

O-138-16

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK

REGISTRATION NUMBERS

2538318



(series of two)

& 2538319

VTP

IN THE NAME OF VTP GLOBAL LLP


AND APPLICATIONS FOR REVOCATION (NON-USE)

THERE TO BY CKL HOLDINGS N.V.

UNDER NUMBERS 500866 & 500867

Background and pleadings

1) VTP Global LLP is the registered proprietor of trade mark registration numbers 2538318 and 2538319 consisting of the following marks (“the registrations”):

2538318 (series of two) “device mark”	2538319 “the word mark”
	VTP

2) Each of the registrations were filed on 4 February 2010 and subsequently entered on the register on 28 May 2010 for the following class 41 services:

Provision of leisure facilities; provision of recreational facilities; entertainment services; theme park services; amusement park services; provision of facilities for extreme sports; provision of facilities for extreme activities; provision of thrill rides; provision of thrill rides at height; provision of family rides; provision of family rides at height; provision of drop rides; provision of facilities for bungee-jumps; provision of observation rides; provision of observation platforms; provision of observation decks; provision of observation galleries; organising and arranging of exhibitions; organising and arranging of competitions; organising and arranging of live entertainment; organising and arranging of showing of videos; organising and arranging showing of films; ticket information services; ticket reservation services; online ticket information services and ticket reservation services; education services; training services; sporting and cultural activities; information and advisory and consultancy services relating to all of the foregoing

3) On 1 June 2015, CKL Holdings N.V. sought revocation of the registrations on the grounds of non-use based upon section 46(1)(a) of the Trade Marks Act 1994 “the Act”. The revocation is in respect of the 5 year time period following the date of completion of the registration procedure, namely 29 May 2010 to 28 May 2015. Revocation is therefore sought from 29 May 2015.

4) Only the proprietor filed evidence in these proceedings.

5) A hearing took place on 21 December 2015, with the proprietor represented by Mr Florian Traub of Squire Patton Boggs. The applicant filed written submissions in lieu

of attending the hearing. These submissions shall not be summarised but shall be taken into consideration and referred to where necessary.

Evidence

Witness statement of Stephen Parker

6) Mr Parker is the managing director of A S P Consulting (Melbourne) Limited and a Chartered Quantity Surveyor with 37 years' experience, 27 years of which have been associated with the Theme Park and Leisure Industry.

7) Mr Parker has also served on the Amusement Device Safety Committee of NAFLIC (National Association For Leisure Industry Certification) for the production of technical bulletins and documentation. He is also a registered inspector under the UK ADIPS (Amusement Device Inspection Procedure Scheme).

8) Mr Parker states that his company has worked with the proprietor since February 2012 and provided them with advice on theme park ride safety, maintenance, staffing, etc. He states that "in all dealings with VTP Global LLP, I was very much aware of VTP Global LLP promoting its brand VTP both as a word mark and their



mark. He claims that they have been used to promote the full range of entertainment services of a major amusement and theme park in the UK and internationally. He goes on to state he has attended trade fairs on behalf of his company and the proprietor and that the aforementioned marks were prominently used by VTP. He then lists the trade fairs:

- 9–11 October 2012: EAS (European Amusement Show), Berlin.
- 18-20 September 2013, Paris.
- 23-25 September 2014, Amsterdam.
- 19-22 November 2013, the IAAPA Amusement Show; Orlando, USA.
- 2012-2015 BALPPA (British Association of Leisure Parks Piers and Attractions) conference. The last one being held in Belfast on 2-4 June 2015 (after the relevant period).

9) It is noted that no specific details of where the BALPPA conferences took place or attendees have been provided. Further, the remaining conferences/shows are all outside of the UK.

Witness statement of Christopher Lowe

10) Mr Lowe is the managing director of Rose Consulting Limited. He is a Chartered Quantity Surveyor with 36 years' experience, 20 of which are associated with Cost and Project management of major schemes in the Leisure Property Industry, including major landmark leisure and retail destinations in the UK and Europe.

