

O-099-15

TRADE MARKS ACT 1994

**CONSOLIDATED APPLICATIONS 84341, 84342, 84343, 84379,
84380, 84382, 500268, 500269 & 500270**

BY LAMBRETTA S.r.l. , HERITAGE LICENSING S.A. & GLOBALOCITY BV

TO REVOKE TRADE MARKS 2122788, 2107935 & 2134922

FOR THE WORD MARK 'LAMBRETTA'

IN THE NAME OF SCOOTERS INDIA LIMITED

FOR NON-USE

Background and pleadings

1. This case concerns nine applications by three undertakings to revoke three registrations of the word mark LAMBRETTA for non-use.
2. Trade mark registration 2107935 covers 'clothing, all for leisurewear, but not including underwear; footwear' in class 25.
3. Trade mark registration 2122788 covers 'watches and parts and fittings for watches' in class 14.
4. Trade mark registration 2134922 covers 'watches and parts and fittings for watches' in class 14 and 'clothing, but not including underwear; footwear' in class 25.
5. The registered proprietor of the trade marks is Scooters India Ltd ("Scooters").
6. The registrations originally covered a wide range of goods but they were partially revoked for non-use following earlier proceedings between the proprietor and a company called Brandconcern BV. The decision I made in those proceedings dated 6 June 2012 is published on the .GOV website as BL O-229-12. Brandconcern BV appealed that decision to the Appointed Person claiming that the trade marks should have been revoked in full. Mr Geoffrey Hobbs Q.C., as the Appointed Person, rejected the appeal. His decision dated 6 February 2014 is published as BL-O-065-14.
7. The applicants for revocation on this occasion are Lambretta S.r.l. ("Lambretta"), Heritage Licensing S.A. ("Heritage") and Globalocity BV ("Globalocity"). The exact relationship of the applicants is not clear, but it is accepted that they are economically connected to each other in some way or another. The applicants also appear to have some connection with the previous applicant for revocation, although again the exact nature of the relationship is not clear.
8. The applications from Lambretta were filed on 27 February 2012. This applicant claims that none of the marks have been put to genuine use since they were entered in the register in the years 2000 and 2001 and that they should therefore be revoked under s.46(1)(a) with effect from 20 May 2005 (in the case of 2122788), 13 May 2005 (in the case of 2107935) and 22 September 2006 (in the case of 2134922). In the alternative, Lambretta asks for the marks to be revoked under s.46(1)(b) because there was no genuine use in the period 22 February 2007 to 21 February 2012. On this footing, Lambretta asks for the marks to be revoked with effect from 22 February 2012.
9. The applications from Heritage were filed on 4 April 2012. This applicant claims that the marks should be revoked under s.46(1)(b) because there was no genuine

use of them in the period 3 February 2007 to 2 February 2012. On this footing, Heritage asks for the marks to be revoked with effect from 3 February 2012.

10. The applications from Globalocity were filed on 13 January 2014. This applicant claims that the marks should be revoked under s.46(1)(b) because there was no genuine use of them in the period 14 January 2009 to 13 January 2014. On this footing, Globalocity asks for the marks to be revoked with effect from 14 January 2014.

11. The applications from Lambretta and Heritage were suspended whilst the appeal against my decision of 6 June 2012 was heard. After a case management conference on 23 April 2014, I directed that the applications should be consolidated. The applicants resisted consolidation on the basis that, despite being economically connected and having common representation, they might wish to take different positions on matters. I made provision for them to make further applications to split the proceedings if they decided that they actually needed to take different positions on matters. Subject to that, I directed that these applicants would be jointly liable for any costs awarded against them as a result of the consolidated proceedings.

12. The applications by Globalocity were subsequently consolidated with the other applications on the same basis.

13. Scooters filed counterstatements denying the grounds of revocation and claiming that there had been genuine use of the LAMBRETTA marks, with its consent, during the alleged periods of non-use.

Scooters' evidence

14. Scooters' evidence is set out in a witness statement by Ashok Kumar Mishra, who is the company's Deputy Manager (Legal). Mr Mishra had held this position for 1.5 years at the date of his statement in July 2014. At that time he had worked for Scooters for 7 years in total. Mr Mishra states that his evidence is based on his own knowledge or comes from his company's records.

15. According to Mr Mishra, Scooters used the LAMBRETTA mark in the UK during the relevant periods through a licensee called Fine White Line Ltd ("FWL"). Copies of the licences are in evidence¹. The first licence, dated 28 January 2005, gives FWL the right to use the LAMBRETTA mark in the UK, various other European countries, and in Canada. The licence covers all the goods for which the contested LAMBRETTA marks are registered in the UK. The licence permits FWL to appoint agents, distributors and manufacturers, but it does not cover sub-licences. The

¹ See exhibit 1 to Mr Mishra's statement

licence includes provisions through which Scooters can control the quality of the goods offered for sale under the mark.

16. I note that Clause 6 of the agreement provides that:

“FWL shall not, without seeking the prior written consent of [Scooters], use the said Trademark as a part of its corporate name or trading style...”.

17. The second licence is dated September 2006, but purports to have had effect since 1 April 2006. The licence gives FWL the right to use LAMBRETTA subject to similar conditions to those set out in the earlier agreement. However, the second licence does permit sub-licensing. The territory covered by the second licence is set out in a schedule which is not in evidence. However, it is obvious from the terms of the licence that it covers the UK as well as other countries².

18. Mr Mishra exhibits a copy of a witness statement dated 25 July 2008 by Steven Wilch of FWL which was filed in the earlier revocation proceedings between Scooters and Brandconcern BV³. In these proceedings, the relevant 5 year period for the purposes of s.46(1)(b) ended on 31 October 2007. Attached to this statement are copies of two sub-licences in favour of Capella Industries AB, (“Capella”) a Swedish company, and Lambretta Clothing Ltd (“LCL”), which is incorporated in England and Wales.

19. The sub-licence with Capella is dated 3 April 2006. It permits Capella the sole licence to use the mark LAMBRETTA throughout the EU as well as Norway, Canada, South Africa, Australia, India, Thailand and Japan, in relation to watches and jewellery. The sub-licence contains a similar provision to the main licence prohibiting Capella from using LAMBRETTA as, or as part of, its corporate or trading name.

