

O/644/19

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 3000708
IN THE NAME OF NIGLON LTD
FOR THE TRADE MARK**



IN CLASS 09

AND

**THE APPLICATION FOR REVOCATION THERETO
UNDER NO. 502287**

BY

BURN CABLE MANAGEMENT SYSTEMS LIMITED

Background and pleadings

1. Niglon Ltd (“the registered proprietor”) is the registered proprietor of trade mark registration no. 3000708:



2. The trade mark was filed on 05 April 2013 and completed its registration procedure on 27 September 2013. It is registered in respect of the following goods:

Class 09: Electrical conduits and conduit fittings included in Class 09.

3. On 09 October 2018, Burn Cable Management Systems Limited (“the applicant”) sought full revocation of the trade mark registration on the grounds of non-use based upon section 46(1)(a) of the Trade Marks Act 1994 (“the Act”).
4. The applicant claims that the trade mark was not put to genuine use by the registered proprietor, or with its consent, in connection with the goods in respect of which it is registered during the relevant period. The relevant period is 28 September 2013 to 27 September 2018 (with revocation sought from 28 September 2018).
5. The registered proprietor denies the claims and filed written submissions and evidence on 26 February 2019. I will not summarise the written submissions here but will refer to them as and where appropriate during my decision.
6. A hearing was requested and took place before me on 20 September 2019. The applicant was represented by Mr Jamie Muir Wood of Hogarth Chambers, instructed by Trade mark Wizards Ltd. The proprietor was represented by Mr Timothy Blower of IP-Active.com Limited.

Preliminary issue

7. The mark at issue was originally filed by Simplex Conduit Systems Limited (SCS), which remained the proprietor of the mark during the relevant period. On 25 April 2019 the representative of SCS filed the appropriate form TM16 to assign the ownership of UK trade mark No. 3000708 from SCS to Niglon Ltd.

Evidence

8. The evidence of the registered proprietor consists of a Witness Statement of Mr Simon Hinley accompanied by four exhibits labelled SH1 – SH4.
9. In his Witness Statement, Mr Hinley provides the following information:
 - Mr Hinley establishes his position as the sole Director of SCS and as a Director and shareholder of Niglon Ltd (Niglon). Mr Hinley has been a Director of Niglon since 1991 and sole Director of SCS since 2013.
 - Niglon is the sole shareholder of SCS.
 - Niglon was established by Mr Hinley's father in 1966 and is a long-established supplier of electrical components to the electrical wholesale trade.
 - The 'SIMPLEX' brand was developed in 2013, at the same time that SCS was incorporated.
 - Although development of the manufacturing process has taken longer than expected, 'SIMPLEX' branded products have been made and sold to some degree, and the exhibits provided in evidence support this use.

Exhibit SH1 comprises four photographs of conduit boxes, with the 'SIMPLEX' mark cast into the surface of the boxes. The exhibit also comprises examples of labels bearing the mark at issue with images of the goods that will be supplied within the packaging. The goods displayed on the labels are: solid couplers (pack quantity 100 or 50); bar saddles (20mm or 25mm spacer, in packs of 100); 1 way

malleable conduit box (20mm or 25mm, in packs of 10); 2 way malleable conduit box (20mm or 25mm, in packs of 10); 3 way malleable conduit box (20mm or 25mm, in packs of 10); 4 way malleable conduit box (20mm in packs of 10); 2 way 'U' branch malleable conduit box (20mm in packs of 10) and 3 way 'Y' branch malleable conduit box (20mm in packs of 10).

Exhibit SH2 comprises a sample selection of invoices from Niglon to Excel Electric Group (EEG), an undertaking based in Dublin, Ireland. These invoices date from 31 July 2017 through to 30 September 2018, however the last invoice is dated outside of the relevant period (28 September 2018). Commercially sensitive details have been redacted. As a full-scale launch of the 'SIMPLEX' product range had not yet taken place, some 'SIMPLEX' branded products were supplied to EEG and invoiced alongside Niglon products by Niglon (rather than SCS), with the full knowledge and approval of Mr Hinley.

