

Neutral Citation: [2007] IEHC 126

High Court Record Number: 2006 1391 P

Date of Delivery: 20/04/2007

Court: High Court

Composition of Court: Finlay Geoghegan J.

Judgment by: Finlay Geoghegan J.

Status of Judgment: Approved

Link to Memo on Judgment: [link](#)

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**THE HIGH COURT  
COMMERCIAL**

[2006 No. 1391 P]  
[2006 No.36 COM]

**BETWEEN**

**COMPAGNIE GERVAIS DANONE**

**PLAINTIFF**

**AND**

**GLANBIA FOODS SOCIETY LIMITED**

**DEFENDANT**

**JUDGMENT of Ms. Justice Finlay Geoghegan delivered on the 20th day of April, 2007.**

**Background**

The plaintiff (“Danone”) is the proprietor of Irish Registered Trademark No. 211092 “ESSENSIS” in respect of a range of products in classes 5, 29, 30 and 32. Class 29 includes:

“...milk, powder milk, flavoured gelled milk and whipped milk; milk products namely: milky deserts, yogurts, yogurts to drink, ... fermented milk products...”

On the 6th February, 2006, the defendant (“Glanbia”) launched onto the Irish market a range of fermented milk products under the Yoplait brand which bear a particular representation of the word “Essence”.

In these proceedings the plaintiff contends that the use made by Glanbia of the sign “Essence” in respect of its fermented milk products is an infringement of the ESSENSIS trademark.

In the defence and counterclaim Glanbia denies infringement of the trademark

ESSENSIS and attacks its registration as follows:

- i. It seeks revocation pursuant to s. 51(1)(a) of the Trademarks Act 1996 on the ground that, within the period of five years following the date of publication of its registration, ESSENSIS has not been put to genuine use in the State in relation to the goods for which it is registered; and
- ii. It seeks a declaration of invalidity pursuant to s. 52(1) of the Act of 1996 on the basis that ESSENSIS was registered in bad faith contrary to s. 8(4)(b) of the Act of 1996 as **Danone** never had any *bona fide* intention of putting ESSENSIS to use in the State.

The proceedings were admitted to the Commercial List. An order was made directing the trial of the above claims on the counterclaim, prior to the hearing of the infringement issue.

### **Claim for Revocation**

Section 51(1) of the Act of 1996, insofar as relevant provides:

“The registration of a trademark may be revoked on any of the following grounds—

( a ) that, within the period of five years following the date of publication of the registration, the trademark has not been put to genuine use in the State, by or with the consent of the proprietor, 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;

...”

In these proceedings the onus of establishing genuine use of the ESSENSIS trademark in relation to the goods for which it is registered is on **Danone** as proprietor of the trademark in accordance with s. 99 of the Act of 1996 which provides:

“Where, in any civil proceedings under this Act, an issue arises as to the use made by any person of any registered trademark, the onus of proving such use shall lie with the proprietor.”

The Act of 1996, as appears from its long title, was enacted in part for the purpose of implementing Council Directive 89/104/EEC (“the Directive”). It is agreed that s. 51(a) and (b) have their origin in article 12(1) of the Directive. This provides insofar as relevant:

1. A trademark shall be liable to revocation if, within a continuous period of

five years, it has not been put to genuine use in the Member State in connection with the goods, or services in respect of which it is registered and there are no proper reasons for non-use;...

The Directive in its recitals explains the purpose of such revocation provisions where it states:

“Whereas in order to reduce the total number of trademarks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trademarks must actually be used or, if not used, be subject to revocation;...”

Article 10 contains certain express provisions as to what will constitute genuine use. Nothing turns in these proceedings on those precise provisions. The parties are in substantial agreement as to the law to be applied by the Court in determining “genuine use” within the meaning of s. 51(1)(a) of the Act of 1996. What is less clear is and about which there is dispute is what constitutes genuine use “in relation to the goods ... for which it is registered” within the meaning of s. 51(1) of the Act of 1996, when construed so as to give effect to the Directive.

