kind specified in the registration, during the period of 5 years preceding the date of the application for revocation.

3. Rule 31(3) of the Trade Marks Rules 1994 provided for the filing of a counter-statement in response to the application for revocation:

> "Within three months of the date on which the registrar sends a copy of the application and the statement [of the grounds on which the application is made] to the proprietor, the proprietor may file a counter-statement …"

This was subject to the requirement that:

> "… where an application for revocation is based on the ground of non-use … the proprietor shall file (within the period allowed for the filing of any counter-statement) evidence of the use by him of the mark …"

For these purposes the "proprietor" was, according to the provisions of Rule 2(1), the person registered as the proprietor of the trade mark i.e. Cernitin SA.

4. In a counter-statement ostensibly filed on behalf of Cernitin SA in December 1997 it was contended that the application for revocation should be dismissed with costs on the basis that: "the trade mark CERNIVET has been put into genuine use in the United Kingdom in relation to goods for which it is registered during the 5 years preceding the date of the application for revocation or in the alternative there are proper reasons for its non-use".

5. The proprietor of the registered trade mark had the onus of showing (and I emphasise the word *showing*) what use had been made of it in accordance with the provisions of Section 100 of the Trade Marks Act 1994.

6. The counter-statement and evidence filed under Rule 31(3) should clearly have identified the extent to which the specification of the registration was being defended on the basis of use, by or with the consent of the proprietor, during the relevant 5 year period. However, the counter-statement was non-committal in that regard: it referred enigmatically to use of the trade mark *"in relation to goods for which it is registered"* and it made no mention of any connection between the registered proprietor and the unspecified use that was said to have taken place. In addition, the evidence filed under Rule 31(3) (which consisted of a statutory declaration of Martin Aeschbacher with 3 exhibits dated 5th December 1997) raised more questions than it answered in relation to the allegation of non-use.

Evidence under Rule 31(3)

7. In paragraph 1 of his declaration Mr. Aeschbacher confirmed that he was the Marketing Director of Bioferment, Industrial Biologics Division of Cerbios Pharma SA and stated:

> *"Cernitin SA has been merged into the aforesaid Cerbios Pharma SA which is entitled to be entered on the register as the registered proprietor in respect of Registration 1,228,426."*

8. More information could have been provided as to when and how Cerbios Pharma SA had become the proprietor of the registered trade mark. However, Mr. Aeschbacher simply went on to say that he was authorised to make his declaration on behalf of Cerbios Pharma SA *"and on behalf of the former Cernitin SA"*.

9. This was unsatisfactory for two main reasons. First, it raised but failed to resolve the question whether the application for revocation was being defended on the basis of use of the trade mark by or with the consent of Cernitin SA or on the basis of use of the trade mark by or with the consent of Cerbios Pharma SA. Second, it raised but failed to resolve the possibility that the counter-statement was ineffective: (i) for having been filed on behalf of a non-existent company (Cernitin SA) that was unable to file a counter-statement to the application for revocation under Rule 31 unless and until it was revived; or (ii) for having been filed on behalf of a company (Cerbios Pharma SA) that was ineligible to file a counter-statement to the application for revocation under Rule 31 unless and until it was registered as the proprietor of the trade mark in suit.

10. As evidence of what was said to be genuine use of the trade mark CERNIVET in the United Kingdom *"by or with the consent of its proprietor"* Mr. Aeschbacher produced (Exhibit MA1) copies of packaging and a label relating to an orally administered composition for prevention of intestinal disorders in pigs.

11. The exhibited packaging and label carried the designation CERNIVET-68 and wording which identified Bioferment SA of Lugano, Switzerland as the manufacturer of the product and Forum Feeds, a division of Forum Chemicals Ltd of Redhill in Surrey, as the distributor of the product. No batch number or expiry date appeared in the spaces provided for presentation of that information.

12. No dates were given for the use of the exhibited packaging and label. They were conspicuously not said to have been used in the United Kingdom within the period of 5 years preceding the application for revocation. By contrast, Exhibits MA2 and MA3 were specifically put forward by Mr. Aeschbacher as evidence that genuine use of the trade mark CERNIVET had taken place in the United Kingdom *"within the last five years"*.

