O-233-13

**TRADE MARKS ACT 1994** 

#### IN THE MATTER OF REGISTRATION NO. 2102178 IN THE NAME OF TAKE-TWO INTERACTIVE SOFTWARE, INC OF THE TRADE MARKS (SERIES OF TWO):

# ROCKSTAR

ROCK STAR

#### AND THE APPLICATION FOR REVOCATION THERETO UNDER NO. 84401 BY MITJA KRZISNIK

#### Background and pleadings

1. On 24 April 2012, Mitja Krzisnik filed an application for the revocation on the grounds of non-use of registration number 2102178. The registration is for a series of two marks:

- (i) ROCKSTAR
- (ii) ROCK STAR

It stands in the name of Take-Two Interactive Software, Inc ("Take-Two"). The registration procedure was completed on 20 December 1996. The registration is for *articles of clothing; articles of leisure wear; t-shirts; jeans; articles of denim clothing; headgear; footwear.* 

2. Mr Krzisnik seeks revocation of the registration in full under sections 46(1)(a) and (b) of the Trade Marks Act 1994 ("the Act"). He claims that no use was made of the marks in the forms as registered, for the goods as registered, in the five year period following registration; i.e. under section 46(1)(a) of the Act. The dates relating to the section 46(1)(a) period are 21 December 1996 to 20 December 2001, the effective date of revocation under section 46(1)(a) being 21 December 2001. Under section 46(1)(b), Mr Krzisnik claims that no use was made of the marks in the form as registered, for the goods as registered, in the five year period 21 January 2001 to 20 January 2006, the effective date of revocation being 21 January 2006.

3. Take-Two filed a counterstatement in which it defended its registration, stating that the trade mark[s] had been, and continued to be, put to genuine use in the UK, on and in relation to the goods covered by the registration.

4. Take-Two filed evidence and the matter came to be heard before me on 23 April 2013, by video conference. Take-Two was represented by Mr Mark Holah of Field Fisher Waterhouse LLP. Mr Krzisnik chose not to attend or to be represented, but his trade mark attorneys (D Young & Co) filed written submissions during the evidence rounds. I take full account of all evidence and submissions in making my decision.

## Evidence

5. Take-Two's evidence comes from John Falco, its Director of Online Commerce. He has been in the post since 21 September 2011 and states that his evidence is either from his own personal knowledge or is drawn from the corporate records of Take-Two, of which he is the custodian.

6. Mr Falco states that Take-Two is a well-known publisher and producer of video games, which it develops and markets under two main brands: Rockstar Games ("Rockstar") and 2K Games. He states that Rockstar is responsible for some of the most popular video game franchises in the world, including the Grand Theft Auto, Red Dead and Midnight Club series. Take-Two sells spin-off merchandise for fans of the games including toys, books, music, movies, comics and clothing. These

additional products have historically been sold in a number of ways, including retail store bundles; licences to third parties; and direct sale to consumers from the Rockstar Warehouse online store. Since its launch in 2001, the Rockstar Warehouse has sold products to fans worldwide; however, Mr Falco explains that fans outside the USA had to wait long periods for packages to arrive and pay exorbitant shipping rates and customs import fees. In this respect, Mr Falco states that he was hired on 21 September 2011 as Take-Two's Director of Commerce specifically "to grow" Take-Two's online sales, including the sale of clothing products, headgear and other Rockstar branded apparel through the Rockstar Warehouse. Mr Falco states that one of the countries to which he has paid particular attention is the UK; he states that the UK is one of the strongest video gaming markets in the EU, and had clear potential for expansion of the company's business.

7. Mr Falco states that Take-Two purchased the registration which is the subject of this non-use action on 18 November 2011 (so, a couple of months after he had joined Take-Two). Take-Two's Rockstar Warehouse had opened in 2001. During this 10 year period, when Take-Two did not own the registration, Mr Falco states that Take-Two sold 923 items of clothing into the UK. Mr Falco switches between statements about Take-Two and Rockstar (i.e. Rockstar Games, one of Take-Two's two main brands). He states that, in 2009, Rockstar applied to register UK and Community Trade Marks for ROCKSTAR to cover clothing goods. There were significant issues facing Rockstar before the trade marks could be secured in the UK and the EU, one of which was that the registration the subject of these proceedings was then owned by Duf Ltd. Take-Two continued to sell clothing into the UK from the USA while a solution was sought. After a long period of negotiation, Take-Two bought the trade mark from Duf Ltd, thereby removing the impediment to Take-Two's own application for a UK trade mark and allowing Take-Two to move forward with the development of its UK market for clothing. Copies of assignment documentation are exhibited at JF3, showing the date of assignment to be 18 November 2011. Mr Falco states:

"While we finalized negotiations to purchase the Registration, we also entered into an agreement with the partner that launched a revised and expanded United States webstore in fall 2011. We also began preparations that would make it easier and cheaper for customers in the UK to purchase our goods."

8. Since buying the registration (so, since 18 November 2011), Mr Falco states that Take-Two has significantly expanded its UK market for ROCKSTAR clothing. He states that, prior to the acquisition of the registration, when Take-Two was trading using ROCKSTAR, UK customers did purchase its ROCKSTAR products in spite of the long delays and high cost of importation. However, it was obvious that, in order for the business to expand, Take-Two needed to be able to distribute products from the Rockstar Warehouse locally, rather than shipping them from the USA. A reply to a customer posted on the Rockstar website, dated 9 November 2011<sup>1</sup>, says "Thanks, we currently don't offer pickup at our development studios, however we are working on creating a Warehouse shipping site in Europe, we'll let everyone know when we have info on that in the future." Mr Falco states that the new EU

<sup>&</sup>lt;sup>1</sup> Exhibit JF19.

distribution hub was launched on 16 March 2012<sup>2</sup>. Since that date, the Rockstar Warehouse has provided prices in pounds sterling for UK customers and has offered clothing at significantly reduced costs for UK customers. In this regard, Mr Falco exhibits a news story<sup>3</sup> on Take-Two's website. The webpage shows that the article was posted on the website on 20 March 2012:

#### ROCKSTAR NEWSWIRE

Sec.

Game information, trailers, screenshots, soundtrack details, Social Club community news, et cetera. The FREE Max Payne 3 Disorganized Crime Pack is Now Available Now Available at Rockstar Warehouse: The Long-Sleeve Colors and Rolling Tees

Max Payne Mobile Now Available on iOS and Android Devices

Max Payne 3 Out Now for Xbox 360, PlayStation 3 and PC

## Rockstar Warehouse Update: Announcing Reduced Shipping Rates on Gear for the Entire European Union - Celebrate with an International 15% Off Sale

Posted on March 20 2012, 12:07pm | Author: R\* W | Filed Under: Rockstar

Today, we're happy to finally announce significantly reduced international shipping rates from the <u>Rockstar Warehouse</u> online store, meaning way lower shipping fees for all fans in Europe when buying Rockstar gear, collectibles and apparel (stay tuned for the sale of PAL games as well coming soon).

If you're a customer in the EU, just visit <u>www.rockstarwarehouse.com</u> and you will be automatically detected by location and designated to select from EU shipping options. Store pricing will now display in Euros (except for UK customers, who will see GBP pricing). Please also note that our default product pricing accounts for the base item price plus import and VAT fees in compliance with EU regulation, but total charges for European customers at the end of checkout will still result in a 20% savings on average as compared to previous costs when purchasing from the US-based Rockstar Warehouse. (\* *See our Support FAQ article* here for more details including a breakdown of savings by several EU territories)

To celebrate, we've kicked off an International 15% off sale today until March 26th 2012 on all available Rockstar gear, apparel and collectibles (everything except games). So if you've been hesitating to pick u a long-coveted item from the <u>Grand Theft Auto III 10 Year Anniversary Collection</u> like the nearly sold-out <u>Claude Action Figure</u>, GTAIII <u>Lithographs</u>, or any of our popular <u>posters</u>, <u>soundtracks</u>, <u>tee shirts</u>, <u>caps</u>, ar more - now is the time.

If you don't see your country listed and would like more information or have any other Rockstar Warehouse questions, feel free to contact our Store customer support team <u>here</u>.

