

O-030-10

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 83273
BY CONSOLIDATED ARTISTS B V
TO REVOKE REGISTRATION NO 2272556
IN THE NAME OF RITA FANCY GOODS LIMITED

Background

1.Registration No. 2272556 is for the trade mark QUARTZ MANGO. The registration procedure was completed on 16 November 2001. The registration stands in the name of Rita Fancy Goods Ltd (“RFG”) and is registered in respect of:

Class 14

Watches and clocks

2. By an application received 10 July 2008 Consolidated Artists BV (“CA”) applied for the registration to be revoked in its entirety. The application was made under the provisions of sections 46(1)(a) and (b) of the Act on the basis that the mark has not been put to genuine use in relation to the goods for which it is registered.

3. RFG filed a counterstatement in which it admitted that the mark had not been used in relation to clocks but claimed that use had been made in relation to watches in the relevant periods.

4. Both parties filed evidence. In accordance with usual practice, the parties were advised of their right to a hearing but, in the event, neither requested to be heard. Both did, however, file written submissions in lieu of attendance. I therefore give this decision on the basis of all the material before me.

The evidence

RFG’s evidence

5. This consists of two witness statements, dated 3 December 2008 and 9 October 2009 respectively, by Kamal Mirpuri who is a Director of RFG.

6. Mr Mirpuri explains that RFG is a family business which was incorporated in 1969. The company operates as a wholesaler selling many types of household goods including watches. Its customers are primarily small independent traders who buy stock in relatively small quantities. It sells goods at low wholesale prices and has low profit margins but its volume of sales gives the company a sizeable total turnover.

7. The mark QUARTZ MANGO was adopted in 2001 when watches under the mark were first sold. Sales continued until late 2008 with further sales intended. In 2005, the company had over 800 styles of watches available for purchase. These included watches under the QUARTZ MANGO mark of which sales of some 8000 watches were made in that year.

8. Due to the nature of its business and the way it carries it out, the company does not undertake formal advertising. It does however have its own website but, typically, customers view goods at the company’s premises and make purchases on the spot.

9. The following exhibits accompany Mr Mirpuri's witness statements:

KM1: copies of undated photographs showing examples of watches as sold. The four watches shown have the words QUARTZ MANGO clearly visible on their faces;

KM2: sample sales invoices from 2005 and 2006 which are said to be representative of sales made of watches bearing the mark. These show the following details:

Invoice number and date	Buyer	Goods	Item cost	Total sales
91855 20.4.06	Kapadia Superstores London	6 x Quartz Mango colour watches	4.25	25.50
		36 x Quartz mango watches	3.95	142.20
80725 17.2.05	Wembley Watches Enfield	30 Quartz Mango colour watches	4.25	127.50
		150 Quartz Mango watches	3.95	592.50
85197 11.8.05	Raj Enterprises London	150 Assorted Quartz Mango watches	3.95	592.50
		60 Colour Quartz Mango Watches	4.25	255.00
87121 11.10.05	Wembley Watches Enfield	350 Quartz Mango watches ("Clearance")	2.95	1032.50
87541 7.11.05	Mr Redding Wiltshire	48 Quartz Mango Fashion Watches	3.95	189.60
		120 Quartz Mango ("clearance")	2.95	354.00

KM3: Companies House accounts for RFG for 2007 and 2008;

KM4: Copies of historical pages from RFG's website as taken from Archive.org's website. These show pages as they appeared on 29 August 2004 and 31 August 2005, confirming that RFG had over 800 styles of watches available. The pages show just a few of these watches, none of which appear to be watches offered under the mark in suit.

CA's evidence

10. This takes the form of a witness statement by Mr de la Capilla Brustenga and is dated 17 July 2009. Mr de la Capilla Brustenga has been Legal Director for CA since 19 May 2005 and is authorised to speak on its behalf. He confirms he is a Spanish national and is fully conversant with the English language.

11. Much of Mr de la Capilla Brustenga's witness statement is given over to a critique of Mr Mirpuri's first witness statement which I do not intend to summarise but do take into account as necessary. He also exhibits an extract from a market report prepared by Key Note Ltd and dated 21 October 2005. The report gives information about the jewellery and watch market in the UK over a number of years up to 2004.

12. That completes my summary of the evidence filed as far as I consider it necessary.

The Law

13. The application for revocation is brought under section 46 of the Act which reads:

"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) ...

(e)

(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.”

14. Section 100 of the Act is also relevant. It reads:

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

15. 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] RPC 40 and *Laboratoire de la Mer Trade Mark* [2006] FSR 5 from which I take 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 preparation 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*, paragraph 34);
- 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).

16. CA seeks revocation of the mark under section 46(1)(a) with effect from 17 November 2006 and under section 46(1)(b) with effect from 10 July 2008. The relevant periods within which RFG must show genuine use (or proper reasons for non-use) are therefore 17 November 2001 to 16 November 2006 and 10 July 2003 to 9 July 2008, respectively.

17. In its written submissions, CA refers to the invoices exhibited by RFG at exhibit KM2. It does not dispute these sales were made but submits that they amount only to sales of some 944 watches (by my reckoning 950) with a total value of little over £3000 (in fact, £3311.30). And whilst CA does not dispute specifically RFG's evidence that it sold some 8000 watches under the mark in 2005, it submits that "no evidence to support this is provided" and it "must not therefore be given undue weight". CA further submits that the market report exhibited to Mr de la Capilla Brustenga's evidence shows the total watch market in the UK in 2004 to have been worth some £1,064,000,000 and that RFG's sales are entirely *de minimis* in relation to the overall market and are not warranted in the economic sector to create or maintain a market share.