13. Exhibit MA2 contained a copy of a letter dated 15th July 1994 from Mr. Andrew Cullin of Forum Chemicals Ltd to Miss. M.A. Clarke of the Ministry of Agriculture, Fisheries and Food in London. It enclosed completed identification notes dated 5th July 1994 for two probiotic products designated as *Cernivet LBC G* and *Cernivet LBC ME*. I understand that the suffix *G* referred to products in granular form and the suffix *ME* referred to products in microencapsulated form. The identification notes indicated that the products to which they referred were manufactured by Bioferment SA in Switzerland.

14. Exhibit MA3 contained copies of pages 8903 to 8907 of the issue of the London Gazette published on 28th June 1995. In an official list of "Enzyme and Micro-organism Products in Feed or for Incorporation in Feed", Forum Chemicals Ltd was identified as the person responsible for putting such products into circulation under the trade names *Cernivet LBC G* and *Cernivet LBC ME*.

15. The evidence did not show that any such products had actually been put into circulation under either of the specified trade names by anyone anywhere.

16. None of the exhibits to Mr. Aeschbacher's declaration referred to Cernitin SA in any connection. By not doing so they added to the uncertainties noted in paragraph 9 above.

17. No evidence was given as to the existence, nature or duration of any relevant economic connection between Bioferment SA or Forum Chemicals Ltd on the one hand and Cernitin SA or Cerbios Pharma SA on the other.

Evidence of the Applicant for Revocation

18. The applicant for revocation filed evidence in support of its application: a statutory declaration of Alan McBray and a statutory declaration of Stephen Keith.

19. Alan McBray of the Trade Mark Owners Association Ltd exhibited a letter dated 28th July 1998 from Mr. J.D. Caseley of the Ministry of Agriculture Fisheries and Food in London. The letter stated (with emphasis added by me):

> *"As explained, under the transitional arrangements of Council Directive 92/113 (effective from 31 December 1993) any company who wished to continue to market their enzyme and micro-organism product (EMOP) was required to submit an identification note to each Member State where the product was being sold by 1 November 1994. The list of EMOPs marketed in the UK, that were the subject of an individual identification note, was published in the London, Belfast and Edinburgh Gazettes in June 1995, and this list included Cernivet. In answer to your question, I acknowledged that the existence of an identification note was no guarantee that the product was actually being marketed in the UK at that time.*
>
> *Directive 93/113 also required a dossier for each product to be submitted to the EC and other Member States, via a Member*

> *State rapporteur by 1 January 1996; dossiers submitted after that time have been assessed under Directive 70/524 (concerning additives in feeding stuffs). A list of permitted products that fulfilled the i.d. note and dossier requirement under 93/113 and can continue to be marketed in the UK on that basis is contained in Schedule 4 of the Feeding Stuffs Regulations 1995, as amended, and Cernivet (now listed as Cylactin LBC) appears to be included on the list."*

20. Stephen Keith of Probe International, a company engaged in commercial investigations, gave evidence of enquiries made in June and July 1998 with a view to establishing whether the trade mark CERNIVET had been used in the United Kingdom. He concluded in the light of those enquiries that there had been "*no sales made of the product CERNIVET as made and sold by the companies owned by Mr. Martin Aeschbacher*".

21. From the official letter noted in paragraph 19 above and from paragraphs 16 and 17 of Mr. Keith's declaration it appeared that the regulatory requirements relating to the marketing and use of enzymes, micro-organisms and their preparations in the United Kingdom were satisfied in the case of the probiotic products covered by the identification notes and London Gazette listings produced as Exhibits MA2 and MA3 to Mr. Aeschbacher's declaration.

Evidence in Reply

22. Evidence in reply was filed: a statutory declaration of Pat Tarrant and a second statutory declaration of Martin Aeschbacher with 3 exhibits dated 10th November 1998.

23. Pat Tarrant confirmed that she worked in the Animal Nutrition and Health division of Forum Products Ltd (formerly called Forum Chemicals Ltd). She referred to Mr. Keith's

declaration and said:

> *"… it is not true that I told Mr. Keith that there were no sales of the product CERNIVET made in the United Kingdom. I am in fact personally aware that CERNIVET products have been sold in the United Kingdom under the trade mark CERNIVET by Forum Products Limited."*

She provided no details or documentary evidence of any sales or marketing. Her silence in that regard leaves me with the impression that she had no evidence to give in relation to sales or marketing of CERNIVET products during the period of 5 years preceding the application for revocation. I also note that she gave no evidence of any regulatory barrier to the marketing of CERNIVET products by Forum Chemicals Ltd (now Forum Products Ltd) during that period.

