O-134-14

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 859699
IN THE NAME OF NATIONAL FLOUR MILLS AND SUPPLY COMPANY, LLC
OF THE TRADE MARK

AND THE APPLICATION FOR REVOCATION THERETO
UNDER NO. 500005
BY CHESTER CHICKEN (PRESTON) LTD

Background and pleadings

1. International registration number 859699 stands protected in the UK in the name of National Flour Mills and Supply Company, LLC ("the holder"). The mark is shown below. It completed the registration procedure on 10 March 2006 and is protected for the following goods and services:

Class 30: *Batter, marinade, breading, and mixes therefor.*

Class 35: *Computerized on-line ordering and retail services in the field of restaurant and food preparation equipment, paper products and packaging; providing advice in the field of establishment and operation of restaurants and free standing food stands.*

Class 43: *Restaurant services; food preparation services; take-out food services; and operating free-standing food preparation and vending stands.*

2. On 13 March 2013, Chester Chicken (Preston) Ltd ("the applicant") filed an application for the revocation of the international registration on the grounds of non-use.

3. The applicant seeks revocation of the registration in full under sections 46(1)(a) and (b) of the Trade Marks Act 1994 ("the Act"). It claims that no use was made of the mark for the goods and services as protected in the five year period after protection (11 March 2006 to 10 March 2011) under section 46(1)(a), with an effective date of revocation of 11 March 2011. Under section 46(1)(b) of the Act, the applicant claims that no use was made of the mark for the goods and services as protected in the following five year periods:

- 16 March 2007 to 15 March 2012, effective revocation date of 16 March 2012;
- 25 February 2008 to 24 February 2013, effective revocation date of 25 February 2013;
- 16 December 2007 to 15 December 2012, effective revocation date of 16 December 2012, effective revocation date of 16 December 2012;
- 16 September 2007 to 15 September 2012, effective revocation date of 16 September 2012;

- 16 June 2007 to 15 June 2012, effective revocation date of 16 June 2012;

- 16 March 2007 to 15 March 2012, effective revocation date of 16 March 2012;

- 16 December 2006 to 15 December 2011, effective revocation date of 16 December 2011

- 16 September 2006 to 15 September 2011, effective date of revocation of 16 September 2011; and

- 16 June 2006 to 15 June 2011, effective date of revocation of 16 June 2011.

4. It is sufficient for present purposes to record that the applicant has carried out investigations into whether the international registration has been used. Use of the mark CHESTER'S was found in relation to a series of fast-food outlets in the US, South America, the Caribbean and Iraq. No use was found in the UK or the EU. Some instances of use in Iceland and Ireland were found over a decade ago, but in relation to breading and equipment.

5. The holder filed a counterstatement in which it opposed the application for revocation. It states that the mark has been used for the goods and services protected in a number of British Overseas territories and can demonstrate sales of approximately $2,000,000 during the relevant five year period (it does not state which period it means).

6. The holder filed evidence, but the applicant did not (although written submissions were filed in response to the holder's evidence). The applicant attended a hearing to argue the merits of its case; the holder chose not to attend the hearing and did not file written submissions in lieu of a hearing.

Evidence

7. The holder's evidence takes the form of a witness statement made by Ted W Giles, who is the CEO of Chester's International LLC, which Mr Giles explains is the new name of National Flour Mills and Supply Company, LLC. Attached to the witness statement is a single exhibit, Item 1. The witness statement is shown below:

WITNESS STATEMENT

I, TED W. GILES, of 2750 Gunter Park Drive West Montgomery, AL 36109 will say as follows:

1. I am Chief Executive Officer of Chester's International LLC of 2750 Gunter Park Drive West Montgomery, AL 36109. Chester's International LLC is the new name of National Flour Mills and Supply Company, LLC.

2. Information I give in this witness statement is from my personal knowledge and/or from the records of my company, to which I have full access.

3. The primary business of my company is in restaurant services and the manufacture, distribution and sale of chicken based food products and related foods.