### **Use made of the ESSENSIS**

The registration of ESSENSIS as a trademark was published on 12th July 2000. There is little dispute about the actual use made by **Danone** of the trademark ESSENSIS in the subsequent five year period. There is however substantial dispute as to the proper characterisation of that use. Between 2000 and September 2004, ESSENSIS has been used by **Danone** in connection with the marketing, promotion and sale of its yogurt initially sold under the brand names **Danone** and Bio Activia or Activia.

In the period 2000 to 2002 the yogurt on its packaging and advertising bore the name “DANONE” in a representation which is a trademark. It also bore the name “BIO ACTIVIA” in a representation which was also a registered trademark. On the front of its packaging under those words, it were the words “with BIFIDUS ESSENSIS cultures”, after the words ESSENSIS there was the well known designation of an “®” trademark. The packaging in this period also contained, in a less prominent place amongst its explanations under a heading “how can Bio Activia help?”, the following:

“Bio Activia is the only yogurt to contain the natural culture Bifidus ESSENSIS® and has been clinically proven to help your digestive system work optimally, helping your body to purify itself from the inside. The Bifidus ESSENSIS® culture also makes Bio Active milder, creamier and more delicious.”

In 2002 “Bio” was dropped as part of the brand name and the yogurt was then

marketed and packaged under the same representation of “DANONE” and the name “ACTIVIA” under which on the packaging was now simply written “with BIFIDUS ESSENSIS®”. In this period the explanation on the packaging included:

“WHAT is **DANONE** ACTIVIA?

**DANONE** ACTIVIA is a range of delicious tasting live yogurts which contain a UNIQUE natural culture, BIFIDUS ESSENSIS®, specially selected by DANONE researchers for its proven benefits to your health.

WHY is **DANONE** ACTIVIA ACTIVELY GOOD FOR you?

BIFIDUS ESSENSIS®, a natural culture, UNIQUE to DANONE ACTIVIA has been proven to help our digestion work better, as it supplements and supports the essential culture in our intestinal flora. A healthy digestion is essential to a healthy life. The BIFIDUS ESSENSIS® culture also makes DANONE ACTIVIA milder, creamier & much more delicious.”

Certain of the advertising or promotional material in this period stated that “Only **DANONE** ACTIVIA contains BIFIDUS ESSENSIS” throughout this period the yogurt itself was referred to either as “DANONE ACTIVIA” or “ACTIVIA”.

Ms. McCarron, the marketing manager of **Danone**, gave evidence that Bifidus ESSENSIS is the brand name for the unique pro-biotic culture *bifidobacterium animalis* DN173 010, which was identified by scientists at **Danone** for its unique benefits for digestive health. She also stated that Bifidus ESSENSIS is not found in any other yogurt and is unique to **Danone**. Ms. McCarron’s evidence was that this culture was protected by **Danone** by means of registration of the trademark “ESSENSIS” which was then combined with the generic word “Bifidus” to create the brand name “Bifidus ESSENSIS”. Evidence was given of market surveys carried out on behalf of or on the instructions of **Danone**. It does not appear to me that the nature of those surveys nor the results obtained are material to the factual issues which I have to determine, save that they are consistent with the findings set out below in relation to the use of the brand names used for the yogurt. The findings are made from the evidence given of the use made of the brand names and trademarks.

I make the following findings of fact in relation to the use made by **Danone** of the trademark ESSENSIS.

1. The trademark was used by **Danone** by putting same on packaging, marketing and advertising materials for its yogurt sold successively under the

brand names “Bio Activia” or “Activia” but always in conjunction with the word “Bifidus” and always as the name of an ingredient of the yogurt, namely a pro-biotic culture.

2. The trademark ESSENSIS either on its own or in conjunction with Bifidus was never used to designate the yogurt. At all times it was used to designate an ingredient of the yogurt.

