

1982 August 11

[A. LOIZOU, J.]

IN THE MATTER OF ARTICLE 146 OF THE CONSTITUTION

BEECHAM GROUP LTD., TRADING ALSO AS  
BEECHAM RESEARCH LABORATORIES,

*Applicants,*

v.

THE REPUBLIC OF CYPRUS, THROUGH  
THE REGISTRAR OF TRADE MARKS,

*Respondent.*

(Case No. 335/80).

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*Trade Marks—Registration—Registrar of Trade Marks—Discretion  
to register trade marks—Judicial control—Principles applicable.*

*Administrative Law—Administrative acts and decisions—Legality—  
Controlled on the basis of the material before the Administration  
at the time it was taken—Administrative decision taken on basis  
of material adduced by applicants—Applicants cannot complain  
against legality of decision on ground that such material was  
adduced by them by mistake.*

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On July 13, 1978, the applicants, a company of limited liability engaged in the production and distribution mainly of pharmaceutical products, applied to the respondent Registrar of Trade Marks for the registration of the red and black coloured capsule appearing in their application, for the pharmaceutical preparation of "Ampicillin" sold in capsules in Class 5 on Schedule IV of the Trade Marks Rules 1951-1971. The Registrar in reply informed the applicants that on the basis of the provisions of paragraph (e) of section 11 (1)\* of the Trade Marks Law, Cap. 268, the application could not be entertained because the proposed trade mark lacked distinctiveness and there was also objection on the basis of the provisions of section

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\* Section 11(1) is quoted at pp. 629-30 post.

13 of Cap. 268. There followed exchange of correspondence between applicants and the respondent; and the respondent on three separate occasions drew the attention of the applicants that the evidence they have adduced tended to connect their mark with the word "Penbritin" and asked them to adduce evidence of use, independent of the word "Penbritin". Even after these three reminders part of the evidence they adduced connected in a most definite way their mark with the above word. The respondent by his decision dated 2.8.1980 rejected the application and hence this recourse.

Counsel for the applicants mainly contended that they have adduced evidence of use independent of the word "Penbritin" and that the capsule that had the word "Penbritin" on it was submitted by mistake.

*Held*, (1) that the task of this Court is to control the legality of an administrative act or decision on the basis of the material which was before the administration at the time it was taken; that it was up to the applicants to adduce the necessary and appropriate evidence asked for by the Registrar in order to establish distinctiveness of their mark; that they cannot now expect this Court to take into consideration that that part of their evidence was adduced by mistake, which mistake in any event was not within the knowledge of the Registrar when taking the sub judice decision and adjudicate upon the matter as if the factual situation was, as it might have been, had this mistake not occurred.

(2) That the Registrar in exercising his discretion, is not limited to any particular type of consideration; that he must exercise it judicially on reasonable grounds which are capable of being clearly stated; that this Court will not interfere with the discretion of the Registrar if due weight has been given to all material facts, it has not been based on a misconception of law or fact and it was not exercised in excess or abuse of power; that on the material which was before the Registrar in this case, this Court has come to the conclusion that it was reasonably open to him to arrive at the conclusion that he did; that this Court will not substitute its discretion for that of the Registrar, the appropriate authority in this case, since he exercised same judicially and neither in abuse or excess of power, nor contrary to law; that, moreover, the respondent Registrar directed

himself correctly on the law pertaining to the issues raised regarding the effect of a mark having been registered in a foreign country, by referring to *Kerly's Law of Trade Marks*, 10th edition pp. 146-157, paragraphs 8-67 and the "Needle-Tip" trade mark case (1973) R.P.C. 113, whereby the principles are aptly summed up and which are fully adopted by this Court; accordingly the recourse should fail. 5

*Application dismissed.*

Cases referred to:

*Merck v. Republic* (1972) 3 C.L.R. 548; 10  
 "Needle-Tip" (trade mark case) (1973) R.P.C. 113 at p. 118.

**Recourse.**

Recourse against the refusal of the respondent to register applicants' red and black coloured capsule for pharmaceutical preparation of "Ampicillin" sold in capsules in Class 5 on Schedule IV of the Trade Marks Rules 1951-1971. 15

*Th. Montis*, for the applicant.

*S. Georgiades*, Senior Counsel of the Republic, for the respondent.