Collectibles Posters T-Shirts

Warehouse

9. Mr Falco states that, prior to the opening of the EU distribution hub, the cost of shipping a single t-shirt from the USA to the UK was approximately £27.50, which was more than the cost of the t-shirt itself. However, using the new EU hub, the cost of shipping the same t-shirt to a UK customer is now (at the time of Mr Falco's statement in September 2012), £4.99, a saving of more than 80%. Delivery times have also been dramatically reduced, taking days and not weeks. Mr Falco states that the new EU hub has contributed to a significant upswing in sales. Exhibit JF5 is a sales report showing sales made to UK customers from the Rockstar Warehouse for the period 22 November to 15 March 2012. Nineteen items were sold. Rockstar

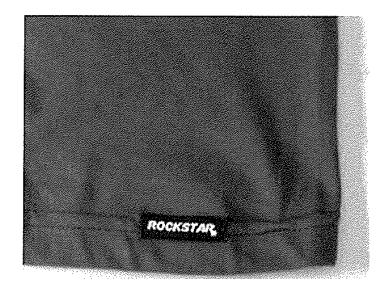
<sup>&</sup>lt;sup>2</sup> The witness statement gives the date as 29 March 2012, but Mr Holah explained this was a mistake and it should read 16 March 2012, as corroborated by exhibit JF4 (the hub was announced on 20 March 2012).

<sup>&</sup>lt;sup>3</sup> Exhibit JF4.

navy and gold baseball cap was sold on 28 November 2011 and another on 27 January 2012; a Rockstar 'Mason' t-shirt was sold on 1 January 2012 and another on 12 January 2012; and a Rockstar polo shirt was sold on 29 February 2012. At this time, the EU hub was not yet operational, so these items were shipped at high cost from the USA to the UK. Exhibit JF6 shows details of Rockstar Warehouse sales to the UK after the EU hub was open, up until the date the application for revocation was made on 24 April 2012. Twenty items were sold (this is one more than prior to the EU hub). Eleven Rockstar branded clothing items are listed. In both JF5 and 6, some are listed as 'Max Payne' and 'GTA' (which I assume stands for 'Grand Theft Auto'). A selection of invoices is exhibited (JF7) showing delivery addresses in Scotland, London, Oxfordshire and Hampshire for the items listed, pictures of which are shown below:



The following label appears at the hem of the grey Mason t-shirt pictured in the middle:



The back of the baseball cap looks like this:



The neck of the polo shirt:



10. Mr Falco states that Take-Two advertises its Rockstar clothing. This appears to be mainly online, such as news stories posted on the company website (examples are provided at JF19). He states that in the 24-hours after the 20 March 2012 story about reduced shipping was posted, there were 6,958 visits to the website from the UK. Mr Falco also states that the news stories are re-posted by Rockstar Games fans on the internet (shown in exhibit JF19A). Exhibit JF21 shows sample advertisements which have appeared on Facebook; they appear to be related to specific games such as 'Max Payne'. 'Tweets' are shown in exhibit JF22 referring to Max Payne T-shirts available at the Rockstar Warehouse on 24 April 2012. Emails are also sent to potential customers via mailing lists, including to about 90,000 UK Mr Falco exhibits (JF20) copies of promotional emails/newsletters residents. referring to the games and associated clothing. The press release referring to reduced EU shipping was also placed on the Steam gaming distribution platform, which Mr Falco states has 54 million user accounts, but of these it is not said how many are in the UK.

11. Mr Falco states that sales from Rockstar Warehouse ebb and flow. More clothing items are sold when a new game is released, in the same way as the spike in sales for football shirts when a new strip is announced at the beginning of a new season, or a new player joins a club. Mr Falco states that the period 18 November 2011 to 23 April 2012 included the internationally slow pre-Christmas period and did

not include the release of any clothing items related to new games. The first Rockstar game launched since 18 November 2011 was Max Payne 3. Clothing related to the game was released on the same day as the application for revocation was made (24 April 2012). Exhibit JF24 shows a Max Payne Hawaiian Shirt with the ROCKSTAR tag on the hem. Ninety-nine of these shirts were sold in the UK in the three months following the launch. In relation to the position of ROCKSTAR labels on clothing items, Mr Falco states:

"As can be seen in the images attached as Exhibits JF9-JF18, the ROCKSTAR brand name typically appears on our t-shirt clothing products on an external hem label. For collared shirts and sweaters, the ROCKSTAR brand name typically appears on an internal neck tag. In addition, the ROCKSTAR brand name appears on hats on the back of the product. We also sell many products that promote the iconic brand itself – not any particular game – and so these products feature the word "ROCKSTAR" or the famous R Star logo trademark prominently on the front of the product."

