

O-332-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION UNDER No. 81402
BY FIELD FISHER WATERHOUSE FOR THE
REVOCATION OF TRADE MARK No. 2069225
IN THE NAME OF THE MARKETING TRIANGLE INC**

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BACKGROUND

1. Registration No. 2069225 is in respect of the following trade mark which is registered in Class 35 for a specification of “Advertising; business management; business administration; marketing advice and research”;



2. The mark was registered on 13 December 1996 with registration effective from 19 April 1996. The registration stands in the name of The Marketing Triangle Inc.

3. By an application dated 20 August 2003 Field Fisher Waterhouse applied for the registration to be revoked on the following grounds:

(i) Under Section 46(1)(a) of the Act in that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods for which it is registered, and there are no proper reasons for non-use; or

(ii) Under Section 46(1)(b) of the Act because such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.

4. The applicant requested that the registration be revoked in respect of all the services covered by the registration, or partially revoked in respect of services for which use is not shown by the registered proprietor in accordance with Section 46(5) of the Act. The applicant states that its investigations have revealed no use of the mark in the UK.

5. The registered proprietor filed a Counterstatement denying the grounds of revocation. In its Counterstatement the registered proprietor claims use of the mark in suit during the period 1996 to 2001 while engaged by Cadbury Schweppes and Blue Marlin, adding that the

applicant was aware of the work undertaken with Cadbury, having been sent a letter from its former attorneys Collyer-Bristow which attaches a letter from Cadbury Schweppes confirming that they hired the services of Isosceles Consulting in 1999 and 2001. Furthermore, the registered proprietor states that it has continuously sought work through the mailing of brochures.

6. Both parties have filed evidence in these proceedings and ask for an award of costs in their favour. The parties did not require a hearing and no written submissions were forwarded for the Hearing Officer's attention.

Registered Proprietor's Evidence under Rule 31(2)

7. This consists of a statutory declaration by Gavin James Chalcraft dated 28 November 2003. Mr Chalcraft is the President/Proprietor of The Marketing Triangle Inc.

8. Mr Chalcraft explains that the registered proprietor carries on business as Isosceles Consulting Inc using the "Vitality Driver" mark for specific consulting services. In this connection, he draws attention to Exhibit 5 to his evidence which are sales brochures containing trade marks of Isosceles, including, with particular reference to the current proceedings -



BRAND VITALITY DRIVER

9. Mr Chalcraft states that the proprietor has used the trade mark ISOSCELES VITALITY DRIVER in the UK since 1996. He adds that the proprietor is a marketing/management consultant which provides services to large multinational corporations giving advice on the development of global brands, new products/innovations and the internal management of these brands/products. Mr Chalcraft refers to Exhibit 3 to his evidence which are copies of invoices dated in 1997, 1998, 1999 for UK based companies Cadbury Schweppes Group

Confectionary and Blue Marlin Packaging Design Ltd. At the top of the invoice the following trade mark is shown:



10. Mr Chalcraft states that the approximate annual turnover of services provided under the trade mark in the UK since completion of registration on 13 December 1996 and for a five year period thereafter, has been as follows:

1997	-	\$13,500.00
1998	-	\$5,000.00
1999	-	\$42,000.00
2000	-	\$0.00
2001	-	\$3500.00
<hr/>		
2002	-	\$0.00
2003	-	\$0.00

11. In relation to the above figures, Mr Chalcraft explains that –

- (i) In the year 2000 no direct income was derived from the United Kingdom. However, global projects billed in the USA have always involved UK input from a client’s operating company and throughout this period, brochures using the trade mark were distributed as a means of generating potential income.
- (ii) In the years 2002 and 2003 income from the UK was severely impacted by the security issues surrounding September 11th 2001, particularly for foreign consulting firms and should not be considered as non-use. Continual contact has been maintained with Cadbury, Scottish & Newcastle, Diageo and The Big Picture.

12. Mr Chalcraft states that approximately \$150,000 has been spent on direct marketing costs and sales, including the development of brochures and a website (no longer in use). He explains that traditional advertising has never been utilised as it is not a profitable method of gaining new clients or income.

