

REPUBLIC OF TRINIDAD AND TOBAGO

IN THE HIGH COURT OF JUSTICE

H.C.A No. 1029 of 1994

IN THE MATTER OF THE TRADE
MARKS ACT, CHAP. 82:81

AND

IN THE MATTER OF REGISTERED TRADE MARK NO. 17609 POLAR
REGISTERED IN THE NAME OF CERVECERIA POLAR C.A. OF
EDIFICIO FUNDACION POLAR 4TA TRANSVERSAL LOS CORTIJOS
DE LOURDES, CARACAS, VENEZUELA IN RESPECT OF CERTAIN
GOODS IN CLASS 43

AND

H.C.A. NO. 1626 OF 1994

IN THE MATTER OF THE TRADE
MARKS ACT, CHAP. 82:81

AND

IN THE MATTER OF REGISTERED TRADE MARK NO. 164 OF 1954
POLA BEER REGISTERED IN THE NAME OF CARIBBEAN
DEVELOPMENT COMPANY LIMITED OF CARIB BREWERY,
EASTERN MAIN ROAD, CHAMPS FLEURS, TRINIDAD IN RESPECT
OF CERTAIN GOODS IN CLASS 43

Before Jones J.

Appearances:



H.C.A. 1029/94 In Re: TRADEMARK # 17609 POLAR

Mr. M. Daly SC, P. Rajkumar and C. Hamel Smith for
Cerveceria Polar C.A.
Mr. R. Martineau SC and Mr. Garcia for Caribbean
Development Co. Ltd.

JUDGMENT

The parties in this matter are famous beer manufacturers in their respective countries. Caribbean Development Co. Ltd are manufacturers of Carib and Stag beers here in Trinidad and Tobago. At least those brands of beer are well known to citizens of this country. Cerveceria Polar C.A. is the manufacturer of Polar beer in neighbouring Venezuela and it would appear that that brand of beer is well known to citizens of that country.

The actions before me are not about the popularity of any of those brands of beer, in Trinidad or in Venezuela but concerns registered Trade Marks of those manufacturers; "Pola Beer" by the Caribbean Development Company and 'Polar' by Cerveceria Polar C.A. and whether or not either ought to be allowed to retain their respective marks on the Register of Trade Marks here in this country.

On June 1st 1995 two motions came on before me for hearing. The first H.C.A. No. 1029 of 1994 was brought by Caribbean Development Company Limited and filed on 24th March 1994 and the other by Cerveceria Polar C.A. H.C.A 1626 of 1994 filed on the 17th May 1994. It was agreed by the parties that the two motions be tried together and it will be shown shortly that both Companies were seeking similar reliefs except that Caribbean Development Company Limited added an additional ground to which I will refer in due course.

As gleaned from the evidence, on the 31st August 1954 an application No. 164 of 1954 was made by Walters Trinidad Brewery Co. Ltd a company registered under the laws of Trinidad and Tobago in respect of beers in Class 43 of the Trade Marks Act for the registration of a trademark "POLA BEER". This application was granted. The proprietorship in the said Trademark was assigned to Caribbean Development Co. Ltd, the applicant in H.C.A. 1626/94 in 1961 and remains on the register of trademarks.

Following upon an application made in June 1988 on the 4th of February 1992 Cerveceria Polar a company incorporated in ...Venezuela and the applicant in H.C.A. 1029/94, was registered as the proprietor of a Trademark "Polar" bearing registration No. 17609 in Class 43 in respect of beers. This registration is in force until 20th June, 2002.

Both applicants seek to have the Trademark of the other expunged from the register of trademarks on the grounds that:-

- (a) *The trademark of the other was registered without any bona fide intention on its part that it should be used in relation to the goods in respect of which it was registered and that there had been in fact no bona fide use of the said trademark in relation to the goods by any proprietor thereof for the time being up to the date one month before the date of the application.*
- (b) *Up to the date of one month before the date of the application a continuous period of five years or longer had lapsed during which time there was no bona fide use in relation to the goods in respect of*

which the trademark was registered by any proprietor for the time being.

I had indicated that the applicant Caribbean Development Co. Ltd., had added an additional ground which is to the effect that:-

- (c) *the trademark "Polar" was entered on the Register without sufficient cause and/or so nearly resembles the Trademark of the applicant in respect of the same goods or description of goods as to be likely to deceive or cause confusion.*

These proceedings were instituted pursuant to provisions of the Trade Marks Act Chap 82:81 which are set out herein:-

"s.35 (1) Subject to subsection (2), a trade mark may be taken off the Register in respect of any of the goods in respect of which it is registered on the application of any person aggrieved to the Court or, at the option of the applicant and subject to section 61, to the Registrar on the ground either -

- (a) that the trademark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods by him, and that there has been in fact no bona fide use of the trademark in relation to those goods by any proprietor thereof for the time being up to the date one month before the date of the application ; or*
- (b) that up to the date of one month before the date of application a continuous period of five years or longer elapsed during which the*

trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being.

(2).....

(3) An applicant shall not be entitled for the purposes of subsection (1) (b), or for the purposes of subsection (2) on any non-use of a trade mark that is shown to have been due to special circumstances in the trade and not to any intention not to use or to abandon the trade mark in relation to the goods to which the application relates.

s.14 (1) Subject to subsection (2), no trade marks shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the Register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion.

s. (46) (1) Subject to the Schedule, the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the register of any entry or by any entry made in the Register without sufficient cause, or by any entry, wrongly remaining on the Register, or by any error or defect in any entry in the Register, make such order for making, expunging, or varying such entry as it may think fit.

