

O-258-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2161954
IN THE NAME OF MATALAN LIMITED
FOR THE TRADE MARK ISABELLE
REGISTERED IN CLASS 25**

AND

**IN THE MATTER OF AN APPLICATION FOR REVOCATION
UNDER NO. 82826 IN THE NAME OF
THOFRA HOLDING**

Trade Marks Act 1994

**IN THE MATTER OF registration No. 2161954
in the name of Matalan Limited
for the trade mark ISABELLE registered in Class 25**

And

**IN THE MATTER OF an application for revocation
under No. 82826 in the name of Thofra Holding**

BACKGROUND

1. On 24 March 1998, Matalan Limited applied to register the trade mark ISABELLE in Class 25. The application was registered on 12 March 1999 for the following specification of goods:

Articles of outerclothing.

2. On 3 April 2007, Kohler & Krenzer GmbH (subsequently substituted by Thofra Holding) filed an application under Sections 46(1)(a) and 46(1)(b) seeking revocation of the registration with effect from 13 March 2004 and/or 3 April 2007, respectively. The basis for the application is that the mark has not been put into genuine use by the proprietor within the period of five years following the date of completion of the registration procedure, and there are no proper reasons for non-use. Further, and in the alternative, the applicant applies for revocation on the basis that any use has been suspended for an uninterrupted period of five years in between 3 April 2002 and 2 April 2007.

3. The applicants filed a Counterstatement in which they assert that the mark has been put to genuine use in the relevant period and deny the grounds of the application.

4. Both sides filed evidence. Neither party requested a hearing, the applicants for revocation instead filing written submissions. After giving careful consideration to the facts and circumstances of the case, and taking into account the established case law and the submissions I now go on to give my decision.

EVIDENCE

Registered Proprietor's evidence

5. This consists of a Witness Statement dated 13 November 2007 from Matthew Taylor, a trainee Solicitor in the Legal Department of Matalan Retail Limited, a position he has held since April 2007. Mr Taylor explains that Matalan Retail is a wholly owned subsidiary of Matalan Limited and a member of the Matalan Group of companies which operates a chain of clothing and home-ware stores throughout the UK under the Matalan brand.

6. Mr Taylor refers to his company's registration for the mark ISABELLE that is the subject of these proceedings, stating that the mark has been used in the relevant

periods. In support he refers to Exhibit MT1 which consists of two purchase orders dated 18 March 2002, for the purchase of ISABELLE jumpers by Matalan Retail Limited from a supplier trading under the name Ideal Union Ltd. Mr Taylor mentions the entry referring to the goods having a “Back Neck Lab ISABELLE LOOP” and the total cost of the orders being in the region of £60,000. He says that the goods would have been for sale at Matalan stores within a few days of delivery and for several months after. The shipment date is shown as 29 July 2002.

7. Mr Taylor next refers to Exhibit MT2, which consists of a sales report for ISABELLE branded goods. He says that the sales relate to the Autumn/Winter season 2004 and have been extracted from a larger report covering sales of ISABELLE and other products in that season. The report lists sales of ISABELLE jumpers and cardigans supplied by Ideal Union and M & V International.

8. Mr Taylor next refers to Exhibit MT3 which he describes as an extract from a Matalan customer mail shot. He says that the mail shot in question is from more than 5 years prior to the date of the application for revocation but has been included “...to place Exhibits MT1 and MT2 in the context of the continued use of the ISABELLE brand, and to illustrate one of the ways in which my Client actively advertised products bearing the ISABELLE brand”. The exhibit shows ISABELLE being used in connection with sweaters and blouses, the descriptions of the sweaters corresponding to those shown in Exhibit MT2.

Applicant’s evidence

9. This consists of a Witness Statement dated 8 August 2008, from Julia Wittenberg, an associate lawyer with Heinrich & Partner Rechtsanwälte. Ms Wittenberg refers to an earlier application by Köhler & Krenzer GmbH seeking revocation of a Community Trade Mark for ISABELLE in the ownership of Matalan Limited, the decision of the Cancellation Division being shown as Exhibit H&P1, with observations filed by the applicants in those proceedings being shown as Exhibit H&P2.

10. That concludes my review of the evidence insofar as it may be relevant to these proceedings.

DECISION

The Law

11. Section 46 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)

(d)

(2) For the purpose 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).....

(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.”

12. Section 100 of the Act is also relevant and reads:

“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.”

