

O-023-14

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 1574846
IN THE NAME OF
INDUSTRIA DE DISEÑO TEXTIL S.A. (INDITEX S.A.)
OF THE TRADE MARK**

ZARA

IN CLASSES 03, 06, 14, 18, 24, 25, 37, 39, 43

AND

**AND THE APPLICATION FOR REVOCATION THERETO
UNDER NO 84202
BY
ZAINAB ANSELL & ROGER ANSELL**

Background

1) On 11 October 2011, Zainab Ansell & Roger Ansell ('the applicants') filed an application for the revocation, on the grounds of non-use, of registration number 1574845. The owner of the registration is Industria de Diseno Textil S.A. (Inditex S.A.) ('the registered proprietor'). At the time of making the application for revocation, the details of the registration were as follows:

Mark	Registration No.	Date of completion of registration procedure	Class	Specification
ZARA	1574845	16 August 1996	39	Transportation, delivery and storage of consumer goods; all included in class 39.

2) The applicants seek revocation of the registration under sections 46(1)(a) and (b) of the Trade Marks Act 1994 ('the Act'). They claim that the mark has not been put to genuine use in the United Kingdom by the registered proprietor or with its consent in relation to the services for which it is registered and that there are no proper reasons for non-use. The section 46(1)(a) claim is based upon the five year period following registration i.e. 17 August 1996 to 16 August 2001, with a claimed date of revocation of 17 August 2001. Under section 46(1)(b), the claim is based on the five year period 29 August 2004 to 28 August 2009 with a claimed date of revocation of 29 August 2009.

3) The registered proprietor filed a counterstatement in which it denies that its mark offends against the provisions of Section 46(1)(a) and (b) of the Act. It refers to related opposition proceedings between the same parties, in which it submitted evidence of use of the relevant registration.¹ It states that that evidence shows that the mark is used and indeed well-known in the UK (and across the EU). The registered proprietor states that it wishes to rely on the same evidence submitted in the related opposition proceedings and additional evidence to follow.

4) On 28 September 2012, the registered proprietor filed a request to merge trade mark 1574845 with four of its other registrations.² In light of the date of filing of this request, it was not subject to Statutory Instrument No. 1003-The Trade Marks and Trade Marks (Fees) (Amendment) Rules 2012.³ Consequently, five registrations were merged into a single registration under trade mark number 1574846. Details of the individual registrations and the resultant merged registration are shown in the table overleaf:

¹ The related proceedings were decided Mr David Landau on 18 July 2011 (BL O/248/11).

² Under the provision of rule 27 of The Trade Marks Rules 2008.

³ The relevant Statutory Instrument ('SI') amended rule 27 of The Trade Marks Rules 2008 to preclude the merging of trade mark registrations which are subject to revocation proceedings. However, the SI did not come into force until 01 October 2012. As the registered proprietor filed its request to merge its registrations prior to this date, the SI did not preclude the merger.

Mark	Registration No.	Date of completion of registration procedure	Class	Specification
ZARA The five registrations are now merged under number 1574846	1574838	23 August 1996	03	Perfumery and non medicated toilet preparations; soaps; cosmetics; essential oils; make-up dentifrices; preparations for the care and beauty of hair; deodorants; all included in Class 3
	1574841	26 April 1996	18	Bags; trunks and travelling bags; suitcases; overnight bags; umbrellas; sunshades; parasols; walking sticks; leather and imitation leather and articles made therefrom; wallets; handbags; purses; briefcases; shopping bags; satchels; sports bags; shoulder bags; school bags; rucksacks; duffle bags; all included in Class 18.
	1574843	19 July 1996	25	Articles of clothing for men, women and children; all included in Class 25.
	1574845	16 August 1996	39	Transportation, delivery and storage of consumer goods; all included in class 39.
	1574846	23 February 1996	06, 14, 24, 37, 43	Badges; cosmetic cases; statues; keyrings, decorative boxes; money clips; tie racks; all included in Class 6. Jewellery; cosmetic cases; badges; statues; keyrings; decorative boxes; brooches; cufflinks; earrings;

				<p>lockets; money clips; necklaces; pendants; pins; tie-clasps; tie tacks; tie pins; watches; clocks; all included in Class 14.</p> <p>Textile piece goods; fabrics; all included in Class 24.</p> <p>Cleaning services; repair and mending of articles of clothing, footwear, headwear, leather goods and imitation leather goods; all included in Class 37.</p> <p>Catering services; restaurant, café, cafeteria, bar, tea shop, coffee shop, snack bar and wine bar services.</p>
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5) Further to the merger, the proceedings continued as a partial application for revocation against trade mark 1574846, in class 39 only.

6) As requested by the registered proprietor in its counterstatement, the evidence of use from the related opposition proceedings was adopted into these proceedings,⁴ and the registered proprietor supplemented this with additional evidence. The applicants filed written submissions only. Neither party opted to be heard with both preferring to have the decision made from the papers.