20. The sub-licence with LCL is dated 17 March 2006. It permits LCL the sole licence to use the mark LAMBRETTA throughout the EU as well as Hong Kong, New Zealand, Australia, Singapore and Japan, in relation to “*clothing*”, including “*headwear, underwear, nightwear, socks, belts, travelbags, luggage, wallets*” and “*purses and related personal accessory leather goods*”. The sub-licence contains a similar provision to the main licence prohibiting LCL from using LAMBRETTA as, or as part of, its corporate or trading name.

21. Mr Wilch also provided examples of use of the LAMBRETTA mark in relation to the goods covered by the UK trade marks mentioned above, which he says was use

² Clause 7 of the licence requires the licensee to register the licence with the Registrar of Trade Marks under the Trade Marks Act 1994. It is clear from clause 23 that the “Territory” covered by the licence extends to more than one country.

³ See exhibit 2 to Mr Mishra’s statement

of the marks by FWL or “with the consent of my company, as exclusive licensee”. The following extract from my earlier decision shows what I made of that evidence as regards clothing and footwear in class 25.

“31. The next extract is from ‘huckleberry’s mens’ and is dated 15 February 2008, again after the relevant period. However, under the heading ‘Categories’ there is a reference to ‘Lambretta Clothing’ and ‘Lambretta Summer 2007’, indicating that a range of LAMBRETТА clothing was available at that time.

32. The next set of pages comes from a web archive search showing LCL’s web site in 2007. They show the LAMBRETТА mark used in relation to shops in London, Manchester and Leeds, and in relation to a range of clothes. The products shown are t-shirts, hoodies, jeans, skirts, dresses, coats, jackets, sweatshirts and macs. The pages contain no prices for the goods shown either. However, as the products appear on pages from a UK web site, I am prepared to infer that those products were available to the UK public from the shops listed on the home page. Only one of the pages is definitely dated in the relevant period (19 April 2007). The other pages are dated only “07”. They show the Autumn/Winter range of LAMBRETТА products and so could be dated after the end of the relevant period on 31 October 2007. However, as it has been shown that the Lambretta web site existed in April 2007, that there was also a Summer 2007 range (see paragraph 31 above), and as an Autumn/Winter range of clothing would normally be first promoted before 31 October in the year in question, I find that this is use of LAMBRETТА within the relevant period in relation to the products listed earlier in this paragraph.

33. I note that the home page of LCL’s web site states that the range of products includes footwear. However, I also note that one of the links accessible from the homepage is ‘Products’. This is where the pages described above, showing individual products, must have come from. It would have been straightforward to also include the pages showing footwear, if they existed. In these circumstances I am not prepared to accept that the mark was being used by LCL in the UK in relation to footwear during the relevant period.

34. The next extract is from the web site of storm-leisure.co.uk. It consists of an advertisement for Original Shoe Co in Aberdeen. LAMBRETТА is listed under ‘top brands for women’. The web page is dated 18 February 2008 (i.e. after the end of the relevant period and the applications for revocation), but it is pointed out on behalf of Scooter that a copyright claim of 2004 is shown against the company name, Storm Leisure Limited, at the top of the first page.

35. The next extract is from ciao.co.uk. It is a September 2003 review of the River Island shop in Lincoln. The reviewer, a member of the public, identified only as ‘zavid’, enthuses about the shop’s range of footwear, which she notes includes “*kickers to lambretta*”. This is hearsay evidence. It is admissible, but I must assess the weight that can be attached to it in accordance with its standing. Mr Wilch’s evidence is that this (together with all the other uses

shown in the web pages) is use “*by or with the consent of my company as exclusive licensee*”.

36. Finally, there are copies of invoices which Mr Wilch says show sales of goods in classes 18 and 25 by FWL and its licensees within the relevant period. The first one is from LCL, but is dated February 2008 (after the end of the relevant period). The next 14 are dated between 25 November 2002 and 21 November 2007, but none carry the trade mark and it is not possible to tell who they are from. It is submitted on behalf of Scooters that something can be gleaned from the words “from Lambretta” which appear at the top of some of these invoices. However, there is a date of 25 February 2008 against these words indicating that the words “from Lambretta” describe the origin of the facsimile transmission of the documents in 2008, not necessarily the origin of the invoices at the dates that they were issued. Further, although the colours of the goods are stated, only product codes are used to describe the goods in question and these are not explained in Mr Wilch’s evidence. Consequently, there is only Mr Wilch’s assertion that they relate to goods in classes 18 and 25. He does not say anything more about the particular types of goods covered by these invoices.

37. There are also copies of five invoices from Lambretta Licensing, which is described as the trading name of Derry Kunman. I remind myself that Derry Kunman Limited was the previous exclusive licensee of Scooters’ mark in class 25. It is not clear which products these invoices are for. This is particularly problematic because, as Mr Wilch points out, Mr Kunman is the owner of the mark LAMBRETТА in classes 16 and 26.

38. The other two invoices from Lambretta Licensing are dated 5 February 2003 and 21 May 2004. Unlike the later invoices, the goods can be discerned from their descriptions. They are for around £2k of shoes. One of the two customers was based in the Republic of Ireland and there is no evidence that the LAMBRETТА trade mark was affixed to the exported goods or their packaging, so the other invoice (amounting to 67 pairs of shoes costing £1763) is more relevant. It is addressed to G.U.S. Home Shopping in Manchester. On the basis of Mr Wilch’s evidence, I am prepared to accept that this represents a sale under the LAMBRETТА mark in relation to footwear in the UK and within the relevant period. Given Mr Kunman’s close connection with FWL and the evidence from the 2005 agreement that he “*used to trade as Derry Kunman Limited*” (the previous licensee in class 25) and taking into account that Scooters appears to have treated Mr Kunman as an extension of FWL for some purposes (see paragraph 25 above), I am prepared to accept Mr Wilch’s evidence that this use of LAMBRETТА was authorised by FWL under the agreement dated 18 September 2001 and/or was made with the consent of Scooters.

