

O-573-16

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 887073
IN THE NAME OF ZEROGROUP HOLDING OÜ
FOR THE TRADE MARK:**



YOGA

IN CLASSES 9, 37, 38 AND 42

**AND APPLICATION NO. 500999 BY LENOVO (BEIJING) LIMITED
TO REVOKE THE PROTECTION OF THE MARK IN THE UK
BECAUSE OF NON-USE**

Background and pleadings

1. ZeroGroup Holding OÜ (“the holder”) is the holder of international trade mark registration number 887073 (“the IR”), which consists of the following trade mark:



2. The IR was registered on 15 December 2005, with priority claimed from 15 June 2005. The UK was designated for protection on 15 December 2005 and the IR was protected in the UK on 17 February 2008.

3. The IR is protected in the UK for the following goods and services:

Class 9 Electronic intelligent home and office systems, namely access control systems of persons, security, monitoring and administration systems of building and premises, controlling systems of locking, monitoring and access control between different rooms; electronic devices and systems for computerized control and monitoring devices; computer software (recorded).

Class 37 Telecommunications system installation, including cabling and hardware adjustments.

Class 38 Telecommunications.

Class 42 Scientific and technological services and research and design relating thereto; industrial analysis and research services; design of computer software; installation of computer software; design of telecommunication and information technology solutions.

4. Lenovo (Beijing) Limited (“the applicant”) seeks revocation in full of the protection afforded to the IR in the UK based upon section 46(1)(a) of the Trade Marks Act 1994 (“the Act”) on grounds of non-use. The period of alleged non-use is 18 February 2008 to 17 February 2013 (“the relevant period”). The applicant asks for revocation to take effect from 18 February 2013.

5. The holder filed a counterstatement, in which it claimed that the mark has been genuinely used in relation to all of the goods and services in the registration.

6. Both parties have been professionally represented throughout, the holder by Murgitroyd & Company and the applicant by Lucas & Co. Both parties filed evidence. A hearing took place before me on 10 November 2016 at which the applicant was represented by Ms Barbara Cookson of Lucas & Co. The holder did not attend and did not file written submissions in lieu.

Preliminary issue

7. In its counterstatement, the holder stated that it had used its mark “in the relevant time period”, though it does not define this period. It did not specify that it wished to rely upon use under the proviso found in section 46(3) of the Act (i.e. that use after the relevant period but before the application for revocation may save the registration). In her witness statement and at the hearing, Ms Cookson argued that the defence had not been pleaded and ought not to be considered, though she did not press the matter to any great degree. I take the point but the counterstatement is not precisely worded and it has been clear since the holder filed its evidence that it wished to rely upon use under section 46(3). The applicant has had ample opportunity to respond to the holder’s evidence and in fact did give submissions on the evidence in this connection at the hearing. While it would have been useful if the holder had identified the relevant proviso in its counterstatement, its omission is not atypical in defences filed before this tribunal and I see no reason why I should not consider the holder’s evidence of use under section 46(3).

The holder's evidence

8. This consists of the witness statement of Krista Lagus, “member of the management board and CFO” of both the holder and of Yoga AS. She states that the holder and Yoga AS “are group companies with the same shareholder structure and corporate governance”.¹ Ms Lagus states that Yoga AS has used the mark with the consent of the holder both during the relevant period and outside that period but prior to the date on which the application for revocation was filed.²

9. As Ms Lagus refers to both the holder and Yoga AS as “my company”, it is not always clear which parts of the evidence relate to which company. Ms Lagus also states that Yoga AS was formerly known as Yoga OÜ and that it is sometimes referred to as Yoga LLC overseas. Given that any use shown was with consent (which, as Ms Cookson confirmed at the hearing, is not disputed by the applicant), I will adopt the same approach as Ms Lagus and will refer to both ZeroGroup and Yoga AS as “the holder”, unless it is clear to which company the evidence refers.

