

O-306-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 82708  
BY AIKMAN AND ASSOCIATES FOR REVOCATION OF TRADE MARK  
No. 2106556 STANDING IN THE NAME OF APPLE INC.**

**AND IN THE MATTER OF AN APPEAL FROM A DECISION OF MR G  
SALTHOUSE DATED 8 APRIL 2008**

---

**DECISION**

---

**Introduction**

1. This is an appeal against a decision of Mr G. Salthouse dated 8 April 2008, in which he rejected an application by Aikman and Associates (“Aikman”) to revoke for non-use a series of two marks standing in the name of Apple Inc. (“Apple”).

**Background**

2. The trade marks in issue consist of the words TIME MACHINE and TIME/MACHINE, registered with effect from 14 March 1997 in Class 9 for Computer software. No distinction has been made between the two versions of the mark, and I shall follow the Hearing Officer’s approach of treating use of one as use of both.
3. On 7 November 2006, Aikman applied for revocation of the registration under section 46(1)(b), claiming there had been no use of the marks for

the previous five years. There was some minor confusion over the precise dates in issue, but it was common ground on the appeal that nothing turned on this, and the relevant period was 6 November 2001 to 6 November 2006.

4. On 21 February 2007, Apple filed a counter-statement claiming that the marks had been in use during the relevant period.
5. Both sides filed evidence: Apple filed a witness statement dated 19 February 2007 of Mr La Perle, one of its senior intellectual property counsel based in California, providing evidence of use of the mark. One of the main questions on this appeal is as to whether the Hearing Officer was right to accept that evidence as sufficient to prove use of the mark. Aikman filed a witness statement of a Mr Mohsan dated 22 June 2007, an internet expert, questioning various points made by Mr La Perle.
6. The time for Apple to file evidence in reply expired in October without any such evidence being filed. On 31 January 2008 the matter was set down for a hearing on 12 March. On 28 February, Apple wrote asking for permission to file additional evidence, which plainly had not been finalised at that date. Its letter set out a number of reasons why, it said, such permission ought to be granted. On 3 March, the Registry invited Apple to serve the evidence and indicated that the application for permission to adduce it out of time would be considered at the hearing on 12 March. Aikman's attorneys, Messrs Wilson Gunn, wrote to the Registry on 6 March, concerned that they would be prejudiced in dealing with the application on 12 March as they had not yet received the additional evidence.
7. On 7 March, Apple filed and served a 2<sup>nd</sup> witness statement of Mr La Perle and a draft witness statement of a Mr Denison. In a covering letter, Apple's solicitors, Field Fisher Waterhouse LLP, suggested that the appropriate

course would be for the hearing to be adjourned to permit Aikman to review and respond to the fresh evidence. Wilson Gunn agreed (see §52 below). However, the Registry told the parties that the Hearing Officer was not prepared to adjourn the hearing.

8. The hearing took place on 12 March 2008.<sup>1</sup> The Hearing Officer considered the admissibility of Apple's additional evidence as a preliminary issue. He refused Apple permission to adduce that evidence and proceeded to hear the substance of the revocation application. He found that the mark had been used in the relevant period and refused the application to revoke.
9. On 5 June 2008, Aikman lodged an appeal against the refusal to revoke the mark, on the basis that the Hearing Officer erred in his interpretation of Mr La Perle's evidence and in drawing a number of inferences from it. On 23 July, Apple served a Respondent's Notice, complaining that the Hearing Officer had erred in refusing to allow it to adduce the additional evidence.
10. At the appeal hearing, Apple was represented as before by Mr Tritton, and Aikman by Ms Anna Carboni. I should record that Ms Carboni informed us of an issue that had arisen in another appeal to the Appointed Person, as to whether it is appropriate for one Appointed Person to appear as an advocate before another Appointed Person. I invited Mr Tritton to consider this point with his instructing solicitors and his clients, and Mr Tritton, on instructions, specifically waived any objection to Ms Carboni appearing before me to argue the appeal on behalf of Aikman. In the circumstances, I need not consider the matter further in this case.