11) Mr Lowe states that his company have been retained by VTP as their project and costs management advisors for the proprietor since inception of VTP in 2007. He states that his company has spent considerable time refining the concept and technical design of the proposed VTP tower.

12) He also states that as part of his company's brief it has detailed studies for two forms of VTP: one 250m tower and another shorter tower. He says that his company has scheme designs, cost plans, construction and development programmes for the towers. He states that they are currently working on proposals for the VTP tower in Stratford London and in China.

13) Mr Lowe claims that between May 2010 and June 2015 he has attended up to 100 meetings at the VTP marketing suite in London with VTP directors and third parties. Further, he believes that the marks have been continuously used since 29 May 2010 and that the word (VTP) and logo device mark have been used in relation to the projects.

Witness statement of Christopher Hunt and exhibits 1- 60

14) Mr Hunt is the Development Director for the proprietor, a position he has held since 2009. He is also a qualified chartered surveyor and has been a member of the RICS (Royal Institute of Chartered Surveyors) since 30 November 1992.

15) Mr Hunt states that the concept has been taken from a basic engineering concept in 2006 to a fully designed, engineered, validated and highly developed brand proposition which is due to be launched in China followed by a major project in London. Promotion of the brand began in the UK (Birmingham and London) in 2007.

16) Mr Hunt states that the "total costs to date in developing and promoting our Brand concept is approximately £8m covering areas such as design, engineering, marketing, validation and promotion"¹. He also states that the "total investment throughout the relevant period including company costs was circa £2.6m".

17) At paragraph 6 of Mr Hunt's witness statement he states that the "the specific cost associated with research, marketing and promotion of our Brand² was £655,500". Exhibit 58 consists of a table headed "Investment made in VTP Global" during the relevant period and it states that £415,325 was spent on promotion and £192,512 spent on marketing and advertising.

18) Attached to Mr Hunt's witness statement are a number of exhibits. I shall refer to the exhibits which I consider to be relevant.

19) Exhibit 54: "VTP Global Branding Guidelines" dated 4 February 2014 and set out the proprietor's standard for use of the brand. The guidelines include the registrations, and states "Who are the Guidelines for?...everybody who works directly or indirectly for VTP Global". As submitted by the applicant, this is internal use.

20) Exhibit 55: includes examples of stationery bearing the logo mark, these include business cards which have been printed for 6 Directors and staff. Mr Hunt states that approximately 500 cards have been given out in the period between May 2010

¹ Paragraph 6 of the witness statement

² Earlier in the witness statement Mr Hunt defined "our Brand" as being the registrations.

and May 2015. The exhibit also includes writing paper and compliment slips bearing the registrations.

21) Exhibit 51: photographs of the “VTP Global Marketing Suite” situated at 28 Bolton St, Mayfair, London. The photographs show the registrations and Mr Hunt states that the suite has been in use throughout the relevant period.

22) Exhibits 1 – 4 consist of web shot extracts from the proprietor’s “Latest News” page on its website vtpglobal.com Mr Hunt states that the website was used throughout the relevant period to promote and explain the concept.

- Exhibit 1: headed VTP London, is dated 3 January 2012. It states, *inter alia*, that “Plans announced for a flagship VTP project in London...We are looking at several sites within a very exciting location and have the support of the local authority.”³
- Exhibit 2: headed VTP London, dated 30 August 2012. It states, *inter alia*, that the proprietor has appointed Grant Thornton’s Corporate Finance Team to advise and assist with fundraising for the project.⁴
- Exhibit 3: headed “Project News Update”, dated 9 October 2013. The article consists of quotes from the Company Chairman, Brian Pettifer. The article does not clearly state what position the company is in at that stage, referring to the preceding months as being a “step change”.
- Exhibit 4: headed VTP London, date 15 July 2014. It states that VTP are “furthering their plans to create one of London’s leading entertainment and tourist destinations in the Capital’s most exciting regeneration district, Stratford.” It goes on to state that Stratford is the ideal location, but no details of a site, plan or tangible details were provided.