10. Exhibit KL1 consists of prints from the WayBackMachine (<http://web.archive.org>) of the holder's website, www.yogasystems.com. The images are of poor quality but, although exact dates are not legible, the first seven images appear to be dated between 2010 and 2013. Pages 8-9 show images dated 2013, while the last image (p. 10) is dated 2014. In the first two prints, dated 2010, the mark is shown as registered at the top of the page. In the remaining images, dated 2011-2014, the mark appears at the top and bottom of the page in the following forms, respectively:³



¹ Paragraph 3.

² *Ibid.*

³ pp. 3-10.

It is unclear what the writing under the word “YOGA” says.

11. The mark also appears in word-only form as “Yoga IB” and as “Yoga” at pp. 5, 8 and 10. The first two instances are in the relevant period, while the third is in 2014.

12. There are references throughout KL1 to a “total building management system” and “one complete system everywhere”. At p. 8, there is reference to “[I]ntelligent control for all buildings. Wired or wireless, professional or do-it-yourself [illegible] There’s an option for everyone”.

13. Ms Lagus states that throughout the relevant period the holder has made product brochures for goods sold under the registered mark available on its website.⁴ In support, a variety of documents, such as brochures and manuals, is exhibited at KL2. The first is an installation manual for “Yoga Systems – Intelligent Smart Home”.⁵ It is dated 2015. The only visible address is in Estonia. The Mark appears at the top of the cover page in the following format (“the ‘Taking care’ logo”):



14. The mark is also visible at the top right of each page, as shown below:



15. The following statement appears on the same page:

⁴ Paragraph 6.

⁵ pp. 1-24.

“Yoga AS has developed a revolutionary cloud-based IoT platform for smart homes and smart building automation. Based in Tallinn, Estonia, we’ve been working on intelligent remote management of appliances, devices and buildings since the mid-90s. As a technology provider, we license our solution to service providers, who in turn offer their customers a smart home service”.

16. There are references throughout to the “Yoga Smart Home”. An example, from p. 3, is shown below:

“Yoga is an intelligent smart home platform that connects and interconnects with anything you can think of: wired and wireless security sensors, cameras, thermostats, smart plugs, lights, entertainment systems, locks and appliances. Moreover, Yoga manages these items from anywhere and with any device possessing an internet connection”.

17. There are multiple references to the “Smart Home Gateway” and cloud server, including the following example at p.4:

“All Smart Home Gateways from homes and other type of buildings are connecting to a scalable Yoga Smart Home cloud server (called Magic), which takes care of real time communication, logging, video storage etc.”.

18. The remainder of the manual contains technical information about Yoga AS’s products and their installation. I note in particular that many of the components are referred to as “Yoga” components. For example, at p. 6 there is reference to “Yoga Tiny”, “Yoga I/O Controller”, and “Yoga Switch”.

19. The second brochure bears a copyright date of 2014 and was printed in the USA.⁶ The ‘Taking care’ logo appears on the front page. The brochure is entitled “Telecom

⁶ p. 32.

Service Providers Create New Revenue Source with Cloud-based IoT Platform for Smart Homes”. The following statement appears underneath the title:

“Yoga Systems uses an Intel-based intelligent gateway to deliver a home automation system that service providers (Telco, Cable, Broadband, Security) can turn into profit”.

20. There are references to energy and heating management and security (pp. 27-29), as well as to the holder’s devices (p. 27). In addition, there is reference to “the cloud” as part of the “Yoga Smart Home” service and to “Yoga Systems home software [which] performs the automation, control and monitoring functions [...]”.⁷ At p. 26, reference is made to “Yoga Smart Home” being offered in Estonia and Finland, with product launches in “all seven Nordic and Baltic countries”. There is no mention of the UK.