---

1. Apple was represented by Mr Tritton (not Ms Tan of his instructing solicitors, as recorded in the decision under appeal) and Aikman by Mr Marsh of Messrs Wilson Gunn.

### **Standard of review**

11. This appeal is a review of the hearing officer's decision. It is common ground that the hearing officer's decision involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2003] RPC 5 at [28] applies:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. A decision does not contain an error of principle merely because it could have been better expressed.

### **Issues arising on the appeal**

12. The issues which I must decide are:
- (a) The primary appeal: Did the Hearing Officer err in his assessment of the evidence, so that he was wrong to refuse to revoke the mark? If not, the matter need go no further.
  - (b) If I consider that he erred, is Apple's appeal against the refusal to admit the additional evidence ("the cross appeal") properly constituted?
  - (c) If I may consider the matter, did the Hearing Officer err in refusing to admit the additional evidence?

The parties agreed that if I allowed both appeals, the revocation application should be remitted to the Registry.

### **The primary appeal**

13. At paragraphs 5 to 11 of his decision, the Hearing Officer summarised the evidence. I shall not repeat it all here, but he noted in particular that Mr La Perle explained that Apple had only acquired the registered mark on 20 October 2006. There was no evidence of use of the mark by its previous proprietors. Hence the "window" for proving use was unusually short –

from 20 October to 6 November 2006. Mr La Perle nonetheless sought to set out the wider picture:

Apple is widely publicizing its Time Machine product ... consumer awareness of the product has developed exponentially. Time Machine is a function within Apple's forthcoming operating system, Mac OS X "Leopard ... pre-loaded on all Mac computers sold today ... The availability of a new version of this software has therefore attracted a phenomenal degree of interest from Mac users...

The time machine component is a data backup and restoration software tool, ... an entirely new feature of the Mac OS X software, ... one of the most prominent new features of that software. Apple has therefore devoted much attention to emphasising its novelty ... Time Machine ... has attracted substantial attention in its own right.....

It seems that the new product was not launched until some time in 2007, so that any relevant use would have been pre-launch.

14. Mr La Perle exhibited two press articles which referred to the Time Machine component. The Hearing Officer noted various problems with them, and does not appear to have relied upon them in his decision, and I do not think that either party took issue with that.
15. More significantly, Mr La Perle referred to a special preview website created by Apple and he exhibited a copy of pages specifically relating to "Time Machine." The Hearing Officer described the pages exhibited and noted that they had a copyright date of 2007. He went on  
Mr La Perle states that he had a report created which showed the number of UK visitors to the US and UK websites. He states that in the period 20 October 2006 to 6 November 2006 there were 424,500 page views by 241,699 unique visitors, all originating from the UK. He comments: "14. I would like to draw particular attention

to the fact that the number of UK originated page views is considerably higher than the number of visitors, which suggests that there are a substantial number of repeat views. I believe this is suggestive of considerable interest on the part of the public..."

16. Lastly, the Hearing Officer noted that Mr La Perle stated that on 23 October 2006, Apple made the Leopard early start kit, including the "Time Machine" feature, available to software developers who were looking to create software applications for use with it. Mr La Perle said that

"between its initial release and 15 December 2006 one hundred and thirteen copies of this early start kit were sold in the UK."
17. The Hearing Officer then summarised the witness statement of Mr Mohsan. This challenged Mr La Perle's conclusion that the number of alleged views or "hits" demonstrated "that the site has *generated a remarkable degree of interest.*" Mr Mohsan gave a number of reasons for doubting this and described the phenomenon of "bouncing" around a website, which can distort the picture shown by the number of "hits."
18. After refusing to admit the additional evidence, the Hearing Officer summarised the relevant law relating to revocation for non-use, by reference to the European Court of Justice's decision in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] E.T.M.R. 85. He set out paragraphs 35-42 of that judgment. It was not suggested that the Hearing Officer misdirected himself in relying on *Ansul*, although he did not refer to any of the other authorities on the issue to which my attention was drawn on the appeal.
19. The Hearing Officer took the view that whilst that Apple had provided "limited evidence of use" that evidence was "for the most part" not

challenged, as Aikman's evidence only related to the figures for internet viewers.