3. The pro-biotic culture called “Bifidus ESSENSIS” was unique to **Danone**.

4. The existence of the unique culture called Bifidus ESSENSIS and its claimed health benefits was part of the marketing and promotional strategy of **Danone** to distinguish the Bio Activia or Activia yogurt from its competitors.

The goods for which ESSENSIS is registered do not include a culture. It was not disputed that class 1 of the Nice Classification permits registration of a trademark for cultures of micro-organisms other than for medical and veterinary use. Yogurt is the only relevant good or product for which ESSENSIS was registered.

The legal issue in these proceedings is whether the use made by **Danone** of ESSENSIS as found above is genuine use of the trademark in relation to yogurt within the meaning of s. 51(1) of the Act of 1996. Counsel for **Danone** submits that it should be so considered. He relies in particular on the decisions of the European Court of Justice (ECJ) referred to below.

Counsel for Glanbia submits that the only goods “in relation to which” there has been genuine use of the trademark within the meaning of s.51(1) of the Act of 1996 is a pro-biotic culture and there has been no such use in relation to yogurt. He submits that the requirement of s. 51(1) that the use be in relation to the goods for which it is registered and the decisions of the ECJ must be considered and applied in the context of the overall scheme of the Directive and Act of 1996, which require a proprietor to identify the goods in respect of which the trademark is to be registered and the nature of protection against infringement.

### **The Law**

In Case C-40/01 *Ansul BV v. Ajax Brandbeveiliging BV* [2003] E.C.R. I-2439, Ansul was the registered proprietor of a Benelux trademark Minimax registered for various classes of goods, essentially comprising fire extinguishers and associated products. In 1988 the authorisation for the fire extinguishers sold by Ansul under the Minimax trademark expired. Since 2nd May 1989 at the latest, Ansul no longer sold extinguishers under that trademark. From May 1989 to 1994, Ansul sold component parts and extinguishing substances for the fire extinguishers bearing the trademark. It

also during the same period maintained, checked and repaired equipment bearing the Minimax trademark and used the trademark on invoices relating to those services and affixed stickers bearing the mark to the equipment maintained.

Ajax was a subsidiary of a German company that was the registered proprietor of the trademark Minimax in Germany. In 1994 Ajax and the German company began to use the Minimax trademark in the Benelux countries. Ansul objected. Ajax brought an action in the Netherlands seeking revocation on grounds of non-use. The claim was rejected at first instance but upheld on appeal. On a further appeal the Hoge Raad der Nederlanden found that the interpretation to be given to the relevant probation in the uniform Benelux law on trademarks must be compatible with the interpretation of the corresponding concept of genuine use in Article 12(1) of the Directive and referred certain questions to the European Court of Justice (ECJ) for a preliminary ruling as to the meaning of genuine use.

The ECJ determined that it was the Community legislature's intention that the maintenance of rights in a trademark be subject to the same conditions regarding genuine use in all Member States and accordingly it was incumbent on the Court to give a uniform interpretation of the concept of genuine use as used in Articles 10 and 12 of the Directive. It then stated of genuine use:

“36. Genuine use must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed to about to be marketed and for which preparations by the undertaking to secure customers are under way,

particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or created a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

The ECJ then continued to consider the nature of the use at issue in the Dutch proceedings and stated:

“40. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.

41. That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the same mark under the conditions described in paragraphs 35 to 39 of this judgment. Since the parts are integral to those goods and are sold under the same mark genuine use of the mark for these parts must be considered to relate to the goods previously sold and to serve to preserve the proprietor’s rights in respect of those goods.

42. The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services which, though not integral to the make-up or structure of

the goods previously sold, are directly related to those goods and intended to meet the needs of customers or those goods. That may apply to after-sales services, such as the sale of accessories or related parts, or supply of maintenance and repair services.”

It then summarised its overall view in the next paragraph:

43. In the light of the foregoing considerations the reply to the first question must be that Article 12(1) of the directive 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 those goods or services, the characteristics of the market and the scale and frequency use of the mark. The fact that a mark 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.