*Cur. adv. vult.* 20

A. LOIZOU J. read the following judgment. The applicants are a company of limited liability registered in the U.K. where they are engaged in the production and distribution mainly of pharmaceutical products. On July 13th, 1978, they formally applied to the respondent Registrar of Trade Marks for the registration of the red and black coloured capsule, appearing in their application, for pharmaceutical preparation of "Ampicillin" sold in capsules in Class 5 on Schedule IV of the Trade Marks Rules 1951-1971. 25

The respondent Registrar by his letter dated August 22nd, 1978, informed the applicants that on the basis of the provisions of paragraph (e) of section 11(1) of the Trade Marks Law, Cap. 268, the application could not be entertained because the proposed trade mark lacked distinctiveness and there was also objection on the basis of the provisions of section 13 of the above Law. Finally the Registrar drew the attention of the applicants to the provisions of rule 32 of the Trade Marks Rules, 1951, by virtue of which they could either apply for a 30 35

hearing or send to him a considered reply in writing within two months, otherwise they should be deemed to have withdrawn their application.

By letter dated the 13th March, 1979, addressed to the Registrar, counsel for the applicants enclosed a statutory declaration by Mr. Ronald Smither (see in exhibit 4 Nos. 7 – 8). The Registrar in his reply, dated the 17th April, 1979, (exhibit 4, No. 29), asked counsel (a) to apply for extension of time as the statutory declaration was not filed within the statutory period of two months, (b) to describe the status of the document, i.e. whether it was the considered reply of counsel and also whether he desired to be heard or not. The letter further stated (para. (d) ) that “In the various exhibits and invoices the capsules are referred to as Penbritin capsules; what is the role of the word Penbritin with reference to the capsules; are the goods known as Penbritin capsules?”

The extension of time referred to in the letter of the 17th April, 1979, was applied for on the 24th April, 1979, and granted on the 8th May, 1979; and by letter dated the 5th May, 1979, counsel applied for a hearing which was fixed for the 20th June, 1979.

On the 6th June, 1979, counsel for the applicants applied for an adjournment of the date of hearing in view of his contemplated absence abroad on such date and by his letter of the 7th June, 1979, asked the Registrar to “cancel the hearing which was to be held on the 20th June, and accept this letter as our considered reply” (exhibit 4. No. 37). This letter further stated:-

“(a) We are prepared to accept registration of the mark in the same manner as it was accepted in the United Kingdom. In this respect we enclose herewith copy of the Trade Marks Journal where the mark was advertised.

(b) With our letter of the 13th March, 1979, we sent a photocopy of the Certificate of Registration in the United Kingdom, exhibits and a Statutory Declaration giving details of the mark and its use in Cyprus. The Declaration confirms that the mark has been used in Cyprus since 1965.

- (c) The goods covered by the mark are very well known as Penbritin capsules. In this respect we enclose a Statutory Declaration by Mr. George Papaellinas”.

In reply the Registrar by his letter dated the 30th July, 1979, (exhibit 4, No. 38) required from counsel whether he was in a position to file “evidence of use in respect of the capsule only because the evidence of use submitted so far refers to the trade mark Penbritin and not in respect of the ‘capsule’ mark independently”.

Counsel for the applicants in answer to this letter by his letter of the 2nd August, 1979 (exhibit 4, No. 41) enclosed photocopies of the two declarations on the basis of which the mark was accepted in the U.K. and went on to state the following:-

“Regarding the Declaration by Mr. Ronald Smither, already submitted to you, our clients comment as follows:-

With regard to the Registrar’s contention that the evidence of use so far submitted refers to the Trade Mark PENBRITIN and not to the Red and Black Capsule, we introduced paragraph 3 into the Statutory Declaration to explain that the sales of the Capsule were made under the Trade Mark PENBRITIN because without this reference there was nothing to explain the significance of the exhibited invoices, since these carry no reference to the colour of the Capsules sold. Consequently paragraph 4 of the Declaration would have been meaningless without the explanation given in paragraph 3. Paragraph 5 could equally well have been worded ‘the numbers of Black and Red Capsules sold in Cyprus etc.’ and with hindsight we can see that this might have been preferable since it would have placed less emphasis on the Trade Mark PENBRITIN. We are, of course, claiming two distinctive marks for one product, the colour combination of the Capsule and the Trade Mark PENBRITIN but the latter represents not only capsules but a range of presentations of the antibiotic ampicillin”.

In reply, the Registrar by his letter dated 29th August, 1979 (exhibit 4, No. 42) stated the following:-

“The despatch of the aforesaid documents does not answer

5 my enquiry contained in my letter dated 30.7.1979. What I need is a specific answer as to whether you are in a position to file evidence of use of the trade mark red and black capsule without connecting it with the word PENBRITIN evidence of use”.

10 By letter dated the 18th February, 1980 (exhibit 4, No. 44) the Registrar reminded applicants' counsel that his letter dated the 29th August, 1979, remained unanswered and informed him that if no reply was received within one month, the application would be decided on the material already filed. Counsel for the applicant replied by his letter dated the 3rd March, 1980 (exhibit 4, No. 45), to inquire from the Registrar as to whether “declarations from pharmacists and/or general practitioners in Cyprus that the red and black capsule is of itself 15 distinctive of the Beecham Brand of Ampicillin” would be of assistance to overcome his objection. The Registrar replied by his letter dated the 29th March, 1980, (exhibit 4, No. 47) that it was up to the applicants to submit any evidence they liked.