39. In the light of the invoice evidence, I find that the evidence about the use of LAMBRETТА by The Original Shoe Co in Aberdeen and by River Island, which was inconclusive on its own, is probably further evidence of use of the mark in relation to footwear in the period 2003-4, probably through Mr Kunman with FWL’s and/or Scooters’ consent.

40. I find that no use has been shown of the mark LAMBRETТА within the relevant period in relation to any goods in class 18, or in relation to underwear in class 25.”

22. The relevant period in the earlier revocation proceedings was 1 November 2002 to 31 October 2007. Therefore the use of LAMBRETТА shown in relation to footwear in 2003/4 is not directly relevant to the later periods at issue in these proceedings. At most this evidence provides some background that there was use of LAMBRETТА in the UK in the relatively recent past in relation to footwear, which Scooters’ licensee at the time of the earlier proceedings claimed was by it, or with its consent.

23. Mr Wilch’s evidence is rather more helpful to Scooters’ case in relation to use of LAMBRETТА for clothing. This is because whatever doubts there may have been as to whether the use of LAMBRETТА shown in relation to clothing on the LCL website in 2007 fell within the relevant period in the earlier proceedings, there is no doubt that such use fell within the two of the three relevant periods under s.46(1)(b) in these proceedings⁴.

24. Mr Wilch also gave evidence about the use of LAMBRETТА in relation to watches. The following extract from my earlier decision shows what I made of that evidence.

“43. Mr Wilch provides 14 *“examples of the use of the LAMBRETТА trade mark in relation to goods in classes 9 and 14 by or with the consent of [FWL] as exclusive licensee”*. These include a copy of a press release from Capella Industries AB, apparently trading as Lambretta Watches, announcing the introduction on 15 November 2002 (within the relevant period) of a Luna limited edition of 300 LAMBRETТА watches. The promotion is aimed at buyers in the UK, Sweden and Italy. Another press release from around the same time states that LAMBRETТА was, according to Superbrands, one of the most sought after fashion labels in the UK. According to this release, Lambretta watches were available at 600 retail outlets in the UK, including *“House of Fraiser”* (sic).”

And:

“45. Mr Wilch provides examples of web pages showing LAMBRETТА watches and jewellery sold by Capella Industries AB. These pages date from February 2008 (after the relevant period) and show a range of watches and jewellery items. Mr Wilch also provides 16 copies of 9 invoices which he says are for *“...sales of goods in classes 9 and 14 by FWL and their licensees..”*. Four of the invoices are dated between 2003 and 2006. These invoices are from Capella Industries AB to Chrono UK Limited in Ipswich. They cover around 250 items worth 7.5k (it is not clear whether this is pounds or euros). Two of these invoices date from August 2006, i.e. after the date of the sub-

⁴ The exception being the applications from Globalocity in which the relevant 5 years period begins in 2009.

licence between FWL and Capella Industries AB. Three further invoices are dated January 2003. They cover around 80 items. They are from Capella Industries AB to Lambretta Clothing Limited in Middlesex. By comparing the names used on these seven invoices with the contents of SDW14 it is possible to see that most of the products are watches. A few products cannot be identified as watches, but neither do they correspond with any of the names shown for the jewellery range claimed to have been launched in Basel in 2006. I find that, at least, the use shown by Capella Industries AB in August 2006 was use of the mark in the UK within the relevant period in relation to watches, with FWL's (and therefore Scooters' consent)."

25. I note that all the invoices in evidence in the earlier proceedings are dated 2006 or earlier and therefore pre-date the relevant 5 year periods in these proceedings for the purposes of s.46(1)(b). It shows that Capella Industries AB traded in watches in the UK under the mark LAMBRETTA in the relatively recent past, sold LAMBRETTA watches to LCL in 2003, and that LAMBRETTA watches were advertised in English on its website www.lambrettawatches.com in February 2008. However, no prices are shown on these pages and there is nothing to indicate that it was possible to purchase LAMBRETTA watches via this website.

26. Mr Mishra also provides copies of pages from the websites of LCL and Capella taken in 2014 as well as examples from earlier dates between February 2008 and March 2012 obtained using the Wayback search engine⁵. I note that the evidence from LCL's website - lambrettaclothing.co.uk - shows that:

- Clothing, namely jackets, knitwear, sweatshirts, shorts, shirts, polos, T-shirts and jeans were being offered for sale on LCL's website throughout the period 2008 - 2014.
- Under the heading of 'accessories', the website also offered LAMBRETTA branded scarves and socks for sale.
- The "about" page of the LCL website dated 1 March 2012 (but bearing a copyright claim dated 2010) stated that the website was the on-line store of Lambretta Clothing of Carnaby Street, London.
- Although no prices are shown for the goods displayed on the website, prices are quoted in pounds sterling for UK, EU and worldwide delivery⁶.

27. I note that LCL's website pages do not show:

- Any footwear (except for socks) being offered for sale.

⁵ See exhibits 7 and 8 to Mr Mishra's statement

⁶ See pages 69/70 of exhibit 7 to Mr Mishra's statement

- Any specific offers of watches for sale via the LCL website⁷.

28. The pages from Capella's lambrettawatches.com website show that:

- The website was in operation throughout the period 2009 - 2014.
- The website was in English.
- The website as at July 2014 included an on-line shop through which LAMBRETTA watches could be ordered.
- Delivery was available in Sweden (where Capella is based) in the EU and in non-EU countries. The prices for delivery were given in euros⁸.
- The website contained a link to the website of lambrettaclothing.

29. Exhibits 4 to 6 to Mr Mishra's statement consist of documents showing that FWL made royalty payments to Scooters in the period May 2008 to June 2010. They are drawn from papers assembled for another legal purpose. The exhibits themselves are the result of a confidentiality order. However, the witness has provided a summary of this evidence which is open to the public and should be sufficient for present purposes.

30. I note from this summary that 6 emails were sent from Raj Vaga of FWL to Scooters relating to royalties due to Scooters as a result of sales made under the LAMBRETTA mark in relation to, inter alia, clothing, footwear and watches for the months April to June 2009 and for the same three months in 2010. All six emails declare sales of clothing and watches. Two of the invoices, dated April and June 2010, also declared sales of footwear⁹. The declared sales of clothing during the 6 months amount to £1.76m. The declared sales of watches during these six months amount to around £470k. The declared sales of shoes amount to around £235k.