Exhibit SH3 comprises copies of sample delivery notes for 'SIMPLEX' branded components supplied to customers. These notes are dated between 25 May 2017 and 23 July 2018. The invoices in SH2 correlate with the delivery notes in SH3, meaning that through examination of product codes it can be seen what is being sold. The reason for providing both sets of documents is that the invoices do not specify that the products sold are 'SIMPLEX' products, but the delivery notes do. This information can also be cross referenced with SH1, for example in the product description on the labelling, e.g. product code CB125G which is shown on a label on page 4 of SH1 and also within SH3, has the description 25MM 1WAY G TERMINAL BOX (SIMPLEX) which is a product listed in both SH2 and SH3. The quantities of the products ordered are also provided in SH2 and SH3.

Exhibit SH4 comprises an extract from Wikipedia and web pages from a number of suppliers of electrical conduits and parts and fittings. The Wikipedia extract serves to define the nature of electrical conduits and the webpages, from suppliers such as Screwfix and Toolstation, serve to illustrate the kinds of goods which fall under the term electrical conduits.

Mr Hinley also states that whilst there have been some relatively small quantities of 'SIMPLEX' branded products sold in the UK, the majority of the sales have been

to one undertaking (EEG) in Ireland. All of the seven invoices provided under exhibit SH2 are made out to EEG. The sales of 'SIMPLEX' products to EEG are set out in Mr Hinley's Witness Statement and amount to £36,200 in total, between 26 May 2017 and 24 July 2018.

Legislation

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

“(1) 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.”

11. 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.”

12. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *Leno* at [55].

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

Decision

13. During the hearing Mr Muir Wood took me to the proprietor’s evidence of use and made several submissions which he felt supported a rejection of that evidence. Firstly, Mr Muir Wood noted that none of the information in exhibit SH1 was dated. He also noted that the evidence in exhibits SH2 and SH3 didn’t provide any information about how the products were advertised prior to being purchased and didn’t demonstrate that the goods themselves bore the mark ‘SIMPLEX’ in any way. Mr Muir Wood then highlighted the low level of sales in evidence, seven invoices were provided, and the fact that all of the invoices were issued to a single undertaking based outside the United Kingdom.
14. Mr Muir Wood stated that there was no evidence that the goods sold to EEG in Ireland, bore the mark at issue. Therefore, as there was no evidence of the mark applied to the goods or packaging prior to exportation to Ireland, the issue of trade mark use had not been properly established by the proprietor. He also questioned the nature of the business relationship between the proprietor and EEG, as Mr Hinley, in his Witness Statement, refers to EEG as ‘the distributor in Ireland’ and suggested that this amounted, if it is use at all, to internal use between Niglon and its distributor in Ireland. He added that there was no evidence that EEG then resold the products it purchased from Niglon. Mr Muir Wood referred to the level of sales being shown as £36,200 but noted that there was no indication that there was any profit made.
15. Mr Muir Wood stated that any use of the mark during the relevant period had been made by Niglon, which was not the proprietor of the ‘SIMPLEX’ mark until 25 April 2019, after the relevant period. To the extent that any use had been shown, Mr Muir Wood claimed that such use must be dismissed. The proprietor of the mark at issue during the relevant period was SCS and there was no evidence at all of use of the mark by SCS. He added that the level of activity shown by the proprietor and the fact

that any use of the mark was outside the United Kingdom, did not support a claim that the proprietor was genuinely attempting to create a market share or commercially exploit the mark in the UK, noting that, whilst the proprietor has stated that some small level of sales had occurred in the UK, no evidence had been provided to show such activity.

16. Finally, Mr Muir Wood objected to what he felt was the introduction of new evidence by Mr Blower, during Mr Blower's submissions to me. I agree that there was some blurring between detailed explanation in respect of the evidence to hand, and the introduction of new information by Mr Blower. For the avoidance of doubt, I have restricted myself, in my deliberations and drafting of this decision, only to the submissions of both parties before and during the hearing, and to the evidence which was provided by the registered proprietor prior to the hearing taking place.

17. Mr Blower suggested that the matter had come down to the character of Mr Hinley and the veracity of the evidence he had provided in his witness statement and the exhibits. Mr Blower told me that, as Mr Hinley had signed a statement of truth, the evidence he had provided should be taken at face value. I agree with this point and have done so during my deliberations.