24. Mr. Aeschbacher reiterated that *"the former Cernitin SA has been merged into Cerbios Pharma SA"*, but provided no further information as to when and how that had occurred.

25. He identified three kinds of use for his company's CERNIVET probiotic products: (i) as dietetic dosers; (ii) as veterinary dosers; (iii) as feed additives.

(i) dietetic dosers

26. I understand his evidence with regard to the marketing of CERNIVET probiotic products for use as dietetic dosers to be as follows. It has at all relevant times been possible to market the products as dietetic dosers in the United Kingdom and elsewhere in the European Union provided that no therapeutic claims were made in respect of their use for that purpose. The packaging and label produced as Exhibit MA1 to his previous declaration (see paragraphs 10

to 12 above) were for a dietetic doser called CERNIVET 68 which had been marketed in the United Kingdom by the Forum Feeds division of Forum Chemicals Ltd. However, *"Sales of the dietetic doser products dwindled to the point where our distributor in the UK (Forum Feeds) was unable to continue sales"* and *"when sales of the dietetic doser product failed, it was decided to introduce the feed additive products"*.

27. He provided no details or documentary evidence of any sales or marketing of CERNIVET dietetic doser products in the United Kingdom during the 5 years preceding the application for revocation. I infer that he had no such evidence to give.

(ii) veterinary dosers

28. My understanding of his evidence with regard to the marketing of CERNIVET probiotic products for use as veterinary dosers is that this was at all relevant times impermissible in the United Kingdom and elsewhere in the European Union in the absence of full product approval under the regulatory regime applicable to veterinary medicines. *"Such a product registration has been obtained in Switzerland, but the market for such products is not of a size that would justify the expense of obtaining similar registrations in other countries."*

(iii) *feed additives*

29. The evidence, as I understand it, in relation to the marketing of CERNIVET probiotic products for use as feed additives was as follows. The trade mark CERNIVET *"has most recently been used"* for feed additive products. The sale of the feed additive products was not

within the *"area of expertise"* of 'Forum Feeds'. There was thought to be great potential for sales of probiotic feed additives. However *"Cernivet probiotic feed additives are not currently on the market in the United Kingdom"*. This was attributed to "*commercial factors and EU regulatory considerations beyond the control of Cerbios Pharma SA"*.

30. Mr. Aeschbacher provided no details or documentary evidence of any sales or marketing of CERNIVET feed additive products in the United Kingdom during the 5 years preceding the application for revocation. Once again I infer that he had no evidence to give in that connection.

31. In response to the observations made in the letter dated 28th July 1998 from the Ministry of Agriculture Fisheries and Food (see paragraph 19 above) Mr. Aeschbacher confirmed that his company's probiotic feed additive products *"can temporarily legally be sold in the United Kingdom by virtue of their inclusion in Schedule 4 of the Feeding Stuffs Regulations 1995 pending resolution of the situation at the EU level"*.

32. I understand him thereby to have confirmed that there was no regulatory barrier to the marketing or use in the United Kingdom of the probiotic products covered by the identification notes and London Gazette listing produced as Exhibits MA2 and MA3 to his previous declaration.

33. It appears from paragraphs 24 and 25 of his second declaration that the identification notes in his Exhibit MA2 were submitted to the Ministry of Agriculture Fisheries and Food on 15th

July 1994 in order to ensure that those products could be marketed under the transitional arrangements prescribed by Article 2 of Council Directive 93/113/EC of 14th December 1993 concerning the use and marketing of enzymes, micro-organisms and their preparations in animal nutrition. That Article provided:

> *"By way of derogation from Article 3 of Directive 70/524/EEC, Member States shall temporarily allow the use and marketing of enzymes, micro-organisms and their preparations in animal nutrition within their territory, provided that, on the basis of the information available, the products do not present a danger to human or animal health, and that they are included in the list established by virtue of Article 3."*

Article 3 went on to provide that:

> *"On the basis of the information provided by the persons responsible for putting the products into circulation Member States shall forward:*
>
> *(a) to the Commission before 1 November 1994:*
>
> - *a list of enzymes and micro-organisms and their preparations according to the model given in Annex I,*
>
> - *an identification note drawn up for each product according the model given in Annex II by the person responsible for putting the product into circulation;*
>
> *(b) to the Commission and to the other Member States before 1 January 1996, the dossiers to justify these authorizations by the person(s) responsible requesting the inclusion of their product(s) in the list referred to in the first indent of point (a)."*

On the face of it, the Ministry letter quoted in paragraph 19 above confirmed that the relevant probiotic feed additive products were included in Schedule 4 of the Feeding Stuffs

Regulations 1995 on the basis that the identification note and dossier requirements of Article 3 of Council Directive 93/113/EC had been fulfilled in relation to those products.