4. Item 1 comprises a list of figures relating to the sale of products to customers in Cayman Islands, Bahamas, Virgin Islands and Bermuda. The Products represent any items that my company sells which includes but is not limited to breading, packaging, sauces, shortening, frozen products (biscuits, wedges, chicken), fryers, fryer supplies and parts, display items and other paraphernalia. A significant portion of these sales figures relate to batter, marinade, breading, and mixes therefor which bear the sign that is the subject of the above trade mark registration. Each of the customers in Cayman Islands, Bahamas, Virgin Islands and Bermuda listed in Item 1 are licenced by my company to offer these goods for sale. Each of my company's licensees offers Restaurant services; food preparation services; take-out food services; and operating free-standing food preparation and vending stands under the trade mark that is the subject of the registration. Further, each of the customers listed in Item 1 offer computerized on-line ordering and retail services in the field of restaurant and food preparation equipment, paper products and packaging; providing advice in the field of establishment and operation of restaurants and free standing food stands under the trade mark that is the subject of the above trade mark registration.

I believe that the facts stated in this witness statement are true.

Signed: _____

TED W. GILES

Date: 21 August 2013

Item 1 is a table of figures which is not of the clearest quality. I have reproduced it below, without altering its size (it was filed in this format):

	2008		2009		2010		2011		2012		2013			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	YTD Qty	Amount	Total Qty	Total Amount
CAYMAN ISLANDS														
Island Opportunities	1003	$ 26,211.14	471	$ 13,028.64	797	$ 21,956.63	81	$ 3,235.27	0	$ -	0	$ -	2352	$ 64,431.68
Progressive Distributors	0	$ -	0	$ -	0	$ -	75	$ 3,053.10	3692	$ 141,599.20	786	$ 39,669.92	3553	$ 184,312.22
Mega Systems	0	$ -	0	$ -	0	$ -	5	$ 1,171.21	4	$ -	0	$ -	5	$ 1,171.21
Total	1003	$ 26,211.14	471	$ 13,028.64	797	$ 21,956.63	161	$ 7,459.58	3692	$ 141,599.20	786	$ 39,669.92	5910	$ 249,915.11
	2008		2009		2010		2011		2012		2013			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	YTD Qty	Amount	Total Qty	Total Amount
BAHAMAS													0	$ -
Beaver Street Fisheries	4085	$ 148,426.05	3763	$ 143,340.04	2890	$ 127,449.24	1731	$ 72,624.49	1663	$ 76,581.96	0	$ -	14122	$ 562,423.69
United Pork Producers	0	$ -	0	$ -	0	$ -	0	$ -	746	$ 36,255.46	1289	$ 63,620.26	1955	$ 99,875.72
AFD Management Services	0	$ -	0	$ -	0	$ -	0	$ -	10	$ 37,680.00	2	$ 7,536.00	12	$ 45,216.00
Total	4085	$ 148,426.05	3763	$ 143,340.04	2890	$ 127,449.24	1731	$ 72,624.49	2409	$ 149,519.42	1211	$ 71,156.26	16089	$ 707,515.41
	2008		2009		2010		2011		2012		2013			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	YTD Qty	Amount	Total Qty	Total Amount
VIRGIN ISLANDS														
Jose Santiago	no data	no data	no data	no data	3502	$ 205,053.00	5033	$ 304,270.00	6835	$ 378,746.00	1904	$ 122,909.00	16474	$ 1,010,978.00
Total	no data	no data	no data	no data	3502	$ 205,053.00	5033	$ 304,270.00	6835	$ 378,746.00	1904	$ 122,909.00	16474	$ 1,010,978.00
	2008		2009		2010		2011		2012		2013			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	YTD Qty	Amount	Total Qty	Total Amount
BERMUDA														
Butterfield & Vallis	0	$ -	0	$ -	no data	no data	2888	$ 149,378.76	2169	$ 115,601.67	199	$ 9,724.40	5176	$ 274,704.83
The Market Place Ltd.	386	$ 13,129.12	546	$ 26,802.27	167	$ 17,220.05	48	$ 3,331.02	0	$ -	0	$ -	1147	$ 60,482.46
Total	386	$ 13,129.12	546	$ 26,802.27	167	$ 17,220.05	2936	$ 152,709.78	2169	$ 115,601.67	199	$ 9,724.40	6323	$ 335,187.29
TOTAL UK Territory	5474	$ 187,766.31	4780	$ 183,170.95	7356	$ 366,678.92	9781	$ 537,863.75	13305	$ 785,456.29	4100	$ 243,459.58	44795	$ 2,303,595.81

This is the entirety of the evidence filed by the holder.

