

O-018-17

IN THE MATTER OF THE TRADE MARKS ACT 1994

**AND IN THE MATTER OF United Kingdom Trade Mark Registration No. 1399292
TRAVEL FOX standing in the name of SDI (Wigan) IP Limited**

**AND IN THE MATTER OF Revocation No. 500754 thereto by Travel Fox
International Incorporation**

DECISION

INTRODUCTION

1. This is an appeal from the decision of Mr Martin Boyle for the Registrar dated 25 February 2016 whereby he rejected the application on behalf of the appellant/applicant (“TFI”) to revoke UK trade mark 1399292 (“the Trade Mark”) registered in the name of SDI (Wigan) IP Limited (“SDI”). The Trade Mark comprises a logo and words as follows:



2. The Trade Mark was registered on 28 June 1991 in respect of:

“Class 25: Boots, shoes and sandals; all included in Class 25”

3. SDI which is part of the Sports Direct group of companies acquired the mark on 1 October 2012. On 6 February 2015, TFI applied to revoke the Trade Mark on the basis of s 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994 (“the 1994 Act”). TFI relied on three periods of non-use. The first period (relied on under s 46(1)(a)) was the period ending 29 June 1996. The second period relied on under 46(1)(b) was 26 May 2008 – 25 May 2013. The hearing officer found that there had not been genuine use of the Trade Mark during the first or second periods (see paras. [16] and [19]). In essence, he found that while there had been just

sufficient use proven of the words TRAVEL FOX in the first period there had not been use of the Trade Mark since it was not used with the logo. As to the second period, he considered that the evidence did not establish that there had been external, as opposed to internal, use in that period and that, as with the first period, even if it was, the use was not of the Trade Mark but just the words TRAVEL FOX. He considered that there was a material difference between the distinctive character of the words alone and the words with the logo.

4. The hearing officer then went on to consider the proviso in s.46(3) of the Act in respect of the period which is relevant to this appeal. The hearing officer found that SDI had provided sufficient evidence of use of the Trade Mark between August 2013 and the application for revocation in February 2015 in respect of trainers and that the use was commercially warranted in the market place (see para. [34]). Accordingly, having considered an appropriate scope of registration having regard to the use proven, he permitted the Trade Mark to remain registered in class 25 for trainers (footwear) (see para. [38]).

GROUND OF APPEAL

5. TFI appeals against the finding that sufficient use was proven in respect of that period on the basis that the hearing officer erred in fact in finding that the evidence submitted by SDI was sufficient to establish genuine use of the Trade Mark during the relevant period. Although the argument had several strands, the central point was that the evidence was insufficiently solid to support a finding that there had been use within the requirements of the established case law. One aspect of the attack is that it is said that the hearing officer should not have found that the presence of the logo and the words in a position remote from one another on the shoes amounted to use of the Trade Mark and that he had erred in failing to approach evaluation of the mark as a whole correctly.

Approach to appeal

6. The preliminary matter raised by this appeal relates to the correct approach this tribunal should take to considering the hearing officer's determination although I do not believe that, in this case, it matters to the outcome.

7. TFI contends that the correct approach is summarised in a recent decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *ALTI Trade Mark* (BL O-169-16) at [19] and

[20]¹. That decision focussed particular attention on the speech of Lord Neuberger PSC in *Re B (a child)* [2013] UKSC 33 at [93] and [94]. I have addressed the general impact of that case in my decision issued at the same time as this decision, *Talk for Learning*. For the reasons given at greater length there, I do not consider that *Re: B (a child)* has materially affected the approach required to appeals to the Appointed Person set out (for example) by the Court of Appeal in *REEF Trade Mark* [2003] RPC 5. Nor do I take Mr Hobbs to be saying that it had. In summary, both before and after *Re:B*, the Appointed Person would allow an appeal if and only if the decision of the Registrar was wrong. *REEF* emphasised that appellate tribunals should, in general, take a particularly cautious approach to finding error in multifactorial evaluations. It and other cases have emphasised that mere difference of view does not necessarily mean that the hearing officer was wrong. The Appointed Person must be particularly astute to the distinction between a decision which is genuinely wrong and one which is simply not the decision which the appellate tribunal would have made had it been called to decide the matter *de novo*. Counsel for the TFI is therefore right to submit that it remains necessary for an appellate tribunal to identify an error not merely to argue for a different conclusion.