3. Two reasons were given for the unwillingness of Cerbios Pharma SA to market those products in the United Kingdom.

4. First, there were said to have been delays in obtaining *"a proper EU regulatory approval"* with the result that the sale of the products in the United Kingdom was regarded as *"commercially impossible because of the long term uncertainty as to what will be permitted and the reluctance of customers to start using a product that lacks full regulatory approval and assurance of long term availability"*.

5. Second, the fact that such products were *"in competition with antibiotic growth promoters"* and *"up until relatively recently would not have been able to gain enough market share against such competition to make their marketing viable in the UK"* was said to have been *"a further difficulty of a commercial nature which would by itself have been sufficient to prevent introduction of the feed additive products into the UK"*.

The Principal Hearing Officer's Decision

6. The application for revocation came on for hearing before Mr. Allan James, Principal Hearing Officer, on 10th May 2000. In his written decision issued on 5th July 2000, the Principal Hearing Officer allowed the application and determined that the registration of Registered Trade Mark number 1,228,426 should be revoked in its entirety with effect from

3rd September 1997. He ordered Cerbios Pharma SA to pay the applicant the sum of £900 as a contribution to its costs.

7. In relation to the question of use, the Principal Hearing Officer concluded as follows:

> "In my view, 'genuine use' of a trade mark means offering goods or services under the mark in the course of trade. No doubt there may be cases of genuine use where the mark is used to inform potential customers of the forthcoming (and definite) availability of relevant goods/services at some point in the future. In this case the only use that the proprietor can point to is in a letter and 'identification notes' sent to a government department. This seems to me to be no different, in principle, to the use of a trade mark in an application for its registration. Publication of the mark in the London Gazette is no more 'genuine use' than publication in the Trade Marks Journal. Section 46(3) of the Act makes reference, in a different context, to 'preparations for the commencement or resumption of use'. In my view the use outlined in exhibits MA2 and MA3 falls within this description. It is not 'genuine use' of the mark within the meaning of Section 46(1) of the Act."

8. He took the view that in the light of that finding it was strictly unnecessary for him to determine whether any use of the trade mark would have been used by the proprietor or with its consent. His assessment of the evidence relating to proprietorship was as follows:

> "Mr. Aeschbacher's evidence is somewhat opaque on this point but I believe it is tolerably clear that Cerbios Pharma SA (of which Bioferment is a trading division) is the successor in title to the CERNIVET trade mark of 'the former Cernitin SA'. Mr. Aeschbacher says he has access to the records of both companies and that the former is entitled to be entered as the registered proprietor. The applicant's evidence contains no challenge to these claims. I am therefore prepared to accept that Mr. Aeschbacher speaks for the proprietor of the trade mark during the relevant period."

I understand this to have been the basis upon which he directed Cerbios Pharma SA to pay £900 towards the costs of the successful application for revocation.

9. The reasons which Mr. Aeschbacher had given for the absence of any use of the trade mark CERNIVET in relation to probiotic products for use as feed additives (see paragraphs 34 to 36 above) were regarded as insufficient to justify retention of the relevant trade mark registration for such goods. The Principal Hearing Officer reached that conclusion on the basis that:

> "Mr. Aeschbacher appears to indicate that, notwithstanding the regulatory uncertainty, the United Kingdom market for the sort of feed additives produced by the proprietor was not 'until relatively recently' sufficiently large to make the marketing of such goods viable. This statement was made in November 1998, some fourteen months after the end of the relevant five year period. Thus it appears that the proprietor's view during the relevant period was likely to have been that there was no viable United Kingdom market for its feed additive products because of the domination of the market by antibiotic growth promoters …
>
> … Market resistance caused by uncertainty over a proposed regulatory regime may be a proper reason for non-use, but it cannot be relevant in circumstances where, quite apart from these difficulties, there was no viable commercial market for the goods. I cannot see how the regulatory difficulties can be regarded as the reason for non-use in these circumstances."