21. The remaining pages in KL2 show the holder’s devices and their technical specifications. The products shown are the 2012 version of the components and include the “Yoga Home Central Unit” (p. 33), a magnetic sensor (p. 34), remote control (p. 35) and a smoke detector (p. 36). The holder’s mark appears at the top of each of these pages, in the form shown below:



22. At exhibit KL3 there is a variety of documents said to have been available on the www.yogasystems.com website in 2015. The mark is used throughout in word-only form. At pp. 4-6 there are a number of links to user manuals for particular devices, all of which are described as “Yoga” devices (for example, at p.4, “Yoga HUB”, “Yoga Motion Detector”, “Yoga Energy Meter Interface”). At pp. 32-33, there is specific information about the “Yoga Tiny” gateway product. At pp. 35-39, web prints detail the possible uses of the holder’s products (such as its temperature monitoring equipment) in relation to telecommunications base stations. There are also prints showing the website’s blog

⁷ p. 31.

page. One of these, dated 31 March 2015, is entitled “YogaSmartHome is Now Available on Apple App Store”.⁸ In addition, there is an installation manual at pp. 8-32, which appears to be essentially the same as the brochure exhibited at exhibit KL2.⁹

23. Exhibit KL4 is a screen shot from www.youtube.com which refers to “Yoga Systems” and “Yoga Intelligent Building”. The image appears to be taken from the UK version of the site. Although the image itself is not dated, Ms Lagus states that the videos shown were uploaded on 20 December 2010 and 13 September 2011 (i.e. in the relevant period).

24. Exhibit KL5 consists of prints from three internet sites (itunes.apple.com, appstruck.com and appiola.com) showing the “Yoga Intelligent Building” application available for free download. Ms Lagus states that the application was released on 23 March 2010.¹⁰ None of the prints is dated but the itunes website indicates that it was last updated on 16 January 2015 (p. 1), while appiola.com indicates that the page was updated on 19 November 2011 (p. 6). The appstruck and appiola websites show prices in dollars; none of the web prints shows how many times the application was downloaded.

25. Exhibit KL6 consists of two promotional articles, which bear a copyright date of 2014 and which Ms Lagus indicates were available on the holder’s website.¹¹ The reproduction is of poor quality but the mark is used in the form shown below:



26. Exhibit KL7 contains at pp. 1-8 a duplicate of the brochure exhibited at pp. 25-32 of exhibit KL2. At p. 9, there is a quotation dated 15 April 2013 for a number of “Yoga” devices, where the mark appears as registered. Also included at p. 10 is what appears

⁸ p. 44.

⁹ pp. 1-24.

¹⁰ Paragraph 9.

¹¹ Paragraph 10.

to be the corresponding invoice to Intel Corporation (UK) Ltd for a number of products identified as “Yoga” devices (e.g. “Yoga PIR Sensor”). The words “Yoga AS” appear at the top of the invoice. The invoice totals €427 and is dated 23 April 2013.

27. At exhibit KL8 are a number of invoices, purchase orders and delivery notes. There is some duplication, as a result of which there are only two relevant invoices, at pp. 4 and 6. These are dated 22 September 2014 and 16 December 2013. The invoices are headed “Yoga AS” and the goods itemised include items identified as “Yoga” products (e.g. “Yoga SmartPlug”). Although the invoices total €1601 and €859, respectively, these amounts include other charges, such as “transport” (p. 4). There is also one purchase order, dated 11 April 2013, for €347.¹² However, given that the goods itemised correspond exactly to those of the invoice dated 23 April 2013, that the “delivery required” date given on the purchase order is 25 April 2013 and that the amounts billed are identical save for the delivery fee added to the invoice, it is likely that the invoice and purchase order relate to the same order. There are also four delivery notes, three dated December 2013 and one April 2014 (i.e. after the relevant period).¹³ No prices are shown but the goods and their quantities appear to be roughly equivalent to, or a little higher than, those on the invoices. However, I bear in mind that there may be some duplication in respect of the 16 December 2013 invoice and the December 2013 delivery notes.

28. Exhibit KL9 contains a number of press articles and emails. There is a report, dated 14 January 2011, about the East of England Inward Investment event in Cambridge due to be held later that month. Yoga LLC is listed as one of the exhibitors. Three press articles report that Yoga Intelligent Building would attend the Ecobuild fair in London on 1 March 2011.¹⁴ Ms Lagus indicates that there is, within the exhibit, a photograph of the company’s stand at the Ecobuild fair. There are several photographs and it is unclear to which photograph Ms Lagus refers. However, at p. 15 there is a photograph which

¹² pp. 20-25.

¹³ The delivery note at p. 14 corresponds to the invoice at p. 13, and the note at p. 29 is a duplicate of p. 10. I discount them.