20. The Hearing Officer's conclusions as to the issue of non-use are set out in paragraphs 18 to 22 of his decision:

18) The registered proprietor only acquired the marks shortly before the end of the period in question. However, it is a matter of judicial note that computer software programmes as described in the literature provided are not written overnight. The registered proprietor characterised the situation by saying that they hit the ground running having been using the marks for some time prior to actually acquiring them.

19) The registered proprietor set up a website specifically related to the new software system both in the UK and the USA. The sites were monitored and the registered proprietor provided figures relating to the number of page views on each of the two sites from the UK. The figures were substantial showing that during the period 20 October to 6 November 2006 over 240,000 UK based visitors viewed 424,500 pages on the sites. The applicant filed a very interesting view from a computer expert which challenged these figures. The expert pointed out that a number of the visitors may have entered the site by accident or whilst trying to get to other parts of the website. I fully accept that this is possible and would account for a percentage of the viewers. However, this was not part of the registered proprietor's main website. It was a site set up specifically for this new piece of software, Mac OS X Leopard, which included the TIME MACHINE element. Whilst I accept that some may have happened upon the site by accident I would estimate this as being a relatively small percentage of what would still remain a very large figure. I was invited by the applicant to ignore the figures relating to the site in the USA. However, I do not believe that this would be acceptable. If one searches the internet for information

regarding a software system then the fact that the search engine may offer a US site first would not put off most users as they would know that the site would be in English. It is the information that they require irrespective of where they obtain it. The purpose of the figures provided was to show that there was a substantial number of UK consumers who were aware of the mark in suit at the relevant date. For this number of people to have searched out a specific website shows, to my mind, that a significant number of UK consumers were aware of the mark as at the relevant date.

20) The applicant contended that the figures showed use of the name “Mac OS X Leopard” and not the marks in suit. It was emphasised that the marks would not be seen at the point of sale. However, it is clear from the exhibits that the marks in suit are an important part of the new software system. The marks in suit relate to software which is part of an overall package but use as a sub brand is genuine use, even if it is not visible at the point of sale. See *RXWorks Ltd v Dr Paul Hunter* [2007] EWHC 3061 (Ch).

21) If this were not enough the registered proprietor also stated that one hundred and thirteen copies of an early starter kit were sold to software developers in the UK. This starter kit included the programme called Time Machine. The intention behind these sales was that independent software designers would use the registered proprietor’s software in their own applications. These starter kits were sold during the period 23 October 2006 to 15 December 2006. This is partly outside the relevant date. The test in such cases is “the balance of probabilities”. In my opinion it is highly unlikely that none of these kits were sold in the first 14 days, but were all sold in the subsequent 40 days. Given the nature of the product and the demand that such products derive in the marketplace I believe that these would have been sold as soon as the registered proprietor could supply them. As supplies started on 23 October 2006 it is my



view that, on the balance of probabilities, most were sold prior to the relevant date of 5 November 2006.

22) ... in my opinion, use has been shown of the mark TIME MACHINE with regard to computer software in the Section 46(1)(b) period.

21. The first question on the appeal is whether the Hearing Officer erred in principle in drawing those conclusions from the evidence before him. Aikman's complaints were in summary:

- (1) The Hearing Officer failed to read Apple's evidence with a sufficiently critical eye, bearing in mind the comments of Jacob J (as he then was) in *Laboratoires de la Mer trade marks* [2002] F.S.R. 51 at §9: "Those concerned with proof of use should read their proposed evidence with a critical eye - to ensure that use is actually proved ... All the t's should be crossed and all the i's dotted;"
- (2) He drew incorrect inferences from the facts;
- (3) He wrongly assumed that use of the mark on Apple's website amounted to genuine use of the mark; and
- (4) He wrongly equated awareness of the mark among UK consumers with genuine use.

