

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK REGISTRATION NO. 2520347 IN THE  
NAME OF BRIGHT CLOUD TECHNOLOGIES LIMITED

AND IN THE MATTER OF A CANCELLATION APPLICATION NO. 500989  
THERE TO IN THE NAME OF WEBROOT INC

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DECISION

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**Introduction**

1. This is an appeal against the decision of Mrs Ann Corbett, acting on behalf of the Registrar, dated 29 November 2016 (O-566-16). In her decision the Hearing Officer allowed the application for cancellation on the grounds of non-use under section 46(1)(b) of the Trade Marks Act 1994 with effect from 16 September 2015, in respect of those goods and services for which Bright Cloud Technologies Limited accepted that no use had been made of the mark, but otherwise dismissed the application. The Hearing Officer made no order as to costs.
2. On 3 July 2009 Bright Cloud Technologies Limited (“*the Registered Proprietor*”) applied to register the following series of marks in respect of a wide range of goods and services in Classes 9, 35, 38 and 42.



3. The trade mark application No. 2520347 was published on 14 August 2009 and was entered onto the trade mark register on 23 October 2009.
4. On 16 September 2015, Webroot Inc (“*the Applicant*”) filed an application seeking to cancel the registration in its entirety pursuant to section 46(1)(b) of the Trade Marks Act 1994 (“*the 1994 Act*”). The basis of that claim was that the mark in suit had not been used within the five year period 16 September 2010 to 15 September 2015 and the applicant therefore sought revocation of the registration from 16 September 2015.
5. The Registered Proprietor filed a Counterstatement in which it claimed that ‘*it had made genuine use of the [mark in suit] in the form in which it was registered or in a form differing in elements which do not alter the distinctive character of the mark, in the United Kingdom, in relation to the majority of the goods and services for which it is registered*’ (paragraph 2 of the Counterstatement). Annexed to the Counterstatement was a Schedule in which, by reference to 75 goods and services contained in the specification, it was indicated by the Registered Proprietor whether or not it had made use of the mark in respect of such good and services. The Registered Proprietor also made clear that its evidence in support of the ‘use’ claim would be prepared by cross-reference to the Schedule.
6. The Registered Proprietor filed evidence in chief in the form of the witness statement of Duncan Little dated 8 February 2016 together with exhibits DL1 and DL2. The Applicant did not file any evidence but did file written submissions on 3 May 2016 in lieu of any evidence. Following a Case Management Conference the Registered Proprietor was given permission to file evidence in response to those submissions which it did in the form of the second witness statement of Duncan Little dated 6 June 2016 together with exhibits DL1 to DL6.
7. Subsequently a hearing took place at which the Registered Proprietor was represented by Mr John Reddington of Williams Powell and the Applicant was represented by Mr Hawkins of Noer Alicante IP SL.

### **The Hearing Officer’s Decision**

8. The Hearing Officer identified the relevant provisions of the 1994 Act in paragraphs 7 to 8 of her Decision. She went on, at paragraph 9 of her Decision, to identify the approach that she was required to take with regard to the assessment of genuine use from the summary of the case law from the CJEU identified by Arnold J. in The London Taxi Corporation Limited v. Frazer-Nash Research Limited & Evocative Limited [2016] EWHC 52 (Ch).
9. The Hearing Officer then turned to the question of the burden of proof and the probative value of the evidence that was required in order for a proprietor of a trade

mark to establish genuine use. In this connection the Hearing Officer referred to the decision of Daniel Alexander Q.C. sitting as the Appointed Person in Awareness Limited v. Plymouth City Council (O-230-13); the decision of Geoffrey Hobbs Q.C. sitting as the Appointed Person in Doesenbach-Ochsner AG Schuhe v. Continental Shelf 128 Limited (O-404-13); and the decision of the General Court in Case T-415/09 New Yorker SHK Jeans GmbH & Co. KG v. OHIM ECLI:EU:T:2011:550. See paragraphs 10 to 12 of the Decision.

