

O-037-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 82543  
BY GUARDIAN NEWS AND MEDIA LIMITED  
FOR REVOCATION OF TRADE MARK NO. 2041812  
IN THE NAME OF NAGRA FRANCE SARL**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 82543  
in the name of Guardian News & Media Limited  
For revocation of trade mark No. 2041812  
in the name of Nagra France Sarl**

### **BACKGROUND**

1. Trade mark No. 2041812 is for the mark **MEDIAGUARD** and is registered in respect of the following goods and services:

**Class 9** Photographic, cinematographic, optical apparatus and instruments, checking (supervision) apparatus and instruments namely access control to datum and to programmes of information; apparatus for recording, transmission or reproduction of sound or images; audiovisual apparatus and instruments; telecommunication, telematic apparatus and instruments, televisions, tape recorders, video tape recorders, radio apparatus, projectors, car radios, aerials, parabolic aerials, loudspeakers, amplifiers, hi-fi systems, computers, computer software (recorded), decoders, encoders, microphones, films (exposed), video tapes and audio tapes, magnetic tapes, compact discs (audio and visual), optical discs, magnetic discs, telephones, magnetic recording data carriers, magnetic cards, phonographic records; automatic vending machines and mechanisms for coin operated apparatus; cash registers, calculating machines and data processing equipment.

**Class 16** Writing or drawing books, albums, folders for paper, files (office requisites); printed matter; bookbinding material; books, magazines, newspapers, periodicals, catalogues; photographs, photograph stands; stationery, adhesives (glues) for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); plastics material for packaging namely bags, envelopes, pouches, plastic cling film, extensible for palettization; subscriptions cards (non magnetic); credit cards (non magnetic); playing cards; printers type; printing blocks, fountain pens; pads (stationery); writing pads, visit cards, cheque books, diaries; wall calendars, postcards.

**Class 25** Braces, caps, hats, socks, shirts, scarves, vests, bathrobes, pullovers, T-shirts, trousers, skirts, coats, jackets, gloves, shorts, support footwear; none being for medical use.

**Class 28** Games and playthings; balls and balloons for games and foot play; bowls; billiard balls; billiard cues; billiard tables, boxing gloves; golf gloves; golf clubs; targets for games; appliances for gymnastics; bar bells; paragliders; ice skates; sailboards; surfboards; protective padding for sports clothing; racquets; skis; water skis; tables for

indoor football; tables for table tennis.

- Class 35** Advertising, rental of advertising space, dissemination of advertising matter, mailing for advertising purposes; distribution of advertising material (tracts, prospectus, printed paper, samples); subscription services for newspapers, subscription services for television, radio broadcasts, video tapes and audio tapes; editing of advertising texts; advertising by radio and television; photocopying of documents; employment bureaux; computerised file management; organisation of exhibitions for commercial or advertising purposes.
- Class 38** Telecommunications; telephonic, telegraphic or telematic communications; teleprinting; transmission of messages; transmission of telegrams; communications and transmission of programmes by radio, television, cable, hertzian waves or satellite; rental of apparatus for sending messages; terminal unit communications, television broadcasting.
- Class 41** Entertainment by radio and television; organisation of exhibitions for cultural and educational purposes; organisation and management of discussions, conferences and congresses; organisation of sporting and intellectual competitions; organisation of sporting activities; organisation of games; publication of books and magazines; provision of theatrical and musical entertainment; production and editing of shows, films and television broadcasts; production and editing of audio tapes and videotapes; rental of audio tapes and videotapes; rental of audio recordings, video recordings, films, phonographic recordings, projectors, decoders, encoders and stage scenery; editing of reports.
- Class 42** Computer consultancy; computer programming; rental of computers; quality control services; videotape filming; management of exhibition areas; the provision of information regarding fashion; photographic services; photographic reporting.

2. The trade mark is registered in the name of Nagra France Sarl.

3. By an application dated 30 June 2006, Guardian News & Media Limited applied for the registration to be revoked under the provisions of Section 46(1)(a) of the Act on the basis the proprietor did not put the mark into genuine use in the five years following its registration, and under Section 46(1)(b) on the basis that the trade mark has not been put into genuine use in the five years immediately preceding the filing of the application, the period cited being 28 June 2001 to 28 June 2006.