### **The law as to genuine use**

22. I begin by considering what constitutes genuine use. In *Ansul*, the European Court of Justice held:

35. ... 'Genuine use' therefore means actual use of the mark....

36. 'Genuine use' must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user...

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... 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. ..

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.

23. In Case 259/02, *La Mer Technology Inc v Laboratoires Goemar* [2004] F.S.R. 38, [2004] E.T.M.R. 47, the ECJ by means of a reasoned order reaffirmed the principles it had laid down in *Ansul*:

21. ... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out....

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.

24. Similarly, in *The Sunrider Corp v OHIM*, Case C-416/04, the ECJ stated:

72. It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).

25. So, token or internal use will not be “genuine.” However, a quantitatively small amount of use may suffice, as long as it was intended to create or maintain a share in the market for the goods or services in respect of which the mark is registered.

26. Aikman did not suggest that any use made of the mark by Apple was token or internal use. Instead, it argued that the evidence produced by Apple was not sufficient to prove that there had been genuine use of the mark in the

United Kingdom in the short relevant period, and that the Hearing Officer had wrongly relied on inference to ‘plug the gaps’ in Apple’s evidence.

### **Standard of proof**

27. Grounds 1 to 4 of the Grounds of Appeal relate to the “paucity” of Apple’s evidence and, in particular, to the Hearing Officer’s willingness to accept statements made by Mr La Perle which Aikman argued were not within his direct knowledge, yet were not supported by documentary evidence. I was referred to the decision of Mr Richard Arnold QC (as he then was) sitting as the Appointed Person in *Extreme trade mark* (O-161-07) as to the correct approach to take to evidence in a revocation application. There Mr Arnold said:

24. There was some debate at the hearing before me as to the incidence of the burden of proof. In my judgment the position is as follows. The legal burden of proving that the requirements for revocation under section 46(1)(a) or (b) are met lies on the applicant for revocation. By virtue of section 100, however, the evidential burden of showing what use has been made of the mark lies upon the proprietor. ... once the evidence is complete, the tribunal should not decide whether there has been genuine use, or proper reasons for non-use, purely on the basis that the party bearing the burden of proof has not discharged that burden unless it cannot reasonably make a finding in relation to that issue despite having striven to do so: see *Stevens v Cannon* [2005] EWCA 222 at [46].

He went on:

29. The standard of proof is the ordinary civil standard of proof upon the balance of probabilities. In *Laboratoire de la Mer Trade Marks* [2002] FSR 51 at [9] Jacob J said:

“Those concerned with proof of use should read their proposed evidence with a critical eye – to ensure that use is actually proved – and for the goods and services of the mark

in question. All the t's should be crossed and all the i's dotted."

This remains wise advice. Jacob J did not suggest, however, that the standard of proof was anything other than the normal standard.

30. ... [it] is an application of the general principle that, when applying the standard of proof on the balance of probabilities, the less probable the event alleged, the more cogent the evidence must be to demonstrate that it did indeed occur ... this principle is equally applicable under section 46(1) of the 1994 Act. ...

31. ... counsel for the applicant submitted (1) that a mere assertion of use of a trade mark by a witness did not constitute evidence of use sufficient to defeat an application for non-use and (2) it followed that mere testimony from a representative of the proprietor was not enough and such testimony had to be supported either by documentary records or corroborated by an external witness. I accept submission (1) but not submission (2). Kitchin J's statement that "bare assertion" would not suffice must be read in its context, which was that it had been submitted to him that it was sufficient for the proprietor to give evidence stating "I have made genuine use of the trade mark". A statement by a witness with knowledge of the facts setting out in narrative form when, where, in what manner and in relation to what goods or services the trade mark has been used would not in my view constitute bare assertion. As counsel for the applicant accepted, it might not be possible for a trade mark proprietor to produce documentary evidence: for example all the records might have been destroyed in a fire. In such circumstances I do not see anything in either the Directive, the 1994 Act or the 2000 Rules which would require the proprietor to adduce evidence from an external witness (which is not to say that it might not be advisable for the proprietor to do so).