23) The applicant correctly observes that the web shot extracts do not include the url address and there are no visitor analytics. It claims that this reduces the possibility that these articles will have been seen by the relevant consumer. Whilst the applicant’s observations are correct, Mr Hunt’s witness statement does indicate that the webs shot prints are from its vtpglobal.com website. However, this is not critical to these proceedings.

24) Exhibit 57: press articles dated September and December 2014 for the French publication Le Parisien and Science and Life. The article is in French and whilst a translation has been provided it appears to have been published in France so does not assist the proprietor’s defence of its UK registrations.

25) Mr Hunt then details the “International Activities” that the proprietor has conducted in order to gain financial backing in the UK. These efforts were not intended to promote the project but to obtain funding.

26) Mr Hunt states that in 2010, given the economic downturn, the leisure investment market was relatively flat. However it approached potential investors to seek a funding partner for the development. Exhibit 36 consists of a brochure which

³ Exhibit 1

⁴ Exhibit 2

appears to have been used to promote the project. The brochure is dated September 2010 and headed "Vertical Theme Park (VTP) London". Mr Hunt then sets out various sites which were considered for the project, none of which came to fruition.

Site 1: Millennium Point – Eastside Birmingham

27) Mr Hunt states that in May 2010 a 1.5 acre site in Eastside Birmingham was reserved and a 140yr lease costing £6m was agreed with the Birmingham City Council (BCC), the freeholders.

28) A full pre-planning consultation design was agreed for a 200m tower. A complete project overview for potential investors, dated June 2010 and headed "Birmingham VTP Project Overview" has been filed at exhibit 11.

29) Mr Hunt then states that in April 2010 (one month prior to the commencement of the relevant period) the Government announced the HS2 (high speed rail link between Birmingham and London) which resulted in BCC having to withdraw from its agreement with the proprietor.

Site 2: Curzon Street – Eastside Birmingham

30) Mr Hunt states that in January 2011 discussions began with Development Securities Plc regarding a second proposed site in Birmingham. He states that architects and consultants were employed to draw up a new scheme for a 200m tower and leisure base. Details of the plan, dated "Birmingham – April 2014" are evidenced at exhibit 7.

31) He states that with "potential funding interest secured"⁵ terms were agreed with Development Securities. To evidence this Mr Hunt submits, at exhibit 14, a letter from Mr David Enticknapp of Development Securities Plc to Mr Hunt (VTP Global LLP) dated 27 September 2011. The subject of the letter is "Curzon Street Development Site, Eastside, Birmingham B4". The letter refers to an offer made by VTP Global LLP for 1.5 to 2.25 acres of land "for a VTP mixed leisure scheme" and that Development Securities Plc "is broadly acceptable" to the offer. Mr Enticknapp states that he is due to meet Mr Hunt at the VTP marketing suite on 4 October.

32) Mr Hunt then states that planning negotiations took place between Development Securities Plc, the proprietor and Birmingham City Council. Mr Hunt then states at paragraphs 32 to 34 that:

"HS2's plans had progressed and their current thinking was the site we required, may now be safeguarded for temporary storage works compounds. My Company and Development Securities agreed to work together to this designation lifted and so sale terms were reaffirmed in March 2014 and new plans were drawn up.

This work culminated in September 2014 with petition 540 to the HS2 Bill Select Committee, which sought to get the Temporary Material Stockpile removed from the safeguarded restriction. The Committee resolved that HS2 should try and come up with a solution to ensure the land was not Compulsory Purchased.

Dev Sec then negotiated with HS2 that they would lease the site during the early part of the build or find alternative temporary storage areas, but by early May 2015 a deal had still not be agreed.”

33) It is difficult to determine the exact chain of events. However, at May 2015 a deal to lease the site had still not been agreed.