¹⁴ pp. 9-11.

shows an exhibition stand where the mark is visible in white on a dark background. The text is not in English but the words “EcoBuild 2011” are shown at the top of the page. It appears that all of the images are from the same event. There are similar images at p. 20, where the mark is shown in white on a dark background, and at p. 28. The latter appears to be a colour reproduction showing same exhibition stand: the mark is visible in white on a green background. There are additional photographs of exhibition stands at pp. 23-27 and pp. 31-34 which show the mark as registered.

29. Exhibited at KL10 are internal records and emails relating to potential client meetings in the UK, all dated within the relevant period. There is one email exchange between a company in Norwich and the holder, though the scope of the discussions to be held is not clear (pp. 7-10). There is also an email from a potential customer, dated 22 March 2011, in which he makes specific enquiries regarding the holder’s home energy control system as a result of meeting the holder at the Ecobuild fair.¹⁵ There is no evidence that any sales materialised from these interactions.

30. At exhibit KL11 are what Ms Lagus states are internal emails referring to “UK business development and on-going projects” (paragraph 15). Although these are dated within the relevant period, none indicates a confirmed sale.

31. Exhibited at KL12 is the first page of a “reseller agreement” dated 28 April 2011 between Yoga OÜ and TarkVal OÜ.¹⁶ Great Britain is included in the list of territories to which the agreement relates. There is no evidence of any sales were made under this agreement. There is also the first page of a “delivery agreement for software”, between Yoga AS and Orange Business Arabia LLC, dated 4 December 2014.¹⁷ In addition, there is an invoice from Yoga AS to Orange Business Holdings UK Ltd, dated 25 August 2014.¹⁸ It is for €135,000. The items invoiced are described as “[p]erpetual license model” (5,000 units).

¹⁵ p. 12.

¹⁶ p. 1.

¹⁷ p. 2.

¹⁸ p. 3

The applicant's evidence

32. This consists of the witness statement of Barbara Cookson, with one exhibit, and the witness statement of Nathalie Block.

Ms Cookson's evidence

33. Ms Cookson's witness statement consists mainly of submissions, which I do not intend to recount here but will bear in mind and refer to, as appropriate, later in this decision.

34. At page 1 of exhibit BEC1, there is a document which is said to be taken from the Estonian register of companies. It relates to Yoga AS, the status of which is given as "[i]n bankruptcy". The first entry on the document is dated 24 March 2008 and the declaration of bankruptcy entered into force on 19 April 2016.

35. The bulk of the exhibit consists of a report by Thomson CompuMark, which is said to be an investigation into non-use of the mark, commissioned by the applicant. The report is dated 30 May 2016. It is not entirely clear how this document is relevant to the instant proceedings, as the report appears to be concerned with use of the mark in Norway, not the UK (p. 3). The report indicates, at p. 14, that "YOGA bankruptcy was declared on 19th of April 2016". That being some time after the end of the relevant period, and the document providing no evidence that the bankruptcy was due to the holder's failure to market its goods and services in the UK, it does little to assist the applicant.

36. There is also, at pp. 51-52, the linkedin profile of Mr Priit Vimberg, who describes himself as "Founder and CEO" of Yoga LLC and "Founder and Chairman of the Supervisory Board" of Yoga Intelligence AS. It adds nothing to the applicant's evidence.

Ms Block's evidence

37. Ms Block states that she is a "Research Analyst In Use" for Compumark NV in Antwerp. In her witness statement, Ms Block details the contents of a telephone conversation she had with "Mr Priit" between 17 and 19 May 2016. She states that:

"Mr Priit, informed us that he used to work for the company YOGA" and that "YOGA is not available in Norway and in fact does not exist anymore and was closed down since 19 April 2016. He mentioned that the entire core team of YOGA left and that there was a huge fight".¹⁹

38. It would appear from paragraph 7 of Ms Cookson's witness statement that the "Mr Priit" to whom Ms Block refers is Mr Priit Vimberg.

39. The holder having filed no evidence in reply, that concludes my summary of the evidence to the extent I consider it necessary.