The Appeal

10. A notice of appeal was filed against the Principal Hearing Officer's decision. The notice and statement of grounds of appeal omitted to identify the person(s) on whose behalf the

appeal had been brought. The hearing of the appeal proceeded on the basis that the appellant was Cerbios Pharma SA.

11. In substance the Appellant contends that the use of the designation CERNIVET in the letter and identification notes sent to the Ministry of Agriculture Fisheries and Food in July 1994 amounted to use of the relevant trade mark, by or with the consent of the proprietor, in relation to veterinary probiotic products within the specification of goods for which the mark was registered. Alternatively, it is contended that during the relevant 5 year period there were proper reasons for non-use of the trade mark in relation to veterinary probiotic products and the registration should accordingly be allowed to remain in force in respect of such goods.

Decision

12. The merger of one corporation with and into another may of itself be effective, under the laws governing the amalgamation, to vest some or all of the rights and liabilities of the absorbed corporation in the successor corporation with effect from the point in time at which the absorbed corporation ceased to exist. If so, the transmission will be recognised in the United Kingdom and enforcement of the transmitted rights and liabilities will be permitted subject to compliance with the formal requirements for commencement or continuation of the appropriate proceedings by or against the successor corporation: Eurosteel Ltd v. Stinnes AG [2001] 1 All ER (Comm) 964 (Longmore J.). The demise of the absorbed corporation will be recognised as effective to prevent it from conducting any proceedings on its own behalf or on behalf of any other person including the successor corporation: Conseal TM (SRIS 0/197/00)

12th April 2000.

13. These considerations appear to have been relevant to the application of Rule 31 of the 1994 Rules to the present proceedings. Rule 31(3) provided for a counter-statement to be filed by "*the proprietor*" (defined in Rule 2(1) as "*the person registered as the proprietor*") of the trade mark in issue. Rule 31(4) provided that if no such counter-statement was filed the application for revocation "*shall be granted*". The counter-statement purports to have been filed by Cernitin SA (the registered proprietor) but could not have been filed by that company if (as appears to have been the case) it had previously ceased to exist. Cerbios Pharma SA appears to have taken no steps to register itself as proprietor of the trade mark, file a counter-statement on its own behalf under Rule 31(3), obtain permission to intervene under Rule 31(5) or otherwise formalise its position as successor in interest to Cernitin SA. In the circumstances it appears to me that the application for revocation was liable to be granted under Rule 31(4) for lack of a duly filed counter-statement under Rule 31(3).

14. The registration of the trade mark in issue was in any event liable to be revoked to the extent necessary to deprive it of absolute protection under Sections 5(1) and 10(1) of the 1994 Act (Articles 4(1)(a) and 5(1)(a) of Council Directive 89/104/EEC of 21st December 1988) in respect of goods "*in connection with*" which there had without "*proper reasons*" been no "*genuine use*" of the trade mark in the United Kingdom, by or with the consent of the proprietor, during the relevant 5 year period: Sections 46(1) and 46(5) of the Act (Articles 12(1) and 13 of the Directive).

15. It was open to the Registrar to require the specification of goods for which the trade mark was registered to be re-written in order to achieve the required degree of revocation: Minerva Trade Mark [2000] FSR 734 (Jacob J); Daimler Chrysler AG v Alavi [2001] IP & T 496, paragraphs 68 to 74 (Pumfrey J).

16. I consider that any goods for which absolute protection was to remain in place would need to be identified with due regard for the principles of legal certainty and proportionality. That is to say, the particular species of goods for which the trade mark remained registered would need to be specified in terms that clearly (as a matter of linguistic expression) and accurately (as a matter of commercial reality) defined the limits within which it would be appropriate to accept that "*a likelihood of confusion shall be presumed*" in the event of unauthorised use of an identical sign relative thereto: see the tenth recital to the Directive and Article 16(1) of the Agreement of Trade-Related Aspects of Intellectual Property Rights ("TRIPS") OJ 1994 L 366 p.213.