In Case C-259/02 *La Mer Technology Inc. v. Laboratoires Goemar SA* [2004] E.C.R. I-1159, the ECJ revisited the criteria according to which genuine use should be determined on a reference from the English High Court which referred a number of questions as to the factors to be taken into account when deciding whether a mark has been put to genuine use in a member state within the meaning of Articles 10(1) and 12(1) of the Directive. The trademark was registered for cosmetics containing marine products by Laboratoire Goemar SA. La Mer Technology Inc. had sought revocation on grounds of non-use. In

the five year period Laboratoire Goemar had appointed a company established in Scotland to sell the products in the UK. The High Court held that while the sale of those products during the period generated a very low turnover, that situation reflected the commercial failure of the company in question rather than the use of the trademark solely for the purposes of maintaining its registration. The issues primarily concerned minimal commercial exploitation. In its judgment the ECJ quoted its conclusions at paragraph 35 to 39 of its judgment in *Ansul* and then considered whether minimal use with a genuine commercial justification for the proprietor of the mark may constitute genuine use. At para. 27 it concluded:

“27 In the light of the foregoing, the answer to the first, second, third, fourth and sixth questions must be that Articles 10(1) and 121) of the Directive must be interpreted as meaning that there is genuine use of a trade mark where it 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 that 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 use of the mark is real in the course of trade, 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 those goods or services, the characteristics of the market and the scale and frequency of use of the mark. When it serves a real commercial purpose, in the circumstances cited above, even minimal use of the mark or use by only a single importer in the Member State concerned can be sufficient to establish genuine use within the meaning of the Directive.

The meaning of genuine use was further considered by the ECJ on an appeal from the Court of First Instance in Case C-416/04 P (11th May 2006) *The Sunrider Corporation v. Office for Harmonisation in the Internal Market (OHIM)*. The ECJ summarised its case law in *Ansul* and *La Mer Technology* at para. 70 where it is stated:

“70. Second, as is apparent from the case-law of the Court of Justice, 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 to 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 in the course of trade 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 those goods or services, the characteristic of the market and the scale and frequency of use of the mark (see, regarding Article 10(1) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJ 1989 L 40, p. 1), a provision which is identical to Article 15(1) of the Regulation No. 40/94, *Ansul*, paragraph 43, and order in *La Mer Technology*, paragraph 27) 71. The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (see, to that effect, order in *La Mer Technology*, paragraph 22).

Both parties seek to rely upon the general principle as stated by the Court of Justice at para. 70 above 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.”

On the facts herein there is no suggestion that the use of ESSENSIS has not been genuine by reason of negligible token or contrived use. **Danone** has established real commercial use of ESSENSIS as part of what has been described in evidence as third level branding of its yogurt. This was explained as branding a product by reference to a unique branded ingredient. The primary contention of counsel for Glanbia is that **Danone** has not established genuine use of the trademark ESSENSIS in relation to yogurt (being the only relevant good for which it is registered) as it has not established its use as a trademark in relation to yogurt. Counsel submits that in accordance with the above principles established by the ECJ as summarised at para. 70 of the *Sunrider* decision, there must be use of the trademark as a trademark in relation to the goods for which it is registered in accordance with its essential function as a trademark.

He submits that such approach is consistent with that of the Hearing Officer (Mr. Cleary) in his decision on the application for revocation of the trademark LELLIKELLY (21st March, 2005 *Travel Hurry Projects Limited*, Applicant for Revocation and *Stefcom S.P.A.*, Registered Proprietor). In that decision, at para. 18, the Hearing Officer stated:

“... I am satisfied that the Proprietor’s opposition to the present application for revocation should succeed if it can establish actual use of the registered trademark as a trademark for the goods of the registration within the relevant period...”