20 In his letter dated the 14th June, 1980, addressed to counsel for the applicants, the Registrar wrote the following (exhibit 4, Nos, 50 and 51):

25 “Further to my letter dated 28.5.1980, I wish to stress the point that the evidence to be submitted should be in the hands of the Registrar by the 1st August, 1980. It is to be noted that this application was filed on 13.7.1978.

30 Though it is a matter for you to discharge the onus which lies on you to prove the registrability of the mark for which registration is sought, nevertheless it is perhaps useful to bring to your notice the following regarding registration abroad because I understand from the material filed that you will rely on the U.K. registration of the mark.

1. Kerly's Law of Trade Marks, 10th Edition, pages 146-147, para. 8-67.
- 35 2. The *Needle-Tip* trade mark case (1973) R.P.C. 113 and in particular that part which appears in the enclosed leaflet.

3. All evidence, of course, should be submitted in the form of Affidavit as per S.52 of the Law.
  4. A statement, with samples, showing whether the capsules sold in Cyprus bear upon them (not on the box) the word Penbritin. 5
- (ii) Extract from the "*Needle-Tip*" trade mark case (1973) RPC 113 p. 118:

'It seems to me that the mere fact that a mark has been registered in a foreign country has little or no bearing on whether the mark is capable of distinguishing the goods of the applicant in this country. Registration in the foreign country will have been allowed according to the law and practice in that country which may differ from that of this country and may have been allowed in the light of particular circumstances and trading conditions in that country and which may be very different to those obtaining in this country. It may be that, in a case where a mark applied for here has already been registered in a foreign country with a system of trade mark law similar to our own, if a written decision of the foreign tribunal allowing registration in the foreign country and which showed the grounds of the decision and the matters taken into consideration were to be adduced on the application here, it might be persuasive as a piece of reasoning as to whether the mark should be registered here, if, but only if, similar considerations applied in this country; but that, it seems to me is as far as registration in a foreign country could be relevant to registrability here' ". 10  
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There followed a letter from counsel, dated 24th July, 1980. (exhibit 4, No. 56), enclosing statutory declarations from two pharmacists, a medical practitioner and from Mr. G. Papaellinas, a member of the Board of Directors of Chr. A. Papaellinas & Co. Ltd. The declarations from the pharmacists and the medical practitioner which appear in exhibit 4, Nos. 53-55, were to the effect that the red black capsules are of themselves distinctive of Ampicillin of Beecham Group Ltd., without any other indication and that any reference to "red black capsules" 35

is interpreted as reference to capsules of Ampicillin of Beecham Group Ltd. and that the red black capsules had been so widely known to the public so as from the daily transactions, the affiants as pharmacists realised that when the public refers to "red  
5 black capsule" they mean Ampicillin of Beecham Group Ltd.

The statutory declaration of Mr. Papaellinas was to the effect that his company are the agents in Cyprus of Beecham Group Ltd., of London, and that Ampicillin of Beecham Group Ltd., is sold in Cyprus in red black capsules on which the word  
10 "Penbritin" is not written. A specimen of the capsule was attached to the declaration marked exhibit "A". It should be noted, however, that on the specimen there was written the word "Penbritin".

The Registrar in reply, dated the 2nd August, 1980, sent  
15 the following letter (exhibit 4, No. 57):

"I have to refer to your letter dated 24.7.1980 and to the four affidavits in support of your application for the registration of the above and to inform you that the application has been very carefully reconsidered taking into consideration everything that has been put before me but regret  
20 that the objection communicated to you on 22.8.1978 cannot be waived".

As against the Registrar's reply embodied in such letter applicants filed this recourse whereby they pray for:

25 "A declaration that the act or decision of the Registrar of Trade Marks communicated to Applicants under cover of a letter dated the 2nd August, 1980, and received by Applicants on the 6th August, 1980 (copy of which is attached hereto and marked Exhibit 3), whereby Applicants'  
30 objection to the Registrar's decision was determined, is null and void and of no effect whatsoever as having been made or taken contrary to the provisions of the Law and/or the principles of administrative law and/or in excess and/or abuse of his powers".

35 The relevant statutory provisions are sections 11 and 13 of the Trade Marks Law, Cap. 268 which read as follows:

"11. (1) In order for a trade mark to be registrable in Part A



of the register, it must contain or consist of at least of the following essential particulars:

- (a) the name of a company, individual, or firm, represented in a special or particular manner;
- (b) the signature of the applicant for registration or some predecessor in his business; 5
- (c) an invented word or invented words;
- (d) a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname; 10
- (e) any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the foregoing paragraphs (a), (b), (c) and (d), shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness; 15

(2) For the purposes of this section "distinctive" means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration. 20 25

(3) In determining whether a trade mark is adapted to distinguish as aforesaid the Registrar may have regard to the extent to which—

- (a) the trade mark is inherently adapted to distinguish as aforesaid; and 30
  - (b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish as aforesaid.
13. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by 35

reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design”.