After considering when cross-examination is appropriate or necessary, Mr Arnold continued:

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. ... I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically).

28. The decision in *Extreme* is now reflected in the Registry's TPN 5/2007, as to the manner in which a party should give notice of its intention to ask the Hearing Officer to disbelieve the other side's witness.

**The witness's knowledge of the facts**

29. Aikman did not suggest that the Hearing Officer should have *disbelieved* Mr La Perle's evidence in terms of the honesty of his evidence, nor that his evidence was "obviously incredible". Nor did Aikman specifically say that Mr La Perle's evidence consisted of "bare assertion." However, its criticism of his evidence came close to it, for it was said that the Hearing Officer erred because he did not discount Mr La Perle's evidence as being insufficiently supported either by his personal knowledge or by adequate

documentary evidence. Aikman objected to the Hearing Officer's reliance upon inferences drawn from the evidence, saying he did not assess the evidence sufficiently critically, but I note Mr Arnold's comments in § 29 of *Extreme* about the standard of proof, which as Ms Carboni accepted would indicate that one cannot exclude the possibility of drawing inferences from evidence, as long as there are appropriate grounds to do so.

30. In paragraph 2 of the Grounds of Appeal, Aikman complained that Mr La Perle, as one of Apple's intellectual property counsel, was not a position "to have direct knowledge of the facts that were critical importance to the Hearing Officer's finding of genuine use." It said that he failed to distinguish between information which was within his own knowledge, and information derived from Apple's documents. However, as far as I am aware no such objection was raised prior to the hearing, giving the witness a chance to deal with that "knowledge" point, as suggested in §36 of *Extreme*. Nor does it seem to me from Aikman's skeleton argument for the hearing before Mr Salthouse that the point was raised clearly even then in relation to Mr La Perle's evidence about Apple's own use of the mark.<sup>2</sup> I do not think, therefore, that the failure by the Hearing Officer to take a point about the scope of Mr La Perle's knowledge is a justifiable criticism of the decision below. In any event, it seems to me that Mr La Perle's evidence cannot simply be discounted on this basis, essentially as "bare assertion," given the points made by Mr Arnold QC in §31 of *Extreme*.

### **Strength of the evidence**

31. The more significant aspect of the appeal is this: Aikman submitted that Mr La Perle's evidence was inadequate to support the claim that Apple had made genuine use of the mark in the UK in the relevant period. It said that

---

<sup>2</sup> The skeleton made some non-specific complaints about "hearsay" and pointed out that Mr La Perle gave no indication that he had any source of knowledge of any possible use of the mark prior to its acquisition by Apple.

there were gaps in that evidence, yet the Hearing Officer assessed the evidence uncritically, or drew inferences from it that were “manifestly incorrect” or could not be justified on the documents. The question on the appeal is, of course, whether the Hearing Officer erred in reaching his decision on the basis of the evidence before him.

32. There were two main strands to the evidence of use which the Hearing Officer is said to have been wrong to accept as proving genuine use. First, evidence as to use of the mark on one or more websites and secondly, evidence as to the supply of copies of the program as “an early starter kit” to software developers in the UK.
  
33. As a preliminary point, Aikman suggested that the Hearing Officer wrongly assumed (in §18 of his decision) that the fact that the Time Machine software had been written prior to the relevant period somehow contributed to its genuine use during that period. I do not think that any criticism can properly be made of the Hearing Officer’s reasoning on this point. His approach seems to me to be consistent with the ruling of the ECJ in *Ansul* at §38 that “when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances” and in *La Mer* at §32, that it is possible to take into account circumstances subsequent to the relevant period in making that assessment. I do not think that the Hearing Officer was doing more than recognising that Apple’s evidence showed that it had been developing the software before it acquired the mark, and indeed, making use of the name “Time Machine” before it owned the mark, so that was in a position to use the mark as soon as it was assigned to it. I consider that he was right to take these matters into account as part of the factual matrix in which he was assessing use.