Evidence

7) The registered proprietor’s evidence comes from three individuals: Antonio Abril Abadin, Rosario Valdez-Knight and Daisy Tatton-Brown.

Mr Abadin’s evidence

8) There are two witness statements from Mr Abadin; the first is that adopted from the related opposition proceedings (the first statement) and the second is an additional statement filed in the instant proceedings (the second statement). In both statements Mr Abadin identifies himself as General Counsel and Secretary of the Board for the registered proprietor.

⁴ In accordance with Part 4.8.4.3 of Chapter 7 of The Manual of Trade Marks Practice (<http://www.ipo.gov.uk/tmmanual-chap7-law.pdf>).

The first statement

9) I do not intend to summarise this statement in detail. The overwhelming majority of it purports to demonstrate that the mark ZARA has a reputation for clothing, footwear, cosmetics, accessories and fashion retailing in the UK. Whilst this information may have been pertinent to the matters to be decided by Mr Landau in the related opposition proceedings, it is not relevant to the sole issue before me which is whether the ZARA mark has been put to genuine use for 'Transportation, delivery and storage of consumer goods' in the UK in the relevant periods. Insofar as the content of the statement is relevant to the issue before me, I note that Mr Abadin states the following:

- "Outsourced and in-house garments are distributed from a 500,000 square meter distribution centre in Artexio and also from Zaragoza, Alcala-Meco (Madrid) and León. Garments move from the clusters of factories located there to the distribution centre. Shipments are made out of the distribution centre twice a week, by truck to Europe and by airfreight to stores outside Europe, so that stores receive goods within 24-36 hours of shipment in Europe and within 1-2 days of shipment outside Europe. Distribution is made through ZARA's own transport network. All of our vehicles are heavily branded with the ZARA name."

The second statement.

10) Mr Abadin states that this statement is made in respect of use of the mark ZARA for the relevant services in class 39 in the UK, in the period 29 August 2004 to 28 August 2009, and up to the date of his statement. In terms of information which is relevant to the matter before me, Mr Abadin states, in summary, the following:

- The Zara business model is characterized by a high degree of vertical integration. It covers all phases of the fashion process: design, manufacture, logistics and distribution to its own managed stores.
- The fast distribution of garments is one of the keys of the registered proprietor's success. Zara has a centralized distribution system. Five logistic centres in Spain service the Zara chain of stores within the territory of the European Union, including the UK. The whole production is received at the logistic centres and garments are distributed from such centres to all the Zara stores worldwide. Distribution takes place at least twice a week for each Zara store.
- In Europe, including the UK, distribution takes place mainly by land through a fleet of trucks and trailers which have been branded with the Zara mark for over 30 years.
- In the period 2007-2011, a total of 93,773,220 items were delivered to Zara's UK stores by Zara branded trucks at a total freight cost of 15,321,145.23 Euros.
- Exhibit AA6 shows articles, published within the relevant period, from UK newspapers and other mainstream media publications referring to Zara's logistics. By way of example, an article entitled "The last brand standing" from the 9 July 2007 edition of The Irish Times, states: "Spanish fashion

brand Zara has honed its design, production and distribution techniques so that it can now take catwalk trends and have them in its 1,000 stores within two to five weeks of a major fashion show, playing the local market for precisely what its worth”.

- In conclusion, Mr Abadin states: “the Zara name has been used consistently and continuously for transport, storage and delivery services within the relevant period and for at least 30 years in Europe. Third parties, including journalists, specifically recognise the ZARA name for its renowned logistics network, which is most visually present with our fleet of ZARA branded trucks delivering to our own stores and ZARA franchise stores throughout the UK and Europe. As a result, the Registration should not be revoked.”

Ms Valdez-Knight’s evidence

11) Ms Valdez-Knight is a solicitor at Taylor Wessing LLP. It suffices to record here that she exhibits at RVK1, what she states are “extracts from several transport companies which offer transport of goods and passengers under one name”.

Ms Tatton-Brown’s evidence

12) Ms Tatton-Brown is a trainee solicitor with Taylor Wessing LLP. She exhibits at DTB1 a copy of a decision from the Opposition Division of OHIM, no B 1338880 (proceedings between Zico España, SL and Zeki Öztürk). A translation to one paragraph is provided:

“With regards to the services claimed in class 39, they are not clearly apparent from the evidence of use filed by the opponent. However there are services that may logically accompany a usual business practice for a producer of ready to wear clothing, i.e. distribution services, transportation and storage of clothing in the course of trade. Given the circumstances of the case and the close link which exists between the products and the services which are the logical continuation of production [i.e. of those products], the Office considers that use of the mark for the above services can also be considered valid.”

Decision

13) Section 46 of the Act provides:

“**46.** - (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) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(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 either 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.”

14) Section 100 of the Act states:

“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.”

