



O-375-09

TRADE MARKS ACT 1994

**IN THE MATTER OF CONSOLIDATED APPLICATIONS
Nos. 83328 & 83329
BY FOX UMBRELLAS LIMITED FOR REVOCATION OF
TRADE MARKS Nos. 1198006 & 273484
STANDING IN THE NAME OF
ACTIVA GROUP INC.**

BACKGROUND

1) The following trade marks are registered in the name of Activa Group Inc.

Mark	Number	Registered Date	Class	Specification
	1198006	19.12.1984	18	Umbrellas and umbrella frames and parts and fittings therefor included in Class 18.
	273484	07.11.1905	18	Umbrellas being goods composed partly of metal.

2) By applications dated 27 August 2008, Fox Umbrellas Limited applied for the revocation of the registrations under the provision of Section 46(1)(b) claiming there has been no use of the trade marks on the goods for which they are registered in the five years prior to the filing of the application for revocation. A revocation date of 27 August 2008 is sought in both cases.

3) On 24 December 2008 the registered proprietor filed counterstatements denying the applicant's claims.

4) Both sides filed evidence. The matter came to be heard on 3 November 2009 when the registered proprietor was represented by Mr Fiddes of Messrs Urquhart-Dykes & Lord LLP and the applicant was represented by Mr Gay of Messrs Keltie.

REGISTERED PROPRIETOR'S EVIDENCE




5) The registered proprietor filed two witness statements, dated 22 December 2008 and 23 December 2008, both by Alan Michael Fiddes the registered proprietor's Trade Mark Attorney. Both statements and exhibits are identical. He states that the information he provides comes from the registered proprietor's records. He states that the marks were purchased from the administrators of Hoyland Fox Limited and a Deed of Assignment signed on 18 June 2008, is provided at exhibit AMF1 & AMF2. He also provides copies of the forms sent to the Registry on 19 December 2008 to record the transfer of the marks to Activa Group Inc (the registered proprietor). He states that the assignment includes the right to sue for passing off and, he contends, the goodwill of the business formerly run by Hoyland Fox Limited has been transferred to the registered proprietor. The relevant paragraph identified by Mr Fiddes reads as follows:

“‘Intellectual Property’ includes patents, inventions, know-how, trade secrets and other confidential information, registered designs, copyrights, data rights affording equivalent protection to copyright, database rights, design rights,

semi-conductor topography rights, trade mark rights including the Name, service marks, business names, trade names including the name ‘Hoyland Fox’, logos, domain names, moral rights and all registrations or applications to register any of the aforesaid items, rights in the nature of any of the aforesaid items in any country or jurisdiction, rights in the nature of unfair competition rights and rights to sue for passing off held and used by the Company as at the Completion Date;”

6) Mr Fiddes states that as the marks were purchased from the administrators of Hoyland Fox Limited its information is limited. However, he provides a number of exhibits which he states show use of the marks on the whole of their specifications. I summarise these below.

- Exhibit AMF3: This consists of a packing list which states “Invoice 08.05.08/299”. It has a stamp with the name and address of Hoyland Fox in Rotherham at the bottom left which has been initialled. But it is not actually addressed. It was contended that the items were sent from Romania to the Rotherham factory for onward transmission to the end customer. It does show use of mark 1198006 with the words “Hoyland Fox Frames” alongside. The image (number1) is shown below. The list also shows the Manager as “Gheorghe Chiscoci” and the Financial Manager as “Florian Naghiu”. The items on the list are described as “umbrella parts”. From the information provided in exhibit AMF4 below this would appear to relate to goods being shipped from the unconnected party in Romania. Given that the factory in Romania was a subcontractor this is effectively an internal document. Next is a copy of a page, presumably from a catalogue, which shows the “Garden Frame Range” dated 2007. This shows the name and address of Hoyland Fox in Rotherham. It has image 1 below on it. Next is a page which also appears to be from a catalogue for “Golf Frame range 2007”. It also has image number 1 below on it. As with the garden frame range this appears to relate to the frame for umbrellas not complete umbrellas. There are then ten pages which are said to be copies of the internet site which offers umbrella frames and parts of various sizes, shapes and complexity. Only one of these pages has a date which refers to “New Hoyland Fox designs for 2002-03”. Nine of the pages has image 2 below on them, whilst eight also have image 3 below upon them. Mr Fiddes in his statement claims “As can be seen from the highlighted dates of the printouts these show that this website is currently active”. However, none of the exhibited pages has highlighted dates or any dates at all other than the single exception mentioned above.