31. I note that the email dated May 2009 also informed Scooters that FWL intended to start deducting the legal costs from defending the LAMBRETTA trade mark from the royalty fees due to Scooters. This is reflected in this payment and in a number of the subsequent royalty payments.

32. There is no dispute that these royalties were paid and received by Scooters. The debit notes sent by Scooters to FWL in response to Mr Vaga's emails describe the

⁷ The 'about' page states that the LAMBRETTA range includes watches, but it does not say that LCL offers them for sale or where they are for sale.

⁸ See pages 11/12 of exhibit 8 to Mr Mishra's statement

⁹ Nine of the 26 emails covering the whole period from May 2008 to June 2010 declared sales of shoes

royalty payable as being “for the use of Trade Mark Lambretta on Turnover of goods in UK...”.

33. Mr Mishra states that relations between FWL and Scooters deteriorated and Scooters terminated the licence with FWL on 3 April 2012. He explains that the evidence of use provided by Scooters in these proceedings has therefore been provided without the co-operation of the licensee on whose use of LAMBRETТА Scooters relies.

No evidence from the applicants

34. Following the receipt of Scooters’ evidence on 23 July 2014, the applicants were given until 23 October to file their evidence or written submissions on Scooters’ evidence. On 23 October the applicants instead made a request for the proceedings to be suspended pending the outcome of a case initiated by FWL against Scooters in the Indian courts. It was submitted on behalf of the applicants that the Indian courts will conclude that the licence agreement with FWL is void, which would have a substantial effect on the applicants’ arguments as to why the LAMBRETТА marks should be revoked for non-use. Attached to this request the applicants filed a copy of the claim made to the Indian court.

35. The letter requesting the suspension of the proceedings asserted that the request had the effect of suspending the period for the applicants to file their evidence, but in the alternative asked for further time to file evidence without having to complete a Form TM9 as required by Rule 77.

36. A second case management conference took place on 20 November 2014 at which the applicants were represented by Mr Aaron Wood of Swindell and Pearson, and Scooters was represented by Mr Benet Brandreth of Counsel, instructed by Boulton Wade Tennant¹⁰.

37. The applicants’ request to stay the proceedings was supported by Scooters, not for the reasons given on behalf of the applicants, but because there was some prospect of negotiations to resolve the dispute. Having heard the parties I rejected the request for a stay on the basis sought by the applicants. I also rejected the applicants’ assertion that their request for a stay had the effect of suspending the period for filing their evidence, and their request for further time in which to file evidence.

38. I saw no basis for the assertion that requesting a stay automatically suspends the period set by the registrar under Rule 38(8) for the applicants to file evidence. In

¹⁰ The parties were similarly represented at the first case management conference in April 2014

any event, as the request was received on the last day for filing the applicants' evidence, there was hardly any of the period left to suspend.

39. Strictly speaking, as the applicants had not filed a Form TM9 there was no properly made request for an extension of time for me to consider. Perhaps because of this there was also no explanation as to why further time was necessary. Nevertheless, anticipating that these omissions might be rectifiable, I asked Mr Wood what sort of evidence the applicants wished to file. I was told that the prospective evidence would show that Scooters did not control the use of the LAMBRETTA mark by its licensee and was not aware of the use that had been made of the mark under the licence.

40. I gave my reasons for rejecting the stay and refusing further time to file such evidence in a letter dated 21 November 2014. The relevant section read as follows:

“I was not persuaded that the claim before the Indian court has any bearing on the outcome of these proceedings because:

- i) According to the copy of the claim filed under cover of your letter of 23 October, and contrary to the position stated in that letter, the claim does not ask for the licence between the trade mark proprietor and Fine White Line Limited to be declared invalid.
- ii) Even if the claim included a request for such an order, this would not undermine the proprietor's claim that Fine White Line Limited sold goods in the UK under the LAMBRETTA mark with the consent of the proprietor. The only alternative is that any use of LAMBRETTA by Fine White Line Limited was without the consent of the proprietor (and therefore infringing use). In this respect I drew your attention to the CJEU's judgment in *Copad SA v Christian Dior*, Case C-59/08, Kerly's Law of Trade Marks (15th ed.) at 13-078, my decision in *SAFARI TM* [2002] RPC 23, and Mr Hobbs decision as the Appointed Person in *Einstein TM* at paragraphs 23-25 of the judgment: see BL-O-068-07¹¹.
- iii) I therefore regarded your request for an extension of time to file evidence going to the proprietor lack of control over the use made of the mark by Fine White Line Limited as being unjustified because, inter alia, the evidence is likely to be irrelevant. I regarded the request to file evidence that the proprietor was unaware of the use of the mark by Fine White Line Limited as untenable given the proprietor's evidence of royalty payments and the claim in the Indian court by Fine White Line Limited for the recovery of some of those payments (see paragraph 18 of the claim).”

41. As to the case for a suspension of proceedings on the alternative basis of allowing settlement negotiations to take place, I advised the parties as follows:

¹¹ I had in fact done so in a note sent to the parties before the CMC

“If by 24 December 2014, the parties are jointly able to request a suspension of proceedings because serious negotiations are underway to settle the dispute, and agree what would be a reasonable period to conclude those negotiations, I will postpone the hearing (once only) in order to give the parties a chance of reaching a settlement.”

And:

“Given the history of these proceedings, I should emphasise that any request to suspend to suspend the proceedings for negotiations must be a) time limited and b) relate to negotiations which on-going and serious.”

42. My reference to *“the history of these proceedings”* was to the fact that a) the previous revocation proceedings between Scooters and Brandconcern were tortuous and took over 5 years to determine (excluding the appeal), and b) 6 of the 9 applications for revocation in these proceedings had already been pending for 2.5 years after a previous suspension of proceedings to await the outcome of the earlier revocation proceedings (including the appeal).