4. In a Counterstatement filed on 9 October 2006, the registered proprietors claim that the mark has been used, albeit not in respect of the goods covered by Class 25 for which no defence is offered. They assert that the applicants have published a number of articles in the last five years relating to the proprietors and their goods and services and are well aware of their activities.

5. Both sides ask that an award of costs be made in their favour.

6. Both sides filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. The matter came to be heard on 13 November 2007, when the applicants were represented by Ms Jessie Bowhill of Counsel, instructed by Olswang, their trade mark attorneys. The registered proprietors were represented by Mr Giles Fernando of Counsel, instructed by Harrison Goddard Foote, their trade mark attorneys.

### **Registered proprietors' Evidence in Chief**

7. This consists of three Witness Statements dated 5 October 2006, 9 October 2006 and 10 October 2006, from Jason Matthew Lumber of Harrison Goddard Foote, the registered proprietors' representatives in these proceedings.

8. Mr Lumber states that Nagra France Sarl is a wholly owned subsidiary of Kudelski Group, a world leading provider of conditional access solutions for digital TV operators, content providers, and digital rights management of digital devices including the Internet and 3G mobile communications. He goes on to set out the goods and services for which the registered proprietors have used the MEDIAGUARD mark, and to give details of the manufacturers to whom they sell/supply these. Exhibit JML1 consists of a list of manufacturers with manufacturing operations in the UK, and two letters in support relating to the use of the hardware, software and services provided by the registered proprietors to TV broadcasting companies in the UK.

9. The list has two parts, headed "List of STB Manufacturers" and "List of TV Operators" showing the names and addresses of various electronics and television broadcasting companies in the UK. These companies are stated by Mr Lumber to be part of the registered proprietor's customer base.

10. The letters which date from September 2006, are addressed "To who it may concern", and go on to confirm use of the MEDIAGUARD "conditional access system" by Top Up TV and The Chinese Channel from March 2003, and 1997, respectively. Mr Lumber says that client confidentiality prevents Nagra France Sarl from providing copies of licensing/supply agreements with these companies and British Digital Broadcasting Plc, but he can confirm the following information regarding the agreements to provide the MEDIAGUARD conditional access systems:

British Digital Broadcasting Agreement dated 20 February 1998, for an initial term of 12 years,

Chinese Channel Agreement dated 24 November 1997, for an initial term of 15 years,

Top Up TV Agreement dated 29 January 2004.

11. At Exhibit JML2, Mr Lumber provides copies of invoices and credit notes relating to these agreements, some in the name of Nagra France Sarl, but mostly by the previous owner of MEDIAGUARD, Canal + Technologies. The earliest document

mentioning MEDIAGUARD is a credit note dated 13 June 2001 and relates to a “MEDIAGUARD ANNUAL LICENCE FEE – SUBSCRIPTION MODE FOR JUNE 2001”. The credit note was issued to British Digital Broadcasting Accounting Department. The earliest Nagra document that mentions MEDIAGUARD is an invoice dated 27 March 2006 sent to TOP UP TV LIMITED relating to “Support for CellCast Project: Change Setup re Mediaguard Equipment” stating this to have had a delivery date of February 2006. Other invoices dating from October to December 2002 were issued by Canal + Technologies to The Chinese Channel Ltd in respect of “MEDIAGUARD VARIABLE PART OF LICENCE SUBSCRIPTION” for a period running from “January to September 2002”, “October 02” and “November 02”.