Decision

40. 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;

¹⁹ Paragraph 2.

(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”.

41. 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”.

42. 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:

“219. 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 Bunderversammlung 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]”.

43. In *Reber*, the Court of Justice of the European Union (“CJEU”) said, at paragraph 34, that:

“the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark’s use. It thus established a certain degree of interdependence between the factors capable

of proving genuine use. The General Court therefore correctly applied the concept of 'genuine use' and did not err in law in its assessment of that use".

44. Proven use of a mark which fails to establish that "the commercial exploitation of the mark is real" because the use would not be "viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark" is, therefore, not genuine use.

45. I also keep in mind the comments of Mr Daniel Alexander, Q.C. sitting as the Appointed Person, in *Awareness Limited v Plymouth City Council*, Case BL O/230/13, where he stated that:

"22. The burden lies on the registered proprietor to prove use [...]. However, 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".

46. The applicant has made a number of criticisms of the holder's evidence. It submits that no evidence has been provided that the holder had customers in the UK within the relevant period. At the hearing, Ms Cookson reiterated this point, also submitting that the evidence showing use after the relevant period is insufficient to constitute genuine

use. Ms Cookson submitted that the apparent bankruptcy of Yoga AS is attributable to the failure to create a market for the company's goods and services under the mark, though she was unable to take me to evidence which shows this. She stated that the figurative mark is only shown "scattered" through the holder's evidence and that the use shown does not constitute genuine use.

Form of the mark

47. Turning first to whether the mark has been used in an acceptable form, I agree with Ms Cookson that there is little consistency in the use shown throughout the evidence. In particular, the mark is shown in a number of forms. I note that there is some evidence of the mark in use on the holder's website, in the form in which it was registered and within the relevant period, at KL1 (pp. 1-2). At KL7 (p. 9), the mark is shown in use as registered, after the relevant period.

48. There is also evidence of use of the mark on its own but in colour, where blue and green correspond to the black and grey in the registered mark.²⁰ In relation to the colour aspect, I note that Kitchin LJ stated in *Specsavers International Healthcare Ltd & Others v Asda Stores Ltd* [2012] EWCA Civ 24 at [96]:

"A mark registered in black and white is, as this court explained in *Phones 4U* [2007] R.P.C. 5, registered in respect of all colours".²¹

49. While fair and notional use would cover a black and white mark used in any colour, it would not extend to contrived colour splits. Having said that, I see no reason why the holder's use of two colours, where one replaces the black component and the other the grey component in the registered mark, would be unacceptable in terms of fair and notional use, particularly where, as here, there is no effect on the distinctive character of

²⁰ KL9, pp. 23-34.

²¹ See also *Specsavers International Healthcare Ltd, Specsavers BV, Specsavers Optical Group Ltd and Specsavers Optical Superstores Ltd v Asda Stores Ltd and The Registrar Of Trade Marks (Intervening)* [2014] EWCA Civ 1294 at [5].

the mark. I am satisfied that the holder's use of the mark in colour (i.e. blue and green) is use of the mark as registered.

50. There has also been use of the mark in black only (KL2, pp. 2-24) and in white on a dark or green background (KL2, pp. 33-37 and KL9, pp. 15, 20, 28). In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under s. 46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all".

51. The mark as registered consists of the word "YOGA" in black, with a slightly curved horizontal line and a dot, both in grey, under the letter "Y". The effect is that the "Y" of the word "YOGA", in combination with the device, resembles a stick man, upside down. Some consumers may see the underlining, dot and the letter "Y" as a stick man, while others may simply perceive the underline and dot as a separate device element. I do not consider that the perception of the underline and dot as a stick man will detract from the primary view of the mark as the word "YOGA" with a device element. It remains the word "YOGA" which dominates the overall impression. I do not consider that the use of one colour throughout has any material effect on the distinctive character of the mark and I therefore find that the variant form of use may be relied upon. For the sake of

completeness, if I am found to be wrong that the use in blue and green rather than grey scale constitutes fair and notional use, I consider that the mark has been used in an acceptable variant form, for the same reasons as given above, namely that the use of colour does not significantly alter the distinctive character of the mark.