43. No request to suspend the proceedings was received by 24 December 2014. A hearing was appointed for 29 January 2015. On 22 January 2015, the parties requested a stay of proceedings for negotiations. I was advised that *“the parties are currently exploring the possibility of a settlement”* and that there was *“a firm proposal that the applicant for revocation visit the Registered Proprietor in India for face to face negotiations”*. This did not appear to me to mean that serious negotiations were underway. It was not even clear whether the applicant intended to accept the offer to visit India. It followed that the parties were in no position to say how long would be required for the negotiations to take place. In these circumstances, and given the delay in making the request, I provisionally rejected it. The parties were told that they could pursue it as a preliminary matter at the by-then imminent hearing, if they so wished. In the event, the request was not pursued any further at the hearing.

The hearing

44. The hearing proceeded on 29 January 2015. The parties were represented as before.

Decision

45. Section 46(1) of the Act states that:

“The registration of a trade mark may be revoked on any of the following grounds-

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

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

(c).....
.....

(d).....

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) -

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

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

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

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

46. Section 100 is also relevant, which reads:

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

47. There is no dispute about the basic requirements for genuine use. They were summed up by Arnold J. in *Stichting BDO v BDO Unibank, Inc.*, [2013] F.S.R. 35 (HC), as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *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].

(6) 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]”.

48. At the substantive hearing, Mr Wood maintained the applicants’ attack on Scooters’ ability to rely on the evidence of its licensees, particularly its sub-licensees, Capella and LCL. He submitted that there was no evidence that Scooters was even aware of the sub-licences. I find this improbable given that details of the sub-licences were filed on behalf of Scooters as long ago as 2008 in the earlier revocation proceedings. Further, I note that the emails in evidence from Mr Vaga of FWL to Scooters during 2009/10 make a number of references to the delays in forwarding sales information being due to delays in obtaining information from FWL’s licensees. In context, this must mean its sub-licensees. In any event, as Scooters granted FWL a licence and the power to grant sub-licences, it seems to me that the use made of the LAMBRETTA mark under those licences must normally be regarded as use with Scooters’ consent.

49. Mr Wood submitted that this should not be accepted in this case because the sub-licensees breached the terms of the main licence to FWL as well as the sub-licences, in particular, the terms prohibiting the licensees from using LAMBRETTA as, or as part of, a corporate or trading name. These terms were breached by Lambretta Clothing Limited’s corporate and trading names, and by Capella’s use of Lambretta watches as a trading name. In *Copad SA v Christian Dior* the CJEU considered whether the use of a mark contrary to the terms of a licence could be held to be use of the mark without the proprietor’s consent, and therefore infringing use. The operative part of the court’s judgment is set out below:

“1. Article 8(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, as amended by the Agreement on the European Economic Area of 2 May 1992, is to be interpreted as meaning that the proprietor of a trade mark can invoke the rights conferred by that trade mark against a licensee who contravenes a provision in a licence agreement prohibiting, on grounds of the trade mark’s prestige, sales to discount stores of goods such as the ones at issue in the main proceedings, provided it has been established that that contravention, by reason of the situation prevailing in the case in the main proceedings, damages the allure and prestigious image which bestows on those goods an aura of luxury.

2. Article 7(1) of Directive 89/104, as amended by the Agreement on the European Economic Area, is to be interpreted as meaning that a licensee

who puts goods bearing a trade mark on the market in disregard of a provision in a licence agreement does so without the consent of the proprietor of the trade mark where it is established that the provision in question is included in those listed in Article 8(2) of that Directive.

3. Where a licensee puts luxury goods on the market in contravention of a provision in a licence agreement but must nevertheless be considered to have done so with the consent of the proprietor of the trade mark, the proprietor of the trade mark can rely on such a provision to oppose a resale of those goods on the basis of Article 7(2) of Directive 89/104, as amended by the Agreement on the European Economic Area, only if it can be established that, taking into account the particular circumstances of the case, such resale damages the reputation of the trade mark.”

50. As can be seen from this judgment, not every breach of a licence means that the mark was not used with the proprietor’s consent. Only contravention of one or more of the provisions set out in article 8(2) of the Directive results in a licensee’s use being deemed to be without the proprietor’s consent, and therefore actionable. Article 8(2) covers breaches of a) the duration of the licence, b) the form of the mark, c) the scope of the licensed goods or services, d) the territory of the licence, and e) the quality of goods or services provided in the licence. The prohibition on licensees using LAMBRETTA as a corporate or trading name do not appear to me to fall within any of these provisions. Admittedly, the article covers the form in which the mark may be used, but there is no suggestion that the use made of LAMBRETTA as a trade mark for goods was not in a form permitted under the licence. The fact that LAMBRETTA was also used as part of a corporate and/or trading name in contravention of the licence terms does not, in my view, bring it within point (b) above. Consequently, the use of LAMBRETTA shown by the sub-licensees must be regarded as use with Scooters’ consent.

51. Mr Wood invited me to have regard to the case of *Zino Davidoff SA v Tesco*¹² as providing a better guide as to the law on consent in this area. However, that case concerned very different facts. It was about the import of goods into the EEA which had first been placed on the market in Singapore by the proprietor of the relevant trade mark, or with his consent. The court was asked various questions as the circumstances in which the proprietor could be inferred to have consented to the goods being placed on the EEA market under the mark. There was no suggestion that the defendant in that case had a relevant licence from the trade mark proprietor. I therefore see little connection between this case and the facts before me.

52. I therefore reject Mr Wood’s submission that Scooters cannot rely on any relevant use of LAMBRETTA shown to have taken place by its licensee or sub-licensees.

¹² Cases C-414/99 to C-416/99

53. Mr Wood made two further attacks on the proprietor's evidence. The first was that there was no solid evidence showing external use of the mark during the relevant period. The second related criticism was that the evidence did not differentiate between use of the mark in the UK and use made elsewhere under the licences. In support of these criticisms Mr Wood drew my attention to *La Mer Technology v. Laboratoire Goemar*¹³, where the Court of Appeal emphasised the importance of dotting the i's and crossing the t's in the evidence of use in proceedings where a mark is challenged on the grounds of non-use. He further drew my attention to the judgment of the Supreme Court in *Prest v Petrodel Resources Ltd*¹⁴ and the comments of Mr Daniel Alexander Q.C. as the Appointed Person in *Plymouth Life Centre*¹⁵ in which he said:

“19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. Use should be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (to use the words of *Anheuser-Busch* – see above).