10. There is no suggestion on this appeal that the Hearing Officer incorrectly identified the legal approach that she was to take to the issues that were before her.
11. The Hearing Officer then summarised the evidence filed on behalf of the Registered Proprietor at paragraphs 13 to 16 of her Decision. Again there is no suggestion on this appeal that the summary contains inaccuracies. She then recorded the submissions of the parties before making her findings with regards to genuine use as follows:

27. At the hearing, Mr Tritton again criticised the registered proprietor's evidence submitting that the invoices exhibited by Mr Little in his first witness statement did not specify, with any detail, what services may have been provided by the registered proprietor whilst the additional information provided in Mr Little's second witness statement appears to reduce the number of services the individual invoices were said originally to cover. Mr Tritton queried why and how the decision on this reduced coverage had been reached and submitted, in essence, that there is nothing in the evidence which explains how each of the services claimed to have been provided under any particular invoice were identified. Mr Tritton submitted that insofar as any services had been shown to be provided, it is for hosting, email and disaster recovery services. In relation to the promotional material exhibited, he submitted again that they show what is being offered is disaster recovery, email and hosting services. He went on to submit, however, that even in respect of these services, the evidence is insufficient and the registered proprietor had not discharged the onus on it to show that such use was genuine use. Mr Tritton referred to the turnover figures provided by Mr Little but submitted that there was no breakdown of those figures to specific services nor were those figures put into any sort of context in terms of the market, a market he said was "enormous".

28. In response, Mr Reddington submitted that "the invoices are necessarily shorthand. They provide enough information for the client to identify the contract for which they are being charged and those invoices are still relevant to the extent, in the case of four of the contracts, they relate to the document exhibited to the second witness statement". He submitted that the contracts are

for “holistic services, solutions” which provide the necessary IT support. Whilst he accepted that “too broad inferences” cannot be taken from the evidence, he submitted that the evidence provided by the registered proprietor should be considered “in the round” and “hangs together sufficiently that it is possible to see that the mark has been used and there has been genuine use in relation to all of the services.”

29. As Mr Reddington acknowledged, in applying for registration of its trade mark, the registered proprietor set out its specification of goods and services in detail. I acknowledge that the registered proprietor promptly identified those goods and services for which it accepted no use had been made but, as set out in paragraph 2 above, it has chosen to defend the vast majority of those services and, as section 100 of the Act states, it is a matter for it to show what use has been made of the mark. The evidence it has filed, as the applicant submits, has not been directed to each specific service as registered and which the registered proprietor seeks to defend. That said, Mr Little has given evidence, and there is no dispute, that since 2009, the business has been providing IT solutions as part of a package. The particular packages supplied are tailored to the customers’ particular requirements. As the Managing Director of the registered proprietor, Mr Little is in a position to know and understand the way the business operates and has given evidence of the services it has provided since its incorporation, and throughout the relevant period. The applicant has not sought to cross examine Mr Little on his evidence and his evidence is not incredible.

30. There is no doubt that the registered proprietor’s evidence could have been better marshalled, however, what has been filed shows the registered proprietor to have a successful and generally increasing business throughout the relevant period. Its services are, essentially, cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services. The turnover figures are not presented in terms of the context of the market as a whole but, whilst they are likely to be fairly small within that total market, they are not insignificant and the use of the mark shows real commercial exploitation of it with details of the names of some of its customers given, some of whom are household names. Whilst Mr Little has made passing reference to the registered proprietor supplying goods, it has not defended the registration in relation to any such goods. The evidence, and indeed Mr Little’s own witness statements, refer to the company as a service provider and I consider that most, if not all of the turnover figures provided will relate to the provision of services. The turnover figures are also not broken down in terms of specific services, however, I consider that the nature of the services provided and the cross-over between the

various parts of them means that separate itemised turnover figures are unlikely to be recorded by the registered proprietor. I find support for this in the invoices and service provision documents sent to customers which, whilst setting out the generality of the services provided, do not break them down in any great detail. Bearing in mind the totality of the evidence, I am satisfied that the registered proprietor has made genuine use of the trade mark as registered.

12. Having made that finding the Hearing Officer then went on to consider what a fair specification should be and stated as follows:

31. Having reached that conclusion, I go on to determine what constitutes a fair specification for the use made of the mark. In *Euro Gida Sanayi Ve Ticaret v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. again sitting as the Appointed Person summed up the law thus:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods and 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.”

32. 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.”

33. Mr Tritton criticised the registered proprietor’s evidence in relation to the extent to which it showed specific use in relation to the services as registered. There is some merit in that but, in my view, whilst the registered proprietor cannot be said to have provided evidence of use of the trade mark in relation to each of the specific services for which the mark is registered (insofar as they have been defended), the nature of the services for which use has been shown (and those for which the applicant agrees the mark has been used) are highly technical and, on the balance of probabilities, are likely to incorporate each of the specific services such that the registered proprietor is entitled to retain the registration in respect of each of them.

13. Having made those finding the Hearing Officer then summarised the outcome at paragraph 34 of her Decision as follows:

34. In view of my findings, the application for revocation of the registration succeeds in respect of those goods and services for which the registered proprietor accepts no use has been made with effect from 16 September 2015. These are:

Class 9  
All goods in this class.