17. In relation to proportionality I have in mind the kind of commercial affinity that is reflected in the observations of the Vice-Chancellor Sir Richard Scott in Club Europe TM [2000] RPC 329 at 341 where he said:

> "The principal hearing officer's conclusion that CEH's claim to be the proprietor of the mark had to be limited to the niche business in respect of which the mark had previously been used is, in my opinion, too narrow to be acceptable. If a mark is used in relation to, say, motor cars, I can accept that that use might not entitle the user to claim thereby to be the proprietor of the mark in relation to motor bicycles. But if the use had been in relation to saloon cars but not in relation to estate cars, or to off-

> road vehicles, or to two seaters, the previous use limited to saloon cars would surely not prevent the user from claiming to be the proprietor of the mark in relation to motor cars generally."

A similar approach is indicated by the observations of Jacob J. in Minerva Trade Mark (above) at pp.737, 788. However, the degree of rigour to be applied when cutting down the scope of a specification for non-use is ultimately a matter upon which the guidance of the European Court of Justice is likely to be required: Daimler Chrysler (above), paragraphs 72 to 74.

18. As Advocate General Jacobs has recently observed in paragraph 34 of his Opinion in Case C-2/00 Michael Holterhoff v Ulrich Freiesleben (20 September 2001):

> "A trader registers or acquires a trade mark primarily not in order to prevent others from using it but in order to use it himself (although exclusivity of use is of course a necessary corollary). Use by the proprietor is indeed a central and essential element of ownership, as may be seen from Articles 10 to 12 of the Trade Marks Directive, under which rights may lapse or be unenforceable in the event of non-use"

It is clear from the eighth recital to the Directive and from the Articles of the Directive which it foreshadows, that loss of protection for non-use should be regarded as the rule not the exception.

19. The Directive does not attempt to define the circumstances in which *"proper reasons"* for non-use may be found to exist. However, Article 19(1) of the TRIPS Agreement deals

with the requirement for use in the following terms:

> "If use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions or other government requirements for goods or services protected by the trademark, shall be recognised as valid reasons for non-use."

It appears to follow from the fact that the TRIPS Agreement was concluded by the Community and the Member States acting jointly in the partially harmonised field of trade mark law that the judicial authorities of the Member States were, with effect from 1st January 1996, required by Community law to apply their national rules so far as possible in the light of the wording and purpose of the provisions of the Agreement in that partially harmonised field: see the Judgment of the European Court of Justice in Case C-89/99 Schieving–Nijstad v Groenveld (13 September 2001). The 'Marleasing' principle of interpretation (see Case 106/89 Marleasing SA v. La Commercial Internacional de Alimentacion SA [1990] ECR I-4135, paragraph 8) thus appears to apply as between the TRIPS Agreement and the parallel provisions of the harmonised Community law of trade marks.

20. Against that background it seems to be necessary, when considering whether there were proper reasons for non-use, for the tribunal to be satisfied that in the absence of the suggested impediments to use there could and would have been genuine use of the relevant trade mark during the relevant 5 year period. The impediments in question will otherwise have been inoperative and I do not see how inoperative impediments can rightly be taken into account

when determining whether there really were *"proper reasons"* for non-use within the meaning of the Directive and the 1994 Act or *"obstacles"* to use within the meaning of Article 19(1) of the TRIPS Agreement.

21. Difficult questions are liable to arise as to whether proper reasons for non-use can validly be found to have existed in the context of personal circumstances such as illness or impecuniosity c.f. Woolly Bull Enterprises Pty Ltd v. Reynolds (2001) 51 IPR 149, paragraphs 42 et seq (Drummond J, Fed. Court of Australia). In the end, the question is whether the 5 year rule should or should not be relaxed in the particular circumstances which are said to justify relaxation. Given the degree of elasticity inherent in the concepts of *"proper reasons"* and *"obstacles"* to use, I will only say that I do not see why the 5 year rule should be relaxed in cases where it was not unreasonable to expect genuine use of the trade mark to have occurred during the relevant 5 year period.

22. At the hearing before me it was accepted that the question of use and the question of proper reasons for non-use should be determined by reference to a notionally revised specification of goods for the registration in suit: "*cultures of micro organisms; medicated additives for food; all being veterinary probiotic products*". I consider that this is a specification which can properly be taken to satisfy the requirements for legal certainty and proportionality noted in paragraphs 47 and 48 above. I am influenced in that conclusion by the observations in the Principal Hearing Officer's decision to the effect that products do not have to be governmentally authorised for medicinal use in order to be classified as suitable "for medical purposes" in the context of registration in Class 5.

