

O-072-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 82746 BY
VAILLANT GMBH FOR REVOCATION OF
REGISTRATION NO 1277920 STANDING IN THE
NAME OF HEATING WORLD LIMITED**

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 82746 by Vaillant GmbH for revocation of Registration No 1277920 standing in the name of Heating World Limited

BACKGROUND

1. Trade Mark No 1277920, BETA, is registered in respect of:

Boilers and installations, all included in Class 11 for central heating.

2. The registration stands in the name of Heating World Limited. On 12 March 2007 Vaillant GmbH applied for revocation of this registration under Section 46(1)(b) of the Act claiming no genuine use and no proper reasons for non-use over two five year periods as follows:

5 January 1997 to 4 January 2002

5 January 2002 to 4 January 2007

3. The registered proprietor filed a counterstatement claiming that the trade mark BETA has been used on complete oil-fired central heating boilers from about 1987. Although complete boilers are no longer sold there has been use on spare parts for those boilers. It is said that this qualifies as genuine use in accordance with the ruling of the ECJ in *Ansul BV v Ajax Brandbeveiliging BV* Case C-40/01. Evidence in support of the claimed use has been filed by John Frederick Michael Bosworth, the registered proprietor's Managing Director. His witness statement is accompanied by five exhibits. No other evidence has been filed in these proceedings.
4. The parties were reminded of their right to be heard or to file written submissions (the Registry's letter of 23 January 2008 refers). Neither side has requested a hearing. Written submissions have been received from Sanderson & Co on behalf of the registered proprietor (their letter of 4 March 2008).

The Law

5. Section 46 reads as follows:

“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.”

6. The onus is on the proprietor to show use when a challenge arises (Section 100).

The authorities on genuine use

7. The two leading authorities on the guiding principles to be applied in determining whether there has been genuine use of a mark are *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Marks* [2006] F.S.R. 5. From these cases I derive the following main points:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- 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 (*Laboratoire de la Mer*, paragraph 44).

The evidence

8. I now turn to Mr Bosworth's evidence. He confirms use of BETA in relation to boilers. He has been unable to establish the exact date of first use but believes it to be some time in 1987. As evidence of continuing use he exhibits two orders placed on 24 January and 21 May 2007 respectively for spare parts. One relates to a target plate, the other to a thermostat. Both purchase orders specify the BETA product. Technically, neither of these orders was placed within the relevant period though for the reasons given below that is not to say that their relevance should be entirely discounted.

9. Publicity material for the BETA products was prepared by Birmingham Illustration Services. Leaflets were produced to suit the needs of individual retailers, plumbers and others who sell boilers. Examples of the brochures are contained in Exhibit JFMB2. They include material prepared for Jayhard, a plumbing, heating and electrical supplies company in Southampton, Essex Heating Supplies, Colchester and Sharpe & Fisher, building supplies. Reference is also made to two invoices from Birmingham Illustration Services that are in the same exhibit. It is said that these invoices are dated within the second of the five years periods and that they demonstrate that the mark was still in use in this way in 2004. In fact both invoices, though referring to the BETA brochure/BETA leaflets, carry dates in 1999. That places them within the first but not the second of the five year periods.

10. Exhibit JFMB3 contains copy invoices for spare parts for BETA boilers from within the first five year period. The details are as follows (in the order presented):

PRODUCT	ORDER/INVOICE DATE	AMOUNT £ (ex VAT)
Boiler stat	2 March 2000	10.00 (details barely legible)
External door	9 March 2000	35.00
Bal Flue	10 December 1999	112.50
Baffles	28 July 1998	50.00
Bal Flue	17 July 1998	100.00
Bal Flue low level	9 July 1998	135.00
Ecoflam minor	9 February 1998	100.00
Baffles	5 February 1998	25.00
Low level bal flue kit	17 December 1997	85.00

Water jacket	5 December 1997	222.50
Boiler stat	12 November 1997	15.00

11. All of the invoices refer to BETA by name. The addressees are individuals and companies throughout the country.

12. Exhibit JFMB4 contains copy invoices for spare parts for BETA boilers from within the second five year period. The details are as follows (again in the order presented).