In support of their respective cases affidavits were filed by one Brian Laurayne and Jerry Narace on behalf of Caribbean Development Co. Ltd and Alvaro Gimenez and Michael Alonzo on behalf of Cervecería Polar C.A. and these deponents were except Mr. Alonzo subjected to cross examination.

I will now set out briefly the evidence given by Mr. Laurayne, Mr. Gimenez and Mr. Narace

Brian Laurayne is the Commercial Manager of Caribbean Development Co. Ltd.,(the Company). He deposed that the Company had used the trademark "Pola Beer" on beer products it had manufactured from December 1993 to June 1994. In terms of cases the Company had produced 457 cases in December 1993, 541 in January 1994, 964 in June and a further 2618 cases also in June 1994. There had been distribution of these products throughout Trinidad and Tobago and it was the intention of his Company to continue production and to sell beers using that trademark in Trinidad and Tobago with particular emphasis on the Christmas and Carnival seasons.

He was aware that Cervceria Polar C.A. had registered the trademark "POLAR" in Trinidad and Tobago but as far as he was aware there had been no manufacture, sale, importation / promotion or marketing of any beer bearing the name "Polar" and that Company had never used the trademark in Trinidad and Tobago.

The Company introduced Pola on the local market in November 1993 in an attempt to capture the Christmas market. In December 1993 the Company produced 457 cases of Pola Beer and sold 406 cases. In January 1994 the Company produced 541 cases and sold between January and March 1994, 507 cases and between June 1994 and January 1995, 4,381 cases were sold throughout Trinidad and Tobago.

This production of Pola Beer came about because as far back as 1989 the Company had decided to expand its range of beers on the local market. It decided to produce Pola but did not do so immediately owing to the state

of the market , there being a glut with the price of beer falling dramatically resulting in losses to the Company

Between 1989 and September 1993 the Company had rationalised its position and was finally in a position to produce additional products as the market was then ready to receive them. Identifying the different market segments by alcohol strength., flavour, people, other brand attributes and price, it found that there was room in the market for Pola Beer which was marketed in a brown bottle as against Stag and Heineken which were bottled in green bottles. Pola was slightly more expensive than Carib and Stag but less expensive than Heineken. By 1993, therefore, the Company was producing and selling Pola Beer using its trademark.

Mr. Laurayne deposed that since the Company enjoyed a dominant position in the local beer market, it had the advantage of being able to introduce new products without having to embark upon extensive and expensive marketing and advertising promotional campaigns. The Company depended heavily on its goodwill and reputation in the industry and its outstanding distribution network in order to successfully introduce a new product.

Mr. Laurayne was cross-examined extensively by Attorney for Cerveceria. He had stated that when a product like polar beer gained consumer acceptance and established itself on the market, the Company when it becomes commercially sensible will embark upon an advertising campaign. He explained that becoming commercially sensible was determined by volume of sales, feed back from the trade, comments from customers and acceptance of the product. He felt that holding 1% of the market or even the sale of one case of beer could be considered commercially sensible. or even once the product filled a niche in the market. He indicated

that there were sales forecast for pola beer for the year 1995 and this was 8,000 cases. The forecast for December 1993 when the product was launched was 450 cases and that was considered a commercially sensible volume. While agreeing that one test whether a product was commercially sensible was to measure cost of production against anticipated sales, he was unable to say how much it cost to produce the 450 cases he spoke of or whether to produce such a number will be a bust.

He stated that 450 cases was an unusually small launch and 457 cases was a very small production, an unusually small production. The reason for such small production he stated was based on the estimated sales which were very small. Pola was launched in an unusually small way and this was based on the sales forecast. There was no production between January and June 1994 but Mr. Laurayne could advance no reason for this. He said he did not have the whole story about the launch of Pola.

He said that he was aware that Cervceria Polar was coming to Trinidad and that it would be a serious competitor for his Company but he said that there was no connection between Polar coming to Trinidad and the small launch of Pola in December 1993. This he ventured although he did not take part in all high level discussions of the Company. He agreed that having regard to the size of the beer market the figures representing production from December 1993 to June 1994 were small. He agreed also that the average of 8 cases of Pola sold per day was small when compared to sales of Carib, Stag and Heineken, yet he considered it a success since it satisfied a niche. While certain marketing strategies were adopted for the other beers produced by the Company, none was done for Pola.

Mr. Jerry Narace, the Managing Director of Budget Foods Ltd deposed that his Company had between 1993 and April 1995 been engaged

in the sale of Pola Beer at his Company's outlets in Arima, Champ Fleur and Chaguanas. Sales to the public had been continuous over that period. Under cross examination he conceded that he had no actual records to support his statement that Pola Beer had been regularly purchased. He agreed that his record will not show the sale of Pola Beers for 1993 but said he is able to say that the sale was continuous as he attended purchasing meetings with people who purchase from branches and at such meetings products performance was discussed. He was also able to observe the performance by his perusal of the lanes at the Supermarkets.

Mr. Alvaro Gimenez is the Export Director of Cerveceria Polar C.A. He has held that position since 1984 but had been with the Company since 1956. He deposed that Cerveceria Polar was entered on the Register of Trade Marks as proprietor of the Trademark "Polar" on the 4th February 1992, registered as No. 17609 in Class 43 in respect of beers. That mark is in force until June 2002. As Export Director his responsibility was to oversee the possibility of exporting to other countries.