### **Use on websites**

34. Aikman said that the Hearing Officer was wrong to find that there were parallel US and UK websites or sub-sites. In my judgment, this finding does not reflect an error of principle but can be justified in the light of §11 and 12 of the witness statement. Whilst §11 refers only to the US site, §12 plainly refers to Apple's UK site. Taking both paragraphs together, it seems to me that the Hearing Officer had adequate evidence to find that there were two such sites. In my judgment, it would not be right to say that he had erred in principle or significantly in this respect.
  
35. However, Aikman also submitted that the Hearing Officer was wrong to find that Mr La Perle's evidence proved that Apple had "set up a website specifically related to the new software system both in the UK and the USA" when his witness statement showed that Apple had used a sub-site of its main US website for this purpose. I think that the Hearing Officer did misunderstand the evidence in this regard, perhaps understandably because Mr La Perle said that Apple had "created a special preview site," but from the IP address one can see that this was a part of the main Apple site, not a completely separate site. The second part of §19 of the decision flows in part from that misunderstanding, and in part from Mr La Perle's comment that the figures provided by Apple showed very substantial numbers of people in the UK who were aware of the mark at the relevant period. Awareness of the mark might flow from activities only in the USA and so cannot necessarily simply be equated to genuine use of the mark in the UK. It is possible – though not entirely clear from §19 and 20 – that the Hearing Officer did equate awareness with use. I consider that in both these respects the Hearing Officer erred, (alternatively, his reasoning on the issue of awareness is so inadequately explained that it is impossible to know if he erred) and so I must consider the matter afresh.
  
36. As I have said above, I consider it a fair reading of Mr La Perle's evidence that there were parallel UK and US websites containing pages described as

a preview site. It also seems to me that even taking into account Mr Mohsan's evidence suggesting that the very high numbers of "hits" recorded by Apple on those pages might not reflect with accuracy the number of visitors to them, the numbers are so high that even a discounted proportion of them would indicate that they were seen by a substantial number of people from the UK. Ms Carboni accepted as much at the hearing before me. The evidence may therefore, in my view, fairly be taken to show that there was both a US and UK site and that each of them attracted substantial numbers of UK visitors.

37. I was addressed at some length about the question of whether hits on the US website by UK visitors constituted use of the mark in the UK, in the light of the decisions in *1-800 Flowers Inc v Phonenames Limited* [2002] F.S.R. 12 and "*Crate & Barrel*" [2001] F.S.R. 20. In view of my conclusions above, however, as to the existence of a UK website, and of numerous hits on that site from the UK, I do not think that I need to reach a conclusion on this point.
38. Aikman submitted that references to the mark on any UK website accessible during the relevant period did not necessarily constitute use of the mark by Apple in the period. There were two aspects to this argument. First, it was submitted that there was no evidence as to where the server for the UK website was located. I accept this, but I consider that in the light of *1-800 Flowers* in particular, the issue is not simply where the server is located, but whether the web pages are directed towards UK customers. I see no reason to doubt that the pages of the UK site were so directed, and I think that I may take judicial notice of Apple's general reputation and trading activities in the UK at the relevant time.
39. Secondly, the Appellant submitted that unless those pages had been loaded onto the website during the relevant period, there was no use by Apple at the relevant time. This is a more difficult point, and one on which

there appears to be no direct guidance from past decisions. I suggested at the hearing the analogy of putting an advertisement on a billboard in Leicester Square before the relevant period and leaving it there during that period. Such analogies are not always apt in relation to the internet, but in my judgment the continuing availability of these webpages advertising the launch of Apple's new operating system during the relevant period, coupled with the high numbers of UK visitors to them, might have amounted to genuine use of the mark during the relevant period in the UK. Ms Carboni accepted that analysis in principle, whilst maintaining her client's other points as to adequacy of use.