12. Exhibit JML3 consists of copies of press releases, product visuals and trade articles showing use of MEDIAGUARD. The exhibit consists of:

Print taken from from TECH-FAQ website on 5 October 2006. It answers the question “What is MediaGuard?” stating that it is a conditional access system used by television broadcasters such as Canal + Group, Orbit, Malaysia’s Astro, and China’s BGCTV. It says that it is a product of Nagra France,

Extract from Wikipedia taken on 5 October 2006, explaining that Mediagaurd, is a conditional access system,

Press release dating from May 2003 referring to the use of Mediaguard in a Digital TV Adapter,

Discussion forum on DTT Set-top boxes – Echostar T-105 Mediaguard. The first entry dates from 26 November 2004 but of itself does not mention MEDIAGUARD,

Press release dating from 27 October 2004 referring to a a Freeview television receiver with a “Mediaguard smartcard reader”,

Prints from the Amazon UK website relating to the Echostar Top Up TV To Go T105 Mediaguard Digital Terrestrial Receiver. One has a linked review section containing entries dating from 16 February 2005,

Trade report on Interactive television. Stated as having last been updated 7 April 2003. This refers to the ONdigital interactive terrestrial service in the UK having 552,000 Pace boxes in homes, using the Canal + MediaHighway and MediaGuard CA systems for free apy and iTV services,

Article from New Television Insider dated 2 June 2004, that refers to SCM Microsystems having taken delivery of the Mediaguard conditional access modules to be used with the UK DTT, and Sky Italia “phasing out Mediaguard conditional access system,

News article from advanced television.com, dated 19 March 2004, that mentions Top Up TV will be using the former ITV digital boxes equipped with Mediaguard,

Article dating from 2003 that refers to Mediaguard conditional access system,

Extract from Nagra France website, referring to MEDIAGUARD having been a leader in the Digital TV Conditional Access market in Europe since 1996, although not that this was in the UK. It lists The Chinese Channel and Top Up TV as UK customers,

Press release dated 12 March 2004, referring to Top Up TV launching a new TV service in the UK using boxes equipped with Mediaguard,

Interim report dated June 2004 from the Kudelski Group, the top right-hand corner referring to the NAGRA Kudelski Group. Whilst this mentions Mediaguard there is nothing that establishes that the report was available in the UK,

Annual report dated 2003 for the Kudelski Group, the top right-hand corner referring to the NAGRA Kudelski Group. Whilst this mentions Mediaguard there is nothing that establishes that the report was available in the UK,

Picture of the packaging from Top Up TV to go receiver bearing the word MEDIAGUARD. It cannot be dated.

Print from the Nagravision website, that refers, *inter alia* to the MediaGuard conditional access system. Although undated it refers to the company having two decades of pay-TV experience, although not that this is in relation to the UK, and to the company being the world's leading independent supplier of conditional access systems,

Sheet giving details of items to be auctioned on 4/5 September 2002, listing, amongst other things, Philips MediaGuard Intergrated Program Decoders.

13. In his next Witness Statement, Mr Lumber refers to Exhibit JML1a, which consists of a letter from Eric Chauberts, Chief Executive Officer of SmarDTV SA, who confirms that SCM Microsystems GmbH has been licensed by Nagra France to integrate the Mediaguard conditional access technology software into consumer electronics, with the first deployment of products into the UK being in July 2004 and continues to date. The exhibit also includes a photograph of what appears to be a Top Up TV digital card, but this cannot be dated.

14. In his third Witness Statement Mr Lumber refers to Exhibit JML1b, which consists of a letter dated 4 October 2004 from Olivier Tavel, acting Managing Director of Digital Set-Top Box and Television Business Unit of Sagem Communications. In this Mr Tavel confirms that his company has been licensed by Nagra France to integrate the MEDIAGUARD conditional access technology software into set top boxes allowing access by consumers to pay for TV services in the UK. He says that deployment of his company's product started in 2004 and continues to date.

### **Applicants' evidence**

15. This consists of a Witness Statement dated 17 January 2007 from Stephen Anthony White, an investigator employed by Farncombe International.

16. Mr White recounts that on 29 September 2005 he was instructed by Olswang to conduct an investigation into the registered proprietors use of MEDIAGUARD in the UK. He says that this revealed that the mark is used in respect of a conditional access system that provides encryption technology used by broadcasters in providing paid-for television services and decoding technology. He says that on 11 October 2005 he telephoned Nagra France and spoke with someone in the sales department. On asking whether the MEDIAGUARD system could be purchased by a consumer or business he was told that this was not possible, but that Top Up TV had acquired the rights to use the system. Mr White says that his investigations revealed no other use.