London

34) Mr Hunt states that in 2008 his company carried out a detailed investigative study of the London market looking “at the constraints and drivers for locating a leisure tower in the capital⁶”.

35) In January 2008 (before the relevant period) the proprietor began a detailed investigative study to find a suitable location for its project in London (the exhibit includes use of the word and device marks).⁷ An updated version of the study has been filed under exhibit 37. It is dated January 2011 and headed “VTP London Location Strategy Study” and shows use of the device and word mark. The study is 56 pages long and details the “London Market”, “Comparable Attractions within London”, Location Drivers” “Constraints against Development”, “Possible VTP Locations” which lists 8 London locations and an “Evaluation”. Mr Hunt states that it was decided that the focus would be on Greenwich Peninsula.

Greenwich Peninsula

36) Details and exhibits have been provided about the possibility of obtaining a site in Greenwich Peninsula. It appears some negotiations took place but an explanation as to why an agreement was not reached have not provided.

1 Peninsula Square – AEG Ownership

37) In June (the year was not stated) an approach was made to AEG, who own 1 Peninsula Square, and final drawings for the plan were produced⁸. Mr Hunt states that a final offer was made on 23 January 2013 and terms of the sale were acceptable to AEG Europe. However, when Mr Anschutz (presumably the head of AEG) decided to sell the whole of AEG he placed an embargo on any land or other interests being sold. Since this stalled the sale, with no guarantee of it being completed, Mr Hunt states that his company “had no option but to terminate negotiations”⁹.

⁶ Paragraph 37 of the witness statement

⁷ Exhibit 37 is a copy of the “VTP London Location Strategy Study dated January 2011”

⁸ Exhibit 39

⁹ Paragraph 44 of the witness statement

30 Peninsula Square – Quintain/Knight Dragon

38) Mr Hunt states that prior to discussions relating to 1 Peninsula, the proprietor contacted the owner of 30 Peninsula Square. Exhibit 42 to Mr Hunt's witness statement consists of a document entitled "VTP London 30 Peninsula Square, Greenwich, An Assessment of the Potential Impact of the VTP London Tower on Surrounding Properties on the Greenwich Peninsula". It states that it is commissioned by VTP Global LLP for Quintain Estates & Development Plc. It is dated December 2012 and runs to 56 pages and includes the device and word mark.

39) It appears that the land owner rejected the proprietor's offer in late December 2012 since they were concerned with the adverse effect the project may have on local residential value. The proprietor subsequently met and presented its proposed project to Sir Edward Lister (Chief of Staff and Head of Planning and Regeneration) at the Greater London Authority. A copy of the presentation is evidenced at exhibit 56 and is dated 28 March 2013. It includes the device and word only marks. Mr Hunt claims that Sir Edward Lister and the Mayor supported the project, but felt it was better placed in Stratford.

Chobham Farm South

40) Another site that the proprietor considered was a 4 acre site next to Westfield shopping centre and near a snow dome. The proprietor exhibits¹⁰ plans for the site, "but sadly the requirements of the ski operator made it impossible to agree a workable layout and my Company withdrew from the scheme."¹¹ The exhibit shows use of the word mark.

Stratford Shopping Centre

41) Mr Hunt also sets details of another site which did not come to fruition, this being at an underutilised car park in a Sainsbury's food store. Exhibit 48 consists of detailed "Feasibility" drawings which show where the VTP tower would be located. The document is dated 31 October 2010 and shows use of the word mark.

42) An agreement was not reached since Catalyst, the leaseholder of the land from the Council, decided to change its existing plans which resulted in the land no longer being available. In brief, an agreement was not reached due to a third party.

Bus station in Greater London

43) In June 2014 the proprietor contacted Transport for London (TfL) to consider redeveloping the project so that it is placed above a bus station in Greater London.

44) Mr Hunt states that negotiations were held between January and May 2015 and that they are still seeking funding for this alternative development, albeit under the same registrations.