PRODUCT	INVOICE DATE	AMOUNT £ (ex VAT)
Downfire baffle plate	14 October 2005	25.00
Baffles & insulation	22 September 2005	60.00
Baffle	26 April 2005	25.00
Control stat	27 January 2006	16.50
Baffles & weld spacers	23 May 2003	80.00
Control stat	18 February 2003	14.00
Electrodes	12 February 2003	10.00
Burner unit	10 January 2003	220.00

13. The above listed items all refer to BETA. A number of the invoices contain other items that are not expressly said to be for BETA boilers. I have not included these other unspecified items. The above invoices are addressed to customers in a wide range of geographical locations in the UK.

14. Also included in Exhibit JFMB4 is a letter from one of the invoice recipients, a company called Anglian Heating Components. The letter is dated 8 August 2005. The writer records the fact that he has purchased spares for Beta boilers and that there are a number of these boilers in his area. He asks to become an official spares distributor. There is no record of what (if any) reply was sent.

15. Mr Bosworth also refers to the supply of boilers and spare parts other than those set out above. He says that “..... many of these invoices refer to items by part number rather than by the mark BETA even though the sales were completed consequent upon use of that mark and some of the components have also carried the mark”.

16. Finally, Mr Bosworth refers to the intention to recommence use of the mark on a new range of micro-sized condensing oil boilers. Exhibited at JFMB5 is a first draft of a leaflet produced by Birmingham Illustration Services in October 2004 together

with a covering letter (dated 20 October 2004) from that firm. Due to commercial considerations the plans to release the new boiler have been delayed.

Appraisal of use

17. This is a somewhat unusual case in that the registered proprietor concedes that the mark is no longer being used in relation to the goods of the registration. Although, as recorded above, there is an intention to recommence use, the preparatory steps that were taken in October 2004 have apparently not progressed to the point where the mark is again in use in relation to boilers. My understanding from the counterstatement is that the registered proprietor does not claim that the commercial considerations that resulted in delay to the release of a new boiler constitute a proper reason for non-use.

18. The matter, therefore, comes down to whether use in relation to spare parts for BETA boilers has been established and, if so, whether such use is sufficient to defend the registration. I will take the latter point first because, if use in relation to spare parts for the original equipment is in principle incapable of forming the basis of a defence, then the proprietor's case must fall at the first hurdle.

19. The registered proprietor's counterstatement and written submissions refer me to the *Ansul* case which raised issues that are comparable to those pertaining here. The circumstances in that case were that Ansul BV had been selling fire extinguishers under the mark Minimax but had ceased doing so since 2 May 1998 at the latest. From 1989 to 1994 Ansul none the less sold component parts and extinguishing substances for fire extinguishers bearing the mark to undertakings with responsibility for maintaining them. It had also undertaken maintenance, checking and repair of equipment bearing the mark. As a result of revocation proceedings brought by Ajax Brandbeveiliging BV the Hoge Raad der Nederlanden referred, *inter alia*, the following question to the ECJ:

“2. Can there be genuine use as referred to above also where no new goods are traded under the trade mark but other activities are engaged in as set out in subparagraphs (v) and (vi) of paragraph 3.1 above [that is to say, those engaged in by *Ansul* from 1989 to 1994.....]?”

20. The European Court answered that question in the following terms:

“40. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.

41. That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the same mark under the conditions described in paragraphs 35 to 39 of this judgment. Since the parts are integral to those goods and are sold under the same mark, genuine use of the mark for those parts must be considered to relate to the goods previously

sold and to serve to preserve the proprietor's rights in respect of those goods.

42. The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services which, though not integral to the make-up or structure of the goods previously sold, are directly related to those goods and intended to meet the needs of customers of those goods. That may apply to after-sales services, such as the sale of accessories or related parts, or the supply of maintenance and repair services.”