A similar approach was taken by the same Hearing Officer in his decision for revocation of the trademark HIGH AND MIGHTY (7th March, 2006 *High & Mighty Limited*, Applicant for Revocation and *Arnotts Ltd.*, Registered Proprietor). That trademark was registered in respect of articles of clothing, headgear and footwear. The factual conclusion of the Hearing Officer was that the use proved by the proprietor (Arnotts Ltd.) was displaying the sign HIGH AND MIGHTY to designate an area of its store in which a variety of extra-large clothing was sold. He then stated at para. 18:

“The bringing together, in this manner of a variety of goods enabling customers to conveniently view and purchase them may be described as a form of retail service and the use that the Proprietor has shown in relation to the trade mark HIGH AND MIGHTY could be said to be use of it in relation to such a service. Indeed, it may be assumed that the use of the mark has resulted in the Proprietor securing a share of the market in the retailing of clothing, specifically extra large clothing. The mark may be expected to have become known to certain of the Proprietor’s customers as designating the area

of the Proprietor's store where they may find clothing to suit their needs. ... But it has not been used as a trademark for the actual articles of clothing themselves. Although it has been displayed in physical proximity to clothing items sold by the Proprietor, it has not functioned to identify the commercial origin of those items and to distinguish them from goods having a different commercial origin. ...

That does not constitute use of the mark *in relation* to articles of clothing any more than the name over the door of a public house functions as a trademark for beer.”

Articles 10(1) and 12(1) of the Directive require genuine use “in connection with the goods ... in respect of which it is registered”. Section 51(1)(a) requires genuine use “in relation to the goods ... for which it is registered”. Neither party submitted that the slightly different wording in s. 51(1)(a) is intended to have any different meaning to that in Articles 10(1) and 12(1) of the Directive. On the contrary, the parties are in agreement that in accordance with the decision of the ECJ in *Ansul*, s. 51(1)(a) of the Act of 1996 must be given a meaning which is consistent with the meaning given to Articles 10(1) and 12(1) of the Directive by the ECJ.

The point at issue in these proceedings has not been directly addressed by the ECJ. Nevertheless it appears to me that the ECJ in requiring use of the mark “in accordance with its essential function”, intends that the genuine use must be use of the mark as a trademark in relation to the goods of registration.

This appears consistent with its decision in *Ansul* where at paras. 40 to 42 it concludes in effect that the use made by *Ansul* of the trademark by placing same on the parts, certain accessories after sales services documents may be considered as use of the mark in relation to the fire extinguishers which were previously sold under the mark but no longer available.

It is also consistent with the scheme for the registration of the trademarks which requires in accordance with ss. 37 and 39 of the Act of 1996 and Articles 12(1) and 14 of the Trademark Rules 1996 (S.I. No. 199 of 1996) that the goods or services for which registration is sought or granted shall be specified. Further, the protection against infringement in ss. 14 and 15 of the Act of 1996 is based upon registration of a trademark for specific goods and services.

The genuine use which **Danone** must establish is therefore genuine use of ESSENSIS as a trademark in relation to yogurt.

### **Conclusions on genuine use of ESSENSIS in relation to yogurt**

On the facts found herein I am not satisfied that the use made of the trademark

ESSENSIS is used as a trademark in relation to yogurt. The use made includes placing the trademark on the packaging of and in advertising materials for **Danone**'s yogurt. However on the facts found herein the manner in which it has been so placed is such that its use has been unequivocally confined to referring to an identified ingredient of the yogurt as distinct from the yogurt itself. On the package whilst the trademarks "Danone" and "Bio Activia" and "Activia" are placed on the packaging and used in advertising material in an unqualified way such that they clearly apply to the yogurt, ESSENSIS is always used as a name for the culture and either expressly stated to be an identified ingredient or following a prefix such as "with", indicating that this is an ingredient of the yogurt.

Counsel for **Danone** sought to rely upon the claim made in the marketing advertising or packaging material that Bifidus ESSENSIS is a culture unique to **Danone** and the fact that it is so unique in support of a contention that the trademark ESSENSIS was being used for the purpose of guaranteeing the identity of the origin of the yogurt. It was submitted that a customer who saw a yogurt containing the culture Bifidus ESSENSIS could or would identify the origin of such yogurt as being **Danone** because such culture was unique to **Danone**.