¹⁰ Exhibit 47

¹¹ Paragraph 53 of the witness statement

Proposed use of the marks

45) Mr Hunt then details his company's concept and how it will use its brand in relation to the relevant services. There are a number of statements with regard to how it is intended to use the registrations which shall not be summarised but the relevant exhibits are as follows:

Exhibitions, competitions, live entertainment, showing of video & films

46) Exhibit 8: consists of a directory headed "VTP Ride and Attractions Directory 2014". It lists the rides that would be available at the tower. It includes use of the word and device marks on the front cover. Mr Hunt lists the following from the directory:

"64 The Ride Directory provides examples of all kinds of rides, extreme sports, entertainment and leisure facilities for ease of references, examples have been picked from the Ride Directory to match up against the various definitions referred to the specifications in class 41. ("P" refers to the page in the directory):

- Provision of thrill rides; (P27 Sky Coaster, P28 See Saw Coaster, P30 Zac Spin Coaster, P32 High Speed Accelerator Coaster, P33 Hula Wobble, P34 Space Shot, P35 Half Pipe, P37 Gyro Swing, P39 Spinning Star),
- Provision of family rides; (P33 Hula Wobble, P36 Flight Trainer, P38 Giant Christmas Tree Wheel, P40 Barnstormer, P41 Parachute Gyro Tower).
- Provision of drop rides; (P43 Giant Drop, P41 Parachute Gyro Tower, P34 Space Shot).
- Provision of facilities for bungee jumps; (P47 Bungee Jump) and a plan showing the provision of facilities is in (Doc 56 Page 714) and how it fits within the cloud layout.
- Provision of facilities for extreme sports and extreme activities; (Extreme Activities Climb to the Top, Walk of Fear, P63 High Ride, P63 Hi Climb Tower, P64 Climbing Wall, P65 Fan Descenders/Zip Line, P66 Aerial Zorb balls & P67 Façade Climbing Walls)"

47) Exhibit 56: building plans dated 21 November 2007 which include observation decks, platforms and galleries. The drawings show the device mark in the bottom right hand corner.

48) In the VTP marketing suite Mr Hunt states that promotional films and presentations have been shown probably in excess of 500 times. The video (exhibit 22) is a film detailing the VTP concept and brand. Exhibit 24 consists of a visual presentation relating to the VTP Birmingham project.

49) Mr Hunt states that the VTP London animation was provided by Hatton Associates and submits at exhibit 19 invoices detailing the costs incurred. The invoices are dated 18 June 2012 for £16,680 and 10 May 2012 for £9,000. Both are headed "Greenwich Peninsula VTP animation".

50) The rest of the witness statement and the remaining exhibits relate to what the VTP tower will do. None of the exhibits relate to external advertisements or services

which are currently offered. Further, they do not provide any proper reasons for non-use.

Legislation

51) 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).....

(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) An application for revocation may be made by any person, and may be made 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.”

52) 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.”

Case law

53) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

DECISION

54) I begin by reminding myself of the relevant period under section 46(1)(a) of the Act:

- 29 May 2010 to 28 May 2015
- Revocation is therefore sought from 29 May 2015

55) At the hearing Mr Traub stated the proprietor’s defence to the revocation claims are twofold:

- 1) In view of the significant scale of investment into the VTP Tower project and promotion thereof, the proprietor has, in light of the relevant case law, sufficiently overcome the revocation claim.
- 2) Given the nature of the services offered and certain unfortunate circumstances preventing the launch, which are beyond its control, it has proper reasons for non-use.

Significant investment

56) It is not in dispute that the VTP project has not yet been developed and no services under the registrations have been provided. Generally it is unusual for genuine use to be found in respect of services which have not yet been provided. This area of law was examined by Mr Daniel Alexander sitting as the Appointed Person in *THE BABA HOUSE* case.¹² The factual background to those proceedings were set out in paragraphs 5 and 6 of the decision:

“The proprietor is a company of which the main individual is Ms Caroline Roberts. Before forming the proprietor, Ms Roberts worked in children’s book publishing. After her redundancy from that role, she set up the proprietor to produce and (it was hoped) sell animated films and associated right to broadcasters which featured characters she had devised called “Babas” who were depicted as living in a fictional house she had devised called “The Baba House”. The films were intended for pre-school children, the general idea being somewhat similar to the well-known BBC Teletubbies programmes.