### **Registered proprietor's Evidence Rule 31(A)(4)**

17. This consists of a Witness Statement dated 16 April 2007 from Jason Lumber. The contents of this Statement are no more than submissions. As such I do not consider it to be necessary that I summarise the contents of this Statement, but will, of course take them fully into account in my determination of this case.

### **Applicants' evidence in reply**

18. This consist of a Witness Statement dated 10 August 2007, from Joel Anthony Barry, a solicitor and partner in the intellectual property group at Olswang. Mr Barry confirms that he has acted as the partner responsible for the trade mark portfolio of Guardian News & Media Limited since 2004.

19. Mr Barry refers to the agreement between the registered proprietors and Digital British Broadcasting. He shows the results of a search of the Companies House register, the results of which are shown as Exhibit JAB1, Mr Barry drawing attention to the changes of name, noting that during the alleged period of non-use this company did not operate under the name British Digital Broadcasting. He further mentions that following the insolvency of that company and the appointment of a liquidator in October 2002 (Exhibit JAB2) the agreement between the registered proprietors and British Digital would have ceased to have effect. Exhibit JAB3 consists of articles from the BBC News website dated 30 April 2002 relating to these events.

20. Based on the results of an Internet research, Mr Barry submits that the list of manufacturers shown as Exhibit JML1 does not constitute evidence of use. He says that as can be seen from Exhibit JAB4, there is no evidence of MEDIA GUARD being provided in set top boxes manufactured by four listed companies. That may be the result of the search string used. He notes that as can be seen from Exhibit JAB5, the name is listed on the Wolfbane site as a brand name in the electronics, electrical and cybernetics market. Mr Barry refers to Exhibit JAB6 which consists of a copy of the entry from Wikipedia, Mr Barry drawing attention to the list of companies stated to use the MEDIAGUARD conditional access system. The remainder of Mr Barry's Statement consists of submissions on the evidential value of the evidence filed by Mr

Lumber. As such it is not necessary or appropriate that it be summarised. I will, of course take them fully into account in my determination of this case.

21. That concludes my summary of the evidence insofar as it is relevant to these proceedings.

## **DECISION**

22. The relevant statutory provision in relation to an application for a revocation of a registered trade mark can be found in Section 46:

“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 purposes 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 case the application is made to the registrar, he may at any stage of the proceedings refer to 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."

23. Under the provisions of Section 100 of the Act, the onus of showing that the mark in question has been used within the relevant period, or that there are proper reasons for non-use, rests with the registered proprietors. Section 100 of the Act reads as follows:

"**100.**- 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."

24. The onus placed upon the registered proprietor is to "show" what use has been made of the mark, which suggests that the evidence required by Rule 31(A) must be more than mere assertion that the mark has been used; it must be actual evidence which shows how the trade mark has been used. See *Carte Bleue* [2002] RPC 31. This must be balanced with the later decision of Mr Richard Arnold QC sitting as The Appointed Person in *Extreme Trade Mark* (BL O/161/07).

25. Section 46(1) refers to "genuine use" having been made of the registered trade mark within specific periods of five years. In the case of subsection (b), the period can be any five years, and not just the five years leading up to the filing of the Application: See *La Mer Technology Inc v Laboratoires Goemar SA's* trade mark [2004] WL 2945720.

26. These periods must be considered in relation to the proviso contained within Section 46(3), which reads as follows:

"(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.”

27. The effect of Section 46(3) is not to extend the five-year period by three months. After a period of inactivity the use must commence after the expiry of the five years specified in the application, but need not immediately follow, and will end with the application for revocation. But if the proprietor commences (or makes preparations) to use the mark after the expiry of the specified five year period, but within the three months immediately preceding the application, the use will be disregarded, that is, unless the registered proprietors had been unaware of the potential application: See *Philosophy Di Alberta Ferretti* [2003] RPC 15.

28. In *Philosophy* the Court of Appeal held that an application for revocation on the grounds of non-use may be made, at the earliest, as soon as the initial five year period following completion of the registration procedure has ended. A successful application for revocation on the grounds of non-use will therefore mean that the date for revocation is the date that the application for revocation was made. That date must not be less than five years from the date that the registration procedure was completed. In *WISI Trade Mark* [2006] RPC 22, Mr Geoffrey Hobbs QC, sitting as the Appointed Person said, at paragraph 22:

“This permits revocation with effect from the day following the fifth anniversary of completion of the registration procedure in the case of an application which succeeds under s.46(1)(a) and with effect from any subsequent date at which there has been suspension of use for an uninterrupted period of five years in the case of an application which succeeds under s.46(1)(b).”