20. Providing evidence of use is not unduly difficult. If an undertaking is sitting on a registered trade mark, it is good practice in any event from time to time review the material that it has to prove use of it. Courts and tribunals are not unduly harsh as to the evidence they are prepared to accept as establishing use.”

54. For his part, Mr Brandreth stressed the difficulty that Scooters finds itself in as a result of the termination of licence with FWL. The licence with FWL is the means through which the mark is claimed to have been used in the UK. The relationship between Scooters and FWL broke down in the period running up to the termination of the licence in 2012. The practical effect of this is said to be that Scooters can no longer rely on records held by FWL. In fact FWL is now a joint claimant, along with one of the applicants, in related proceedings in Italy in which Scooters is the defendant¹⁶. Mr Brandreth reminded me of Lord Mansfield's aphorism in *Blatch v. Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v. Farrell*:

‘It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted.’

¹³ [2005] EWCA Civ 978

¹⁴ [2013] UKSC 34

¹⁵ Case BL O/236/13

¹⁶ See page 4 of exhibit 3

55. The gist of Mr Brandreth's point is that because FWL has effectively changed sides in this dispute (which is part of a worldwide dispute between Scooters and a group known collectively as the Lambretta Consortium), Scooters is in a particularly difficult position to provide evidence of use of its mark in the UK through FWL, whereas the applicants are in a relatively better position to have filed evidence contradicting any inaccuracies in Mr Mishra's evidence. Mr Wood pointed out that the licence agreement contained contractual provisions through which the licensor could have required the licensee to provide assistance in maintaining the trade mark registrations. I note that the licence also contains a provision requiring the trade mark proprietor to meet the cost of defending the trade mark in legal proceedings, but that FWL was unable to get Scooters to comply with this provision, even when the licence was in operation. I therefore accept Mr Brandreth's submission that it was commercially unrealistic in the circumstances of this case for Scooters to expect FWL to provide it with information to defend its trade mark after Scooters had terminated FWL's licence.

56. The scale of the claimed use of LAMBRETTA in relation to clothing, footwear and watches in the period May 2008 to June 2010 is substantial. The applicants have not challenged the truth of the evidence going to the level of royalty payments made by FWL to Scooters. I therefore accept that these sales occurred under the mark LAMBRETTA. Taking into account the evidence of ongoing use of LAMBRETTA in relation to clothing and watches on the websites of LCL and Capella, I am prepared to infer that commercially significant use of LAMBRETTA continued after June 2010 and up until the termination of the licences on 1 April 2012. Indeed the licensees' use of LAMBRETTA appears to have continued after the termination of the licences, although there is no suggestion that this was with Scooters' consent. If all of the use of LAMBRETTA reflected in the royalty statements represents use of the mark in the UK, or even a significant proportion of it does, then there would be no question that the mark was used with Scooters' consent to maintain a UK market for the goods covered by the royalty statements (and therefore that there that genuine use was made of the mark in the UK) in each of the 5 year periods specified for the purposes of s.46(1)(b). The real question is whether all of the use of LAMBRETTA covered by the royalty statements does relate to the UK. And if not all of it represents use of the mark in the UK, how much (if any) of it does?

57. Mr Brandreth relied in particular on the fact that the debit notes from Scooters to FWL in evidence refer to royalties being due for use of the mark in the UK. FWL is based in the UK, but as I have already noted, its own licence and that of the sub-licences cover a wider area. The sub-licences cover the whole of the EU as well as other countries. Although it is not clear from the evidence, as a matter of logic the main licence must be of similar scope. I accept that Scooters considered the royalties in question to be as a result of the use of LAMBRETTA in the UK, but I see nothing in FWL's emails declaring sales under the mark which identified any particular territory of use. Capella is based in Sweden, and the evidence shows that

both it and LCL sell products outside the UK. Further, judging from the lack of any other documentary records from Scooters, it does not appear to have any records of its own (beyond the licences themselves, and its own debit notes) identifying use of the mark in the individual territories covered by the licence. Mr Mishra does not claim to have personal knowledge of such sales, rather he appears to rely on the records mentioned above. In these circumstances, I find that Scooters' reference to "use in the UK" on its debit notes was most likely an assumption on its part based on the location of FWL's primary business.

58. Nevertheless, as LCL is a UK based company with a '.co.uk' website and an outlet in Carnaby Street, it would be surprising if a significant proportion of its sales under its sub-licence were not made in the UK. This is confirmed by the extracts from LCL's UK website in evidence showing numerous items of clothing were being offered for sale at various times between 2008 and 2012. Mr Wood took the point that the screen shots in evidence did not show prices for the clothing and one could not therefore be sure that they were priced in pounds sterling. This is a weak point, in my view. The screen shots show that customers were given the opportunity to enter the required size, which may have affected the price of the goods. This is likely to be why prices were not displayed on the pages where items of clothing were first displayed¹⁷. In any event, delivery prices were shown in pounds sterling and this was, after all, a UK website. I therefore have no hesitation in finding that the evidence is sufficient to show that LCL used the mark LAMBRETTA in relation to a range of clothing items, including socks, in the UK.

59. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*¹⁸, Mr Geoffrey Hobbs QC as The Appointed Person summed up the law on partial revocation like this:

"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."

55. Where use has been shown in relation to a range of individual products that fall within a category of goods, such as clothing, the name of the category of goods may be a fair description of the use shown, even though there are some items within that category for which no use has been shown¹⁹. I consider that the relevant average consumer would consider this use of the mark to be in relation to 'clothing', although

¹⁷ Prices in Pounds sterling were included for other products, such as bags

¹⁸ BL O/345/10

¹⁹ See *Animal Trade Mark* [2004] FSR 19

the use shown in relation to socks would also qualify as use of the mark in relation to 'footwear'.