5 The applicants failed to invoke the procedure envisaged by section 19(4) of the Law, whereby in the case of refusal or conditional acceptance, the Registrar has to, if required by the applicant state the grounds of his decision and the materials used by him in arriving thereat and the decision is then subject  
10 to appeal to the Court. Such application under rule 34 of the Trade Marks Rules of 1951 has to be made within two months. As this was not done in the present case I had not had the advantage of such a statement of the grounds of the sub judice and the material used by him in that respect. A perusal,  
15 however, of the file and material contained therein revealed the relevant facts earlier set out in this judgment from which it can be clearly deduced the reasoning of the subject decision, being that the respondent Registrar did not accept the applicant's trade mark because the evidence adduced and in particular  
20 exhibit “A”, attached to the statutory declaration of Mr. Papaellinas which contained capsules that in fact had the inscription of Penbritin thereon did establish the distinctiveness of the coloured capsules as they appear on the application but it established their distinctiveness in combination with the  
25 word Penbritin inscribed thereon.

Regarding the said exhibit, the applicants claimed in their address that the capsule that had the word Penbritin on it was submitted by mistake. The task, however, of this Court is to control the legality of an administrative act or decision on  
30 the basis of the material which was before the administration at the time same was taken.

The issue therefore is what was the material before the Registrar at that time. As it appears from the above narration of the facts the Registrar on three separate occasions, namely  
35 by his letters of the 17th, the 30th July 1979 and the 29th of August 1979, in no uncertain terms drew the attention of the applicants that their evidence tended to connect their mark with the word Penbritin and asked them to adduce evidence of use, independent of the word Penbritin, and yet, even after these  
40 three reminders part of the evidence they adduced connected

in a most definite way their mark with the said word. It was up to the applicants therefore to adduce the necessary and appropriate evidence asked for by the Registrar (see paragraph 4 of his letter dated 14th June 1980, exhibit 4, numbers 50 and 51 earlier set out in this judgment), in order to establish distinctiveness of their mark. To my mind they cannot now expect this Court to take into consideration that that part of their evidence was adduced by mistake, which mistake in any event was not within the knowledge of the Registrar when taking the sub judice decision and adjudicate upon the matter as if the factual situation was, as it might have been, had this mistake not occurred. 5 10

In the case of *Merck v. Republic* (1972) 3 C.L.R. 548, in dealing with a similar issue I said at p. 564 the following:-

“To my mind, the Registrar in exercising his discretion, is not limited to any particular type of consideration. He must exercise it judicially on reasonable grounds which are capable of being clearly stated. He has to examine the possible confusions or difficulties which might arise in consequence of the registration of the trade mark or the possible impairment of the rights of other traders to do that which, apart from the registration, might be their ordinary mode of carrying on their business. 15 20

The point, therefore, that arises for consideration, is the extent to which this Court will interfere with the exercise of administrative discretion. This matter has been the subject of judicial pronouncement in a number of cases (see inter alia, *Iacovos Iacovides v. The Republic* (1966) 3 C.L.R. p. 212, *Impalex Agencies Ltd. v. The Republic* (1970) 3 C.L.R. 361, and *Pсарas v. The Ministry of Commerce and Industry* (1971) 3 C.L.R. 151). This Court will not interfere with such a discretion if due weight has been given to all material facts, it has not been based on a misconception of law or fact and it was not exercised in excess or abuse of power.” 25 30 35

Having in mind the material which was before the Registrar in this case, I have come to the conclusion that it was reasonably open to him to arrive at the conclusion that he did; and I will not substitute my discretion for that of the Registrar, the

- appropriate authority in this case, since he exercised same judicially and neither in abuse or excess of power, nor contrary to law. Moreover the respondent Registrar directed himself correctly on the Law pertaining to the issues raised regarding
- 5 the effect of a mark having been registered in a foreign country, by referring to *Kerly's Law of Trade Marks*, 10th edition pp. 146-157, paragraphs 8 - 67 and the "*Needle-Tip*" trade mark case (1973) R.P.C. 113, whereby the principles are aptly summed up and which I adopt fully.
- 10 The question, however, whether by submitting the appropriate additional new material the respondent Registrar will have to carry a new inquiry into the same matter, is left open for consideration by all concerned.

For all the above reasons the recourse will therefore be and  
15 is hereby dismissed but in the circumstances I make no order as to costs.

*Application dismissed. No  
order as to costs.*