The relevant five year periods

13. The application for revocation is based on sections 46(1)(a) and (b) of the Act. The registration procedure for the trade mark in suit was completed on 12 March 1999. The relevant periods are therefore, under 46(1)(a): 13 March 1999 to 12 March 2004, with revocation to take effect from 13 March 2004. Under 46(1)(b) the applicants allege a period of non-use from 3 April 2002 to 2 April 2007, with

revocation to take effect from 3 April 2007.

14. The two leading authorities on the guiding principles to be applied in determining whether there has been genuine use of a mark are: *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5, from which I derive the following main points:

genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);

the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);

the use must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);

the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);

all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);

the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);

but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);

an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);

there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);

what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);

the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

15. The evidence in these proceedings is thin to say the least, consisting of a Witness Statement introducing two pieces of internal documentation from Matalan, and a brochure. It cannot be denied that taken individually these exhibits have flaws of one form or another, all of which were highlighted by the Cancellation Division of the OHIM in reaching their decision. However, as was held by Mr Richard Arnold QC sitting as the Appointed Person (as he then was) in the *Extreme* trade mark case [2008] R.P.C. 24, the correct approach is to step back and consider the evidence as a whole to see what facts it had established. Mr Arnold also held that in the absence of positive evidence of non-use it was not correct to impose a standard of proof requiring the provision of "certainty" and "conclusive evidence". The standard of proof is the ordinary civil standard of proof upon the balance of probabilities. When applying this standard, the less probable the event alleged, the more cogent the evidence had to be to demonstrate that it did indeed occur. Amongst a number of cases Mr Arnold had taken into account the guidance provided in the *Nodoz* case [1962] RPC 1 in which Wilberforce J had stated:

“It may well be, of course, that in a suitable case one single act of user of a trade mark may be 30 sufficient; I am not saying for a moment that this is not so; but in a case where one single act is relied it does seem to me that the single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof.”

16. Two of the three exhibits consist of internal documentation. The guidance found in *Ansul* makes it clear that use must be ‘on the market’ and not just internal to the undertaking concerned. This should be taken in the context of Mr Arnold’s helpful guidance in *Extreme* where he held that whilst documents may have merely showed use internal to the proprietor their real significance had to be considered. In the *Extreme* case Mr Arnold took the documents to constitute contemporaneous support for the appellant's evidence that goods had been sent to shops for retail sale. This was not merely evidence of use internal to the proprietor but also corroborated evidence of use external to the proprietor.

17. The first piece of documentation relates to an order for ISABELLE branded jumpers placed with a supplier trading as Ideal Union Ltd in March 2002. The applicants say that this document does not show use of the ISABELLE mark in the UK; that is certainly true. As I take it this exhibit has not been filed to evidence sales in the UK, but to show that the ISABELLE mark was in use and that goods bearing the mark had been ordered from a supplier. Noting that the order had been placed in China the Cancellation Division stated that evidence of importation would be accepted as evidence of use, but disregarded the exhibit because “..The Office was unable to determine the country of destination of this order...”. I take a different view. The order bears the delivery address of Skelmersdale, West Lancs, WN8 9TS, which to my mind is a clear indication that the goods were for delivery to the UK.

18. The Cancellation Division also took issue with the fact that the “...buyer appears to be Geraldine Higgins and the office was not in a position to establish a link between the order and the owner of the CTM”. The word “Buyer” does not only mean the purchaser, it also denotes the position of a person within a company who has the responsibility for obtaining materials and supplies. The top of the page bears the name

MATALAN and I consider it reasonable to take Ms Higgins to be a buyer acting on behalf of MATALAN.

19. The applicants say that there is no evidence that the purchase order was ever sent, or that the goods were delivered pursuant to the order. The document mentions a shipment date of 29 July 2002 but leaves the delivery date blank. Whilst I accept that this may not establish that the order was actually fulfilled, it is a very strong indication that it was placed.

20. Contrary to the applicant's assertion that the order itself "does not establish that the garments bore the Trade mark", the order lists the name ISABELLE in the "Brand" column. Under the heading "Hanger ref" is the entry "Back Neck lab ISABELLE LOOP" which is reasonable to infer as being a reference to a loop label bearing the name ISABELLE attached in the neck position of the goods. The total order was in the region of £60,000 which in the context of the clothing market as a whole, or even for a trade in a single product may not be seen as a particularly large sum. Setting aside the fact that these are clearly wholesale prices, as I have highlighted above, use does not have to be quantitatively significant for it to be deemed genuine. In any event, the applicants do not challenge this aspect of the use. If there is a problem with this document as evidence it is one that the registered proprietors have themselves identified, namely, that it relates to an order placed outside of the relevant period for the ground under Section 46(1)(b).