He stated that his Company had been manufacturing and marketing beers under the name Polar since 1942. The Company and its beer are well known across Venezuela. From about 1972 the Company began to export is beer under the mark Polar. Since 1983 Cervercia Polar began to take steps to develop a market outside Venezuela for instance Caribbean countries like Trinidad and Tobago. Hence its decision to apply to be registered as the proprietor of the Trademark "Polar" in Trinidad and Tobago.

He stated that even though at the time his Company applied for registration of the mark, beer was not permitted to be imported into Trinidad and Tobago owing to the "Negative List", it was felt that owing to the trend

of liberalisation policies in most countries, before long his Company would have been able to access the Trinidad and Tobago market.

In keeping with that intention, this deponent had visited Trinidad and Tobago with other representative of his Company on approximately 9 occasions and held discussions with potential distributors of "Polar". He listed the local companies with which he had been in touch. They were Agostini Ltd, from October 1991, The Amar Group of Companies, the Neal and Massy Group, Geo. F. Huggins and Co. Ltd., the Solo Group of Companies.

He stated that since his Company had applied for registration of the Trade Mark there have existed special circumstances of the trade which had resulted in his company being unable to export its beer to Trinidad and Tobago. These circumstances were the prohibition on the import of beers by it being on Trinidad and Tobago's Negative List and a tariff barrier by way of import duty on extra-Caricom beer, making it economically unfeasible to import "Polar" into Trinidad and Tobago.

Mr. Gimenez was cross examined by Attorney for Caribbean Development Co. Ltd. He said Agostini Ltd was the first Company in Trinidad with which his Company made contact. In the order of things, Agostini might have first visited Venezuela and there was then a follow up visit by Cervectoria. His Company markets a beer other than "Polar". It is "Solerio" and it has a market share of about 2% as compared to "Polar" with a market share of about 80%. He said he was aware when he swore his affidavit in October 1994 that part of the tariff barrier on ex Caricom beers had been removed and that some of the taxes which affected CIF costs on beer had also been removed. He, however, did not know by how much was

this reduction nor when was the reduction made. He did not seek information on any of these matters.

He said that his Company had brought samples of Polar to firms in Trinidad. He named Huggins, Neal & Massy, Amar and Agostini.

He said that Trinidad and Tobago was a market his Company had targeted for Polar.

He indicated that his contacts in Trinidad were made through the Venezuelan Embassy here. He stated however that his Company had never advertised Polar Beer in Trinidad. The Board of Directors of his Company had taken a decision to have the trademark "Polar" registered everywhere it was possible to have it registered. It was a general request not specific to Trinidad and Tobago. Request for registration was made to the countries the Company was targeting. His information about the effect of the negative list was obtained from the persons they were speaking with and he was not aware that under the negative list one could import goods under a special licence. No legal advice was sought about the negative list and its operations. He did not know that beer was now off the negative list.

Such was the evidence in these cases.

Now the law which I have set out earlier as being applicable to these proceedings makes it incumbent on the applicants in their respective applications to establish firstly that they are persons aggrieved and that the trademark of the other party was registered with no bona fide intention to use it and that that party had not in fact made bona fide use of the marks up to one month before their respective applications.-that is February 24th 1994 in the case of Caribbean Development Co. Ltd., and April 17th 1994 in the case of Cerveceria Polar.

By virtue of section 35 1(b) each applicant must discharge the onus of establishing that the other had not made bona fide use of their trademark for a continuous period of five years from the date of its registration up to February 24th 1994, in the case of Caribbean Development Co. Ltd ., and April 17th 1994 in the case of Cerveceria Polar. In either case the other party will not succeed if the non-use was due to special circumstances in the trade and not to an intention not to use or to abandon the trademark. This proviso is relied on only by Cerveceria Polar in respect of the trademark "Polar". Caribbean Development Co Ltd., has raised no such ground.

An additional ground was raised by Caribbean Development Co Ltd., based on sections 14(1) and 46(1) of the Act which relate to the question whether the mark of Cerveceria Polar so nearly resembles the trademark of Caribbean Development Co. Ltd., as to be likely to deceive or cause confusion. Should the Court so find then an order can be made for expunging or varying the entry on the Register.

I have set out earlier the evidence relied on by the parties to discharge the burden that rest upon each of them. I will attempt to put in a nutshell what has been advanced by each side.

Cerveceria Polar C.A. became interested in selling its beer "Polar" in Trinidad and Tobago and took steps to have its Trademark registered in the country. This registration was effected in 1992 and is still in force. To demonstrate its interest, representatives of Cerveceria Polar including the deponent Alvaro Gimenez, paid visits to Trinidad and Tobago and held discussions with certain firms here. The first contact was with Agostini Ltd as early as 1991. Samples of its products were also sent to potential distributors here and there had been correspondence between Cerveceria Polar and firms in Trinidad and Tobago about possible distribution of Polar

in Trinidad and Tobago. There was, however, no advertisement of the beer here nor was any dealership ever established in Trinidad and Tobago. The reason advanced was two fold - the existence of the negative list which prohibited the import of foreign beer and the high tariff rate attached to ex Caricom beers. These matters were raised in correspondence between Cerveceria and companies in Trinidad and Tobago notably Agostini Ltd., Amar Holdings Ltd and Geo. F. Huggins & Co. Ltd., the latter as late as November 1993.