40. However, Aikman's next point was that the evidence was insufficiently clear as to what visitors would have seen on the website at the relevant period and whether, in particular, the mark was used on the site. Mr La Perle simply referred to certain pages of the preview site. He did not specifically say that the content of the webpages shown as his exhibits TLP4 and 5 was the same during the relevant period as at the date when the print-outs were made for the purposes of the revocation application. Moreover, the pages printed out bore a 2007 copyright notice. It is not clear from the decision below whether the Hearing Officer turned his mind to this point at all, nor to what extent it was argued before him, but it seems to me that this is a central issue which I need to resolve.
41. In my judgment, one can infer from §10 to 13 of Mr La Perle's witness statement that the webpages in the relevant period would probably have made some reference to the new backup feature for which the mark was to be used. However, it seems to me that either Mr La Perle did not turn his mind to the need to show what was on the relevant pages at the relevant time, or he failed to make it plain that he had done so. He did not say that his exhibits showed pages live at the relevant period. In my judgment, his evidence does not go far enough to prove even on the balance of probabilities that the pages "hit" in the relevant period took the same form

as those exhibited or, more particularly, made use of the mark. Without such evidence, it seems to me that Apple did not prove use of the mark in the relevant period on those web pages.

42. I have therefore concluded that Mr La Perle's evidence did not prove use of the mark upon the website during the relevant period.

**Sales of starter kits**

43. Apple also relied on sales of pre-launch copies of the software including the Time Machine feature to software developers in the UK. This "Leopard Early Start Kit" was, according to Mr La Perle's evidence made available from 23 October 2006. He says that between that date and 15 December 2006, 113 copies were sold in the UK.

44. The Hearing Officer found on the balance of probabilities that it was "highly unlikely that none of these kits were sold" during the relevant period. Indeed, he went further, and found that on the balance of probabilities, most of the 113 kits were probably sold in that period.

45. The Appellant criticised this finding, pointing out that one would expect to see at least some documentation proving that there had been such sales, and that Mr La Perle had failed to indicate the source of his knowledge about the sales, assuming that this was not within his direct knowledge.

46. It seems to me that there is force in the point that it is surprising that no documentation was produced to show how many of these sales were made in relevant period, without at least an explanation as to why no such documentation was available. Mr La Perle's evidence is perilously close to mere assertion in this respect.

47. However, it seems to me that the Hearing Officer cannot be said to have erred in principle in accepting what Mr La Perle said about the starter kit

sales, following the guidance of Mr Arnold in *Extreme*. Given Mr La Perle's evidence about the interest shown in the new software, I think the Hearing Officer had reasonable grounds to think that at least some of the starter kits would have been purchased at the earliest possible opportunity by UK software developers. I think that he may have been a little generous to Apple in thinking that the *majority* of kits were sold during the relevant period, but in my judgment the Hearing Officer's view that, on the balance of probabilities, *some* of the starter kits would have been sold in the first 14 days after they were first made available does not constitute an error of principle such that I ought to disturb his finding in this respect.

48. Whilst it is possible that the numbers sold in the relevant period were small, it is clear law that in an appropriate context there is no minimum level of sales required to show genuine use. I do not think that the Hearing Officer erred in this respect and for that reason, I would dismiss the appeal.

### **The cross appeal**

49. In the circumstances, I do not need to deal with Apple's cross appeal in relation to its unsuccessful attempt to adduce additional evidence below, nor do I need to deal with the technical point as to whether the cross-appeal was lodged too late.
50. However, I think that the Hearing Officer erred in his approach to the issue of Apple's application to adduce evidence out of time and I consider it right to explain why I take that view.
51. I have set out what happened in late February/early March in paragraphs 6 and 7 above. On 7 March, Apple served its proposed additional evidence, which was plainly prepared with a view to filling the gaps (or possible gaps) in Apple's evidence discussed above. So, for instance, in his second witness statement Mr La Perle confirmed that there was a UK as well as a

US preview site. The additional evidence may or may not have completely answered all of Aikman's criticisms of the first witness statement, but at the least I think it must be said that the additional evidence was potentially of material significance to the issues to be decided.