18. Mr Blower also made the point that his client's area of interest was not something along the lines of a web service that could pop up and disappear at a moment's notice. The nature of the goods at issue, and the production of those goods is essentially industrial, with the products requiring moulding and machining. As such, Mr Blower stated that the design of moldage and the manufacture and processing involved was quite expensive and not something that could be established quickly. Mr Blower claimed that the time and effort required to get the goods at issue ready for market suggested that the use of the mark on the relevant goods could not be argued to be token use.

Form of the Mark

19. The use of the mark as shown in evidence is to all intents and purposes, the mark as it is registered. The majority of use shows the mark presented in black lettering rather than the white lettering of the registered mark, however the particular script or typeface

is the same and the solid block underlining which runs from the right-hand leg of the letter 'X' back underneath the word, ending just at the bottom of the initial letter 'S', is identical. It is also the case that, where the mark is shown stamped or cast into the metal conduit boxes themselves, the same style of lettering and the same underlining of the word, from the leg of the 'X' back across the word, from right to left is clear. This being the case, I am content that the use shows the mark as it is registered, and no consideration or assessment of variant use is necessary.

Genuine Use

20. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself¹.
21. I refer back to paragraph 12 above, and the findings in *Walton* in respect of genuine and actual use of a trade mark. In particular that 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. The use must be more than merely token. All of the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including the nature of the goods or services and the characteristics of the market concerned. 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. There is no *de minimis* rule.
22. I accept that the images and information provided in exhibit SH1 are undated, however this information must be considered in the round, taking account of all of the evidence as a whole. SH1 shows that the mark at issue is stamped or cast into the relevant

¹ *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

goods (conduit boxes are shown as examples). The mark is also displayed on labels for components that have been manufactured and supplied to customers, and which I assume have been applied to packaging. I do not think that it is unreasonable to make that assumption. Whilst labels may be used elsewhere, these items are generally applied to the exterior of packing and packaging to indicate what is within.

23. The information in exhibits SH2 and SH3 provide evidence of sales of 'SIMPLEX' products during the relevant period, and also shows that the products being sold are the relevant goods, i.e. conduits and conduit fittings. The product code information can be used to establish clearly what certain goods are. These product codes also tally with the codes shown on labels in exhibit SH1. In totality, the evidence provided in these three exhibits is sufficient to demonstrate that the mark is used on both the relevant goods and the labelling/packaging of those goods. The information in SH2 and SH3 establishes that sales of 'SIMPLEX' products have taken place between May 2017 and July 2018.

24. The applicant has stated that the sales are low in number and have been made to a single undertaking which is based outside the United Kingdom. Whilst this is the case, I note that Section 46(2) of the Act sets out that use of a trade mark 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. The evidence shows that the mark at issue is cast into the goods and applied to labels which will very likely form a part of the packaging of those goods. The fact that the proprietor has only one customer is not a determinative factor where the level of sales is deemed reasonable and where the particular market may be one in which a consumer then resells the goods purchased, as appears to be the case in this matter. The sales of goods in the period between 2017 and 2018 amounts to £36,200. Whilst this is not a particularly substantial sum, it cannot be dismissed as inconsequential.

25. Whilst the proprietor has not provided any evidence relating to marketing or promotional activities, this does not necessarily detract from the evidence that has been provided, which shows sales of the goods during the relevant period, with the mark at issue clearly displayed on packaging and indeed cast into the products themselves.

26. Mr Muir Wood stated that the owner of the mark during the relevant period, and at the time that the revocation action was filed, was SCS and that the evidence did not show any use of the mark by SCS. This is the case, however it has been established by Mr Hinley in his witness statement that Niglon and SCS are commercially connected, as Niglon is the sole shareholder of SCS and Mr Hinley is a Director of both undertakings.

27. In *Einstein Trade Mark*, [2007] RPC 23, Mr Geoffrey Hobbs Q.C. as the Appointed Person found that use with the consent of the proprietor did not require the proprietor to have effective control of the use in question. He stated that:

“24. It is clear from [38] of the judgment in *Case C-9/93 IHT International* that the proprietor will be taken to have approved the quality of the relevant goods by allowing the person with whom he is “economically linked” to sell them under his trade mark. There is no requirement for participation (still less any particular degree of participation) in any process of quality control. It should, in my view, follow that the proprietor of a trade mark can claim protection defined by reference to use and also defeat an application for revocation on the ground of non-use by relying upon the fact that goods have been sold under his trade mark by a person (such as a licensee) with whom he is “economically linked” and can do so without showing that he has exercised control over the quality of the goods in question.