Caribbean Development Co. Ltd., became the assignee of the Trademark "Polar Beer" in July 1961. It was originally registered on the 31st of August 1954 by a company called Walters Trinidad Brewery Co. Ltd., This mark was first used by the Company in December 1993. Although the launch of this beer was discussed as far back as 1989 no production was done owing to the state of the market at the time. There was a glut and the price of beer fell dramatically. The first production in December 1993 was 457 cases described as an unusually small production. This was followed in January 1994 with 541 cases. There was no production between January 1994 and June 1994, and no reason was advanced for this. On June 13th 1994, 964 cases were produced and on June 14th 1996, 2,618 cases were produced.

These products were distributed throughout Trinidad and Tobago and the Company was able to do so without any advertising promotional campaign since the Company enjoyed a dominant position on the local beer market and had an outstanding distribution network. Although "Pola beer" enjoyed a small percentage of the beer market 1% this was still considered to be commercially sensible as the product filled a niche in the market. The reason for the small production, however, was based on the estimated sales.

There was no connection between the launch of Pola and the knowledge that Cerveceria Polar intended to come to Trinidad.

Mr. Jerry Narace, Managing Director of Budget Foods Ltd., gave evidence of his company being a retailer of Pola beer and that the product was being purchased by customers on a regular basis.

I will now seek to answer the various questions that arose in these proceedings, the burden of proof which fell on the applicants. It is the applicant who asserts that the mark was registered with no bona fide intention to use it to so establish. Accordingly the burden of proof whether Cerveceria Polar registered its mark "Polar" with no bona fide intention of using it - see S.35(1)(a) rests on Caribbean Development Co. Ltd. No direct evidence was given by Caribbean Development Co. Ltd to establish this. Mr. Laurayne did not deal with that issue. Cerveceria had submitted that on that ground alone the application of Caribbean Development Company Ltd must fail. I do not agree. It seems to me to be open to Caribbean Development Company Ltd to challenge the evidence of Cerveceria Polar on the issue by asking the Court to draw inferences from the evidence of Mr. Gimenez, its main witness and answers given by him under cross-examination. This it has done. The Court is being asked to infer from the circumstances the absence of intention to use the mark upon registration. The Court is concerned with the discharge of the ultimate burden and this can only be ascertained after both parties have called their evidence.

Let me say briefly something on the matter of persons aggrieved, a requirement which the applicants must satisfy. I think it is unnecessary for me to go into the question whether the applicants in either case are persons aggrieved. That question can be answered in the positive without more. It has been held that all persons who are in some way or other substantially

interested in having the mark removed or persons who would be substantially damaged if the mark remained are persons aggrieved, see Powell's T.M. 2Ch 388.

It was the contention of Caribbean Development Co. Ltd., that Cervceria Polar based on the evidence of Alvaro Gimenez and the inference to be drawn therefrom, had no bona fide intention to use the mark "Polar" when it was registered.

It is of interest to note how the phrase "intention to use" had been defined in the cases. In Re Ducker's Trademark (1921) 1CH 113 this phrase was defined as follows at P. 121 by Lord Hanworth MR:-

"A man must have an intention to deal, meaning by the intention to deal, some definite and present intention to deal in certain goods or description of goods. I agree that the goods need not be in being at the moment, and that there is futurity indicated in the definition: but the mark is to be a mark which is to be definitely used or in respect of which there is resolve to use it in the immediate future upon or in connection with goods"

"Bona fide" was also defined in these terms:-

"What is the meaning of "bona fide" I think that must mean a real intention in the sense which I have already explained, and if it is not found that there was that real resolve, intention and purpose, then it is established that originally the mark was put on the Register when it ought not to have been put on, because there was not a sincere purpose to make use of the mark in connection with goods"

I have already recited the evidence given by both Mr. Laurayne for Caribbean Development Company and Mr. Gimenez for Cervceria Polar. Attorney for Caribbean Development Company pointed to aspects of the

evidence of Mr. Gimenez which he submitted indicated that there was no bona fide intention to use the mark Polar when it was registered. I will try to summarize some of these points:-

- (a) Cerveceria placed greater emphasis in development of its export markets in 1983 after discussions with the Solo Group of Companies in the early 1970's at the time of its initial thrust, yet no application for registration in Trinidad and Tobago was made until 1988.
- (b) At time of Cerveceria Polar's application for registration in Trinidad and Tobago beer was already on the negative list.
- (c) Beer was placed on negative list in 1985 but Cerveceria Polar applied for registration in 1988 when beer was permitted to be imported into Trinidad and Tobago by special licence. No attempt was made to take advantage of the procedure. Intention to use the mark was therefore futuristic, indefinite and contingent or non existent.
- (d) No advertising of Polar beer in Trinidad and Tobago although it was contended that such was one of the practices associated with the launch and introduction of a new alcoholic product, particularly beer.
- (e) No request was made by Cerveceria to have its legal department investigate the implications of the negative list. Reliance was placed on firms in Trinidad and Tobago to provide information on market conditions.

- (f) Gimenez, the Export Director of Cervercia Polar, at time of giving evidence in 1995 was then unaware whether beer was still on the negative list or that certain tariff barriers had been removed or when they had been so removed.
- (g) At time of the application for registration of "Polar" in Trinidad and Tobago up to time of the approval, Cervercia Polar expressed intention was to use its mark as soon as the process of trade liberalisation and removal of trade barriers made it possible - a futuristic indefinite intention.
- (h) Gimenez had requested his legal department to register Polar anywhere it could possibly be registered and not specifically in Trinidad and Tobago.
- (i) The correspondence between Cerveceria and firms in Trinidad and Tobago relative to the distribution of Polar in Trinidad and Tobago was mainly on the initiative of the local firms and not Cerveceria Polar.