Considerable efforts were made by the proprietor in arranging for the production of a pilot or prototype film, including the making or commissioning the making of designs, music, script, storyboard and so forth. This short pilot was made for the purpose of marketing and the proprietor set about trying to get broadcasters and others interested in investing in the production of a full series of films. In broad terms, the idea was for the proprietor not merely to licence relevant rights but also to be responsible for making the films, albeit in co-operation and close collaboration with the broadcasters and other sub-contractors which, it was hoped, would purchase the films, finance production and purchase relevant associated rights to licences to produce merchandising. That summarises the position in general terms but, because of the nature of the arguments on this appeal, it is necessary to go into some greater detail as to precisely what was done and when by reference to the extensive evidence.”

57) Mr Alexander concluded from his review of the relevant legislative provisions and authorities that in some instances there may be genuine use of a trade mark registration even where the services (or goods) did not exist. In the hearing officer’s first instance decision it was stated that the registered proprietor “had plenty of time to bring forward a product or service so that it was in a position to be marketed. It has not succeeded [in defending its registration].”¹³

58) In reaching this conclusion the Hearing Officer stated at paragraph 34:

“At the time of the filing of the application no products or services were about to be marketed in the United Kingdom. No “marketable” products or services had been produced. Ms Bowhill emphasised the steps that had been made to try to launch the project. She submitted that the efforts made went well beyond the possibility of creating a product or touting an idea. However, that

¹² O-049-15, Hoho Entertainment Limited v Clevercat Productions Limited

¹³ Paragraph 35 of the decision (O-143-13)

is not the requirement of *Ansul*. The requirement of *Ansul*, where no product has been placed on the market, is that the goods or services are about to be marketed. To be about to be marketed a product or service has to exist. It is not possible to be “about to market” something that does not exist; and in this case, for which there is no finance to make it exist. At the time of the application for revocation, and still in the United Kingdom, no product or service existed. So CleverCat does not satisfy the *Ansul* requirement in relation to the core product and related services. CleverCat had an idea for a product, which was well fleshed out, but had no product as it was pitching the project, in order to try and get finance to set it up. Ms Bowhill commented on the gestation period that a television programme could have. This might be the case but such an argument relates to proper reasons for non-use rather than actual use. Throughout these proceedings, CleverCat, which has had the benefit of legal representation, has claimed that it has made genuine use of the trade marks, not that it had proper reasons for non-use.”

59) The decision was successfully appealed and the Appointed Person stated at paragraphs 29 to 31 that:

“I have reviewed the Hearing Officer’s decision and the evidence. By a narrow margin, in my judgment, having regard to the approach taken in earlier authorities, including the discussion by the Hearing Officer in the JENSEN/INTERCEPTOR case, the activities of the proprietor using the mark during the period appear to me to have been warranted in the economic sector concerned to maintain or create a market for animated cartoons for children, notwithstanding the fact that the only animated film that had been produced was a pilot prototype and no-one had been prepared to invest in a full series. In reaching this conclusion, I have primarily had regard to the evidence as summarised in the decision of the Hearing Officer (referred to above) and the points made above about the nature of the market and the interest which the series attracted. The evidence on this point is significantly different from that in the Royal Shakespeare and JENSEN/INTERCEPTOR cases.

Nor am I persuaded that the distinction here between the proprietor producing films itself and having them produced by others is of assistance. It is clear on the evidence that the proprietor was the originator of the general idea of the cartoons, their characters and the broad approach as well as the story-board. Doubtless others would be needed to complete a full film (or even a pilot) but as far as I can tell, on the evidence, the proprietor was intended to be at least a producer of the films, in a general sense.