18. CA's argument is primarily focused on the apparent insignificance of the use shown in the context of the market as a whole, submitting it is insufficient for it to be deemed genuine use. Whilst CA does not dispute RFG's evidence of sales under the mark within the relevant period, in its written submissions it states that the evidence filed by RFG shows the trade mark has been used on "only one type of watch face (possibly with different coloured straps)" (see exhibit KM1) and points out that RFG has not provided actual turnover figures, nor is there any evidence of advertising or promotion of the mark. It refers me to the case of *Groupement Carte Bleu v CB Richard Ellis* [2002] RPC 31. In this case the Hearing Officer stated:

"The sort of evidence that one would normally hope to see is copies of brochures, catalogues, pamphlets, advertisements etc. all of which show use of the trade mark in question together with some indication of the sales of goods [...] during the relevant period. Clearly this cannot be an exhaustive list and is merely an example of the material which might be sent in."

19. Clearly the evidence provided by RFG is not extensive however I bear in mind the guidance of Mr Richard Arnold Q.C. sitting as the Appointed Person (as he then was) in *Extreme* [2008] RPC 24 where he held that the standard of proof to be applied is the ordinary civil standard of proof on the balance of probabilities. When applying this standard, the less probable it is that the event alleged occurred, the more cogent the evidence has to be to demonstrate that it did indeed occur.

20. Evidence in the form of invoices has been filed which show sales, in the 14 month period between February 2005 and April 2006, of 950 watches under the mark totalling £3311.30. These are said by Mr Mirpuri to be sample invoices and “merely representative of the sales we made.” This is supportive of his later evidence wherein he says that in 2005, “which was the year of best sales for the brand” approximately 8000 watches bearing the mark were sold. Given that the invoices show the watches to sell for between a low of £2.95 and a high of £4.95, the sale of 8000 watches would most likely equate to a turnover of between £23,600 and £39,600. CA does not dispute those sales took place but submits that no evidence has been filed to support this. Again in the *Extreme* case, Mr Arnold drew a distinction between a “bare assertion” such as “I have made genuine use of the mark” and 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.” Whilst the former would not be sufficient, the latter could be. He went on to say:

“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... 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. There have been a number of cases in which appeals have been allowed against the decision of hearing officers who have accepted such submissions. ... 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).”

21. Despite CA’s criticism of RFG’s evidence it has not sought to cross examine Mr Mirpuri. Mr Mirpuri is a director of RFG. He is an officer with direct knowledge of his (family) business. He has indicated that the figures he provides are taken from his company’s records. He has signed a witness statement attesting to his belief that the information within it is true. He has exhibited photocopies showing the watches he says were sold under the mark in the relevant period which clearly show the mark, as registered, on their faces.

22. Whilst no advertising or promotional material has been filed, Mr Mirpuri explains that his company does not undertake such activities. I have no reason to suggest this is unusual in the relevant, wholesale, marketplace. He has filed evidence to show how some pages from his company's website looked in the relevant period and, whilst only a few of them are actually visible on the screenshot, from the information presented they show that the company carried over 800 styles of watches. The sample invoices presented date from 2005 and 2006 and therefore overlap with the website material in terms of date.

23. I accept the relevant market is very large but it is clear from the evidence at Exhibit 1 to Mr de la Capilla Brustenga's witness statement that there are very many traders within that market (see contents page) and that watches "span across price points from single-digit figures to five figures upwards" (page 17).

24. Whilst the amount of use shown is undoubtedly small within the market as a whole, I do not consider it to be *de minimis* or token use. The invoices, though few in number, show a regular supply of watches to a number of buyers (with one apparently repeat buyer) over a period of more than a year. They are also sample invoices with actual sales said to be much higher. These invoices show sales at wholesale prices and, as I highlighted above, use does not have to be quantitatively significant for it to be deemed genuine.

25. Taking the evidence as a whole, it supports the case that RFG's use was real commercial use aimed at creating market share which would be understood by consumers to be a badge of origin. The manner of use seems likely to have established a link between RFG, its mark and the goods sold under it. I therefore find that RFG has shown genuine use within the relevant periods in respect of *watches*.

26. RFG admitted in its counterstatement and reaffirmed in its evidence, that it had made no use of the mark in respect of *clocks*. **The application for revocation therefore succeeds in respect of *clocks* but fails in respect of *watches*. The registration will be revoked in respect of *clocks* with effect from 17 November 2006.**

Costs

27. In its written submissions RFG says:

"there was no prior notice of the commencement of these proceedings by the Applicant for Revocation. The Registered Proprietor has from the outset acknowledged that the mark has not been used in respect of clocks and had it been given notice of the intention to apply for revocation it would have had the opportunity to voluntarily cancel clocks from the registration. Consequently as the registration has been shown to be valid in respect of watches then the Applicant for Revocation should bear the full costs of these proceedings."

28. Whilst it is clear that RFG has fully admitted from the outset that it has made no use of the mark in respect of clocks, there was nothing to stop it filing an application for cancellation of that part of its registration at any time during these proceedings.

29. In Tribunal Practice Notice (TPN) 6/2008 the registrar sets out his practice in relation to costs. The TPN states:

“Where an opposition is defended, the provision or otherwise of prior notice will not usually affect the award of costs at the conclusion of the proceedings, which will normally be based on the published scale of costs.”

30. Although the issue before me has been decided in the context of revocation proceedings, it appears to me that the principle set out in the TPN is equally applicable here. Both parties have achieved a measure of success and, accordingly, I consider it appropriate not to make an award of costs.

Dated this 27 day of January 2010

Ann Corbett
For the Registrar
The Comptroller-General