And:

28. The legislative history of the Community rules relating to authorised use also supports the view that it is not quality control, but authorisation sufficient to ensure non-infringement which determines whether the use in question counts as use by the proprietor of the relevant trade mark. The evolution of the provisions now found in Arts 7(1) and 10(3) of the Directive and Arts 13(1) and 15(3) of the CTMR took place in stages, as summarised in Annex A to this decision. It was evidently accepted by the Community legislature that authorisation (consent) rather than quality control should result in the permitted use of a trade mark being attributed to the proprietor.

29. This subsequently became the governing principle in Art.5 of the Joint Recommendation Concerning Trademark Licenses adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation (WIPO) at the Thirty-Fifth Series of Meetings of the Assemblies of the Member States of WIPO (September 25 to October 3, 2000):

“Use of a mark by natural persons or legal entities other than the holder shall be deemed to constitute use by the holder himself if such use is made with the holder's consent.”

28. As noted in the Explanatory Notes to the proposal from the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (Document ref. SCT/5/4 June 8, 2000)

“5.03 The effect of Article 5 is that, whenever the question of use becomes relevant, any use of a mark by any person other than the holder must be deemed to be use of the mark by the holder, provided that such use is made with the consent of the holder. No other condition, such as control by the holder of the use of the mark, may be required by a Member State. Consequently, if, in the absence of use of the mark by the holder, a third party uses that mark with the consent of the holder, the mark cannot be invalidated on the ground of non-use. To this extent, Article 5 goes beyond Article 19.2 of the TRIPS Agreement.

5.04. However, Article 5 only deals with the specific question under what circumstances use by natural persons or legal entities other than the holder can be deemed as use by the holder. It does not address the validity of licensing agreements in general. Therefore, the ability of Contracting Parties to require quality control clauses in order for a licensing agreement to be valid remains unaffected.

5.05. Article 5 would apply independently of whether or not a licence exists or, if a licence exists, whether or not the licence is recorded. Hence, it is sufficient for the holder to consent to the use of his mark in order to benefit from such use whenever the question of use becomes relevant, i.e. in the context of a trademark acquiring distinctiveness or becoming well-known, or for the purpose of maintaining a trademark registration. In essence, any use of the mark by any third party to which the holder consents must be considered use by the holder.”

30. The TRIPs Agreement was concluded by the Community and the Member States acting jointly. In the field of trade marks (to which TRIPs is applicable and in respect of which the Community has already legislated) the judicial authorities of the Member States are required to apply Community legislation and national legislation implementing Community legislation so far as possible in the light of the wording and purpose of the Agreement in that field: see, in particular *Case C-245/02 Anheuser-Busch Inc v Budejovický Budvar NP* [2004] *E.C.R. I-10989* , [41] to [44] and [55].

31. Article 21 of the TRIPs Agreement confirms that:

“Members may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted and that the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs.”

This Article covers both formal and substantive conditions. Members who wish to do so may therefore make the legitimacy of licensing conditional upon the exercise of quality control, with failure on the part of the proprietor to exercise control over the quality of his licensee's goods or services being a reason for regarding the uncontrolled use of his trade mark as at least potentially deceptive, hence contrary to the public interest: see Nuno Pires de Carvalho *The TRIPs Regime of Trademarks and Designs* Kluwer International (2006) at paras 21.7 to 21.9.

32. Against that background, Art.19(2) of the TRIPs Agreement confirms that:

“When subject to the control of its owner, use of a trademark by another person shall be recognized as use of the trademark for the purpose of maintaining the registration.”

This Article makes it obligatory for members to recognise that use subject to the control (not specifically quality control) of the proprietor of a trade mark can be relied on for the purpose of defeating an application for revocation on the ground of non-use. However, it does not prevent the Community from proceeding, either in that connection or more generally, upon the basis stated in Art.5 of the Joint Recommendation Concerning Trademark Licenses adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation (WIPO) in 2000: see [29] above.