56. The geographical location of the use shown in relation to shoes is more difficult to assess because there are no examples of shoes being offered for sale via LCL's UK website. Given the scope of its sub-licence, it is theoretically possible that all of the substantial sales of shoes covered by nine of FWL's royalty statements dated between August 2008 and June 2010 took place outside the UK. Although FWL is based in the UK, it does not appear to sell goods itself. It therefore seems likely that the sales of shoes reflected in FWL's royalty statements were as a result of the sub-licence given to LCL. It appears that LCL sold goods outside the UK from its UK website, but the UK was clearly the centre of its retail clothing business. In these circumstances, it seems likely that at least a significant proportion of the sales of shoes declared by FWL in the royalty statements made to Scooters were as a result of the sale of LAMBRETTA shoes in the UK under this sub-licence. Therefore, and not without some hesitation, I am prepared to infer that, on the balance of probabilities, a significant proportion of the sales of shoes covered by FWL's royalty statements were made in the UK.

57. There is no evidence from the applicants which points to a contrary conclusion. I recall that the evidence which the applicants asked for additional time to file was going to address Scooters lack of quality control over the goods sold under the licence to FWL and its general lack of knowledge about its licensees' use of the LAMBRETTA mark. The applicants have not, and have not sought, to file evidence showing that FWL and/or the sub-licensees only sold the licensed goods mentioned in Scooters' evidence, or certain kinds of them, outside the UK, or only sold a trivial proportion of the products covered by FWL's royalty statements in the UK.

58. The same point applies to the licensed use of LAMBRETTA in relation to watches shown in each of the royalty statements for the period May 2008 to June 2010. However, in this case the sale of watches appears to have taken place through the Capella sub-licence, and that company operates out of Sweden. It is therefore more difficult to infer that a significant proportion of the sales of LAMBRETTA watches shown in FWL's royalty statements represents Capella's use of LAMBRETTA in the UK. Scooters' evidence shows that Capella operated a website featuring LAMBRETTA watches during the period 2008 – 2014, but only the evidence showing how the website looked in July 2014 shows that it was offering to sell LAMBRETTA watches in Sweden, the EU and beyond via an on-line shop. I note that in *L'Oreal v eBay*²⁰ the CJEU stated:

"64. It must, however, be made clear that the mere fact that a website is accessible from the territory covered by the trade mark is not a sufficient basis

²⁰ Case C-324/09

for concluding that the offers for sale displayed there are targeted at consumers in that territory (see, by analogy, Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* [2010] ECR I-0000, paragraph 69). Indeed, if the fact that an online marketplace is accessible from that territory were sufficient for the advertisements displayed there to be within the scope of Directive 89/104 and Regulation No 40/94, websites and advertisements which, although obviously targeted solely at consumers in third States, are nevertheless technically accessible from EU territory would wrongly be subject to EU law.

65. It therefore falls to the national courts to assess on a case-by-case basis whether there are any relevant factors on the basis of which it may be concluded that an offer for sale, displayed on an online marketplace accessible from the territory covered by the trade mark, is targeted at consumers in that territory. When the offer for sale is accompanied by details of the geographic areas to which the seller is willing to dispatch the product, that type of detail is of particular importance in the said assessment." (emphasis added)

59. Given that Capella's website is in English and that it was offering to deliver LAMBRETTA watches anywhere in the EU, the use of the mark on that website appears to me to mean that the website (and hence the mark) was targeted (at least in part) at the UK. The fact that prices were quoted in euros does not, by itself, undermine that conclusion. This is because it would not have prevented consumers in the UK from purchasing goods via that website²¹. I therefore find that the use of LAMBRETTA on Capella's website in July 2014 amounted to offer to sell LAMBRETTA watches, inter alia, in the UK. However, the use shown on Capella's website in July 2014 is after the end of the relevant five year periods in these proceedings, and well after the date of the termination of FWL's licence from Scooters. Further, it post dates the applicants' applications for revocation. Consequently, this specific use cannot assist Scooters.

60. I find it significant that none of the earlier screenshots obtained from the Wayback machine showing how the Capella website looked during the relevant periods, or the similar evidence filed in the earlier revocation proceedings, show that there was a means of purchasing watches via this website. Having already rejected the submission that Scooters' reference to sales "*in the UK*" in its own debit notes amounts to proof of UK sales, this means that there is no direct evidence of Capella selling, or offering to sell, LAMBRETTA watches in the UK during the relevant 5 year periods for the purposes of s.46(1)(b).

61. In effect, I am asked to infer that offers and sales of LAMBRETTA watches took place in the UK during the 5 year periods in these proceedings relevant for the purposes of s.46(1)(b) because:

²¹ It is well known that UK issued credit and debit cards can be used to purchase goods priced in euros.

- There is some limited evidence of sales of LAMBRETTA watches in the UK prior to the current relevant 5 years periods.
- There is evidence of an offer made after the end of the relevant 5 year periods to sell LAMBRETTA watches anywhere in the EU.
- There is evidence of royalty payments to Scooters in relation to watches under licences which cover the UK (but many other places too).
- Scooters cannot rely on FWL to help it provide better evidence.

62. I have carefully considered whether this is sufficient for me to make a reasonable inference of use of LAMBRETTA in the UK in relation to watches, during the periods relevant for the purposes of s.46(1)(b). I have decided that it is not. I remind myself that s.100 places the burden of proof on Scooters. Scooters has established facts which are equally consistent with there having been no genuine use of the mark in the UK in relation to watches during the relevant periods, as with such genuine use of the mark having taken place. Although I can see that the burden of proof might change at different points in proceedings of this kind, I do not think it is open to me in these circumstances to find for Scooters on the basis that the applicants have not filed evidence contradicting Scooters' evidence. This is because that would amount to switching the burden of proof on to the applicants before Scooters has shown sufficient evidence to discharge the initial burden of proof placed in it by s.100.

Conclusion

63. Scooters has shown genuine use of LAMBRETTA in the UK in relation to clothing, including socks and shoes, during the 5 year periods relevant for the purposes of s.46(1)(b).

64. No genuine use of the mark has been shown in the UK in relation to watches.

65. Trade mark registration 2107935 will therefore remain registered for 'clothing, all for leisurewear, but not including underwear; footwear' in class 25.