29. There is no suggestion that if the evidence shows use by the registered proprietors, that this was a result of them becoming aware of a possible revocation action. It therefore seems to me that subject to the proviso contained in Section 46(3), if the registered proprietors have made “eligible” use of the mark in the five years leading up to the date of application, this will be sufficient to defeat all attacks, either by having shown use within the alleged period of non-use, or, if after 21 February 2003, by virtue of the provisions of Section 46(3).

30. The Act refers to “genuine use” having been made of the trade mark but does not set out what constitutes use that is genuine. In Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 at page 725, paragraph 36, the European Court of Justice answered the question in the following terms:

“Genuine use must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such 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 product or service from others that have another origin.”

31. The *Ansul* decision stated genuine use entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. Such use must be in relation to goods or services that are already on the market, or about to be marketed and or for which preparations are underway to secure customers, for example, by means of advertising. The *Bud Trade Mark* case [2002] RPC 38 at paragraphs 41 and 42 gives some useful, albeit limited guidance on advertising.

32. The assessment of whether there has been genuine use must take into account all of the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, and may include giving consideration, amongst other factors, to the nature of the goods or services at issue, the characteristics of the market concerned, and the scale and frequency of use; the use need not always be “quantitatively significant” for it to be deemed genuine.

33. In the *Police* trade mark case [2004] RPC 35, the Appointed Person considered that the *Ansul* judgement did not limit the factors to be taken into account in establishing whether use was genuine only to the three areas specifically mentioned. The judgement had stated that all facts and circumstances relevant to establishing whether there had been real commercial exploitation should be included in the equation, and that the size of a proprietor’s undertaking may be relevant. In the later decision in *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5, the CFI were more explicit stating that there is no requirement that the mark must have come to the attention of the end user or consumer. What matters are the objective circumstances of each case and not just what the proprietor planned to do. The need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved.

34. The registration covers four classes of goods and four classes of services. Ms Bowhill was critical of the evidence provided in support of the registration, stating that in revocation proceedings it would be usual to see facts and figures relating to the manner and extent of the use made. Although not actually saying so, Ms Bowhill appeared to extend this criticism to the fact that the evidence comes not from the registered proprietor’s themselves, but from Jason Lumber, their representative in these proceedings.

35. Mr Fernando stated that Mr Lumber had acted for Nagra since 2005 and had “...clearly been given access to Nagra’s records...”. His evidence had not been challenged either in evidence or through cross-examination. Mr Fernando asserted that given these circumstances, where Mr Lumber is giving evidence about facts about which he could be expected to know, or to be true because they are derived from instructions from clients, his evidence must stand. Mr Fernando referred me to the decision of Mr Richard Arnold QC sitting as The Appointed Person in *Extreme Trade Mark*, the relevant part of his decision is as follows:

“Unchallenged evidence

33. *Phipson on Evidence* (16<sup>th</sup> ed) states at paragraph 12-12:

“In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position. This rule [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...”

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness’s evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness’s evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.”

36. As Ms Bowhill pointed out, Mr Lumber is not an official of Nagra with a level of knowledge that could reasonably be inferred from his time and position with the company. Even so, Ms Bowhill did not seek to persuade me that I should make any finding about Mr Lumber’s credibility, or submit that Mr Lumber was lying or had incorrectly presented the facts. Mr Fernando relied upon Mr Lumber having acted for Nagra for two years and that having exhibited copies of two invoices had “...clearly been given access to Nagra’s records...”. Mr Lumber has not stated that he had any

access to his clients records, and to my mind the act of filing two invoices does not establish this one way or the other; they may have simply been provided to Mr Lumber. This all gives any unsupported statements of fact a degree of uncertainty, but not to the extent that I would be right to consider them to be incredible unless that was so obviously the case. It is not incredible that Mr Lumber obtained the facts to which he attests from the records of his client; that is not an uncommon practice.