Image number 1	Image number 2	Image number 3
		

- Exhibit AMF4: This consists of the Administrators report to the Creditors dated 30 April 2008. From this report it is clear that the company (Fox Hoyland) manufactured frames for use in sun parasols and traditional rain umbrellas. These were sent to customers who would cover and brand the umbrella for sale to the end user. The UK manufacturing arm was severely reduced in 2007 and assembly was carried out in Romania by an unconnected third party, who supplied the finished product directly to customers. The administrators provide details of turnover for the years 1 April 2005 – 31 March 2008. These show an average turnover of over £7 million per annum. However no reference is made as to what mark, if any, was used, or indeed, if the whole of the turnover refers to umbrellas and parts. For instance, I note that the report makes mention of the sale of land for over £6 million which would have been included in the turnover figure.

7) Mr Fiddes contends:

“6. On the basis that the mark is used extensively in respect to all of the products sold by Hoyland Fox Limited I would suggest that this [the turnover] indicates the level of use of the mark in relation to the goods covered by the Registration”.

APPLICANT’S EVIDENCE

8) The applicant filed a witness statement, dated 27 April 2009, by Alistair Robertson Gay the applicant’s Trade Mark Attorney. He states:

“Exhibit AMF3 shows a trade mark comprising a logo of a fox and umbrella, conjoined with the words “Hoyland Fox Frames”. The logo element and word element are conjoined in such a manner as to create a single mark. In this regard, it is submitted that the form in which the mark appears in exhibit AMF3 differs from the mark as registered under Registration No. 1198006 in terms of its distinctive character, such that use of the mark as shown in exhibit AMF3 cannot be said to support genuine use of the mark as registered under Registration No. 1198006.”

9) Mr Gay points out that:

- there is no use of mark 273484 and the mark shown in the exhibits cannot support a claim of genuine use of this mark.
- the packing list does not demonstrate use in the UK.
- there are no details of the circulation (if any) of the catalogue in the UK.
- there is no evidence that the web site www.hoylandfox.com was active between the relevant dates 27 August 2003 – 26 August 2008.
- the evidence refers to frames and parts for umbrellas but not complete umbrellas.

- exhibit AMF4 does not evidence genuine use of either of the trade marks on any of their specifications.

10) That concludes my review of the evidence. I now turn to the decision.

DECISION

11) The revocation action is based upon Section 46(1)(b) of the Trade marks Act 1994, the relevant parts of which read as follows:

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

- (a)
- (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 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.”

12) Where the registered proprietor claims that there has been use of the trade mark, the provisions of Section 100 of the Act make it clear that the onus of showing use rests with him. 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.”

13) The only evidence of any use of a trade mark within the relevant period (27 August 2003 – 26 August 2008) is the use of image 1 above on two catalogues, both dated 2007. I must therefore consider whether the use of this image constitutes use of the registered marks.

14) In considering this question I look to the comments of the European Court of Justice (ECJ) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

15) I also look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 24. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

“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?”

16) I also take into account the ECJ decisions in Case C-171/06P *Devinlec Developpement Innovation Leclerc SA v Office for Harmonisation in the Internal Market* [2007] ECR I-41, Case C-131/06P *Castellblanch SA v Office for Harmonisation in the Internal Market* [2007] ECR I-63 and Case C-234/06P *Il Ponte Finanziaria SpA v Office for Harmonisation in the Internal Market* [2008] ETMR 13. I also note the comments of Mr Arnold Q.C. (as he was then) acting as the Appointed Person in O/061/08 *Remus* at paragraphs 45-50 when he said:

“45. In *Nestlé v Mars* Nestlé applied to register the sign HAVE A BREAK as a trade mark. The application was opposed by Mars. The Court of Appeal upheld findings of the tribunals below that the sign was devoid of distinctive character. Accordingly the issue was whether it had acquired a distinctive character. Nestlé argued that the sign had acquired distinctive character as a result of the use of the expression HAVE A BREAK ... HAVE A KIT-KAT, which was

already registered as a trade mark. Mars disputed this. The Court of Appeal referred to the Court of Justice the following question:

May the distinctive character of a mark referred to in Article 3(3) of Directive 89/104 and Article 7(3) of Regulation 40/94 be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?