8. A letter from the holder's trade mark attorneys (Wilson Gunn) explains that Item 1 consists of sales figures relating to the sale of goods bearing the mark to customers in the Cayman Islands, Bahamas, the British Virgin Islands and Bermuda. The letter says that the sales figures show that, between 2008 and 2013, 5910 'branded products' worth $249,915.11 were sold to customers in the Cayman Islands; 16089 branded products worth $707,515.41 were sold to customers in the Bahamas; 16474 branded products worth $1,010,978 were sold to customers in the British Virgin Islands; and 44796 branded products worth $335,187.29 were sold to customers in Bermuda.

Decision

9. 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."

10. 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].

(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].

(5) 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]"

11. Use which amounts to real 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 services, or a share in that market.

12. The burden of showing use falls upon the holder because 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."

13. In relation to all the goods and services, I reach the conclusion that the holder's evidence is not sufficient to show genuine use of the protected mark on the goods and services for which it is protected. Mr Giles' statement is unsupported by corroborative evidence. The factors which I have considered are:

(i) there is no breakdown at all in the figures as to types of goods and services sold;

(ii) there are no corroborative documents, such as advertising, invoices, packaging, signage, or feedback;

(iii) there are no documents which show any mark in use;

(iv) Mr Giles' statement relates, in part, to use on goods which are not protected by the international registration.

14. Moreover, and crucially, according to Mr Giles' statement, whatever use there has been, it has not been in the UK. Mr Giles' statement of use relates to the Cayman Islands, Bahamas, British Virgin Islands and Bermuda. Section 46 of the Act refers specifically to use in the UK. Section 104 of the Act states that the expressions listed in that section are defined by or otherwise fall to be construed in accordance with the provisions indicated: in relation to the UK, which is included in the list, the relevant provision is section 108 of the Act. This states:

"**108.**—(1) This Act extends to England and Wales, Scotland and Northern Ireland.

(2) This Act also extends to the Isle of Man, subject to such exceptions and modifications as Her Majesty may specify by Order in Council; and subject to any such Order references in this Act to the United Kingdom shall be construed as including the Isle of Man."

15. The website of the Intellectual Property Office carries information about the status of the territories listed above *vis a vis* UK intellectual property rights. The applicant included prints of the website pages with its written submissions. These are shown in the annexe to this decision. In the case of the Cayman Islands, an international registration which is protected in the UK may be protected in the Cayman Islands upon application to the competent local administration. In the case of the Bahamas, the owner of a UK trade mark is entitled to registration on production of a certificate of the UK registry. In the case of the British Virgin Islands and Bermuda, international registrations designating the UK do not have effect. All the territories have their own laws. The applicant submits:

"The fact that some overseas territories with relationships with the UK recognise UK rights as extending to their territory is simply an administrative step which they have taken to allow them to provide trade mark protection in their territory. It is not a two-way agreement with the UK and the fact that a territory has chosen to allow UK scope to extend to it does not mean that use of a trade mark within that territory is equivalent to use within the UK."

16. I agree with the applicant. The territories have, to varying degrees, made their own laws in relation to UK trade marks. Use within the territories does not equate to or constitute use in the UK for the purposes of section 46 of the Act.

Outcome

17. The application for revocation succeeds. The international registration is revoked from 11 March 2011 under section 46(6)(b) of the Act.

Costs

18. The applicant has been successful and is entitled to an award of costs. The hearing took up very little time and added nothing over and above what the applicant had already said in its written submissions. I award costs from the published scale[1] as follows:

Preparing a statement and considering the counterstatement	£200
Application fee	£200
Considering the holder's evidence and filing written submissions in respect thereof	£500
Preparation for and attendance at the hearing	£100
Total:	**£1000**

19. I order National Flour Mills and Supply Company, LLC to pay Chester Chicken (Preston) Ltd the sum of £1000. This sum is 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 21st day of March 2014

Judi Pike
For the Registrar,
the Comptroller-General

[1] Tribunal Practice Notice 4/2007.

Annexe: Information from the Intellectual Property Office's website regarding the Cayman Islands, the Bahams, British Virgin Islands and Bermuda

Intellectual Property Office

Cayman Islands

Self-governing British Overseas Territory.