23. Moving forward on that basis, I consider that the evidence filed under Rule 31(3) failed to show that there had been *"genuine use"* of the trade mark CERNIVET *"in connection with"* such products during the relevant 5 year period and that the evidence in reply also failed to show that any such use had occurred during that period. The use of the trade mark CERNIVET in the letter and identification notes sent to the Ministry of Agriculture Fisheries and Food on 15th July 1994 and in the issue of the London Gazette published on 28th June 1995 was not use *"in connection with"* any products which could at any time during the period in question be said to have been recently, actually or imminently on order, on offer or in stock under that trade mark. The use of the designation CERNIVET in those documents was, at most, evidence of a desire to keep it available for use if and when required in relation to products of the kind specified in the London Gazette.

24. The notionally revised specification I am now considering would read onto the CERNIVET products identified in the evidence before me irrespective of whether they were marketed for use as dietetic dosers, veterinary dosers or feed additives. In other words, it is the veterinary probiotic nature of the cultures of micro organisms and medicated additives, not the particular sub-category of intended use, which would place them within that revised specification. I believe it is necessary to keep that point firmly in mind when considering whether there were proper reasons for non-use sufficient to justify retention of the registration for goods of the kind specified in the revised specification.

25. On the evidence before me it is apparent that no veterinary probiotic products were marketed in the United Kingdom under or by reference to the trade mark CERNIVET because

the demand for products of that kind was perceived to be insufficient in relation to all three of the sub-categories of use identified above throughout the whole of the relevant 5 year period.

26. It is suggested that the transitional regulatory approval under which the marketing of CERNIVET probiotic products was permitted in accordance with the provisions of Council Directive 93/113/EEC and the Feeding Stuffs Regulations 1995 might as well not have existed because nothing less than *"a proper EU regulatory approval"* would have sufficed to win the confidence of customers in the market for veterinary feed additives.

27. I do not see why, if that was the case, so many products (including *Cernivet LBC G* and *Cernivet LBC ME*) were put forward for inclusion in the official list of "Enzyme and Micro-Organism Products in Feed or for Incorporation in Feed" published in the London Gazette on 28th June 1995. The evidence suggesting that it would have been *"commercially impossible"* to market the listed CERNIVET products under the transitional period regulatory approval is weak. It consists essentially of assertion. I am not persuaded by it.

28. Moreover, in the light of the evidence indicating that the CERNIVET probiotic products were generally unsaleable during the relevant 5 year period, I am unwilling to accept that there could and would have been genuine use of the trade mark in connection with such products during that period even if they had been covered by *"a proper EU regulatory approval"*. I think it is particularly significant that in Mr. Aeschbacher's second declaration it is specifically acknowledged that competition from antibiotic growth promoters "*would by itself*

have been sufficient to prevent introduction of the feed additive products into the UK".

29. For these reasons I consider that there were no proper reasons for non-use of the trade mark CERNIVET in relation to goods of the kind specified in the notionally revised specification.

30. I note that in Scandecor Developments AB v. Scandecor Marketing AB [2001] ETMR 74 the House of Lords decided that a number of questions relating to the interpretation of the Trade Marks Directive should be referred to the European Court of Justice, including the question whether there is a discretion to withhold revocation under Section 46(1) of the 1994 Act (Article 12 of the Directive). For completeness, I should say that I see no basis for exercising any such discretion in favour of allowing registration to be retained for any goods within the specification in issue in the present case. I think it was not unreasonable to expect genuine use of the trade mark to have occurred during the relevant 5 year period, without exception for any goods within the scope of the specification.

Conclusion

31. The Principal Hearing Officer's decision is upheld. The appeal is dismissed. The Appellant (who I take to be Cerbios Pharma SA) is directed to pay Clintec Benelux SA the sum of £800 as a contribution towards its costs of the unsuccessful appeal. That sum is payable in addition to the sum of £900 awarded by the Principal Hearing Officer.

Geoffrey Hobbs QC

29th October 2001

Peter Smart of W.H. Beck, Greener & Co appeared on behalf of the Appellant.

Alan McBray of the Trade Marks Owners Association Ltd appeared on behalf of the Respondent.

The Registrar was not represented at the hearing.