21. It is also clear from the judgment that, in reaching a view on the matter in any given case, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real. Assessing the circumstances of the case may include giving consideration, *inter alia*, to the nature of the goods at issue, the characteristics of the market concerned and the scale and frequency of use of the mark though the use need not be quantitatively significant (paragraph 39 of *Ansul*).

22. In principle, therefore, the sale of spare or replacement parts by reference to the mark under which the original equipment was sold is capable of constituting genuine use in relation to the goods previously sold. The goods in question here are central heating boilers. Specimen brochures for the boilers originally marketed are contained in Exhibit JFMB2 and clearly carry the mark BETA. The actual examples are not dated. The brochures give basic descriptions including, size, type and what I take to be output ratings and confirm that the products are sold through plumbing, heating and electrical and building suppliers companies. The invoice evidence further confirms the nature of the sales outlets for spare parts for the goods.

23. Although neither side has commented more generally on the nature of the market I consider it is reasonable to suppose that central heating boilers may be installed in properties when they are built or as and when an existing system breaks down or needs to be replaced. They are items that can generally be expected to have a reasonably long life span but will require servicing during the course of their working life. There is also likely to be a demand for replacement parts to keep systems operational. Trade intermediaries and individual customers will look to the original equipment supplier for such parts not least because they are likely to be integral to, and adapted to, particular systems.

24. The proprietor's evidence is silent on when complete boilers were last sold under the BETA brand. It would seem that none were sold during either of the relevant five years periods. Certainly the invoices which start from 1997 disclose no sales of complete boilers. Sales of spare or replacement parts during the first of the relevant periods based on the invoices supplied amounted to £880. During the second period documented sales amounted to £450. Mr Bosworth's evidence is to the effect that these sales are not the full story because they only relate to invoices where the BETA mark is shown. There are, he says, other invoices in relation to spare parts for BETA boilers where the BETA name simply does not appear on the invoices. He gives no further information on the volume of sales made in this way. There has been no

challenge to the generality of the claim and it is not inherently improbable. Nevertheless, without more information, it would be unsafe to place any great reliance on the point.

25. It will be apparent from the above that documented sales volumes have been at low levels. Nevertheless sales have taken place on a consistent basis over time and are generally supportive of the fact that there was previously a material trade in boilers which must have been of wide geographical spread. The invoices for the second period alone, for instance, are from locations as far apart as Lincoln, Liskeard in Cornwall, Fairford in Gloucestershire, Ripon, Wymondham in Norfolk, Hinckley in Leicestershire and Henley on Thames. I note too that Anglian Heating Components Ltd wrote on 8 August 2005 enquiring about the possibility of becoming an official spares distributor and referring to the existence of “a number of these (BETA) boilers in our area”. That was an unprompted approach and presumably reflects the writer’s perception of the commercial potential though I accept that too much should not be read into this letter as the recipient’s response (if any) is not recorded.

26. Taking into account the nature of the goods, the characteristics of the market and the scale and frequency of use, I find that the use shown, albeit quantitatively small, is neither token nor internal to the undertaking and can be considered sufficient to maintain a share in the market. In my view it would be expected in the economic sector involved that traders who had placed goods (boilers in this case) on the market would continue to offer product support in terms of spares and replacement parts long after the original equipment or particular model ceased to be available. The proprietor’s business is consistent with that view of the characteristics of the market. That state of affairs holds good in relation to each of the non-use periods specified by the applicant. In coming to this view I have not relied on Exhibit JFMB1 (invoices after the close of the second period) though it is clear from *Laboratoire De La Mer Trade Marks*, [2002] F.S.R. 51 at paragraph 35 that in principle such evidence may shed light retrospectively as it were on the genuineness of use within the relevant timeframes.

27. Accordingly, the application for revocation fails and the registration will be retained in its entirety.

COSTS

28. The registered proprietor is entitled to a contribution towards its costs. I order the applicant for revocation to pay the proprietor the sum of **£800**. 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 13th day of March 2008

**M Reynolds
For the Registrar
The Comptroller-General**