

O-100-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 82708
BY AIKMAN AND ASSOCIATES
FOR REVOCATION OF TRADE MARK No. 2106556
STANDING IN THE NAME OF
APPLE INC.**

BACKGROUND

1) The following trade marks are registered in the name of Apple Inc.

Mark	Number	Registered Date	Class	Specification
TIME MACHINE TIME/MACHINE	2106556	14.03.97	9	Computer software
A series of two marks				

2) By an application dated 7 November 2006, subsequently amended, Aikman and Associates applied for the revocation of the registration under the provisions of Section 46(1)(b) claiming there has been no use of the trade marks in suit in the five years prior to the filing of the application for revocation. A revocation date of 6 November 2006 was sought.

3) On 21 February 2007 the registered proprietor filed a counterstatement stating that the marks had been in use during the period 6 November 2001 – 6 November 2006.

4) Both sides filed evidence. The matter came to be heard on 12 March 2008 when the registered proprietor was represented by Ms Tan of Messrs Field Fisher Waterhouse LLP and the applicant was represented by Mr Marsh of Messrs Wilson Gunn.

REGISTERED PROPRIETOR'S EVIDENCE

5) The registered proprietor filed a witness statement, dated 19 February 2007 by Thomas R La Perle, a Senior Intellectual Property Counsel employed by the Registered Proprietor, a position he has held since 1999. He states that the marks were first applied for by Toolroom Technology, a UK company, in July 1996. He states that the mark was used by the original proprietor. He states that on 20 October 2006 the marks were assigned to his employer. At exhibit TLP1 he provides a copy of the assignment document. This shows an agreement between Sun Trading Ltd and Apple Computer Inc. dated 20 October 2006. The assignment includes any goodwill attached to the trade marks.

6) Mr La Perle states that the marks were “immediately placed back into use”. He states that:

“7. Apple is widely publicizing its Time Machine product, to which the mark relates, to the extent that consumer awareness of the product has developed exponentially. Time Machine is a function within Apple’s forthcoming operating system, Mac OS X “Leopard”. Apple OS X series of operating system [sic] is pre-loaded on all Mac computers sold today, and [the] overwhelming majority of computers manufactured by Apple use the Mac OS X series of operating system. The availability of a new version of this software has therefore attracted a phenomenal degree of interest from Mac users.

8. Furthermore, the Mac OS X software is one of a very limited number of operating systems available in the computing market. Consequently, the

announcement of a new version has generated intense interest across the computing field, on account of the innovative new features possessed by the new software and its potential influence on the operating system and computer market as a whole.

9. The time machine component is a data backup and restoration software tool, that creates incremental backups of a user's files and settings when an external data storage device is connected to a user's Mac. Time Machine then allows the user to step back to any given point in time and view the files and settings that were on his Mac at that point in time, regardless of whether they have since been deleted or altered.

10. The Time Machine component is an entirely new feature of the Mac OS X software, which has added to the excitement surrounding its launch. Furthermore, it is one of the most prominent new features of that software. Apple has therefore devoted much attention to emphasising its novelty in as conspicuous a manner as possible. Consequently, any attention directed towards the Mac OS X Leopard software will naturally result in an appreciation of the existence and functionality of the Time Machine component. In fact, even though Time Machine is part of the wider OS X Leopard product, it has attracted substantial attention in its own right.....”

7) Mr La Perle provides at exhibit TLP-3 examples of two press articles which refer to the Time Machine component. The first is a printout from a UK website called *Techworld*. The printout is dated 19 February 2007 and is outside the relevant date. It contains an article written for a magazine or internet site called *Computerworld*. The article was clearly written for the USA market as it has a price mentioned in US\$. The article itself is dated 20 October 2006 but it is not clear when it was downloaded into *Techworld*. The other article is from *Macworld* and is dated 27 October 2008. Again from the information on pricing included in the article this appears to be an American magazine or website. Although Mr La Perle refers to these as “press articles” he does not state where the articles were published or provide any distribution information or sales details relating to the magazines.