8. There is, in any event, a risk in placing too much stress on any particular formulation of the appellate approach to a decision of the hearing officer. As Lord Neuberger said in *Re: B* it is not possible to lay down any single clear general rule as to the proper approach for an appeal court to take where the appeal is against an evaluation (see [60]). Lord Neuberger envisaged a graded taxonomy of error (under descriptions numbered (i) to (vii), ranging from a situation in which no other view was possible to the unsupportable) which an appellate tribunal may use to describe the decision of the first-instance tribunal. In summary, he said that the appeal should be allowed if the appellate judge considers that the first instance tribunal's view was wrong and that, if the appellate judge has doubts, but on balance considers the first instance tribunal's view to be wrong (category (v)) then the appellate judge should think very carefully about the benefit the trial judge had in seeing the witnesses and hearing the evidence, which are factors whose significance depends on the particular case. If, after such anxious consideration, an appellate judge adheres to the view that the trial judge's decision was wrong, the appeal should be allowed. *Re:B* does not suggest that the Appointed Person has the duty or even the power

¹ See also *NEWPORT CREEK Trade Mark* (BL O-233-16) at [9] and *JAXKS Trade Mark* (BL O-424-16) at [16] where a similar approach was taken by other Appointed Persons.

under the Trade Marks Act 1994 to overturn a decision which is not, in fact, wrong (even though the Appointed Person would have decided it differently) although it does disapprove of the use of adverbs such as “clearly” or “plainly” qualifying “wrong”. Those adverbs were, in my view, used in earlier cases mainly to emphasise the point that the appellate tribunal had to be confident that it was really faced with a situation of genuine error, not simply difference of view, before reversing the decision.

9. In the present case, as TFI submits, there was no live evidence and the Appointed Person has the same material and is in the same position as the hearing officer. However, for the reasons given above, even were this tribunal to conclude that the hearing officer’s decision was one which the Appointed Person would not have taken at first instance, it does not follow that the hearing officer’s evaluation was wrong – it may have been within the bounds of reasonable evaluations on the evidence.

Legal principles relating to non-use

10. The hearing officer correctly referred to ss. 46(2) and 46(3) of the 1994 Act and to s.100 setting out the burden on the proprietor to prove use. Section 46 is in the following terms so far as relevant.

(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...

(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.

11. In para. [5] of the Decision, the hearing officer cited Arnold J’s summary of the law in *The London Taxi Corporation Ltd (t/a The London Taxi Company) v Frazer-Nash Research Ltd* [2016] EWHC 52 (Ch). TFI’s skeleton helpfully referred to the central principles as follows.

- (a) the use of the mark must be more than merely token;
- (b) the use must relate to goods or services which are already marketed or which are about to be marketed and internal use by the proprietor does not suffice;
- (c) all the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark and these include the scale and frequency of the use of the mark;
- (d) 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; and
- (e) it is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use (citing Case C-141/13 *Reber Holding & Co KG v OHIM* ECLI:EU:C:2014:812 (“Reber Holdings”)).

12. There is no dispute that these were the relevant principles and that the hearing officer took them into account. However, it is said that he applied them incorrectly in two respects.

(i) Use of a mark differing in elements which do not alter the mark’s distinctive character

13. It is convenient to address first whether the hearing officer was right to find that certain signs constituted 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.

14. TFI accepts that the hearing officer properly referred to the law relating to this issue namely *NIRVANA Trade Mark*, BL O/262/06 in this context. In that case, Mr Richard Arnold QC, sitting as the Appointed Person said:

"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."

15. The hearing officer also rightly referred to the purpose of the provision in section 46(2) of the Act, namely to avoid imposing strict conformity between the form of the trade mark used and the form in which the mark was registered, is to allow its proprietor in the commercial exploitation of the sign to make variations which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned (see *Bernhard Rintisch v Klaus Eder* Case C-553/11 at [21]). He took this into account in his evaluation.

Distinctive character of the Trade Mark

16. The hearing officer found that:

- i. most of the distinctive weight of the Trade Mark lies in the words "TRAVEL FOX" and the average consumer will not place any significant distinctive weight on the fact the word TRAVEL is written in title case and the word FOX in capitals (Decision, at [16]);
- ii. less distinctive weight will be placed on the figurative component of the Trade Mark than on the words TRAVEL FOX, but the figurative component is sufficiently significant to contribute to the distinctive character of the mark. Omitting this figurative element alters the distinctive character of the mark (Decision, at [16]).

17. That finding is not challenged and, applying the principles in *Nirvana*, the hearing officer therefore considered that use of either of the words or device element of the Trade Mark without the other did not amount to use of the Trade Mark. TFI also accepts that use of the words and device mark together but where the device was in a somewhat different position (above or below) the words TRAVEL FOX satisfies the requirement for use of the Trade Mark. However, TFI contends that he should not have so held where, even though both word and device were used, they were spatially remote (such as a situation where the word were on the tongue and the device was on the side of the shoe).