52. I note that the holder has also used the mark in combination with the words “Taking care”, which are positioned underneath the mark, in title case and in a smaller, green typeface. Use alongside other matter was considered in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark. The CJEU found that:

“32. [...] as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)” [emphasis added].

53. The words “Taking care” are likely to be seen as non-distinctive or descriptive of the goods and services, alluding to their purpose, which is to keep watch, or be instrumental in keeping watch, over one’s property. They may also signal the quality of the service provided by the holder. The words will be perceived as a separate, non-distinctive element from the registered mark. I consider that the use shown is use of the mark as registered, upon which the holder may rely.

Sufficient use?

54. The evidence filed by the holder is hardly overwhelming. However, it is clear that, while the use is minimal, it is not sham use, nor is it token use in the sense that it is solely to preserve the registration. I address each class in turn, beginning with the services.

Class 37: Telecommunications system installation, including cabling and hardware adjustments.

55. I can see no evidence that the holder has used the mark in relation to these services. I note the evidence at KL9 and KL10 of trade events in the UK where, according to Ms Lagus, the holder promoted its goods and services.²² There is reference to the holder working with telecommunications services providers at KL2 and there is mention of the holder’s system connecting with telecommunications base stations at KL3 but no detail is provided of which specific services the holder might offer.

²² Paragraph 13.

There is also no evidence that any sales resulted from the trade events and no other evidence which demonstrates that the holder either promoted or sold the above services in the UK. In the absence of any evidence that the holder has offered or provided the services at issue to any consumer in the UK, I am not satisfied that there has been genuine use in relation to these services.

Class 38: Telecommunications.

56. As with the services in class 37, despite references being made to telecommunications in the evidence, there is nothing to demonstrate that the holder has provided such services. Indeed, the thrust of the evidence is that the holder will work with telecommunications providers, who will in turn deliver the service to the end user.²³ I find that no genuine use has been established for telecommunications.

Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design of computer software; installation of computer software; design of telecommunication and information technology solutions.

57. Ms Lagus states that the invoice at KL12, p. 3, is a delivery agreement for software, corresponding to the licence and software set-up agreement at p.2.²⁴ The invoice is addressed to a UK company, while the licence agreement is a territorial licence for a company in Saudi Arabia. The products on the invoice are itemised as “[p]erpetual license model” and the trade mark is absent, save for in the company name. The invoices and agreements at KL12 show large sums but do not assist the holder, as neither a reseller agreement nor a licence agreement is evidence that the services were sold under the mark. These documents do not show any use of the mark in the UK on or in relation to the services (or, indeed, the goods) offered by the holder.

²³ See, for example, the brochure at KL2, pp. 25-32.

²⁴ Ms Lagus’s witness statement, paragraph 16.

58. I note that the holder has designed an app, which has been promoted via various websites.²⁵ There is, however, no evidence of a single download or purchase, let alone downloads or purchases in the UK. I acknowledge that there are references in the holder's evidence to the operation and installation of cloud servers.²⁶ It is not, however, clear to what extent these services were marketed in the UK. It may be that they were promoted at the UK trade events attended by the holder but, even if they were, no sales appear to have resulted. Indeed, it appears that the holder is principally a technology provider and that the services in relation to the smart home would be provided by a third party,²⁷ though no evidence has been provided of this having happened, under licence or otherwise. The holder has shown some evidence of a commercial relationship with Intel but only to the extent that it has sold goods to the company. Genuine use has not been established in relation to the services at issue in class 42.

Class 9: Electronic intelligent home and office systems, namely access control systems of persons, security, monitoring and administration systems of building and premises, controlling systems of locking, monitoring and access control between different rooms; electronic devices and systems for computerized control and monitoring devices; computer software (recorded).

59. There is some evidence of actual sales of some of the goods at issue in class 9. At the hearing, Ms Cookson was critical of the fact that the invoices and delivery notes are addressed to one customer, namely Intel Corporation Ltd, arguing that no sales had been shown to end users. I have no evidence to assist me regarding the nature of the market for the goods at issue. However, it seems to me to be entirely consistent with the technical nature of the goods that they would be sold to a company involved in electronics. I see no difficulty in the holder's invoices all being for one company, which strikes me as a legitimate consumer of the goods at issue.