13. Mr Chalcraft declares that the services have been sold and brochures distributed to various multinational corporations throughout the UK, including London, Birmingham, Edinburgh and Bath. In support he refers to the following Exhibits to his evidence –

- (i) Exhibit 2 – a Global Client List relating to “US – led projects, involving UK operating companies”;

- (ii) Exhibit 4 – a list of direct income client addresses, which comprises Cadbury Schweppes and Blue Marlin.

Applicant's Evidence under Rule 31(4)

14. This consists of a witness statement by Douglas Brian Reynolds dated 4 March 2004.

15. Mr Reynolds works for "The Investigators" and explains that he was instructed on 29 November 2002 to conduct an investigation to establish whether the trade mark in suit had been put to use in the UK. A copy of the investigation report is attached as Exhibit A to his statement. The report concludes the investigations came back "negative". These investigations included a Dun & Bradstreet information report, internet searches and international directory enquiry searches.

Registered Proprietor's Evidence under Rule 31(6)

16. This consists of a second witness statement by Gavin James Chalcraft. It is dated 17 March 2004.

17. The registered proprietor denies the applicant's evidence as proof of non-use. In particular, Mr Chalcraft responds that:

- (i) there is no legal requirement to register information with Dun & Bradstreet;
- (ii) there is no legal requirement for an internet presence;
- (iii) there is no legal requirement for a phone number to be listed.

18. Mr Chalcraft states that in the marketing and management consultant field, clients do not source consulting firms via directory inquiry services or the internet. The registered proprietor's primary source of business has been through client referrals, repeat business and the targeted distribution of brochures.

Applicant's Rule 31(7) Evidence

19. The applicant's Rule 31(7) evidence comprises a witness statement by Martin Gore dated 23 June 2004.

20. Mr Gore is a commercial investigator employed by "The Investigators". He worked with Douglas Brian Reynolds (the applicant's earlier witness statement refers) to establish whether the mark in suit had been put to use in the UK.

21. Mr Gore explains that the sources consulted to establish whether the registered proprietor's mark had been put to use in the UK are basic sources used in such circumstances. Mr Gore considers that if the registered proprietor's mark was used in the form of the registration in the UK, the use of this mark would have been apparent. He believes that the results of the investigation are accurate and true.

22. This completes my summary of the evidence filed in this case. I turn now to the decision.

DECISION

23. Section 46 of the Act reads as follows:

“46.-(1) The registration of a trade mark may be revoked on any of the following grounds -

- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;
- (d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that -

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at

any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from -

- (a) the date of the application for revocation, or
- (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.

24. In addition Section 100 of the Act is relevant. It reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

25. The applicant's grounds fall within Section 46(1)(a) and (b) of the Act. Once this application for revocation was made, the effect of Section 100 was to place the onus on the registered proprietor to show the nature and extent of the use made of the mark in suit.

26. The registered proprietor must show genuine use of the mark within the relevant period if the registration is successfully defended. Under Section 46(1)(a) the relevant period would be 13 December 1996 to 12 December 2001 the five year period following completion of the registration procedure. Under Section 46(1)(a), the relevant five year period must be one prior to 20 August 2003, the date of the application for revocation.

27. The meaning of “genuine use” was considered by the European Court of Justice in Case C-40/01 *Ansul BV v ASjax Brnadbeveiling BV* [2003] RPC 717, in particular paragraphs 35 to 39 and paragraph 43 of that discussion, which reads as follows:

“35 Next, as *Ansul* argued, the eighth recital in the preamble to the Directive states that trade marks “must actually be used or, if not used, be subject to revocation”.

“Genuine use” therefore means actual use of the mark. That approach is confirmed, *inter alia*, by the Dutch version of the Directive, which uses in the eighth recital the words “werkelijk wordt gebruikt”, and by other language versions such as the Spanish (uso efectivo), Italian (“uso effettivo”) and English (“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 the 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 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 or 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 Art. 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 create 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 the 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.

43 In light of the foregoing considerations the reply to the first question must be that Art. 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 of 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 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.”