Class 35  
On-line data processing services; rental of data processors.

Class 38  
Telecommunications disaster recovery services;  
telecommunication system emergency response and recovery services; recovery and restoration of data; advisory and

consultancy services relating to telecommunications; rental of data communication apparatus;

Class 42

On demand software; website design; leasing of computer equipment; rental of computer software; leasing of data processing systems; rental of data carriers; rental of web servers; rental of space on web servers; programming of data processing equipment; computer programming services

### **The Appeal**

14. On 23 December Noerr Alicante IP, SL, on behalf of the Applicant, Webroot Inc, filed an appeal against the Decision under section 76 of the 1994 Act.
15. The grounds of appeal in the present case are in essence that:
  - (1) The Hearing Officer's approach to genuine use was structurally flawed and conflated what use there had been of the mark in suit with what was a 'fair specification';
  - (2) When considering the issue of 'fair specification' the Hearing Officer misdirected herself by considering whether the services for which use had been shown incorporated other services; and/or
  - (3) In any event the evidence served on behalf of the Registered Proprietor had not established genuine use for the purposes of the 1994 Act.
16. As noted above in paragraph 30 of the Decision the Hearing Officer found that the Registered Proprietor's '*services are, essentially, cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*'. For the purposes of the present appeal it was indicated that the Applicant did not dispute that the services offered by the Registered Proprietor were those identified by the Hearing Officer in paragraph 30 of her Decision. However it was maintained that even in respect of those services the Registered Proprietor had not established genuine use on the basis in essence that:
  - (1) The company turnover figures presented were not given in the context of the market for those services and in the context of such a market the figures were likely to be very small;
  - (2) There was not sufficient evidence before the Tribunal to determine what goods or services the turnover figures related to and in particular the proportion of the turnover figures that were attributable to the trade in goods as opposed to services; and



- (3) The advertising and promotional costs were very small.
17. No Respondent's Notice was filed.
18. At the hearing of the appeal Guy Tritton instructed by Noerr Alicante IP, SL appeared on behalf of the Applicant and Michael Hicks instructed by Williams Powell appeared on behalf of the Registered Proprietor.

### **Standard of review**

19. There was no dispute between the parties that the appeal is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; BUD Trade Mark [2003] RPC 25; and more recently the decision of Geoffrey Hobbs Q.C. in ALTI Trade Mark (O-169-16) at paragraphs [19] to [20] and the decision of Daniel Alexander Q.C. in Talk for Learning Trade Mark (O-017-17).
20. It is necessary to bear these principles in mind on this appeal.

### **Decision**

21. In paragraph 9 of her Decision the Hearing Officer identified the relevant law to the approach to be adopted to the issue of genuine use of trade marks by reference to the judgment of Arnold J. in The London Taxi case (above). There is no suggestion that the Hearing Officer was wrong to take that approach.
22. As noted above it was accepted on behalf the Applicant that: (1) the summary of the evidence set out in the Decision contains no inaccuracies; and (2) the services offered by the Registered Proprietor were '*cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*'. Those services are essentially the ones identified in the evidence given by Mr Little on behalf of the Registered Proprietor as the core or main services provided under and by reference to the mark as the Hearing Officer herself indicated in paragraph 15 of her Decision.
23. The question is therefore whether the evidence before the Hearing Officer was sufficient to prove genuine use in respect of such services.
24. The grounds upon which it is said that Hearing Officer erred in this regard were, in essence, that the relevant evidence of use relied upon was very small and that the turnover figures given were un-particularised to a degree that it was not possible to say in relation to what goods or services they related to. In this connection it is to be

noted that there was no evidence filed in response to that of the Registered Proprietor on behalf of the Applicant in these proceedings and no request for cross-examination of Mr Little was made.