15) Consequently, the onus is upon the registered proprietor to prove that genuine use of the registered trade mark has been made in the relevant periods in relation to its services in class 39.

16) At this point, a question arises as to whether the merger has had any effect on the relevant dates in these proceedings and, in particular, the date of completion of the registration procedure for the services in class 39. For the avoidance of doubt, I do not consider that it has. Rule 27(6) of The Trade Marks Rules 2008 states:

“27(6) The date of registration of the merged registration shall, where the separate registrations bear different dates of registration, be the latest of those dates.”

Section 40(3) of the Act states:

“40(3) A trade mark when registered shall be registered as of the date of filing of the application for registration; and that date shall be deemed for the purposes of this Act to be the date of registration.”

The combined effect of Rule 27(6) and Section 40(3) means that the merger could only have affected the filing date (being the “date of registration”) i.e. in the event that the separate registrations had different filing dates, the filing date of the resultant merged registration would be the latest of those dates. There is nothing in the Act or the Rules to indicate that the merger would have had any effect on the date of completion of the registration procedure of the services in class 39. That date remains unaffected, being 16 August 1996.

17) The registered proprietor has filed no evidence of use relating to the period pleaded under section 46(1)(a) of the Act. My decision will therefore focus upon the period pleaded under section 46(1)(b) of the Act. If genuine use is shown during this period, it will save the mark from revocation by virtue of the provisions of section 46(3) of the Act.

18) In their submissions, the applicants have referred to the decision of the Hearing Officer, Mr David Landau, in the related UK opposition proceedings between the same parties in which the registered proprietor had been required to provide proof of use of the same mark which is the subject of these revocation proceedings. The relevant period under consideration by Mr Landau was the same as that pleaded under Section 46(1)(b) in the instant proceedings. Mr Landau found that the registered proprietor had not shown use of its registration in the relevant period and therefore it could not be relied upon in those opposition proceedings. Whilst I note Mr Landau’s findings, I am not bound to follow them. Nor am I bound by the other decisions to which the applicants refer, issued by the Office for Harmonization in the Internal Market, in which it was found that the registered proprietor had failed to show genuine use of its Community Trade Mark (‘CTM’) registration 112755 in

relation to the services in class 39 covered by that registration. The instant proceedings concern the registered proprietor's UK registration, not its CTM.

19) In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case law of the Court of Justice of the European Union ('CJEU') in relation to genuine use of a trade mark:

"In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”²⁰) In relation to the evidence of Mr Abadin the applicants state, *inter alia*, the following:

“These documents in the main show that the proprietor of the mark manages its own internal logistics program, it does not offer any service publicly as an actual part of its business.

Furthermore, none of the documentation indicate the proprietor’s share of the “transport sector” market, nor have they provided any information or lists of current customers or those who have used their transportation service, or copies of invoices for services supplied to customers in respect of their class 39 services.

...

It is customary in the retail of clothing and similar sectors for some retailers to use their brand name on their internal transportation services, such services being provided internally for perhaps economic reasons or advertising purposes. Use of the brand name by retailers on their vehicles is merely as indication of the goods being transported, or that the goods are destined for one or many of their retail outlets.

Use of the brand owner’s name on vehicles is not genuine use of the trade mark in respect of transportation services. The proprietor....delivers goods in vehicles that bear the mark. The proprietor’s delivery service is an internal service that effectively advertises the goods on the side of their vehicles. No evidence has been provided to suggest that the proprietor has any customers in relation to its class 39 services.”

21) As regards the evidence of Ms Valdez-Knight and Ms Tatton-Brown, the applicants state that the former shows no evidence of use of the mark at issue and the latter does not bear any relevance as it does not refer to use of the mark in these proceedings.

22) I have little hesitation in agreeing with the applicants in all respects. The evidence merely demonstrates that the proprietor uses its mark on trucks to deliver its own goods to its own stores. This is clearly internal use by the proprietor. There is no indication whatsoever that the services covered by its registration in class 39 are offered to third parties or that the registered proprietor has any customers at all in relation those services. There have been no steps taken to create or maintain a share in the market for such services. The presence of the Zara brand on the side of

its vehicles is essentially a method of advertising the goods which are carried in those vehicles to Zara stores.

Outcome

23) The application for revocation on the grounds of non-use succeeds under both sections 46(1)(a) and 46(1)(b). Consequently, trade mark registration 1574846 is revoked for the services in Class 39 only under section 46(6)(b), the effective date of revocation being 17 August 2001.

Costs

24) The applicants have been successful and are therefore entitled to a contribution towards their costs. I award costs on the following basis:

Preparing a statement and considering the counterstatement	£200
Application fee	£200
Considering the registered proprietor's evidence	£500
Total:	£900

25) I order Industria de Diseno Textil S.A. (Inditex S.A.) to pay Zainab Ansell & Roger Ansell the sum of £900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of January 2014

**Beverley Hedley
For the Registrar,
the Comptroller-General**