Attorney for Cerveceria Polar on the other hand had countered by making two main points:

- (a) No direct evidence was led by Caribbean Development Co. Ltd., as to its state of mind or intention in registering the trademark "Pola".
- (b) The trademark Pola was registered in 1954 and no use made of mark until 1993 - 39 years later.

On this latter point it seems to me that it is not accurate to say that Caribbean Development Co. Ltd., had not used the mark Pola for 39 years. The fact of the matter is that the mark Pola was assigned to Caribbean Development Co. Ltd, in 1961. Any link of the mark with Caribbean Development Co. Ltd, should therefore commence from that year.

From the evidence that has emerged, can Cerveceria Polar be said at the time the mark was registered to have had a resolve to use the mark "Polar" in the immediate future. To have that resolve, it seems to me one has to possess a firm intention to use the mark. That there was an absence of that firm intention, I have found from the conduct of Cerveceria Polar. I have noted that application for the registration of the mark was made in 1988 and from Mr. Gimenez we have learnt that this registration was effected as Trinidad and Tobago was a targeted market. However, I have found that initiative in having "Polar beer" sold in Trinidad and Tobago came from firms in Trinidad and Tobago. In March 1991 Cerveceria was relying on Amar Holding Ltd to collect information in order for it to evaluate the possibility of joining forces to introduce Polar beer in Trinidad. In October 1991 it was Agostini Ltd which visited Venezuela and raised the question of distributing Polar in Trinidad. It was this visit of Agostini Ltd to Venezuela which prompted Cerveceria's visit to Trinidad that year. Cerveceria failed to follow up on an offer by Splendid Products Ltd to sell its product in Trinidad and Tobago. Significantly while Cerveceria claimed that it proposed to use the mark in Trinidad and Tobago "as soon as the process of trade liberalisation and the removal of tariff made this possible" yet Mr. Gimenez, its Export Director, was unaware that there could have under the negative list been imports under special licence. Furthermore he

did not know when the negative list was removed nor did he know or seek to ascertain when or by how much tariffs on ex-Caricom beer were reduced. To my mind this state of affairs suggests a casual approach by Cerveceria Pola to the use of its mark "Polar" here in Trinidad and Tobago at the time of registration. Trade and commerce in these times is too sophisticated a matter for a company truly interested in marketing its product to place reliance on information obtained from a non-official source and to show a lack of interest in movements in the market.

I find that there is much in the submission of Attorney for Caribbean Development Co. Ltd, some of which I have summarized, that Cerveceria Polar lacked a bona fide intention to use the Trademark in respect of the goods in which it was registered at the time of registration. I so hold.

Now what of Caribbean Development Co. Ltd.? Did that Company have the bona fide intention to use the mark "Pola beer" at the time it was registered.? The evidence is that the mark was first registered in 1954 and the proprietor at that time was Walters Trinidad Brewery Co Ltd., The assignment of the mark to Caribbean Development Co Ltd took place in 1961. No evidence had been adduced about any activity with respect to this mark before 1989 when Mr. Brian Laurayne, Commercial Manager said that discussions were held with a view to producing Pola. In fact none was produced until December 1993.

Attorney for Caribbean Development Co. Ltd., drew attention to a statement in Kerly's Law of Trademark and Trade names 12th Ed. at paragraph 2 -19 where the learned author stated "It is doubtful whether the want of bona fide intention to use required by section 26 (1) (a) (similar to section 35 (1)(a)) would be inferred merely from non use in fact".

The learned author had gone on however to say - "In Batt's case the want of such intention was inferred from non use, but the trade marks have been registered for many years."

It seems to me that no other reasonable inference can be drawn from the non user by Caribbean Development over this period which I put at 1961 to 1993 but that there was no bona fide intention to use the mark. The depressed market conditions spoken of by Mr. Laurayne seemed to have existed only from 1989.

The second limb which must be satisfied on an application under section 35 (1)(a) is that there had been in fact no bona fide use of the trademark in relation to those goods by any proprietor thereof for the time being up to the date one month before the date of the application. In the case of Caribbean Development Co. Ltd., that date is the 17th April 1994 and for Cervceria Polar the 24th February 1994.

I will deal firstly with the case of Cervceria Polar. It had been submitted that Caribbean Development Co. Ltd had not discharged the burden that there had not been bona fide use of the trademark Polar up to one month before the application of Caribbean Development Co. Ltd i.e. 17th April 1994. Cervceria has argued the contrary. Reliance was placed on the evidence of Mr. Gimenez that his company had sent samples of Polar Beer to certain firms in Trinidad and Tobago. Among them were Agostini Ltd in 1991, Neal & Massy in 1992, Amar in 1992 and Geo. F. Huggins in 1992. Attorney for Cervceria relied on dicta from the following case.

In Notes of Official Rulings (1944) 61 R P C 148, Sir Frank Lindley said:-

"It is in my view necessary for this purpose that the goods on or in relation to which the mark is used shall be goods that

are themselves being at the time directly offering for sale in the country. It is enough, it seems to me, if the mark is used upon, or in physical or other relation to, samples which are supplied by the proprietor of the trademark to another firm with a view to obtaining some channel, such as an agency or wholesale purchaser for the supply of goods to this market."

Reference was also made to the case of Vac-U-Flex (1965) FSR 176 where it was held that a dispatch of samples to the UK may be regarded as the use of the trademark in the UK.