37. Mr Fernando added that where Mr Lumber is giving evidence about facts about which he could be expected to know, or to be true because they are derived from instructions from clients, his evidence must stand. I am mindful of the fact that as Mr Fernando so rightly says, the applicants have not challenged Mr Lumber's evidence, either in evidence or through cross-examination.

38. Mr Lumber describes the applicant's business as being the supply of "conditional access solutions for digital TV operators, content providers, and digital rights management of digital devices including the Internet and 3G mobile communications." On my assessment part of this claim to use is supported by the evidence. Exhibit JML1 includes two letters dating from September 2006 confirming use of the MEDIAGUARD "conditional access system" by Top Up TV and The Chinese Channel from March 2003, and 1997, respectively.

39. Mr Lumber refers to Nagra having provided the MEDIAGUARD conditional access systems through an Agreement with British Digital Broadcasting dated 20 February 1998, an Agreement with The Chinese Channel dated 24 November 1997 and also an Agreement with Top Up TV dated 29 January 2004. He says that client confidentiality prevents Nagra from providing copies of licensing/supply agreements with these companies. Exhibit JML2 which consists of copies of invoices and credit notes that are said to relate to these agreements. Some were issued by Nagra France Sarl, but mostly by the previous owner of MEDIAGUARD, Canal + Technologies. The proprietor's desire to maintain confidentiality is reflected in the fact that any financial details in these documents has been redacted. An invoice sent to Top Up TV on 31 January 2006 states that the services provided are "As per The MG license Agreement signed on January 29<sup>th</sup>, 2004". Although not actually mentioning the subject mark, given that this Agreement is known to relate to MEDIAGUARD it would seem reasonable to infer that MG is a reference to MEDIAGUARD. The invoice therefore provides confirmation of the Agreement date given by Mr Lumber.

40. The earliest document in Exhibit JML2 that mentions MEDIAGUARD is an invoice dated 13 June 2001, issued by Canal + Technologies to British Digital Broadcasting Accounting Department in relation to a "MEDIAGUARD ANNUAL LICENCE FEE- SUBSCRIPTION FOR JUNE 2001". The earliest such document from Nagra is an invoice dated 27 March 2006 sent to TOP UP TV LIMITED relating to "Support for CellCast Project: Change Setup re Mediaguard Equipment" stating this to have had a delivery date of February 2006. Other invoices dating from October to December 2002 were issued by Canal + Technologies to The Chinese Channel Ltd in respect of "MEDIAGUARD VARIABLE PART OF LICENCE SUBSCRIPTION" for a period running from "January to September 2002", "October 2002" and "November 2002".

41. A later invoice refers to the delivery of 20,000 smartcards to Top Up TV on 26 February 2004, “As per our commercial proposal ref UK DTT pay-TV project.” It also refers to a “Payment plan (24 months)” commencing on 29 March 2004, running through to 29 February 2006. Some of the descriptions in the invoices relate to the provision of an unknown quantity of “smartcards” to British Digital Broadcasting in September/October 2001. Although the invoices do not say that these were MEDIAGUARD, given that at that time a license arrangement existed for Nagra to provide British Digital Broadcasting with the MEDIAGUARD conditional access system, it seems reasonable to infer that these smartcards were part of the MEDIAGUARD system. There are references in the evidence that support this (see JML3). This includes a reference to new MEDIAGUARD cards being distributed to customers in 2002, and a review of the Thomson DTI 23000 receiver for Top Up TV dating from 27 October 2004 mentions the “MEDIAGUARD smart card reader”.

42. Exhibit JML3 also includes various items of printed matter. An extract taken from the TECH-FAQ website on 5 October 2006, asks and answers the question “What is MediaGuard?” the answer stating that MediaGuard is a conditional access system used by television broadcasters such as Canal + Group, Orbit, Malaysia’s Astro, and China’s BGCTV, attributing the product to Nagra France. An extract from the Wikipedia on-line encyclopedia taken on 5 October 2006 explains that MEDIAGUARD is a conditional access system. Although dating from after the relevant date, these provide factual statements on the nature of the MEDIAGUARD product.