25. When it came to the assessment of the evidence the Hearing Officer referred to two decisions of the Appointed Persons and a judgment of the General Court as to the approach that should be taken to the assessment of evidence relied upon in support of a claim to have used a trade mark i.e. to establish to the requisite standard that there has been genuine use of the mark for the purposes of the relevant legislation. In my view the case law referred to demonstrate that the Hearing Officer had firmly in mind the considerations that she had to take into account when assessing the evidence of use that was before her.
26. That the Hearing Officer had this guidance in mind is confirmed in the findings that she made in paragraph 30 of her Decision. Having clearly identified the rival contentions of the parties in paragraphs 27 to 29 of her Decision the Hearing Officer noted that the evidence filed on behalf of the Registered Proprietor could have been better marshalled and explicitly addressed both the size of the turnover figures and the lack of breakdown of the turnover figures before reaching her conclusion on genuine use.
27. Having looked at the material I am satisfied that the Hearing Officer was entitled to come to the view that she did that there was real commercial exploitation of the mark in respect of '*essentially, cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*' on the basis of the unchallenged evidence of Mr Little that was before her and in particular on the basis of the invoices and service provision documents that were exhibited by Mr Little and which were explicitly relied upon by the Hearing Officer as further support for her conclusions.
28. I now turn to the Hearing Officer's findings with regard to the fair specification. Before doing so I note that: (1) by letter dated 23 May 2013, in line with the usual practice, the Registered Proprietor was invited to submit a fall-back position in the form of a limited specification; (2) the Registered Proprietor in the present case accepted that there had been no use in relation to goods in Class 9 and various services in Classes 35, 38 and 42; (3) save in so far as it was accepted that there was no use in respect of certain goods/services contained within the specification no alternative specification was put forward on behalf of the Registered Proprietor and there appears to have been no argument with regard to the specification at the hearing before the Hearing Officer below; and (4) there is no Respondent's Notice on this appeal.
29. Having correctly set out the law with regard to 'fair specification' at paragraphs 31 and 32 of her Decision (and in respect of which there is no criticism) the Hearing

Officer at paragraph 33 purported to make findings with regard to the fair specification.

30. In that paragraph the Hearing Officer found that the Registered Proprietor was entitled to retain the entirety of the services specified (save for those which the Registered Proprietor accepted had not been used). She did so:
  - (1) Despite her finding in paragraph 33 of her Decision that the Registered Proprietor cannot be said to have provided evidence of use in relation to each of the specific services for which the mark is registered (in so far as they had been defended); and/or
  - (2) Without explaining how such a finding was justified given her earlier finding in paragraph 30 of her Decision of genuine use in respect of '*essentially, cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*'; and/or
  - (3) Without, in the light of such findings, specifically considering each of the services itemised in the specification (in so far as they had been defended).
31. I consider that the findings in paragraph 33 of her Decision cannot be sustained.
32. Firstly, because I am of the view that the findings in that paragraph are internally contradictory (as was accepted to be the case on a literal reading of the paragraph on behalf of the Registered Proprietor at the hearing of the appeal) and therefore the Decision was structurally flawed.
33. Secondly, because the Hearing Officer has not carried out the task that is required of her under the case law to consider whether each of the services itemised in the specification are or are not sufficiently distinct from '*essentially cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*' such as to enable a finding to be made as to whether or not the registration in respect of each of such itemised services should be maintained. It does not seem to me that the general finding that *cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services* are '*likely to incorporate*' the itemised services in the context of the present case addresses the issue from the correct perspective as set out in the case law. That case law envisages that only goods or services which are not in essence different from those for which the registered proprietor has succeeded in proving genuine use, and which belong to a single group which cannot be divided other than in an arbitrary manner, should be retained: see for example Case T-258/08 Mathias Rath v. EUIPO EU:T:2017:22 at paragraphs [34] to [35].

34. That the Hearing Officer failed to consider the ‘fair specification’ appropriately is further confirmed by the order made in paragraph 34 of her Decision which is made by reference to the goods and services that were not defended by the Registered Proprietor as opposed to by reference to a specification of services which properly described the services in respect of which genuine use had been demonstrated.

### **Conclusion**

35. In the circumstances, it seems to me that the Applicant has identified a material error such that paragraphs 31 to 35 of the Hearing Officer’s Decision cannot stand.
36. However it also seems to me for the reasons set out above that the finding in paragraph 30 of the Decision that there had been genuine use in respect of what are essentially cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services was a finding that the Hearing Officer was entitled to make on the basis of the materials before her.
37. The application for revocation is therefore to be remitted to the Registrar for further consideration and further directions as to how it should proceed on the basis of the finding of genuine use of the mark in suit in respect of ‘*essentially cloud hosting, back up services, disaster recovery as a service (DRaaS) and other network managed services*’, by a different Hearing Officer, in accordance with the provisions of the Trade Marks Act 1994 and the Rules.
38. Both sides have had a measure of success on this appeal and therefore I make no order as to costs in relation to the costs of the appeal. The costs of the proceedings (other than the costs of this appeal) are reserved to the Registrar upon the basis that the question of how and by whom they are to be borne and paid will be determined at the conclusion of the application for revocation in accordance with the usual practice.

Emma Himsworth Q.C.

19 May 2017

The Applicant was represented by Guy Tritton instructed by Noerr Alicante IP, SL

The Registered Proprietor was represented by Michael Hicks instructed by Williams Powell

The Registrar was not represented at the hearing and took no part in the Appeal