21. The second exhibit is an extract from a sales report that Mr Taylor says related, amongst others, to ISABELLE branded goods. On inspection the document can be seen to detail sales of ISABELLE branded cardigans and jumpers running into six figures (which adds to the quantitative significance of the trade). Apart from references to "week number" 20 to 44, the report does not mention anything by which to date it. Mr Taylor says that the sales recorded were made in the UK in the Autumn/Winter season 2004 although does not say how he knows this. As highlighted in the applicant's submissions, Mr Taylor is not an officer of the company with a contemporaneous, hands-on knowledge of their trading activities. He does, however, confirm that he has had free and full access to the Matalan company records and it may well be that the results of his investigations, or the main report of which the exhibit is an extract, revealed this information. Either way, apart from highlighting the flaws the applicants do not challenge its veracity. I am mindful of the comments of Mr Arnold in *Extreme*, where he said:

"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.

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. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). 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)."

22. The column recording the origins of the goods includes entries for Ideal Union. This is the same supplier as on the purchase order (MT1) dating from some two years previously which could be taken as being indicative of an ongoing trade during the intervening period. It also adds to the view that the goods referred to in Exhibit MT1 were ordered, and in all probability delivered and placed on the market. But even if that were not the case, the sales record establishes that later orders of ISABELLE jumpers and cardigans were placed, and sales of the same made in the second half of 2004.

23. Turning to Exhibit MT3, which Mr Taylor describes as an extract from a Matalan customer mail shot, albeit from more than 5 years prior to the date of the application for revocation. Mr Taylor says this has been included "...to place Exhibits MT1 and MT2 in the context of the continued use of the ISABELLE brand, and to illustrate one of the ways in which my Client actively advertised products bearing the ISABELLE brand". The exhibit shows ISABELLE being used in connection with sweaters and cardigans of a description corresponding to those shown in Exhibits MT1 and MT2.

24. On my assessment the evidence shows use on the market, within the relevant periods that created an outlet for goods sold under the ISABELLE mark, namely cardigans and sweaters. This will have established a link between the proprietor, its mark and the goods sold under it. In my view the proprietor's use of ISABELLE in relation to such goods satisfies the requirements for it to be considered genuine within the meaning of the law.

25. Having determined that there is acceptable use, although not covering the full specification of goods for which ISABELLE has been registered, the provisions of Section 46(5) come into play. This is a scenario anticipated by the applicants who in their written submissions assert that if use has been shown it covers, at best, cardigans and/or jumpers. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct.

Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the

proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark.

Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

26. The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute

protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

27. The Court of First Instance in *Reckitt Benckiser (España), SL v OHIM*, Case T-126/03 held that:

"42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition

proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of ‘part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

28. The goods for which use has been shown come under the general description of “clothing”. The trade mark is registered in respect of “outerclothing”, a sub-category of clothing that includes cardigans and jumpers, but also a wide range of other types such as trousers, overcoats and the like. Certain types of outerclothing have their own recognised sub-sets, for example, hats and caps group together as headgear, shoes and boots as footwear, socks and stockings as hosiery. Cardigans and sweaters could be grouped together as “knitwear” but that is a description that attaches to any item that is knitted, including hosiery and hats, and excludes cardigans and sweaters that are not knitted. Another recognisable sub-set of outerclothing is “tops”. On a pure interpretation of its meaning this is a term which would include camisoles, corsets and bodices, goods that function as both outer and under garments. However, taken from the consumer’s perspective I consider that “tops” will mean outerclothing. I therefore arrive at the conclusion that “Tops” is a description that both reflects the use shown as it would be perceived by the consumer and is within the scope of the specification as registered.

29. I therefore direct that the registration number 2161954 be revoked in respect of all goods other than “Tops.”

30. The application for revocation has therefore been successful in part. The applicants sought revocation of the registration in its entirety, although considered the potential for revocation in part. The registered proprietors in turn sought to defend the whole registration which given the use made was not wholly unrealistic. On this basis I consider it appropriate not to make an award of costs

Dated this 7th day of September 2009

**Mike Foley
for the Registrar
the Comptroller-General**