43. The exhibit includes many more references that show MEDIAGUARD to be a conditional access system that was available within the five years prior to the filing of the application for invalidation. A press release dating from May 2003 refers to the use of Mediaguard in a Digital TV Adapter. An extract from a discussion forum on DTT Set-top boxes – Echostar T-105 MEDIAGUARD, the first entry of which dates from 26 November 2004. Whilst this does not mention MEDIAGUARD it seems reasonable to infer from the subject title this was part of the discussion, or at the very least, associated with it. A press release dating from 27 October 2004 refers to a Freeview television receiver with a “Mediaguard smartcard reader”. Prints from the Amazon UK website relating to the Echostar Top Up TV To Go T105 Mediaguard Digital Terrestrial Receiver, one of which has a linked review section containing entries dating from 16 February 2005.

44. A Trade report on Interactive television, stated as having last been updated 7 April 2003 refers to the ONdigital interactive terrestrial service in the UK having 552,000 Pace boxes in homes, using the Canal + MediaHighway and MediaGuard CA systems. An article from New Television Insider dated 2 June 2004 refers to SCM Microsystems having taken delivery of the Mediaguard conditional access modules to be used with the UK DTT, and Sky Italia phasing out the Mediaguard conditional access system, A news article from advanced television.com, dated 19 March 2004 mentions Top Up TV will be using the former ITV digital boxes equipped with Mediaguard. On their own website the registered proprietors refer to MEDIAGUARD as having been a leader in the Digital TV Conditional Access market in Europe since 1996, listing The Chinese Channel and Top Up TV as UK customers.

45. Also part of Exhibit JML3 is a press release dated 12 March 2004 that refers to Top Up TV launching a new TV service in the UK using boxes equipped with

MEDIAGUARD. A print from the Nagravision website refers to the MediaGuard conditional access system, stating Nagra to have two decades of pay-TV experience, albeit not specifically in relation to the UK, and being the world's leading independent supplier of conditional access systems.

46. Exhibit JML1a consists of a letter from the Chief Executive Officer of SmarDTV SA. This confirms that SCM Microsystems GmbH has been licensed by Nagra France to integrate the Mediaguard conditional access technology software into consumer electronics. The first deployment of products into the UK is stated to have taken place in July 2004 and continues to date. Exhibit JML1b consists of a further letter dated 4 October 2004, from Olivier Taravel, acting Managing Director of Digital Set-Top Box and Television Business Unit of Sagem Communications. Mr Taravel confirms that his company has been licensed by Nagra France to integrate the MEDIAGUARD conditional access technology software into set top boxes allowing access by consumers to pay for TV services in the UK. He says that deployment of his company's product started in 2004 and continues to date.

47. In my view the evidence establishes that MEDIAGUARD has been used, in the UK market in a genuine commercial activity, within the five years preceding the date on which the application for revocation was made. But the use shown is by no means in respect the full range of goods and services for which the mark is registered. I must therefore go on to consider to what extent the specification should be reduced to fairly reflect the use that has been made. The correct approach to reducing a specification has been considered in a number of cases that have been before the Courts<sup>1</sup>. These were considered by Richard Arnold QC, sitting as the Appointed Person in *Nirvana Trade Marks*, BL O/262/06, from which he derived the following propositions:

- (1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].
- (2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].
- (3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].
- (4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

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<sup>1</sup> *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 17; *Thomson Holidays Ltd v. Norwegian Cruise Lines Ltd* [2003] RPC 32; *West (T/A Eastenders) v Fuller Smith & Turner plc* [2003] FSR 44; *ANIMAL Trade Mark* [2003] EWHC 1589 [2004] FSR 19

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

48. In their Statement of Case the opponents asked that in the event that the registered proprietor's establish genuine use in respect of some of the goods and services covered by the specifications, that the registration be revoked in respect of all other goods and services. In paragraph 11 of his Witness Statement, Joel Barry reiterates this, in paragraph 9 stating:

“The Registered Proprietor has accordingly shown possible use of the mark in relation to Mediaguard software and software development, smart cards and conditional access modules for set top boxes and ciphering units. However, there is no evidence of genuine use within the relevant time period under s46(1)(a) and (b) within the UK.”