Discussion

18. There is no doubt that both the words TRAVEL FOX and the logo appear on the trainer (the Troop trainer) shown in the exhibits. In particular, in exhibit DMF38 annexed as annex 3 to the Decision of the hearing officer it is possible in a single view to see both the words and the logo in a single (front angle) view. Although it is true that underneath the words a phrase in Italian appears on the separate closing strap, I think the hearing officer was right not to attribute significance to this. (Another Italian phrase appears below the words TRAVEL FOX on the heel of the shoe).

19. TFI submits, correctly that, nowhere do the device and words TRAVEL FOX appear beside one another and that is different to the Trade Mark as registered. However, the hearing officer said at para. [25] of the Decision:

“... both distinctive elements of the contested mark appear conspicuously on the outside of the trainer. Both elements will be perceived, and I do not consider that, in this case, the spatial separation of the word and figurative components alters the distinctive character of the mark; the manner in which they are deployed on the exterior of the shoe constitutes use of the contested mark.”

20. I am not persuaded that in this case the spatial separation of the device and words altered the distinctive character of the sign actually used – or more strictly, I am not persuaded that the hearing officer was wrong in concluding (implicitly) that it did not.

21. First, there is nothing in the Trade Mark which particularly suggests that the precise spatial position of the logo relative to the words is important. Second, it being rightly by TFI accepted that positioning the logo somewhat differently (albeit more closely adjacent to the words) than as depicted in the Trade Mark would not alter the distinctive character of the sign, it seems hard to say that the hearing officer was wrong to conclude that the spatial separation was critical. Third, in my view, while the hearing officer did not expressly consider whether spatial separation made a difference, he implicitly did so in concluding that what mattered was the use of the logo and the words together were important (and implicitly) that the precise relative position of them was not. TFI did not file any evidence suggesting that this more remote positioning would made any real difference to the manner in which an average consumer regarded the sign and there was no reason, prima facie, to think it would.

Accordingly, the hearing officer's conclusion was one which, in my view, he was entitled to reach.

22. Similarly, I do not think he was wrong to ignore (in effect) the Italian slogan beneath the words TRAVEL FOX or on the tongue in the context of his evaluation. He considered this issue (see para. [25]) and was entitled as he did to treat these, in effect, as an additional feature of the overall design which did not materially alter the distinctiveness of the word and logo combination.

23. I am therefore not satisfied that the hearing officer went wrong in his evaluation.

(ii) Inadequacy of evidence – insufficiently proven use

24. TFI next contends that the evidence upon which the hearing officer relied in concluding that use had been proved was simply too flimsy to satisfy the requirements of s.100 of the Act.

The evidence filed

25. SDI's evidence in relation to the period in question was contained in a witness statement dated 24 June 2015 from Mr David Michael Forsey, a director of SDI, together with exhibits (especially at paras. 25-35 and exhibits). The hearing officer undertook a thorough analysis of this evidence but he also considered evidence relating to alleged use of the mark in the earlier periods.

26. The hearing officer considered that use had been sufficiently proved of the Trade Mark in relation to the so-called "Troop hi-top trainer". In addition to the use of the words and logo at some spatial distance on the exterior of the shoe, he also took into account the fact that the words and logo appeared in close proximity on the inside of the trainers. He noted in para. [24] that DMF-38 showed the label on the inside of the tongue with the words TRAVEL FOX prominently in plain script capitals and, beneath them, a variant of the figurative element in the contested mark as registered. He made a similar point with respect to the inner sole of the shoe. The hearing officer conducted a detailed evaluation of the evidence of sales including the web-site sales, the records of numbers of sales during the period and the references to the shoes in question in blogs which were in evidence (see paras. [26]-[31] of the Decision). He noted – and accepted up to a point – the criticisms of the evidence, including the fact that there was an absence of supporting material which should have been readily available and the fact that the

sales figures related both to clothing and footwear and were not properly disaggregated. He summarised his conclusions as follows:

“32) The Registered Proprietor’s evidence could certainly have been fuller, more focused, and more clearly and precisely presented. However, I must look at all the evidence submitted and, in doing so, I must not simply consider each item of evidence individually, but step back and consider the evidence as a whole to see what it establishes. In so doing, I think it fair to bear in mind that the contested mark had been newly acquired by the Registered Proprietor in November 2012 as a result the previous owner having gone into administration, so that a certain cautious or measured approach to the initial use of the new mark need not necessarily be surprising. Against this background I consider that the figures provided in **Exhibits DMF-43 and DMF-44**, modest though they are, especially considering that they include non-footwear items, nevertheless indicate a certain consistency over time. I consider that sale of the relevant goods, priced in pounds, through online retail outlets with national reach in the UK indicates a certain geographical coverage.