It does not appear to me that by such use ESSENSIS is being used as a trademark in relation to yogurt in accordance with the essential function of guaranteeing the identity of the origin of the yogurt as required by the principles stated by the ECJ. It is not the placing of the trademark ESSENSIS on the yogurt product which is guaranteeing the identity of the origin of the yogurt. Rather it is the inclusion in the yogurt of an identified ingredient (the unique pro-biotic culture to which in turn the trademark is applied by being named as Bifidus ESSENSIS) which is claimed to indicate the origin of the yogurt. In order that it be genuine use as a trademark in relation to yogurt, it appears to me that it would have to be the use of the ESSENSIS mark on the yogurt as distinct from the inclusion of an identified ingredient to which it refers which guarantees the identity of the origin of the yogurt in order that it be considered to be genuine use as a trademark in relation to yogurt.

I have concluded that genuine use as a trademark for a specified product requires that the mark be applied in such a way that it is, at minimum, capable of being understood as referring to that product. Unless it is so applied it cannot be used for the purpose of identifying the origin of such product. A trademark can only identify the origin of goods to which it may be understood as referring. On the facts herein **Danone**, by using ESSENSIS in such a way that it can only be understood as referring to an identified ingredient of the yogurt as distinct from the yogurt itself, has precluded the use made being considered as use as a trademark in relation to yogurt.

The use made by **Danone** of the ESSENSIS trademark on the facts of this case is distinguishable from the use made by *Ansul* of the trademark Minimax

considered by the ECJ to be genuine use in relation to fire extinguishers. In that case the goods for which the mark was registered, the fire extinguishers, had previously been sold under the Minimax trademark. The use under consideration included placing the mark on spare parts found to be integral to the fire extinguishers, and making use of it for certain after sales services including sale of accessories and maintenance. There is no suggestion that the mark was used in such a way that it was precluded from being understood as referring to the fire extinguishers previously sold (under the same mark) or as referring to any other identified good or product. It was used on a range of goods (spare parts and accessories) and services all considered to relate to the fire extinguishers.

Accordingly I have concluded that **Danone** has not proved genuine use of the trademark ESSENSIS in relation to yogurt (or any other good or service for which it is registered) within 5 years of its publication and Glanbia is entitled pursuant to s.51(1)(a) of the Act of 1996 to an Order for its revocation. Having regard to the conclusion which I have reached, it is not necessary for me to consider the further submissions made on behalf of Glanbia in relation to the fact that the trademark ESSENSIS was at all times used in conjunction with the word “Bifidus” and the dispute between the parties as to whether that was properly a generic term.

### **Bad Faith**

Glanbia asserts that **Danone** never had any *bona fide* intention of putting ESSENSIS to use in the State in relation to the goods for which it is registered and accordingly the application for registration was made in bad faith contrary to s. 8(4)(b) of the Act of 1996 and that the registration ought to be declared invalid pursuant to s. 52(1) of the Act of 1996.

Section 52(1) of the Act of 1996 insofar as relevant provides:

“52(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of *section 8* or any of the provisions referred to in that section; but where a trade mark was registered in breach of subsection (1) (b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered”

Insofar as material, s. 8(4)(b) of the Act of 1996 provides:

“8(4) A trade mark shall not be registered if or to the extent that -  
(a) ...  
(b) The application for registration is made in bad faith by the applicant.”

Section 37(2) includes amongst the statutory requirements in relation to the application for registration as a trademark:

“37(2) The application shall state that the trade mark is being used, by or with the consent of the applicant, in relation to the goods or services specified in the application, or that the applicant has a *bona fide* intention that it should be so used.”

The submission on behalf of Glanbia in support of the contention that the application of **Danone** for registration of ESSENSIS was made in bad faith is limited to the following. It is submitted that having regard to the fact that the application for registration was made for wide classes of goods and the fact that no genuine use has been made of the trademark for any of the goods for which it is registered, that such facts raise an inference that **Danone** at the time of registration had no genuine intention to use the registered trademark in relation to such goods and that in such circumstances the application was made in bad faith.