49. In her submissions Ms Bowhill submitted that whilst she considered the mark should be revoked in its entirety, if the Registrar were to find evidence of genuine use of MEDIAGUARD it should be no more than:

“Computer software and smartcards, each of the aforesaid being in the form of conditional access software and hardware allowing access by consumers and professionals to digital pay television services.”

50. It seems to me that Ms Bowhill's submission as to what could be a realistic specification is more aimed at obtaining as tight a description of goods rather than representing a real/realistic category or subcategory of goods. It is a description of the sort that Jacob J in the *Animal* Trade Mark case said was to be avoided; it seems to me to be dangerously close to the “three-holed razor blades imported from Venezuela” type of description. The qualification “allowing consumers and professionals” seems somewhat unnecessary; who else is there? Stating that the goods are software and smartcards and then going on to qualify these as “being in the form of .....hardware” does not make sense. Whilst the goods appear to be primarily for use with pay television services, there is evidence that the mark has also used in relation to free-to-air television services (see “Media Visions Journal” report – Exhibit JML3).

51. On my assessment the evidence establishes use of MEDIAGUARD in respect of “conditional access solutions for digital TV operators”. As part of this they have provided “smartcards”, “smart card readers”, “conditional access modules” and

“conditional access technology software” used in set top boxes for receiving television broadcasts. The invoices show the registered proprietors to have also been providing technical support for MEDIAGUARD equipment and software, which it seems reasonable to infer is installed at the broadcast end.

52. The television viewer may know about MEDIAGUARD because the name sometimes appears on the casing of a television receiver, but that is not a requirement (See *Laboratoire de la Mer Trade Mark*). But in any event, they are not the relevant consumer. As illustrated by Mr White’s evidence, MEDIAGUARD is not a stand-alone product available for the public to purchase. It is a system that is supplied to manufacturers for incorporation into their products, and to broadcasters for use in the transmission of their programmes. It is these manufacturers and broadcasters that form the relevant consumer base for MEDIAGUARD.

53. There is evidence in Exhibit JML3 that television broadcasting and television equipment industries describe the registered proprietors MEDIAGUARD product as being a “conditional access systems for digital television” and would understand exactly what this relates to. Putting this into the context of this case, I would consider a fair and recognisable subset of goods that reflects the use of the mark would be:

Electrical apparatus; computer hardware and computer software; smartcards and smartcard readers; all for use with conditional access systems for digital television.

54. This reflects part of the claim to use made by the registered proprietors, and also the facts presented in the applicant’s evidence. Whilst there is evidence that the registered proprietors may be involved in the installation and servicing of such equipment, these services would fall in Class 37 and are not covered by the registration.

**55. In summary, I find that the application for revocation succeeds in respect of:**

- |                 |  |
|-----------------|--|
| <b>Class 9</b>  | <b>All goods other than “Electrical apparatus; computer hardware and computer software; smartcards and smartcard readers; all for use with conditional access systems for digital television”.</b> |
| <b>Class 16</b> | <b>All goods</b>   |
| <b>Class 25</b> | <b>All goods (not defended)</b>  |
| <b>Class 28</b> | <b>All goods</b>   |
| <b>Class 35</b> | <b>All services</b>  |
| <b>Class 38</b> | <b>All services</b>  |
| <b>Class 41</b> | <b>All services</b>  |
| <b>Class 42</b> | <b>All services</b>  |

**56. The registration shall be revoked accordingly with effect from 21 February 2003, the date requested by the applicants.**

57. The applicants sought revocation of the registration in its entirety even though they were conscious that there was a possibility of a finding of partial use. The registered proprietors did not offer a defence in respect of the goods covered by Class 25, but did so in relation to the other classes of the registration even though it must have been reasonably apparent that this was not going to succeed. In these circumstances I do not consider it appropriate to make a full award of costs.

58. I therefore order that the registered proprietors shall pay the applicants the sum of £1,950. This sum 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 13<sup>th</sup> Day of February 2008**

**Mike Foley  
For the Registrar  
The Comptroller-General**