46. Advocate General Kokott advised the Court to answer the question in the affirmative. In the course of her Opinion she observed:

23. Article 3(3) of Directive 89/104 permits registration of a mark if, following the use made thereof, *it* has acquired distinctive character. Mars and the Commission infer from this wording that use as an element of another mark may not be invoked as evidence of distinctive character for the purposes of Article 3(3) of Directive 89/104. This view of the matter does not carry conviction since, as the Irish Government as well observes, use of a mark literally means both its independent use and its use as part of another composite mark.

24. Nor, contrary to the view of the United Kingdom Government, can any other inference be drawn from Article 10 of Directive 89/104. Article 10 et seq. concerns the loss of trade-mark protection as a result of nonuse. A proprietor of a mark can, as a matter of trade mark law, reserve certain signs for his exclusive use only if he actually uses them. Structurally it would surely be wrong to recognise use for the acquisition of distinctive character but not to allow it to suffice in order to prevent the loss of trade-mark protection. Indeed, it is not precluded that use of a mark as part of another mark may also suffice in the context of Article 10. Under Article 10(2)(a) it also constitutes use if the trade mark is used in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. Use of a sign as part of a principal mark also comes within that definition. That part would indeed be registered not only as a part of the principal mark but also alone without the other elements of the principal mark though use of the principal mark would only differ in elements from the mark registered in respect of the part. Distinctiveness of that part would not be affected if, as a result of such use, it acquired distinctive character prior to its registration.

47. In its judgment the Court ruled that the distinctive character of a mark may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark. It did not refer to the point made by the Advocate General in paragraph 24 of her Opinion.

48. As noted above, one of the proprietor's arguments advanced in support of the appeal is that the hearing officer failed to appreciate the significance of *Nestlé v Mars*. The proprietor argues that this supports its contention that use of labels such as that discussed above constituted use of the registered trade mark.

49. Prior to the hearing before me, the Registrar understood the proprietor to be arguing that, even if there was no use of a mark differing in elements which did not alter the distinctive character of the registered trade mark within section 46(2) as interpreted in *BUD*, use of a composite mark of which the registered trade mark formed an independently distinctive part could constitute genuine use of the latter within section 46(1). The Registrar submitted that, if that argument became material, it would raise an important point of law which ought either to be referred to the High Court under section 76(3) of the 1994 Act or referred to the ECJ under Article 234 EC. At the hearing, however, the proprietor's advocate clarified that the proprietor was not raising that argument, but on contrary was relying upon section 46(2) as interpreted in *BUD*. Having regard to that clarification and also to my conclusion with regard to section 46(2), it is unnecessary for me to reach any conclusion with regard to the argument anticipated by the Registrar. It will be appreciated, however, that my comments in paragraph 43 above are relevant to that issue.

50. The argument which the proprietor actually advanced was to the effect that, when applying section 46(2) as interpreted in *BUD*, the tribunal should in the light of *Nestlé v Mars* take a flexible view as to what constitutes use which does not alter the distinctive character of the mark. In the present case, however, I do not consider that this adds anything to the analysis set out in paragraph 42 above."

17) I have to determine, in the light of the above authorities whether the use of image 1 can be deemed use of the registered marks 1198006 or 273484. For ease of reference the various marks are reproduced below.

Registered mark 1198006	Registered mark 273484	Image 1
		

18) Mr Fiddes contends that the opponent has shown use of mark 1198006. He comments:

“The combination of two registered marks, HOYLAND FOX being a registered trade mark of the proprietor and a Community Trade Mark registration, does not take away from the distinctive character of any individual element. It simply reinforces in the minds of consumers that the fox and umbrella device, which in itself is very distinctive, is associated with HOYLAND FOX. The words "Hoyland Fox" are associated with the distinctive fox and umbrella device. It is not the combination of a very distinctive element and a non-distinctive element, but a combination of two equally distinctive elements which can be seen separately.”

“There is clearly a mark which consists of a combination of distinctive as well as non-distinctive elements where the individual elements are equally distinctive in their own right. There is no reason why, if you have one distinctive element which can form the subject of a trade mark registration, another distinctive element which forms an equally distinctive element which is the subject of the trade mark registration and you use them in combination, you cannot have a combination mark consisting of those equally distinctive elements. It does not mean that you destroy the distinctiveness of one by adding the other part to it. We have lots of examples of companies combining the distinctive elements of their brands' portfolios when they use marks as logos in all sorts of things. They combine those elements together. Yes, they do create new and separate marks, but it does not impact on the distinctive nature of the marks themselves. You can draw out from that that there is still a distinctive element. That is this case overall as the concept of a fox and an umbrella is unusual and therefore distinctive.”