52. Wilson Gunn, in a letter of 10 March agreed with Apple's request for an immediate adjournment, pointing out that they could not prepare their case without knowing if the new material was to be admitted. They submitted that it was just and appropriate that the Hearing Officer should decide the issue of admissibility separately from and in advance of the substantive hearing. Nothing in their letter suggested that their client would be prejudiced by the proposed adjournment. Apple of course agreed and the letter was signed by both parties.
53. Nevertheless, the Hearing Officer refused to adjourn the substantive hearing and indicated that the question of the additional evidence would be dealt with on 12 March. Wilson Gunn's skeleton for the hearing not surprisingly complained that they had not had an opportunity fully to review the additional evidence or respond to it. They stated that they objected to the admission of the further evidence "as a matter of course". Again, they did not allege that their client would be prejudiced by an adjournment.
54. I have seen the transcript of the hearing, from which it appears that the Hearing Officer rejected the additional evidence almost out of hand because he was unimpressed by the reasons which Apple gave for its lateness. This was reflected in his written decision in which he simply said:
  12. At the hearing a preliminary point was raised concerning the filing of additional evidence. The registered proprietor sought to file additional evidence. It was stated that there had been difficulties in obtaining evidence as the principal is based in California. The registered proprietor is an extremely large corporation with, in all

probability, a legal department if not an intellectual property department. It is also considered to be a leader in the information technology industry. I do not accept that it would have experienced difficulties in communication. It may be that it or its advisers did not attach the due significance to the deadlines imposed with regard to filing evidence. Whatever the reason, it is prejudicial to the applicant in this case and can also be seen as an abuse of process. The evidence is therefore not allowed into the case.

56. At the appeal, Mr Tritton complained that the Hearing Officer had failed to consider all the proper principles in his application. I am afraid that I think this is a justified criticism of the decision and that the Hearing Officer failed to apply the usual criteria, as set out (for example) in the decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *Al-Bassam trade mark* (O-467-02), which Mr Hobbs summarised as

- (1) the materiality of the evidence in question to the issues that the Registrar has to determine;
- (2) the seriousness of the irregularity which the Registrar is being asked to rectify; and
- (3) the justice and fairness of subjecting the opposite party to the burden of the evidence in question at that stage.

I note that Mr Hobbs also pointed out that the attitude of the other party may well have a bearing on the decision. Here the Hearing Officer concentrated to the exclusion of all other factors upon the explanation for the delay in adducing the new material. He thought that this was an abuse of process. Nothing in the transcript of the hearing or his written decision shows that he considered the potential materiality of the new evidence, the practical approach which Aikman's agents had agreed to adopt, or the justice and fairness to Aikman of giving permission to adduce the evidence late. Yet this was a case in which Aikman's objections were raised "as a matter of course", and no specific prejudice was shown save for the

difficulty of seeking to deal with the application at the hearing of the substantive application.

57. I have no doubt that the Hearing Officer erred in his approach to the new evidence. Had it been necessary to do so, I would have exercised the discretion afresh and I would have admitted the evidence on the usual terms as to costs and remitted the matter to the Registry.

**Costs of the appeal**

58. Counsel asked me to defer arguments as to costs until after I delivered my judgment. I would invite them to produce short written submissions on costs by 5 p.m. on 24 November.

Amanda Michaels  
10 November 2008

Ms Anna Carboni (instructed by Messrs Wilson Gunn) appeared on behalf of the Appellant, Aikman and Associates.

Mr Guy Tritton (instructed by Messrs Field Fisher Waterhouse) appeared on behalf of the Respondent, Apple Inc.