Neither of these cases were fully reported and therefore it was not possible to determine the ratio decidendi. In the Vac-U-Flex case one is met with the bald statement that "the Assistant Comptroller reviewed the evidence and found that the registered proprietors had endeavoured to introduce their plastic tubing into the UK market." It was accepted that the despatch of tubing similar to an Exhibit constituted a use of the trademark.

It must be the case, however, that the circumstances surrounding the introduction of the sample weighed heavily in the decision. This is borne out by the following statement, "a single sample is enough where there is real endeavour to introduce the goods into the United Kingdom market (emphasis mine)" Now what are the circumstances in which Cerveceria exported samples of 'Polar' to Trinidad.

By letter of 2nd October 1992, Neal & Massy wrote to Dr. Luis Anez of Cervercia Polar as follows:-

"As we discussed, I would very much appreciate you sending us 20 cases of Polar in cans, 20 cases of Polar in

bottles, 5 cases Malt and 5 cases Stout, as soon as possible. The invoice, together with the Polar glasses, is to be sent to Neal and Massy Caribbean".

I assure you that the sample of these beers shall be destined to be shown only to Neal and Massy Directorate".

The supply of samples to Geo F. Huggins and Co., was also handled by Neal and Massy Caribbean. In this connection Neal & Massy wrote on 30th November 1992:-

"With reference to the samples of Malta and Beer sent to Geo F. Huggins, please note that the following information is required urgently.

LITRES PER CASE AND SPECIFIC GRAVITY for both Malta and beer.

I would appreciate if you can send new invoices or letter of confirmation.

I thank you for your kind attention in this matter."

These letters appear to me to be in sharp contrast to the evidence of Mr. Gimenez in his affidavit of 20th April 1995 in which he deposed at para. 5 and 6:-

"5 Similarly , in the course of my discussions with the Amar Group, the Neal and Massy Group, George F. Huggins & Co. Ltd. and the Solo Group of Companies for the purpose of identifying a local distributor of Polar beer and Polar malta, I always brought with me samples of

each bearing the trademark thereon as aforesaid which I supplied to officials to each group of companies. In each case I did so at my initial meeting with them. In the case of the Neal and massy Group I supplied such samples on or around October 19th, 1992 and October 20th, 1992.

6 In addition to personally bringing samples of "Polar" beer and "Polar" malta with me into Trinidad, as export director I also arranged for shipments of samples of "Polar" beer and "Polar" malta to George F. Huggins and Company Limited as part of Cervceria Polar's efforts to identify a local distributor. True copies of Invoice No. POP0056 dated November, 19, 1992 relating to the shipment of 35 cases of samples sent to George F. Huggins and Company Limited together with a copy of a facsimile transmission to Mr. Legarza of Neal and Massy Limited sent by a member of my department enclosing the said invoice and a copy of the relevant airway bill are among the documents exhibited to my original affidavit in the bundle."

There was produced to the Court no documentary evidence in respect of samples to the Amar Group nor the Solo Group of Companies.

The evidence, in my view does not demonstrate that the proprietors of "Polar" had endeavoured to introduce their product by dispatching samples to firms in Trinidad and Tobago. It seems to me that any such dispatch must necessarily be a conscientious and earnest attempt by Cervceria Polar specifically aimed at having its product on the Trinidad and Tobago market.

The samples should be intended for the purpose of introducing the product into the country and the evidence must point clearly in that direction.

I hold in the premises, that there had not been in fact a bona fide use of the trademark "Polar" up to a date one month before the date of the application by Caribbean Development Co. Ltd.,

Now what of Caribbean Development Co., Ltd? Has it been shown that that company had not in fact made bona fide use of the trademark "Pola" up to a date one month before the date of the application of Cervercia Polar. The issue here was clearly put by Attorney for Cervercia Polar when he submitted:-

"The issue in the case is therefore confined to whether such use as Caribbean Development made of the trademark "Pola" during the 4.5 month period from December 1993 to April 17th 1994 constitutes bona fide use of the said trademark within the meaning of that expression as used in Section 35 (1) (a) and (b) of the Trade Marks Act."

The evidence in this case was that between December 1993 and April 1994 Caribbean Development Co Ltd produced 998 cases of Polar beer and sold 926 cases. It was conceded by Mr. Laurayne for Caribbean Development Company Ltd that the launch was unusually small. The Company sold just over 8 cases per working day between January and March 1994. On the other side of the scale the Company sold in the vicinity of 10,000 cases of Carib beers per working day, 1,700 cases of Stag and 933 cases of Heineken. Caribbean Development Company Ltd according to Mr. Laurayne began producing "Pola" in December 1993 as at that time

following the difficulties from 1989, the Company was "finally in a position to provide additional products and the market was ready to receive them."

Attorney for Cervercia Polar submitted that the use of Pola judged by ordinary commercial standards was

- (a) insubstantial
- (b) spasmodic
- (c) not ordinary and/or genuine and/or real commercial use and/or
- (d) not such use as to constitute a course of trading which was embarked upon as an end in itself..

In Electrolux Ltd v Electrix Ltd (1954) RPC 23 the plaintiff was the registered proprietor of two marks "Electrolux" and "Electrux" for the manufacture of Vacuum cleaners. Over a number of years the mark Electrolux was widely used whereas Electrux was not. The defendants were proprietors of the mark Electrix and used this mark for their product which was also vacuum cleaners. After the war the plaintiffs began to market a cheaper model of vacuum cleaner under their mark Electrux instead of Electrolux, but in terms of commercial activity in brand the levels were the same as under the Electrolux label. Indeed sale was termed substantial. The reason advanced for the use of the mark Electrux by the plaintiffs was their intention to avoid the mark being removed for non uses. On the facts the Court held that that reason advanced for the activity under the mark 'Electrux' did not affect the bona fides of the use. A bona fide use was described as ordinary and genuine, perfectly genuine, substantial in amount, a real commercial use in a substantial scale and not some fictitious or colourable use.