8) At exhibits TP4& 5 he provides a copy of the top page of a special preview site, and a copy of the page specifically related to “Time Machine” created by the registered proprietor. The site was set up specifically for the new system and the first page refers to the Mac OS X Leopard system and the first feature listed underneath is “Time Machine”. The page goes on to describe the various features. The page refers to the product being available in Spring 2007 and also carries a copyright date of 2007. The next page is devoted to the “Time Machine” feature and provides details of what it does. It too has a copyright date of 2007. Mr La Perle states that he had a report created which showed the number of UK visitors to the US and UK websites. He states that in the period 20 October 2006 to 6 November 2006 there were 424,500 page views by 241,699 unique visitors, all originating from the UK. He comments:

“14. I would like to draw particular attention to the fact that the number of UK-originated page views is considerably higher than the number of visitors, which suggests that there are a substantial number of repeat views. I believe this is suggestive of considerable interest on the part of the public, and a likelihood

that a strong impression will be made on visitors to the site (because they return on several occasions).”

9) Mr La Perle states that on 23 October 2006 the registered proprietor made available the Leopard Early start Kit for software developers who were looking to create software applications for use with the Leopard software. This early start kit included the feature “Time Machine”. He states that between its initial release and 15 December 2006 one hundred and thirteen copies of this early start kit were sold in the UK.

APPLICANT’S EVIDENCE

10) The applicant filed a witness statement, dated 22 June 2007, by Zuber Mohsan a Director of Supanet Ltd an Internet Service Provider. He states that he has seen the registered proprietor’s evidence and has been asked to comment upon it. Mr Mohsan states:

“6. At paragraph 12 of his statement Mr La Perle suggests that the number of alleged views or hits demonstrate that the site has ‘*generated a remarkable degree of interest*’. I disagree. The number of hits’ that a particular web page receives can be very misleading indeed. There is a phenomenon known as ‘bouncing’ where visitors to a website ‘click’ through or ‘bounce’ around different pages on the website, whether by accident or in an attempt to find or view the particular pages that they are interested in. Visitors who ‘bounce’ pay little or no attention to the page they are viewing. In the case of websites that enjoy huge numbers of visitors offering a variety of products or services, such as Apple’s websites, this ‘bouncing’ effect can be very considerable indeed and materially distort the number of genuine views or ‘hits’. Indeed, it is quite possible that a blank webpage on the Apple sites would generate a comparable number of hits to the page in question within a very short space of time. Therefore, I do not consider it is possible to assert with any degree of confidence that the statistics provided are capable of supporting the contention made by Mr La Perle in respect of exposure, of these sites on their pages in the United Kingdom.

7. ‘Bouncing’ can also give the impression of repeat views or ‘hits’ with visitors inadvertently returning to a particular page as they seek to navigate around a website.

8. In summary I do not consider the statistics provided as to the alleged number of ‘hits’ or ‘visits’ demonstrate, show or in anyway support the contentions made by Mr La Perle that there would have been any substantial exposure of the webpage’s he references, in the United Kingdom, or visits to these pages by internet users based in the United Kingdom.”

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) At the hearing a preliminary point was raised concerning the filing of additional evidence. The registered proprietor sought to file additional evidence. It was stated that there had been difficulties in obtaining evidence as the principal is based in California. The registered proprietor is an extremely large corporation with, in all probability, a legal department if not an intellectual property department. It is also considered to be a leader in the information technology industry. I do not accept that it would have experienced difficulties in communication. It may be that it or its advisers did not attach the due significance to the deadlines imposed with regard to filing evidence. Whatever the reason, it is prejudicial to the applicant in this case and can also be seen as an abuse of process. The evidence is therefore not allowed into the case.

13) The revocation action is based upon Section 46(1)(b) of the Trade marks Act 1994, the relevant parts of which read as follows:

“46.-(1) The registration of a trade mark may be revoked on any of the following grounds -

- (a)
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (c)
- (d)

(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.”

14) The applicant alleges that the mark has not been used in the five years prior to the date of the application for revocation. The period in question is, therefore, 7 November 2001 – 6 November 2006.

15) Where the registered proprietor claims that there has been use of the trade mark, the provisions of Section 100 of the Act make it clear that the onus of showing use rests with him. It reads:

“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.”

16) I take into account the judgement in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* where the European Court of Justice, on 11 March 2003, stated at paragraphs 35-42:

“35. Next, as Ansul argued, the eighth recital in the preamble to the Directive states that trade marks ‘must actually be used, or, if not used, be subject to revocation’. ‘Genuine use’ therefore means actual use of the mark. That approach is confirmed, *inter alia*, by the Dutch version of the Directive, which uses in the eighth recital the words ‘werkelijk wordt gebruikt’, and by other language versions such as the Spanish (‘uso efectivo’), Italian (‘uso effettivo’) and English (‘genuine use’).

