

**O-311-16**

**TRADE MARKS ACT 1994**

IN THE MATTER OF AN APPLICATION UNDER NO 500454

BY BAG THAT TRADING LIMITED

TO CANCEL REGISTRATION NO 2447521  
FOR A SERIES OF TWO TRADE MARKS

**BAGTHAT and Bag That**

IN THE NAME OF DAVID PHIPPS T/A BAGTHAT

## Background

1. Registration No 2447541 is for a series of two marks **BAGTHAT** and **Bag That** and stands in the name of David Phipps t/a Bagthat (“the registered proprietor”). It has a filing date of 22 February 2007 and was entered in the register on 4 April 2008. It stands registered for the following goods and services:

### Class 9

Software and digital music downloaded from the internet

### Class 35

Recruitment services, advertising services; retail services connected with the sale of bags, audio equipment, hifi equipment, books, cards, CDs, computers, personal computers (PCs), discs, DVDs, games laptops, TVs, bikes, hats, kitchens, shirts, shoes, videos, wine and toys

### Class 36

Arranging mortgages and loans; estate agency services

### Class 38

Provision of links to other websites

### Class 39

Arranging holidays and flights; issuing of tickets for travel; leasing of cars

### Class 43

Arranging of hotel accommodation

### Class 45

Dating agency services

2. Bag That Trading Limited (“the applicant”) filed an application to cancel the registration (in part) on grounds under section 46(1)(a) of the Trade Marks Act 1994 (“the Act”). The applicant claims that the registration should be revoked for non-use in respect of all goods and services with the exception of “*Arranging mortgages*”. Whilst it indicates it seeks revocation with effect from 4 April 2013, given the date of entry on the register, the earliest date from which the registration may be revoked is, in fact, 5 April 2013.

3. The registered proprietor filed a counterstatement in which reference is made to Mr Phipps’ involvement, sometimes with others, in a number of business ventures. It states:

“I would be the first to admit that with the exception of the mortgage business since 2012 the avenues we have persued (sic) have not been profitable in fact we are very much out of pocket, however, the issue here is not about profit but our endeavours to utilize the trade mark. This we feel we can prove without question or reasonable doubt.”

4. Only the registered proprietor filed evidence. It consists of a witness statement by David Phipps (with exhibits) dated 24 August 2015 all of which I have considered but which I shall refer to as appropriate later in this decision. The evidence stages having concluded, the proceedings were originally set down for a hearing, however, the parties later indicated they were both content for a decision to be taken from the papers on file and so the hearing was vacated. In the circumstances, they were allowed until 1 June 2016 to file written submissions in lieu of attendance at a hearing. On that date, the registered proprietor sent, by email, what he described as "some additional notes to my original witness statement together with attachments". In fact, what he had sent was a further witness statement dated 1 June 2016 with some further documentation. This led to a flurry of further correspondence from both parties culminating in another "witness statement" from Mr Phipps dated 22 June 2016. I will return to all of this material later in my decision.

## Decision

5. Section 46(1) of the Act states:

"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.”

6. Section 100 of the Act is also relevant and 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.”

7. The question of what constitutes genuine use of a mark has been the subject of regular consideration in previous case law. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the relevant case law as follows:

“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].”

8. As I indicated above, the marks were entered in the register on 4 April 2008. The period within which the registered proprietor must prove use of the marks in relation to the goods and services for which the applicant seeks cancellation is, therefore, the five year period 5 April 2008 to 4 April 2013.

9. In his witness statement of 24 August 2015, Mr Phipps refers to his purchase, from some unspecified date in 2006, of some 238 domain names (at some later but unspecified date reduced to 53). He states that each of these “were pre fixed with BAGTHAT and followed into the product”. In light of the list of domain names he exhibits at DP2, I take this to mean that the domain names include BAGTHAT along

with a word descriptive of goods or services e.g. bagthatcompensation.co.uk and bagthatdownload.com. Whilst I have no reason to doubt that Mr Phipps owned each of the numerous domain names listed, the ownership of a *domain name* cannot, of itself, create or maintain a market for goods or services and, on that basis, cannot constitute genuine use of a *trade mark*.

10. Mr Phipps does give some evidence about his trading activities. He states:

“Bagthatcar.com was published via auto exposure...Autoexposure are probably the UK’s leading internet solutions provider to the motor trade.”

He continues:

“Bagthatcar was generating in excess of £500,000 per annum from 2006 to 2008.”

Mr Phipps does not give any indication of how the sums he refers to were generated but, in any event, there is no evidence that any of it was generated within the relevant period or under either of the marks as registered.

11. Mr Phipps also states that Bagthatroom and bagthattable were “white-labeled” with ‘late rooms’ and ‘toptable.com’ respectively but, again, gives no evidence of what trade, if any, may have come from that association nor when or under which mark any such trade took place.

12. Mr Phipps also states:

“Nov 2008 Bagthatloan, was fully operational and was mainly trading as the finance vehicle for Bagthatcar that was published through auto exposure.”

And;

“Since 2012 I have had a web presence as bagthatmortgage.co.uk. This has been optimized on facebook and twitter and by Bagthat Tradings own admission has been used on facebook since November 2012.”