19) I am willing to accept that image 1 above is a combination of the name of the company and also the registered trade mark 1198006. Therefore, its use would be use of the registered trade mark 1198006. I now turn to consider whether the use of image 1 can support trade mark registration 273484. Mr Fiddes contends that the two registrations are effectively identical and that use of image 1 would also maintain registration 273484. On this issue he states:

“The distinctive element [s] of the trade mark registration in question are the graphic representation of a fox and an umbrella. This is clearly an unusual and distinct concept, and one unique to the Proprietor. Clearly from the aural description of the two marks one would merely describe them as the FOX with an umbrella but on a conceptual perspective the marks are identical both being used in the mark as registered being the graphic representation of a FOX with an umbrella. With regard to the visual presentation of the mark these must be considered to be sufficiently similar only to slightly diminish the distinctive character of the registration as clearly the degree of stylisation only marginally takes away from the overall concept of a fox carrying an umbrella. It is therefore submitted that the differences in the visual appearance of the mark do not alter its overall distinctive character.”

20) Registration 273484 consists of a very accurate representation of a fox which has found shelter under an umbrella from the very evident storm which surrounds it. Its tail is tucked up between its legs to keep it dry. In registration 1198006 the fox is an outline drawing, one might almost say a cartoon fox. Far from seeking shelter under the umbrella, the fox appears to be holding it almost as a parasol with its tail stretched out behind it. I accept that conceptually both images portray a fox with an umbrella, but the first reflects the cunning for which foxes are renowned, it is out in a storm has chanced upon an umbrella and seeks shelter within it. The second, whilst recognisable as a fox, does not draw upon the animal's famous traits but presents an unrealistic scenario of the animal holding the umbrella, whilst its stick-like paw is held in a “camp” manner. To my mind, the differences are visually obtrusive which would be noticed by the average consumer. Image 1 does not support registration 273484. The upshot of this conclusion is that the registered proprietor has shown no use of the trade mark 273484.

21) I now turn to consider the use provided of image 1 above, to consider of it is sufficient to allow trade mark 1198006 to remain upon the register. The applicant alleges that the mark has not been used in the five years prior to the date of the application for revocation. The period in question for the trade mark is, therefore, 27 August 2003 – 26 August 2008. I must consider whether the opponent has fulfilled the requirement to show that genuine use of the mark has been made. 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 these cases 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);
- it 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).

22) I also take note of the CFI case T-334/01, *MFE Marienfelde GmbH v OHIM* (HIPOVITON) where at paragraph 37 they stated:

“37. However, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness.”

23) The registered proprietor has filed very scant evidence of use. The packing list at exhibit AMF3 cannot be considered use in the UK as it was issued by a factory in Romania (a third party) and was sent to the registered proprietor's unit in Rotherham. As the factory in Romania was a sub-contractor to the registered proprietor I regard this as being an internal document. The two pages from catalogues are dated 2007 and so are within the relevant period. They both have image 1 above upon them which I have accepted can be regarded as use of the trade mark. The pages from the internet do display trade mark 1198006, but are in relation to the 2002-2003 range. This means that the pages were formatted before the end of 2002, before the relevant period which begins in August 2003. As the pages have no dates it is not possible to state that they were available on the Internet within the relevant period. Therefore, they cannot be taken into account for the purposes of this exercise. Lastly, there is the report of the administrators. This provides details of turnover, although it is clear that these also include items such as the sale of land. There is no evidence that the turnover figures provided relate to use of the marks in suit. Mr Fiddes seeks to infer that it does but there is no evidence to this effect.

24) The only evidence which is within the relevant period are the two pages from catalogues dated 2007. No evidence was provided with regard to who the catalogues were sent to, whether they were in the UK or how many catalogues were issued. The evidence shows that the company did not make complete umbrellas, but supplied frames which were then covered by the customer with whatever fabric was preferred. Therefore, even though the original proprietor is no longer in existence the registered proprietor could surely have obtained statements from customers who purchased frames, or a trade body. It is accepted that the fewer instances of use relied upon the greater the detail provided must be. In the instant case I do not consider the use shown to be sufficient to create or maintain a market for the umbrellas, umbrella frames and parts and fittings for which the mark is registered.

25) My findings in paragraphs 20 and 24 above result in both trade marks being revoked in full as of 27 August 2008.

26) As the applicant has been successful it is entitled to a contribution towards costs. I order the registered proprietor to pay the applicant the sum of £900. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of December 2009

**George W Salthouse
For the Registrar,
the Comptroller-General**