36. ‘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 origin of goods or services to the consumer or the end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that ‘genuine use’ of the mark 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. The protection the mark confers and the consequences of registering it in terms of enforceability *viv-a-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’etre*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations for by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or services at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant

for it to be deemed genuine, as that depends on the characteristics of the goods or services concerned on the corresponding market.

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 paras [35] to [39] of this judgement. 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.”

17) In the instant case the registered proprietor has provided limited evidence of use. However, the evidence has, for the most part, not been challenged. The applicant did file evidence but this only concerned the figures for internet viewers.

18) The registered proprietor only acquired the marks shortly before the end of the period in question. However, it is a matter of judicial note that computer software programmes as described in the literature provided are not written overnight. The registered proprietor characterised the situation by saying that they hit the ground running having been using the marks for some time prior to actually acquiring them.

19) The registered proprietor set up a website specifically related to the new software system both in the UK and the USA. The sites were monitored and the registered proprietor provided figures relating to the number of page views on each of the two sites from the UK. The figures were substantial showing that during the period 20 October to 6 November 2006 over 240,000 UK based visitors viewed 424,500 pages on the sites. The applicant filed a very interesting view from a computer expert which challenged these figures. The expert pointed out that a number of the visitors may have entered the site by accident or whilst trying to get to other parts of the website. I fully accept that this is possible and would account for a percentage of the viewers. However, this was not part of the registered proprietor's main website. It was a site set up specifically for this new piece of software, Mac OS X Leopard, which included the TIME MACHINE element. Whilst I accept that some may have happened upon the site by accident I would estimate this as being a relatively small percentage of what would still remain a very large figure. I was invited by the applicant to ignore the figures relating to the site in the USA. However, I do not believe that this would be acceptable. If one searches the internet for information regarding a software system then the fact that the search engine may offer a US site first would not put off most

users as they would know that the site would be in English. It is the information that they require irrespective of where they obtain it. The purpose of the figures provided was to show that there was a substantial number of UK consumers who were aware of the mark in suit at the relevant date. For this number of people to have searched out a specific website shows, to my mind, that a significant number of UK consumers were aware of the mark as at the relevant date.

20) The applicant contended that the figures showed use of the name “Mac OS X Leopard” and not the marks in suit. It was emphasised that the marks would not be seen at the point of sale. However, it is clear from the exhibits that the marks in suit are an important part of the new software system. The marks in suit relate to software which is part of an overall package but use as a sub brand is genuine use, even if it is not visible at the point of sale. See *RXWorks Ltd v Dr Paul Hunter* [2007] EWHC 3061 (Ch).

21) If this were not enough the registered proprietor also stated that one hundred and thirteen copies of an early starter kit were sold to software developers in the UK. This starter kit included the programme called Time Machine. The intention behind these sales was that independent software designers would use the registered proprietor’s software in their own applications. These starter kits were sold during the period 23 October 2006 to 15 December 2006. This is partly outside the relevant date. The test in such cases is “the balance of probabilities”. In my opinion it is highly unlikely that none of these kits were sold in the first 14 days, but were all sold in the subsequent 40 days. Given the nature of the product and the demand that such products derive in the marketplace I believe that these would have been sold as soon as the registered proprietor could supply them. As supplies started on 23 October 2006 it is my view that, on the balance of probabilities, most were sold prior to the relevant date of 5 November 2006.

22) The applicant for revocation did not distinguish between the two marks and so in the course of my decision I have taken that use of either mark equates to use of both. Given the very small difference between the marks in the series I believe that this is a reasonable stance. Equally, no submissions were made regarding a reduced specification. Neither party commented on the issue of a reduced specification. Therefore, in my opinion, use has been shown of the mark TIME MACHINE with regard to computer software in the Section 46(1)(b) period.

23) As the registered proprietor has been successful it is entitled to a contribution towards costs. I order the applicant to pay the registered proprietor the sum of £2,000. 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 8th day of April 2008

**George W Salthouse
For the Registrar,
the Comptroller-General**