33) I bear in mind that the purpose of the requirement for genuine use is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade mark protection to the case where large scale commercial use has been made of the marks (*Sunrider v OHIM — Espadafor Caba (VITAFRUIT) T 203/02*, paragraph 38 and the case-law cited). I must also bear in mind, however, that not every proven commercial use of the mark may automatically be deemed to constitute genuine use. This is clear from the reasoned order of the Court of Justice of the European Union (“CJEU”) in *Reber Holding & Co KG v OHIM* Case C-141/13 P. The question I must address is whether the proven use was commercially warranted in the marketplace, taking account of all the relevant facts and circumstances of the case, which are interdependent.

34) Weighing the various interdependent factors involved, and viewing the evidence as a whole, I have reached the conclusion that the Registered Proprietor’s use of the contested mark between August 2013 and February 2015 was commercially warranted in the marketplace, taking account of all the relevant interdependent facts and circumstances of the case. **Accordingly, I find that the Registered Proprietor has shown genuine use of the contested mark in respect of trainers during the time between the end of the Second Relevant Period and the application for revocation of the mark on 6 February 2015.”**

TFI’s challenge to the hearing officer’s evaluation

27. TFI contends:

- i. There was no evidence of any advertising of this trainer (aside from it being offered for sale in online retail stores);
- ii. There was no suggestion that the Troop trainers were displayed and/or sold in physical retail stores.
- iii. There was evidence the Troop trainers were advertised for sale on online stores (primarily www.sportsdirect.com) but the images of the trainers offered for sale as shown in printouts from those online stores were of

very poor quality and that the only clearer images of the Troop trainers were provided by SDI by way of exhibits DMF35 and DMF38.

- iv. Exhibit DMF35 is described by Mr Forsey in paragraph 27 of his statement as images taken from www.sportsdirect.com on 22 August 2013 and to show the Troop trainer manufactured and sold by SDI.
- v. DMF38 is said by Mr Forsey in paragraph 31 of his statement to be photographs of a Troop trainer and its packaging purchased from www.sportsdirection.com on 4 November 2014.

28. TFI contends that he erred in that (ignoring the use which it contended should be left out of account) the only evidence of the use of a mark on the inner sole and tongue of the Troop trainer was in the images shown in DMF38 and there was insufficient solid evidence from which the Hearing Officer could conclude this was a real commercial exploitation of the mark and “genuine” use.

29. TFI draws attention to the fact that Mr Forsey describes DMF38 as (at paragraph 31):

“... photographs of purchased TRAVEL FOX “Troop” hi top footwear, taken in November 2014 and showing how the TRAVEL FOX Registration appears on the goods and accompanying packaging and swing tag. These products were purchased from the www.sportsdirect.com website on 4 November 2014, as shown in the email receipt attached as Exhibit DMF-39”.

30. This was on 4 November 2014, a month after TFI had informed SDI of its intention to seek revocation of the Mark (Decision, at [20]) and only two days short of the three month period referred to in s 46(2) (the Application was made on 6 February 2015).

31. However, the hearing officer took account of the fact that SDI was aware of the possibility of an application for revocation might be one factor which may legitimately be considered when assessing the evidence of genuine use (Decision, at [31]).

32. Second, TFI submits that Mr Forsey’s evidence as regards the marks in DMF38 pages 237 and 238 raises more questions than it answers. In particular it is contended that:

- i. Mr Forsey does not say whether Troop trainers bearing these marks were sold from any online retailer other than www.sportsdirect.com. He does

not give evidence as to how many Troop trainers bore these marks and whether it was just the one item purchased.

- ii. If it was more than one, it is impossible to determine from the evidence how many more Troop trainers bore these marks.
- iii. It is also impossible to determine how many such items were sold.
- iv. The only sales information provided by Mr Forsey (which is sales information in relation to TRAVEL FOX clothing and footwear generally) is for the period up to September 2014 (see paragraph 35 of his statement and DMF43 and DMF44).

33. TFI therefore submits that the evidence did not enable the hearing officer to conclude, as he did, that the marks applied to the interior of the shoes shown in DMF38 were applied to all Troop trainers over the relevant period.