33. It follows, in my view, that nothing in Arts 19(2) or 21 of the TRIPs Agreement can be said to require the Community or the Member States to regard authorisation unaccompanied by quality control as insufficient to result in the authorised use of a trade mark being attributed to the proprietor of that trade mark under the Directive and the CTMR. And even if that was not the case, I would not be entitled to resolve any incompatibility between the TRIPs Agreement and the Directive or the CTMR by giving effect to the provisions of the former in priority to the provisions of the latter: *Case C-491/01 The Queen v Secretary of State for Health Ex p. British American Tobacco (Investments) Ltd* [2002] E.C.R. I-11453 , [154] to [156].

34. In the ultimate analysis there appears to be no express or implied prohibition in the Directive or the CTMR against regarding a trade mark as an asset which the proprietor may authorise others to exploit on such terms and conditions (if any) as he legitimately sees fit to impose. For the assistance of the proprietor in that connection, Art.8(2) of the Directive and Art.22(2) of the CTMR enable

the rights conferred by registration of a trade mark at the national or Community level to be invoked:

“against a licensee who contravenes any provision in his licensing contract with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.”

35. It is an altogether separate question whether his trade mark might be found liable to mislead the public (particularly as to the nature, quality or geographical origin of any goods for which it is registered) as a result of the use that may have been made of it “ *with his consent* ”: see Arts 12(2)(b) and 13 of the Directive and Arts 50(1)(c) and 50(2) of the CTMR . In the interests of consumer protection, those Articles provide for the rights conferred by registration to be revoked if and in so far as use of the relevant trade mark in relation to goods or services of the kind for which it is registered is productive of actual deceit or a sufficiently serious risk that the consumer will be deceived: *Case C-259/04 Emmanuel v Continental Shelf 128 Ltd [2006] E.T.M.R. 56 , 750 at [46], [47]*. They do not require the licensing of trade marks to be subject to the exercise of quality control, nor do they treat failure on the part of the proprietor to exercise control over the quality of his licensee's goods or services as automatically deceptive or misleading.”

29. I agree with the applicant that any and all use of the mark at issue has been made by Niglon and not SCS. However, the Director of Niglon is Mr Simon Hinley. Mr Hinley subsequently became the Director of SCS on its incorporation in 2013, at the same time that the ‘SIMPLEX’ mark was filed as a trade mark application. Mr Hinley has stated that Niglon is the sole shareholder of SCS and it is clear from his Witness Statement that Mr Hinley is the controlling factor in both undertakings. This being the case, and, as Mr Hinley has clearly stated in his evidence that the use of the ‘SIMPLEX’ mark by Niglon in sales activities with EEG was done so with his full

knowledge and approval, I find that the use of the mark by Niglon constitutes use of the trade mark during the relevant period and within the relevant geographical territory.

30. Taking into account the evidence provided by Mr Hinley as a whole, I am satisfied that use of the 'SIMPLEX' mark has been more than merely token use. Whilst the level of sales may be considered on the low side, there is no *de minimis* rule and subsequently I find sales of £36,200 of the proprietor's goods to be sufficient to show that the proprietor has been commercially exploiting the mark for the purposes of creating a market share.

31. Accordingly, I conclude that the evidence before me establishes that there has been genuine use of the mark at issue during the relevant period.

Fair Specification

32. Turning to the question of the goods at issue, Mr Muir Wood accepted that the specification of goods, being 'electrical conduits and conduit fittings' was a fair specification. I agree. I am satisfied that the proprietor has shown genuine use of the mark in relation to all of the goods for which it is registered.

Conclusion

33. The revocation action has failed. Registration No. 3000708 will remain on the register.

Costs

34. The proprietor has been successful in the defence of its mark and is entitled to a contribution towards its costs, which are sought on the usual scale (contained in Tribunal Practice Notice 2/2016). I award the proprietor the sum of £1300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the applicant's written submissions and preparing evidence and submissions	£500
Preparing for and attending the hearing	£800

Total

£1300

35. I therefore order Burn Cable Management Systems Limited to pay Niglon Ltd the sum of £1300. The above sum should be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of October 2019

Andrew Feldon

For the Registrar

The Comptroller-General