12. Mr Krzisnik's trade mark attorneys have filed written submissions to criticise Mr Falco's evidence. I will not summarise the criticisms, but will refer to them later, as necessary. They have all been borne in mind.

#### Decision

13. Section 46 of the Act reads as follows:

"(1) The registration of a trade mark may be revoked on any of the following grounds—

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

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

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

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

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

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

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

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

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

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

(a) the date of the application for revocation, or

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

14. Section 100 of the Act states:

"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."

Consequently, the onus is upon Take-Two to prove that genuine use of the registered trade mark was made in the relevant periods.

15. Although Take-Two had been using the mark ROCKSTAR since 2001, it did not own the trade mark registration which is the subject of these proceedings and did not have the consent of the (then) proprietor to use the registration in the UK. The former proprietor of the mark opposed Take-Two's later application on the basis of the instant registration, which Take-Two then bought from the former proprietor. Take-Two did not own the trade mark registration until 18 November 2011. It cannot

rely upon the use it made of ROCKSTAR in the period up until 18 November 2011 because it was not the proprietor of the registration and did not have the proprietor's consent to use it. Take-Two did not own the trade mark registration in either the five year period subsequent to the completion of the registration procedure (the section 46(1)(a) period), nor during the pleaded section 46(1)(b) period of 21 January 2001 to 20 January 2006.

16. However, revocation does not follow as an automatic sequitur. Section 46(3) provides that "[t]he 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." There is a proviso to section 46(3), which is:

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.

17. According to Mr Krzisnik' application for revocation<sup>4</sup>, he notified Take-Two on 25 January 2012 of his intention to file the application for revocation. The relevant dates are:

- 18 November 2011: Take-Two bought the trade mark registration
- 25 January 2012: Mr Krzisnik notified Take-Two of his intention to seek revocation of the registration
- 24 April 2012: the application for revocation was filed.

So, the assignment took place on 18 November 2011. Take Two's use commenced on this date because although it was using ROCKSTAR, it was not the owner of the registration until this date (there is no use by Duf Ltd shown in the evidence). The date is after the expiry of the section 46(1)(a) and (b) periods, but before the application for revocation was made. Firstly, this brings into play section 46(3), assuming that genuine use of the trade mark registration was made between 18 November 2011 and 24 April 2012. Secondly, the proviso to section 46(3) is also brought into play because Take-Two was notified that the application would be made. The three month period before the application was made was 25 January 2012 to 24 April 2012, so, exactly the period between notification and the filing of the application. The proviso means that I should disregard use between 25 January 2012 and 24 April 2012 unless preparations for Take-Two's commencement of use began before 25 January 2012.

18. I will start with the proviso; i.e. whether Take-Two had begun preparations for commencement of use prior to 25 January 2012. In *Ansul BV v Ajax Brandbeveiling* 

<sup>&</sup>lt;sup>4</sup> Statutory form TM26(N).

*BV*, Case C-40/01 [2003] RPC 40, the Court of Justice of the European Union ("CJEU") stated:

"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 goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37 It follows that "genuine use" of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial raison d'être, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Art.10(3) of the Directive , by a third party with authority to use the mark."

Mr Falco took up his post on 21 September 2011. At this time, Take-Two was in the final stages of its negotiations with Duf Ltd to buy the registration, which was assigned to Take-Two by Duf Ltd on 18 November 2011. Mr Falco has made a clear statement that his role as Director of Online Commerce was to increase the merchandising sales of Rockstar products in the EU, particularly in relation to the UK which is one of the strongest video gaming markets in the EU and had obvious market potential for Take-Two. The purchase of the registration is evidence that Take-Two was serious about its UK market; it had already tried to register ROCKSTAR but the instant registration was an obstacle which was removed by Take-Two's purchase of the registration on 18 November 2011. Of itself, it does not prove that preparations for use were being made but, in the context of Mr Falco's evidence as a whole, it adds to the picture that Take-Two was targeting the UK gaming clothing merchandise market in Autumn 2011 and before 25 January 2012. There is evidence of actual sales during November and December 2011 and January 2012, although of low volume as explained by Mr Falco with reference to the high cost of shipping and slow delivery from the USA. Mr Falco and Take-Two. during the period 18 November 2011 to 25 January 2012 (and afterwards) were in the closing stages of setting up the EU distribution hub which, as evidenced by the exhibits dated after 16 March 2012, was targeting UK customers because it included pricing in sterling. Exhibit JF19, which includes pages from the Rockstar Warehouse website carrying news stories, promotions and advertisements, shows comments from customers in November 2011 complaining about shipping costs. Take-Two responded on 9 November 2011 with "Thanks, we currently don't offer pickup at our development studios, however we are working on creating a Warehouse shipping