34. I agree that the evidence specifically concerning the shoes shown in DMF38 was rather weak and TFI developed a forceful and attractive case that it was simply not good enough. TFI drew particular attention to the Judgment of the General Court in *Fruit of the Loom Inc. v. EUIPO* Case T-431/15, 7 July 2016. That case sets out, at [20]-[29] well-established principles concerning the requirements of use and proof of it. In particular, it reinforces the point that use cannot be proved by means of probabilities or suppositions but must be demonstrated by solid and objective evidence of actual and sufficient use on the market concerned. Moreover, it repeats the point that the smaller the commercial volume of the use of the mark, the more necessary it is for the proprietor of the mark to produce additional evidence to dispel any doubts about the genuineness of the use.

35. However, in my judgment, the hearing officer was entitled to find that the evidence taken as a whole was sufficient to establish use for the reasons he gave.

36. Moreover, first, it must be borne in mind that the mark TRAVEL FOX (without the logo) had previously been used and there is nothing to suggest that the use was artificial or directed merely to maintaining the Trade Mark. It is correct, as TFI submits, it does not follow automatically from the fact that there was proven commercial use with respect to one model of trainers that use has been proven. On the other hand, taking the evidence as a whole, it seems more likely than not that a significant proportion of the sales volumes were for footwear and it would seem odd if the characteristics of the trainers in question differed material from those

shown in the exhibits. It is equally true that more could have been done to supply the underlying materials supporting the evidence but in the absence of any challenge to the veracity of what was stated in the evidence, I do not think that was necessary in this case.

37. Second, TFI argues, with some justification, that it was within SDI's power to provide much better evidence of use, on its own case, as to what use there had been during the relevant period and provided no explanation for why that had not been done.

38. However, as against that, SDI did produce:

- i. depictions of the trainers sold during the period;
- ii. print outs of web-pages on which they appeared;
- iii. some sales data (albeit without the underlying documents);
- iv. evidence showing that it was possible to purchase the trainers in question through the web site;
- v. evidence by witness statement as to the characteristics of the footwear and sales which TFI did not challenge by cross-examination or contrary evidence.

39. In my view, even disregarding the specific use discussed above with respect to DMF38, on the footing that was not of the relevant sign, the hearing officer was entitled to find that there had been sufficient proof of use to satisfy the requirements of ss. 46 and 100 of the Act.

40. Third, it should be noted also that, TFI did not itself challenge any of the evidence, including that relating to the footwear shown in DMF38 by cross-examination, which it could have done, and did not file evidence of its own to undermine it. It would have been relatively easy to do so.

41. I therefore consider that the reasons given by the hearing officer for holding that, despite its deficiencies, the evidence was sufficient to establish use were justified. Despite the able arguments on behalf of TFI, I am not persuaded that the hearing officer fell into error in his evaluation.

Additional points

42. I have dealt above with the main points raised in the grounds of appeal which were pursued in TFI's skeleton argument and argued at the oral hearing. In my view there is no additional basis in the other points raised in the grounds of appeal for allowing the appeal. In brief, the hearing officer was entitled to focus attention on the trainers depicted in the specific exhibits DMF35 and DMF38 in the light of the evidence given about them and he did not improperly take account of evidence outside the period.

43. Although, as I have said above, there is some merit in the point that the evidence was imperfect, including in the specific respects referred to in the grounds of appeal (such as in providing absolute confidence as to dates on which certain materials were produced where documents could be re-issued on request and as to exactly what they showed, given the lack of clarity of the reproductions) taken as a whole, I do not consider that this rendered the evidence provided an insufficiently reliable basis for the conclusion reached by the hearing officer.

44. The hearing officer had evidence from a witness reasonably placed to know as to what shoes had been advertised, offered for sale and supplied and on what dates. The exhibits provided supported this evidence and were certainly consistent with it, as was submitted on behalf of SDI. The hearing officer considered the evidence and the supporting documentation in detail. He took its adequacies and inadequacies into account and, as the extract above from his decision shows, stepped back to reach a reasonable conclusion on the basis of the evidence as a whole. In my judgment, his approach and evaluation was right.

OVERALL CONCLUSION

45. For the reasons given, the appeal must be dismissed.

COSTS

46. The hearing officer declined to award any costs on the basis that there had been an element of success and failure on both sides.

47. However, on this appeal, only one period of alleged non-use was in issue and SDI has been successful in its arguments with respect to use in that period. It therefore seems appropriate for there to be an award of costs of the appeal only in SDI's favour.

48. The skeletons were not extensive, the hearing occupied a little less than ½ day and in those circumstances, having regard to the scale, I award the sum of **£600** to SDI in respect of costs. That sum should be paid within 14 days.

DANIEL ALEXANDER QC
APPOINTED PERSON

19 January 2017

Representation

Ms Alania Newnes appeared for the Appellant.
Mr. Philip Harris appeared for the Respondent.