I do not accept the applicant’s argument that because there was no finance to produce the films unless such were ordered, in effect what was being offered was merely an opportunity to invest in or start a project. The proprietor was, in my judgment, trying to sell films of a particular kind primarily to broadcasters during the period on the basis that the broadcasters would have to put up production funds before they could be made.”

60) In my view, the circumstances of the present case are analogous with “*The Baba House*” decision. The proprietor has made considerable efforts in trying to develop its proposed tower and provide the ancillary leisure facilities. These services are being offered in a 200m tower located in the centre of London. A project of this nature would take considerable planning. To support the conclusion that the proprietor has made considerable efforts, I rely upon the following:

Potential developments

61) It is clearly evidenced that the proprietor has endeavoured to obtain suitable land for the project to be developed. This began with an agreement being reached, but subsequently broken, in Birmingham (albeit just before the relevant period). The proprietor’s endeavours continued to London whereby a detailed investigative study of London was conducted to find suitable sites. Whilst the initial study was prior to the relevant period, a further more up to date report was produced in January 2011. From this study 8 sites were identified as potential suitors. It was concluded that Greenwich Peninsula was most suitable, therefore the proprietor opened dialogue and began negotiations for 1 Peninsula Square, 30 Peninsula Square and Chobham Far South and Stratford shopping centre. Why these developments did not come to fruition is more of an argument for proper reasons for non-use. However, they do clearly show an effort to create and maintain a market share in the relevant economic sector.

Marketing and advertising

62) Advertising spend: research marketing and promotion of the brand during the relevant period was £655,500. The total investment throughout the relevant period including company costs is estimated to be in the region of £2.6m. Outside of the relevant period Mr Hunt claims that the total spend is circa. £8m. I consider this financial outlay for services which have not yet been offered to be high.

63) The proprietor has a permanent marketing suite based in London. As the applicant has identified, the total number of visitors has not been evidenced. However, in Mr Lowe’s witness statement he confirms that he attended up to 100 meetings at the suite and Mr Hunt states that it was “used permanently to promote and explain the VTP concept and brand investors, consultants, landowners, the press and other interested parties throughout the Trade Mark period.”¹⁴ This evidenced has not been formally challenged by the applicant through counter evidence or cross-examination.

Witness statements from third parties

64) The proprietor has submitted evidence from third parties who confirm that the proprietor has continually used the registrations in order to obtain financial backing and develop its project.

Detailed plans

¹⁴ Paragraph 11 of the witness statement

65) The proprietor has evidenced a number of detailed plans for locations where the VTP project could be built. Many of these have been in London where studies have also been taken to assess the local impact. The studies and plans are detailed and in my view show the proprietor seeking to create and maintain a market share.

66) In view of the above, whilst the proprietor has not actually provided any of the services for which the registration covers, I find that the activities conducted under the registrations have been sufficient in the economic sector to maintain and create a market for the following services. The evidence demonstrates that the use the proprietor had made of its marks and its efforts to secure customers during the relevant period is the deciding factor and one which I consider to be sufficient to overcome the revocation claim.

“Theme park services; amusement park services; provision of facilities for extreme sports; provision of facilities for extreme activities; provision of thrill rides; provision of thrill rides at height; provision of family rides; provision of family rides at height; provision of drop rides; provision of facilities for bungee-jumps; provision of observation rides; provision of observation platforms; provision of observation decks; provision of observation galleries; organising and arranging of showing of videos; organising and arranging showing of films; ticket information services; ticket reservation services; online ticket information services and ticket reservation services”

Proper reasons for non-use

67) Proper reasons for non-use was considered in *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05, whereby the Court of Justice of the European Union held at paragraphs 52 to 55 that:

“In particular, as correctly stated by the Advocate General in [79] of his Opinion, it does not suffice that “bureaucratic obstacles”, such as those pleaded in the main proceedings, are beyond the control the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as

“proper reasons for non-use” of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

Having regard to the foregoing considerations, the answer to the second Proper question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.”