28. Where does the registered proprietor stand in light of the above? The evidence of use comes from Exhibits attached to the declarations of Mr Chalcraft. In my view, the evidence demonstrates that the registered proprietor has conducted business in the UK during the relevant periods. However, do the examples of use of the mark, which in particular comprise copies of invoices (Exhibit 3) and sales brochures (Exhibit 5), both attached to Mr Chalcraft's declaration of 28 November 2003, show use of the mark as registered?

29. Section 46(2) of the Act is relevant and it reads as follows:

“46.-(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the

trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.”

30. From the above it follows that if the mark used by the registered proprietor differs in distinctive character from the mark as registered, there will have been no use of the mark for the purposes of Section 46(1) of the Act.

31. In my considerations in relation to the distinctive character of the mark I am guided by the following comments of Lord Walker of Gestingthorpe who in the recent Court of Appeal decisions in *Budejovicky Budvar Narodni Podnik v Anehusser Busch Inc* [2003] RPC 477, stated at paragraphs 43 to 45:

“43 The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

“Bare ruin’d choirs, where late the sweet birds sang”

is effective whether or not the reader is familiar with Empson’s commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose-eyes? – Registrar or ordinary consumer?’ is a direct conflict. It is for the Registrar, through the hearing officer’s specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who “normally perceives a mark as a whole and does not proceed to analyse its various details.”

The quotations are from paragraph 26 of the judgment of the Court of Justice in *Lloyd Schufabrik v Klijsen Handel* [1999] ECR I – 3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

32. The mark shown on the registered proprietor’s invoices (Exhibit 3 to Mr Chalcraft’s declaration of 28 November 2003) comprises the word “Isosceles” under a highly stylised device – see paragraph 9 of this decision. While this mark shares the word “Isosceles” with the registered trade mark, it differs in that:

(i) the highly stylised device element shown on the mark in the invoices is not present in the registered mark; and

(ii) the remainder of the registered mark, includes the words “Vitality Driver” and the different stylised device above and between these words.

33. Taking into account the obvious visual, aural and conceptual differences between the registered mark and the mark used on the invoices and the consequential difference in their totalities and overall impression, I have no hesitation in concluding that the mark used on the invoices possesses a different distinctive character from the mark as registered. Both marks contain different distinctive elements which would be obvious to the relevant consumer and impact upon his/her overall impression.

34. I now turn to the marks shown on the sales brochures in Exhibit 5 to Mr Chalcraft’s declaration of 28 November 2003. While there is use within the brochure of:

Isosceles
CONSULTING INC.

this use is not combined with the remaining (distinctive) elements of the registered mark ie.



35. Furthermore, while there is use of the mark:



this differs from the registered mark in that it is not shown as a composite part of a mark containing:

Isosceles
CONSULTING INC.

and also it encompasses a stylised and distinctive presentation of the word BRAND, in particular the presentation of a letter A at the middle of that word.

36. Similarly, while there is use of the words BRAND VITALITY DRIVER, they are not shown combined with the remainder of the mark in suit.

37. Once again, it seems to me that there are obvious visual, aural and conceptual differences between the marks in use in/on the brochure and the registered mark. Bearing in mind the differences in the totality of the marks, I believe that the marks used possess a different distinctive character from the mark as registered. The marks contain different distinctive elements which would be obvious to the relevant customer and impact upon his/her overall impression.

CONCLUSION

38. The application for revocation succeeds as within the relevant five year periods the marks shown to be used are in a form differing in elements which alter the distinctive character of the mark in the form in which it is registered.

39. In accordance with Section 46(6)(a) of the Act the rights of the registered proprietor shall be deemed to have ceased as from the date of the application for revocation.

COSTS

40. The applicant is entitled to a contribution towards costs. I therefore order the registered proprietor to pay the applicant the sum of £1000 which takes into account that no hearing took place on this case and neither party forwarded written submissions for the Hearing Officer's attention. This sum is to be paid within seven days of the expiry of the period allowed for appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of November 2004

JOHN MacGILLIVRAY
for the Registrar
the Comptroller-General