66. Trade mark registration 2122788 in class 14 will be revoked for non-use under s.46(1)(b).

67. Trade mark registration 2134922 will be revoked for non-use under s.46(1)(b) in relation to 'watches and parts and fittings for watches', but will remain registered in class 25 for 'clothing, but not including underwear; footwear'.

Effective date of revocation

68. Heritage asks for the marks to be revoked with effect from 3 February 2012 because there was no genuine use of them in the period 3 February 2007 to 2 February 2012. I agree that registration 2122788 and registration 2134922 (to the extent indicated above) should be revoked with effect from 3 February 2012.

69. The applications from Lambretta and Globalcity ask for revocation under s.46(1)(b) from later dates. As I have found that registrations 2122788 and registration 2134922 should be revoked (or partially revoked) from the earlier date sought by Heritage, there is no need to consider these applications further.

70. Lambretta also asks for the marks be revoked under s.46(1)(a) with effect from 20 May 2005 (in the case of 2122788), 13 May 2005 (in the case of 2107935) and 22 September 2006 (in the case of 2134922). As I have found that there was genuine use of the 2107935 mark, and also the 2134922 mark in relation to goods in class 25, in the period 2007 – 2012, the applications to revoke the mark for these goods under s.46(1)(a) necessarily fails as a consequence of s.46(3).

71. Finally, there is the issue of what to do about Lambretta's application under s.46(1)(a) to revoke the 2122788 mark, and revoke the 2134922 mark in class 14, from dates earlier than the date specified above. In his skeleton argument Mr Brandreth raised for the first time a claim that the Lambretta and Heritage's applications were *res judicata* as a result of the final decision in the earlier revocation proceedings between Scooters and Brandconcern. In essence it is submitted that as I previously found that there was genuine use of LAMBRETTA with Scooters' consent, in relation to all the goods for which the marks remain registered, it is not now open to Lambretta as a privy of Brandconcern to contest otherwise. A similar point is made as regards the applications by Lambretta and Heritage under s.46(1)(b), to the extent that my earlier decision found that there had been genuine use of LAMBRETTA in 2007 in relation to clothing. This was towards the end of the relevant 5 year period specified in the earlier revocation proceedings for the purposes of s.46(1)(b), but towards the beginning of the 5 year periods specified by Lambretta and Heritage for the same purposes in these proceedings. Mr Brandreth submitted that as my earlier decision was a final decision that there had been genuine use of LAMBRETTA in relation to clothing in 2007 that matter was also *res judicata*.

72. It appears that a decision of the registrar in cancellation proceedings is capable of giving rise to a claim of *res judicata*²². However, this does not apply to the applications under s.46(1)(b) by Lambretta and Heritage. Firstly, although the

²² See *William Evans, Susan Mary Evans (a partnership trading together as Firecraft) v Focal Point Fires Plc* [2009] EWHC 2784 (Ch)

relevant 5 year periods in these proceedings overlap with the 5 year period in the earlier proceedings, they are mostly different periods. The mere fact that a mark has been found to have been put to genuine use in one such period cannot prevent the same party (or a privy) from legitimately raising the same question again in relation to a later 5 year period²³. Consequently, there can be no cause of action estoppel as regards Lambretta and Heritage's applications under s.46(1)(b). I can see more force in the argument that there is an issue estoppel which would at least prevent Brandconcern from re-opening the question as to whether the mark was put to use in the UK in 2007, with Scooters consent, in relation to clothing. However, as I have again rejected the applications to revoke the trade mark for clothing, this is of no consequence. In any event, it is well established that the frequency of use is one of the factors that must be taken into account in assessing whether there has been genuine use of a mark in any specified 5 year period. Therefore, the mere fact that there was some use of the mark in 2007 would not, of itself, mean that there must have been genuine use of the mark during the current 5 year periods ending in February 2012.

73. On the other hand, the claim of *res judicata* appears to have some merit when it comes to whether Lambretta can again challenge whether Scooters made genuine use of LAMBRETTA in the UK in relation to watches at any time following the registrations of the mark for those goods. My earlier decision settled that question and is final. Consequently, if Lambretta is a privy of Brandconcern, there is probably a cause of action and/or issue estoppel preventing Lambretta from re-raising that issue in these proceedings.

74. However, although there is a strong suspicion that Lambretta and Brandconcern are economically connected, and that Lambretta may a privy of Brandconcern, there is no clear evidence which establishes this as fact. Consequently, and particularly as the point had been raised so late, I decided at the hearing that the most efficient course of action was to settle matters so far as possible without deciding on whether the applications were *res judicata* and give the parties a proper opportunity to address that point, if they still wished, after seeing this decision. For the reasons I have already explained, the *res judicata* claim can only have a bearing on the outcome of Lambretta's application for revocation of the mark under s.46(1)(a) in relation to watches. As I have decided that the LAMBRETTA mark should now be revoked for those goods (albeit from a later date), it seems quite possible that Lambretta will not wish to pursue its application under s.46(1)(a) for an earlier date of revocation. I therefore direct as follows:

- Lambretta should indicate within 21 days of the date of this decision if it wishes to pursue its application under s.46(1)(a) in relation to watches.

²³ Subject to a claim of abuse of process, but there is no claim of that kind in this case

- If it does, I will issue a final decision covering the applications under s.46(1)(b), including costs, and exercise the registrar's power under Rule 62(1)(h) to direct that the proceedings under s.46(1)(a) should continue as separate proceedings. In that event, I will direct what evidence is required and set a timetable for filing it.
- If either party objects to that course they should say so in writing within the same period, and explain why.
- If no request is made by Lambretta within the period specified above to pursue the application under s.46(1)(a), I will issue a final decision as per paragraphs 63 – 68 above, leaving the s.46(1)(a) application undecided.

75. I heard submissions on costs at the hearing. In the light of the mixed outcome of the s.46(1)(b) applications, I will direct that each side should bear its own costs. If the proceedings are separated and the proceedings under s.46(1)(a) continue as separate proceedings, I will issue a further decision on costs as part of the determination of those proceedings.

Dated this 6th Day of March 2015

**Allan James
For the registrar**