site in Europe, we'll let everyone know when we have info on that in the future"<sup>5</sup>. The enquiry was from a customer in Scotland. These were solid plans, because the EU distribution hub opened four months later, on 16 March 2012.

19. The evidence from Mr Falco about Take-Two/Rockstar's activities from 18 November 2011 to 25 January 2012 reveals preparations for use of the mark relating to clothing goods "already marketed and about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns". I find that the proviso does not apply because preparations for commencement of use of the registered mark began before 25 January 2012. The consequence of this is that the use made of the mark in the three month period prior to the filing of Mr Krzisnik's application may be taken into account to determine whether Take-Two has made genuine use of its registration.

20. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418(Ch), Arnold J commented on the case law of the Court of Justice of the European Union ("CJEU") in relation to genuine use of a trade mark:

"In SANT AMBROEUS Trade Mark [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV [2003] ECR I-2439, Case C-259/02 La Mer Technology Inc v Laboratories Goemar SA [2004] ECR I-1159 and Case C-495/07 Silberquelle GmbH v Maselli-Strickmode GmbH [2009] ECR I-2759 (to which I have added references to Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The 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 by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

<sup>&</sup>lt;sup>5</sup> Summarised at paragraph 8 above.

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(3) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(4) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]"

52. In Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [2012] ECR I-0000, [2013] ETMR 16 the CJEU ruled that Article 15(1) of the Regulation must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to "genuine use in the Community", but that the territorial extent of the use was one of the relevant factors in that assessment."

An assessment as to whether there has been use which amounts to real 21. commercial exploitation of the mark on the market for the goods means that there must have been exploitation that is aimed at maintaining or creating an outlet for the goods or a share in that market. That assessment must include consideration as to the nature of Take-Two's goods and the characteristics of the market concerned. On a very broad level, the market is clothing, which is a huge market. However, within this market there are specific markets aimed at specific publics. In the case of Take-Two's market, its clothing is niche. It is merchandising attached to particular video/computer console games. The pictures provided in the evidence show that these games are violent in content. The players of those games will be older teens and adults. Of those older teens and adults, a small, dedicated proportion will be interested in displaying their allegiance to fictitious characters. There was interest in the new EU hub, which was referred to in November 2011 on the Rockstar website and announced on 20 March 2012. This period did not coincide with the release of any new games but, coincidentally, new merchandise was publicised as released on the very day on which the application for revocation was filed. There was an immediate upswing in Max Payne shirt sales following this and, although it is after the date of application, it lends credence to Mr Falco's statements about patterns of trade. It is analogous to the football shirt example which he has given. Although some of the clothes were more overtly branded with ROCKSTAR tags than others, Mr Falco has explained in his evidence that ROCKSTAR labels are sewn onto the hems of the character or 'game' shirts. This is trade mark use which guarantees "the identity of the origin of the goods [or services] to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods [or services] from others which have another origin".

22. It is not for me "to assess commercial success or to review the economic strategy of an undertaking, nor [should I] restrict trade mark protection to the case where large-scale commercial use has been made of the mark"<sup>6</sup>; use of the mark need not always be quantitatively significant for it to be deemed genuine. Mr Krzisnik has criticised the scale of sales activity as being very low, too low to amount to genuine use in relation to clothing. The CJEU, in *Ansul*, stated:

"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."