Again, Mr Phipps does not give any further details of any of this trade but he has exhibited a number of documents at DP9, DP10 and DP11 in support of his claims. DP9 includes pages from the bagthatmortgage.co.uk website along with a “standing data Application Form” showing contact details held by the FSA which show Mr Phipps t/a Bagthat being recorded by them with effect from 29 January 2013. DP10 consists of a number of bank statements relating to business accounts of three limited companies as well as Mr Phipps’ own business account. DP11 consists of a copy of a registration certificate from the Information Commissioner’s Office, a receipt from the Finance Industry Standards Association dated 20 November 2007, a letter from HM Revenue & Customs dated January 2008, a notification of registration as an intending trader dated October 2007 and a certificate of registration for VAT dated July 2007 from HM Customs and Excise. These latter documents relate to two of the limited companies referred to in documentation included within DP10. Whilst these documents refer to a number of businesses in which Mr Phipps may be

involved, nothing in any of these exhibits goes any way to show what use, if any, might have been made by him as the registered proprietor or with his consent in respect of the marks as registered. Consequently, none of it assists the registered proprietor in these proceedings. Additionally, the material at DP9 and the remaining documentation within DP11 appear to relate to the arranging of mortgages which are services for which the applicant does not seek cancellation of the registration in any event.

13. The remainder of Mr Phipps' witness statement refers to his future plans to develop a "bagthatbargain website" as per the business plan he exhibits at DP7 and do not assist in showing use of either of the marks as registered during the relevant period.

14. As I indicated above, having been invited to file written submissions in lieu of attendance at a hearing, Mr Phipps filed two further documents headed "witness statement". I note, in passing, that the latter document does not contain a statement of truth. Whilst the applicant has provided comments in respect of some of this material, no application for leave to file further evidence has been made and, as a consequence, neither has been admitted into the proceedings. I have, however, reviewed both documents *de bene esse* and confirm that even if they had been admitted, they would not have assisted the registered proprietor. The witness statement dated 1 June 2016 largely duplicates Mr Phipps' earlier witness statement but differs in two respects. First, it includes an additional statement that in April 2013 "we ordered paraphernalia by way of pens specifically advertising ourselves as BAGTHAT MORTGAGE". This would not assist, not least because it relates to his mortgage business and, as I indicated above, *arranging mortgages* are services which are not subject to challenge by the applicant. Secondly, Mr Phipps states that in September 2013 he took a lease on a shop, intends to use it to launch an estate and rental agency and has made some preparations for the provision of signage, furniture, brochures and stationery for use in that "business [which] will be called Bagthatproperty.com". This would not assist, not least because it refers to actions taken long after the relevant period in relation to a business which has not yet launched. As for the 'witness statement' dated 22 June 2016, Mr Phipps again gives information and commentary in relation to his mortgage business which are services the applicant does not seek to challenge.

15. For its part, the applicant submits that there is nothing in the registered proprietor's evidence which dispels its "belief that registration of 238 "BAGTHAT" related domain names was done for the purpose of warehousing. The sheer number of registration is disproportionate to any reasonable use that would be required by a genuine business". Whatever the reason for the registration of these domain names, my decision, of course, is one made only in relation to whether a trade mark registration should be cancelled under the relevant provisions of the Trade Marks Act. In this regard, the applicant submits that the evidence filed does not support the turnover figures claimed by Mr Phipps nor does it show use of the marks within the relevant period. It submits that hosting of websites "does not indicate any content on them" and that there is no "clear, credible dated evidence of the sites he mentions being branded with the name "BAGTHAT" being live and that the mark was genuinely in use and visible to the public" during the relevant period.

16. I bear in mind the comments made in Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, where the General Court stated:

“53 In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (COLORIS, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36).”

17. In *PLYMOUTH LIFE CENTRE* (BL O-236-13), Mr Daniel Alexander Q.C. sitting as the appointed person stated:

“22 .....it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more, so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

18. Taking the evidence as a whole as I am required to do, I consider that Mr Phipps has failed to show any evidence of any use of his trade marks as registered within the relevant period in respect of any of the goods or services for which cancellation is sought. That being so, the application for cancellation of the registration succeeds in full.

## **Summary**

19. The application succeeds and the registration will be revoked from 5 April 2013 in respect of all goods and services for which it is registered with the exception of the following:

Class 36  
Arranging mortgages

20. The applicant for revocation has been successful and is entitled to a contribution towards its costs. During the course of these proceedings, two case management



conferences (CMCs) took place. In each case, the issues the subject of these CMC centred on Mr Phipps' request that one of the exhibits to his evidence be kept confidential. The exhibit took the form of a draft business plan dated March 2012. I refused Mr Phipps's request, not least because of the age of the document and the fact that much of its content would appear to have been publicly available information about online marketing and internet trading. A redacted version of the document was eventually filed by Mr Phipps. As I advised the parties at the time, the document led to what I consider to be an unreasonable amount of unhelpful correspondence from both parties which led to the second CMC. In light of this, and given that the CMCs were brief, I do not consider it appropriate to make an award of costs in respect of them. In contrast, I do consider it appropriate to take into account the fact that in filing a witness statement when given the opportunity to file written submissions after the conclusion of the evidence rounds (which in turn led to further correspondence and a further 'witness statement' being filed by him), Mr Phipps will have caused the applicant an amount of additional, albeit limited, work.

21. Taking all matters into account, I award the applicant the sum of £1,000 as a contribution towards its costs. This sum is calculated as follows:

Preparing a statement and considering the other side's statement:	£200
Fee:	£200
Reviewing and responding to the other side's evidence in chief:	£400
Additional work:	£200
<b>Total:</b>	<b>£1,000</b>

22. I therefore order David Phipps t/a Bagthat to pay Bag That Trading Limited the sum of £1,000. This 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 28<sup>th</sup> day of June 2016**

**Ann Corbett  
For the Registrar  
The Comptroller-General**