Attorney for Caribbean Development Company Ltd., had submitted that there was evidence from which the Court could conclude that there was

bona fide use of the mark Pola. He pointed to the actual sales, the fact that Pola was intended to fill a particular niche in the local beer market, the fact that the Company had made a profit on the sale of Pola beer, Pola was marketed in the usual way the Company generally marketed its product, the identification of market segment by alcoholic strength, flavour, profits and other brand attributes, the distinguishing features given to Pola beer, conduct of taste tests in respect of Pola beer and the distribution of Pola throughout Trinidad and Tobago.

It seems to me that one of the matters to be taken into account in determining whether the use was bona fide was the extent of the sales. In both the Electrlux case (supra) and Concord Trade Mark (1987) 13 FSR 209, the fact that the sales were substantial was a determining factor. In Concord it was stated that "substantial" had in the context of any particular case to be considered in relation to the trade concerned.

Attorney for Caribbean Development Co. Ltd had submitted that the volume of sales of Pola must be seen in relation to the trade concerned and that in Trinidad and Tobago one had to consider the relatively small beer market which had been dominated by Carib beer and furthermore there were three established kinds of beer. Furthermore he submitted that regard should be had to the evidence of Mr. Laurayne that :-

"Penetration into the local market by any new product is necessarily a gradual process."

He concluded therefore that sales of Pola beer over the relevant period had not been insubstantial.

If as stated in Concord that the determining factor was the numbers in relation to the particular trade, then it seems to me that account ought not to

be taken of the competition that the particular product had to meet in the market place, moreso as the Company was its own rival.

Attorney for Caribbean Development Company submitted in effect that comparisons ought not to be made with the sales of Carib, Stag and Heineken. That comparison to my mind must of necessity be made as it would demonstrate whether or not the use the use of the mark Pola was colourable or not.

To my mind the production and sale of Pola by Caribbean Development Co Ltd was not a genuine use of the mark but a colourable use and as was said by Falconer J in the Concord:-

"Not a course of trading embarked upon as an end in itself."

I hold in the premises that Cervercia Polar must succeed on this ground also.

Both parties pursued applications under Section 35(1)(b) of the Trade Marks Act. This section is repeated here for ease of reference:-

" s35(1)(b) that up to the date of one month before the date of application a continuous period of five years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being."

Attorney for Cervercia Polar submitted that the application by Caribbean Development Co Ltd. must necessarily fail since Cervercia "Polar`s" mark had not been registered for a period of 5 years. It seems to me to be unnecessary to refer to the cases cited and I mean no disrespect to Attorneys for this. As pointed out by Attorney for Caribbean Development Co. Ltd the answer lies in Section 23 of the Trade Mark Act which is to this effect:-

"23 (1) When an application for registration of a trade mark in Part A or in Part B of the Register has been accepted and has not been opposed and the time for notice of opposition has expired or having been opposed the opposition has been decided in favour of the applicant, the Registrar shall unless the applicant has been accepted in error register the trade mark in part A or Part B, as the case may be, and the trade mark, when registered, shall be registered as of the date of the application for registration, and that date shall be deemed for the purpose of this Act to be the date of registration. However, the foregoing provisions of this section, relating to the date as of which a trade mark shall be registered and to the date to be deemed to be the date of registration, shall, as respects a trade mark registered under this Act with the benefit of any written law relating to international or commonwealth arrangements, have effect subject to the provisions of that written law."

I hold on a literal interpretation of the section that the date of the application for registration is deemed to be the date of registration. Accordingly Cerverceria Polar mark was registered on the 21st June 1988 thus bringing it within the ambit of section 35(1)(b).

The matters in issue under this provision and those under s.35 (1)(a) to a great extent overlap. My conclusions are therefore the same and I do not propose to repeat them here. The only additional question is that which arises under section 35(3).

Section 35(3) provides:-

"An applicant shall not be entitled for the purposes of subsection (1) (b), or for the purposes of subsection (2) on any non-use of a trade mark that is shown to have been due to special circumstances

in the trade and not to any intention not to use or to abandon the trade mark in relation to the goods to which the application relates."

Cervercia Polar had pointed to two sets of circumstances which it said constituted special circumstances in the trade. These were:-

- (a) the prohibition of the import of beer into Trinidad and Tobago as a result of the inclusion of beer on the negative list, and
- (b) the existence of a tariff barrier in Trinidad and Tobago against the import of beer from outside of Caricom which made it economically unfeasible to import Polar into Trinidad and Tobago.

Reliance was placed on the case of Aktirbologet Manus v RJ Fullwood and Bland Ltd (1948) 65 RPC 329 and (1949) 66 RPC 71 in which it was held that the existence of the Import of Goods Prohibition Order whereby the import of milking machines were under licence constituted "special circumstances in the trade" Harman J. said:-

" They rely on section 26(3) of the Act saying that the non use of the mark has been due to special circumstances in the trade and not to any intention not to use or to abandon it on their part. For these special circumstances they point to the circumstances arising out of the war already alluded to and in particular to the Import of Goods Prohibition Orders mentioned in the reply. In that document they also rely on certain Defence (Patents, Trade Mark, etc.) Regulations, but that plea was abandoned at the trial. As I have already said the import of milking machines into this country save under

Board of Trade licence was prohibited from October, 1939, and remains so prohibited, and prima facie these would seem to be special circumstances in the trade."