68) In *Naazeen Investments Ltd v OHIM*, Case T-250/13, the General Court held that difficulties in manufacturing a product was not outside the proprietor’s control and therefore did not constitute a proper reason for non-use. The court stated at paragraphs 66 to 69 that:

“According to the case-law, ‘proper reasons’ refers to circumstances unconnected with the trade mark proprietor rather than to circumstances associated with his commercial difficulties (see, to that effect, judgment of 9 July 2003 in *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO AIRE)*, T-156/01, ECR, EU:T:2003:198, paragraph 41). The problems associated with the manufacture of the products of an undertaking form part of the commercial difficulties encountered by that undertaking.

In the present case, the marketing of the goods in question was stopped because those goods were defective. Given that it was for Gondwana to supervise and control the manufacture of the goods in question even though they were being manufactured by a third party, the interruption to the marketing of those goods cannot be regarded as independent of the will of Gondwana.

Furthermore, the applicant is wrong in claiming that it had no choice but to stop using the mark at issue or to put consumers’ health in danger. As OHIM has observed, further products could have been manufactured and placed on the market within a reasonable period. Therefore, the applicant cannot claim that the change in strategy of the proprietor of the mark at issue made use of that mark unreasonable. The additional economic investments necessary for the manufacture of further products form, as OHIM states, part of the risks that an undertaking must face.

Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the difficulty encountered by Gondwana concerning the manufacture of the goods in question did not constitute a proper reason for non-use of the mark at issue (paragraph 36 of the contested decision).”

69) Since I have found that the registrations have been partially maintained, it is appropriate to consider whether the proprietor's arguments relating to proper reasons for non-use would have succeeded.

70) During the hearing Mr Traub referred to the proposed development in Millennium Point in Birmingham. Development on this site did not come to fruition due to the HS2 high speed rail link being built and the local Council having to withdraw from the agreement it had entered. Whilst this may be a prima facie reason for non-use relying upon this is flawed because the agreement was terminated prior to the relevant period, i.e. one month prior to the commencement of the relevant five year period.

71) Further, it appears from the evidence that a further contributory factor to the project not being developed is the lack of financial backing. This in itself is not a proper reason for non-use and this line of argument is rejected.

CONCLUSION

72) The application for revocation succeeds against the following services, and they shall be revoked under section 46(1)(a) of the Act from 29 May 2015.

“Provision of leisure facilities; provision of recreational facilities; entertainment services; organising and arranging of exhibitions; organising and arranging of competitions; organising and arranging of live entertainment; education services; training services; sporting and cultural activities; information and advisory and consultancy services relating to all of the foregoing”

73) The application has failed against the remaining services, namely:

“Theme park services; amusement park services; provision of facilities for extreme sports; provision of facilities for extreme activities; provision of thrill rides; provision of thrill rides at height; provision of family rides; provision of family rides at height; provision of drop rides; provision of facilities for bungee-jumps; provision of observation rides; provision of observation platforms; provision of observation decks; provision of observation galleries; organising and arranging of showing of videos; organising and arranging showing of films; ticket information services; ticket reservation services; online ticket information services and ticket reservation services”

COSTS

74) The proprietor has been largely successful in defending its registrations and is entitled to a contribution towards its costs. During the hearing Mr Traub stated that in view of the large volume of evidence filed they should be awarded at the top end of the scale. However, since the applicant has been partly successful I do not consider an award at the higher end of the scale to be suitable. Therefore, costs are awarded as follows:

Considering statements and preparing counterstatements	£400
Preparing evidence	£1000
Preparing for and attending a hearing	£300
TOTAL:	£1700

75) I therefore order CKL Holdings N.V. to pay VTP Global LLP the sum of £1700. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of March 2016

MARK KING
For the Registrar,
The Comptroller-General