Own laws

Yes

Extension

Patents: If you apply for a patent based on an existing United Kingdom (UK) patent, at any time after UK date of issue, registration will normally be granted, the patent will expire with UK patent.

EP(UK): If you apply for a patent based on an existing EP(UK) patent, at any time after date of issue, registration will normally be granted, the patent will expire with EP(UK) patent.

Trade marks: Trademark protection in the Cayman Islands is only available to trademarks registered in the United Kingdom by extension to the Cayman Islands. Application may be made at any time during the life of the UK trade mark, the extension expiring upon the expiry of the UK registration. Community Trade Marks (CTMs) registered in the UK may also be extended. Cayman Islands nationals may apply for CTM's, however, as Cayman Islands legislation allows only for protection of extended UK trademarks, the right of priority established in Article 29(5) of the CTM Regulation does not apply. It is understood that an international mark under the Madrid Protocol that is protected in the UK may be protected in the Cayman Islands upon application to the competent local administration.

Designs: No extension of UK design registrations.

Applications to extend a UK registration can be made direct from the UK, without the need for an address for service in Cayman Islands. A Power of Attorney is required if the registrant is represented.

Conventions

No information available

Administration

Patents & Trademarks
General Registry
Citrus Grove Building
Goring Avenue, George Town
Grand Cayman, Cayman Islands

Bahamas

Independent State within the Commonwealth.

Own laws

Yes

Extension

Patents: Independent Registration only.

EP(UK): No information.

Trade marks: Subject to locally acquired prior rights, the owner of a United Kingdom (UK) Trade mark is entitled to registration on production of a certificate of the UK Registry.

Designs: Independent Registration only.

Conventions

Paris Convention (International Union) 1883-1958
Universal Copyright Convention
Berne Copyright Union
WIPO Convention

Administration

Ministry of Economic Development
Rodney.E. Bain Building
P.O. Box N-532
Nassau

Intellectual Property Office

British Virgin Islands

Self-governing British Overseas Territory.

Own laws

Yes.

Extension

Patents: If you apply for a patent based on an existing United Kingdom (UK) patent, within 3 years of UK date of issue, registration will normally be granted, the patent will expire with UK patent.

EP(UK): Patents granted by the European Patent Office are not distinguished on the BVI Register from ordinary UK Patents so long as the European Patent is also registered in the UK. Under the Registration of United Kingdom Patents Act (Cap. 156, BVI) a UK patent is deemed to include a patent granted by the European Patent Office, registered in the UK and having the same effect in the UK as a UK patent.

Trade marks: In addition to local registration, you may also apply for a registration based on a UK trade mark. Applications can be at any time during the life of the UK trade mark and will expire with UK trade mark. Community trade marks (CTMs) and registrations under the Madrid Protocol designating the United Kingdom do not have effect in the British Virgin Islands at present. The Authorities are considering the best way of amending the law and implementing changes.

Designs: There is no provision for independent registration but UK designs registrations are automatically extended (a cautionary notice placed in the local press is advisable).

Conventions

No information

Administration

British Virgin Islands Financial Services Commission
Pasea Estate
P.O. Box 418
Road Town, Tortola, VG 1110
British Virgin Islands

Bermuda

Self-governing British Overseas Territory.

Own laws

Yes

Extension

Patents: In addition to local registrations, if you apply for a patent based on an existing United Kingdom (UK) patent, within 3 years of UK date of issue, registration will normally be granted. The patent will expire with UK patent.

EP(UK): If you apply for a patent based on an existing EP(UK) patent, within 3 years of UK date of issue, registration will normally be granted. The patent will expire with EP(UK) patent.

Trade marks: In addition to local registration, you may also apply for a registration based on a UK trade mark. Applications can be at any time during the life of the UK trade mark and will expire with UK trade mark. Marks registered in the UK can be used in support of a claim to distinctiveness. Community trade marks (CTM's) and registrations under the Madrid Protocol designating the United Kingdom do not have effect in Bermuda at present but work is in hand on a revised law.

Designs: In addition to local registrations, UK registrations are automatically extended.

Conventions

No information

Administration

Registrar General
Government Administration Building
30 Parliament Street
Hamilton
Bermuda
HM12