The same was said of the imposition of prohibitive tariffs. Evershed L. J. said in the Court of Appeal at (1949) 66 RPC 71:-

"The case was put by Somerwell LP, in the course of the argument of the imposition of prohibitive tariffs practically effective to keep out of England altogether machines manufactured abroad. It is clear that such a tariff would strike hardest at those manufacturers who had no means of manufacturing in England and would (as it would be intended to do) immensely benefit English manufacturers; and whether or not the words "the trade" be given their widest significance, the effect of such a tariff would in my judgment amount to 'special circumstances in the trade' ".

Pointing to the evidence of Mr. Gimenez, it was submitted that Cervceria Polar had made repeated efforts to establish relations with distributors in Trinidad and Tobago for the purpose of marketing its beer "Polar" in Trinidad and Tobago but was unable so to do by reason of firstly the prohibition on imports which I take as a reference to the negative list and by the trade barrier which made it economically unfeasible to do so. Any non-use of the trademark, "Polar" was therefore due to special circumstances in the trade.

In neither the Manus case nor the case of "Bulova" Trademark 1967 which was also cited before me was the text of the Prohibition Orders or the

nature of the tariffs set out. It is of interest that Evershed L J in the Manus case referred to the plaintiff's argument in these terms at p 78 - 79.

"They say, however - and this is their substantial answer to the defendant's counter-claim that such non-use was the direct result of the compelling circumstance of the Second World War and particularly, of the war-time legislation both in Great Britain and Sweden which made the import of their Swedish manufactured machine practically impossible : to which they add that their factory at ...was requisitioned by the Swedish Government from 1941 to 1944. The plaintiffs rely on these circumstances as constituting "special circumstances in the trade".

A note of the case in Kerly's Law of Trade Marks and Trade Names 10th Ed. at para. 11-43 is also instructive. It says:-

"A Swedish firm, manufacturing milk machines in Sweden, admitted non use of their British mark for a period of more than five years. It was held that Import Prohibition Order still in force on the date of the action, the prohibition of export of the machines from Sweden and prohibition upon export of money from this country constituted " special circumstances in the trade."

I draw attention to these as clearly the legislation being considered was war time legislation and the Prohibition Order was not the only factor taken into account. Could a comparison then be made with the negative list? Did the negative list make the importation of "Polar" "practically impossible" or ban it altogether. It is important when it is being sought to use dicta in a case, that care be taken to ensure that there is a measure of similarity in the facts. This similarity is lacking in this case.

The Manus decision therefore does not assist.

A further point was made by Attorney for Caribbean Development Co. Ltd. He submitted that "the special circumstances" provision is inapplicable in a situation where the circumstances relied on for non use existed at the time the application for registration of the mark was made. I see merit in that submission as it stands to reason that a trader who voluntarily enters a market in which certain conditions exist, cannot rely on those conditions to support his inability to trade. The tariff attached to imported beer had also been cited as a special circumstance in the trade. The tariff on ex Caricom beer is in effect an import duty. The imposition of such a duty is not peculiar or abnormal. "Special circumstances of the trade was defined by Evershed L.J in the Manus case in these terms:-

"The words must be taken to refer to circumstances which are 'Special' in the sense of being peculiar or abnormal and which are experienced by persons engaged in a particular trade as a result of the working of some external forces as distinct from the voluntary acts of any individual trader."

It seems to me that it is not sufficient to point to the fact that there was the negative list, which I have already mentioned did not totally prohibit imports, and conclude that this was a special circumstance in the trade. It appears to me that it must be shown that the presence of the negative list made imports practically impossible. That was the effect of the war time legislation referred to in the Manus and Bulova cases. Further more with respect to the tariff Mr. Gimenez was unaware of the figures involved, neither did he interest himself in finding out.

I hold therefore that Cervceria's non user was not due to special circumstance in the trade but to the absence of intention to use the mark and it cannot therefore claim the protection of section 35(3).

On applications such as being considered the power of the Court to order the removal of the mark is discretionary. However, in Kerly's Law of Trade Marks and Trade Names, the author deals with this matter in these terms:-

"It is to be observed that the whole section is governed by the words in section 26 (1) (35(1)) "may be taken off." The word "may" involves a discretion not to remove. It is clear, however, when section 26 (1) (35(1)) is read with its proviso, that only in exceptional circumstances should removal be refused: the words in the proviso, that in certain cases the tribunal "may refuse the application," carry the unavoidable implication that in other cases, prima facie, the application ought not be refused. Although the exercise of the jurisdiction is discretionary, the entry of a mark which is liable to removal under this section, is one wrongly remaining on the Register"

In the premises I hold that both applicants have succeeded and order that the trade marks "Polar" and "Pola beer" be taken off the Register.

Caribbean Development Co. Ltd had also challenged the trademark of Cervceria Polar on the further ground that the trade mark was entered on the Register without sufficient cause and/or so nearly resembles its Trademark in respect of the same goods or description of goods as to be likely to deceive or cause confusion. Having regard to my conclusions that the mark "Pola" is one wrongly remaining on the Register, it is unnecessary

for me to consider this ground as there will be no basis on which Caribbean Development Co. Ltd could pursue it.

Both parties will bear its own costs.

Dated the 11th day of September, 1997

Lionel Jones

Judge