This submission appears to me incorrect in law and not made out for a number of reasons.

In a claim for a declaration of invalidity under s. 52(1) the onus of establishing the facts which support an application for a declaration of invalidity is on the person applying for such declaration. This follows from s. 76 of the Act of 1996 which provides:

“76. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be *prima facie* evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

Such onus is subject to the provisions of s. 99 in relation to the onus on the proprietor (**Danone** in this instance) of proving the use made of the registered trademark where that is in issue. However subject to that exception the onus of establishing all other relevant facts lies on Glanbia.

Bad faith is not defined in the Act of 1996. Whilst there has been a reluctance to exhaustively define the term by the Courts in England there are observations which are of assistance and with which I would respectively agree. In *Gromax Plasticulture Limited v. Don & Low Nonwovens Limited* [1999] R.P.C. 367, at 379 Lindsay J. stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.

Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the Courts (which leads to the danger of the Courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

In *Harrison v. Teton Valley Trading Company Limited* [2004] 1 W.L.R. 2577 (sub. nom. *Harrison’s Trade Mark Application* [2005] F.R. 10), Sir William Aldous (with whom Arden and Pill LJJ. concurred) considered the speech of Lord Hutton in *Twinsectra Limited v. Yardley* [2002] 2 A.C. 164 in relation to the true test by which a court should determine whether a person had acted dishonestly and applied it to a test of bad faith in trademark legislation as follows:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

‘36 Therefore I consider ... that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.’

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words ‘bad faith’ suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

In the same judgment at para 29 he referred to the approach of the Cancellation Division of the European Trademark Office to the meaning of bad faith in the community trademark registration system:

“29. In *Surene Pty Ltd v Multiple Marketing Ltd* (Case C-479899/1)(unreported)(25 October 2000),

the proprietor, Multiple Marketing, distributed the applicant for revocation's products under the trade mark BE NATURAL. The Cancellation Division held that the application had been made in bad faith. It said:

‘10. Bad faith is a narrow legal concept in the CTMR system. Bad faith is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually, bad faith can be understood as a ‘dishonest intention’. This means that bad faith may be interpreted as unfair practices involving lack of any honest intention on the part of the applicant of the CTM at the time of filing.

11. Bad faith can be understood either as unfair practices involving lack of good faith on the part of the applicant towards the office at the time of filing, or unfair practices based on acts infringing a third person's rights. There is bad faith not only in cases where the applicant intentionally submits wrong or misleading by insufficient information to the office, but also in circumstances where he intends, through registration, to lay his hands on the trade mark of a third party with whom he had contractual or pre-contractual relations.’”

As appears from the above where an allegation is made that an application to register was made in bad faith all the circumstances of the application will be relevant. Where as on the facts of this case the allegation is a dishonest intention or lack of any honest intention to use the trademark for the goods for which registration was sought this would require at minimum evidence to be adduced of the application made; the stated intention of the applicant as disclosed in the application and/or other relevant contemporaneous evidence as to the probable intention of the applicant at the time of application. Glanbia has adduced no evidence in this case in relation to the application made; the nature of the declaration of intention of use included in the

application or any contemporaneous evidence in support of an alleged dishonest intention or lack of honest intention in the application made for registration of the trademark ESSENSIS. In the absence of any such evidence Glanbia cannot be considered to have discharged the onus of establishing bad faith by **Danone** in its application for registration when determined in accordance with the above principles.

Accordingly I would dismiss so much of the counterclaim as seeks a declaration of invalidity pursuant to s. 52(1) of the Act of 1996.

**Relief**

There will be an order in accordance with paragraph A of the counterclaim that is:

An order pursuant to s. 51(1)(a) of the Act of 1996 for revocation of the Irish Registered Trademark no. 211092, ESSENSIS.