²⁵ KL5.

²⁶ For example, KL3, p.18.

²⁷ KL2, p. 3, quoted at paragraph 15, above.

60. There are only three relevant invoices, none of which is within the section 46(1)(a) period but all of which fall within the period covered by section 46(3). The amounts shown on the invoices are small, totalling less than €3,000. There are also four delivery notes, dated 2013 and 2014. The goods itemised on the delivery notes are the same types of goods that appear on the invoices (for example, “Yoga SmartPlug”). Although the cost of the goods is not shown, the quantities of the goods on the delivery notes, taken all together, are likely to be similar to, or a little greater than, those on the invoices. I bear in mind that there may be some duplication in respect of the December 2013 delivery notes and the December 2013 invoice. While less persuasive than the invoices, the delivery notes assist in painting a picture of the extent of the use of the mark.

61. I have no evidence regarding the size of the relevant market, now or in the relevant period, but I doubt that, on their own, the invoices and delivery notes would show use warranted in the economic sector. However, they are also supported by advertising material and product information from the holder’s website. I bear in mind that the exact extent of the distribution of this material in the UK has not been shown. Nevertheless, the evidence shows consistent promotion of smart home products under the mark. It is clear that the holder was attempting to promote its goods in the UK and that it both arranged meetings with potential UK customers and attended trade events in the UK in the relevant period. The photographs of the event stands show slides relating to security and access control and energy monitoring (KL9, pp. 24-25) and it appears that some interest was generated among potential consumers, which led to further discussions, if not actual sales. Taking into account all of the evidence, I accept that there has been genuine use on or in relation to a range of devices in class 9. There is, however, no evidence that the holder has either offered for sale or sold computer software.

Fair specification

62. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“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.”

63. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“[...] I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. [...] Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told

that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average

consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered”.

64. The goods identified in the evidence are devices such as smoke detectors, magnetic sensors, energy meter interfaces and gateways. All of the evidence is directed towards their use in a smart home system. Given that there is already a limitation in the specification for intelligent home and office systems, I consider that the mark’s existing specification for “electronic intelligent home and office systems, namely access control systems of persons, security, monitoring and administration systems of building and premises, controlling systems of locking, monitoring and access control between different rooms” is a reasonable reflection of how the average consumer would describe the goods. As far as “electronic devices and systems for computerized control and monitoring devices” are concerned, this is an extremely broad category. It would, for example, include devices such as those for monitoring and controlling air traffic. My firm view is that the evidence does not support the retention of this term. The holder has made no submissions regarding this term or what a fair restriction of it might be. I acknowledge that there has been some use shown in relation to gateways but these devices are, in my view, covered by the specification which remains for intelligent home and office systems.

Conclusion

65. The mark is revoked with effect from 18 February 2013 **except** in relation to:

Class 9 Electronic intelligent home and office systems, namely access control systems of persons, security, monitoring and administration systems of building and premises, controlling systems of locking, monitoring and access control between different rooms.

Costs

66. The applicant has enjoyed the greater degree of success. It seems to me that the fairest way to award costs is to relate the award to the decision I have made. Accordingly, the award is three quarters what it would have been had the applicant been completely successful. The applicant's evidence did not assist me in making my decision but I am mindful that there was considerable duplication in the holder's evidence, which will have increased the costs of the applicant in reviewing it. I also keep in mind that the hearing took place by telephone. Awards of costs are governed by Annex A of Tribunal Practice Notice ("TPN") 4 of 2007. Using that TPN as a guide but bearing in mind my comments, above, I award costs to the applicant on the following basis:

Official fees:	£200
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Preparing a statement and considering the other side's statement:	£100
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Filing evidence and considering the other party's evidence:	£300
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Preparing for and attending hearing:	£300
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Total: £900

67. I order ZeroGroup Holding OÜ to pay Lenovo (Beijing) Limited the sum of **£900**. This sum is to 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 6th day of December 2016

**Heather Harrison
For the Registrar
The Comptroller-General**