Whether Take-Two's use of ROCKSTAR prior to the assignment of the registration was sham or token is irrelevant because the registration did not belong to Take-Two (if anything, and as referred to by Mr Falco, the registration presented an infringement risk). The pre-November 2011 use helps to set the short period of use in the relevant period in context (from 18 November 2011 to 24 April 2012) because it shows that there was a continuum of business in the relevant period rather than a standing start. The sales figures, though not large, were consistent and frequent in the short relevant period under consideration. Given the identified characteristics of the particular market, the explanations for the small sales and the steps taken to expand Take-Two's share in the market, I consider that Take-Two's commercial exploitation of ROCKSTAR was real. It was warranted in that market to maintain and expand a market share in the relevant period.

23. I need to address two final issues. One is the issue of a fair specification based upon the use shown and the other is in relation to the registration being for a series of two marks. Taking the series point firstly, in its skeleton argument which was copied to the other side, Take-Two said:

<sup>&</sup>lt;sup>6</sup> The Sunrider Corp v Office for Harmonisation in the Internal Market (OHIM), General Court Case T-203/02.

"36. The Proprietor's use of the mark ROCKSTAR is in block capitals and that is how the mark is represented in the first mark in the series. The Applicant has not sought to argue that this is not the case and use made must be seen as use of the mark as registered.

37. We accept that there is no use of the second mark in the series."

Mr Holah, at the hearing, was slightly more equivocal about the matter but I consider that Mr Krzisnik's attorneys, on reading the skeleton argument would have understood this to be a concession; i.e. that Take-Two would not resist revocation of the second mark in the series, as falling outside of the provisions of section 46(2) of the Act. Neither Mr Krzisnik nor his attorneys were present at the hearing to hear Mr Holah's more equivocal reference to this point. Consequently, the second mark is revoked (the separated words ROCK and STAR, appearing on two separate lines) from 21 December 2001.

24. In relation to a fair specification, the skeleton argument said:

"38. We accept that there has been no use on *"jeans", "articles of denim clothing"* or *"footwear"* and do not object to those items being removed from the specification.

39. We believe that all other items should remain, so that the specification will read *"Articles of clothing; articles of leisure wear; t-shirts; headgear."* 

25. In deciding upon a fair specification, the description must not be pernickety<sup>7</sup>. I need to consider how the relevant public would be likely to describe the goods or services<sup>8</sup>. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* Mr Geoffrey Hobbs QC, sitting as the appointed person said:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

26. The registered specification of goods is *articles of clothing; articles of leisure wear; t-shirts; jeans; articles of denim clothing; headgear; footwear.* In the light of paragraph 38 of its skeleton argument, Take-Two's proposed limited range of goods does not make sense. It has said there is no use on jeans and denim (and footwear), and has said that it does not object to those items being removed from the specification, but the limitation which Take-Two has proposed leaves in 'articles of clothing' which covers those goods. In any event, the clothing which has been shown in the evidence is on a limited range - t-shirts, shirts, tops and baseball caps (much more limited than the claimant's accepted use in *Animal Trade Mark*). This is

<sup>&</sup>lt;sup>7</sup> See Animal Trade Mark [2004] FSR 19.

<sup>&</sup>lt;sup>8</sup> See Thomson Holidays Ltd v Norwegian Cruise Lines Ltd [2003] RPC 32.

not enough to retain the very wide term "articles of clothing". 'Tops' is a subcategory of clothing which includes, inter alia, t-shirts and shirts. 'Baseball caps' is a recognised sub-category of headgear. Consequently, a fair specification based on the use shown is tops and baseball caps. The specification should be:

#### Tops and baseball caps.

27. It follows that the mark is partially revoked in respect of other clothing, footwear, jeans, and articles of denim clothing from 21 December 2001.

### Outcome

28. The application for revocation partially succeeds:

(i) The second mark in the series is revoked from 21 December 2001. The first mark in the series ROCKSTAR remains registered.

(ii) The registration for ROCKSTAR remains for the following specification of goods:

#### Tops and baseball caps.

(iii) ROCKSTAR is revoked in respect of all other goods with effect from 21 December 2001.

#### Costs

29. One of the trade marks remains registered, whilst the other has been revoked, and the specification has been reduced. Each side has had a roughly equal measure of success. Therefore, each side is to bear its own costs.

#### Dated this 4th day of June 2013

Judi Pike For the Registrar, the Comptroller-General