

O-102-08

TRADE MARKS ACT 1994

**IN THE MATTER OF CONSOLIDATED APPLICATION Nos. 81999, 82000,
82001 & 82002
BY ENTECON UK LIMITED FOR REVOCATION OF TRADE MARK Nos.
1039705, 1280201, 1280202 & 1488590
STANDING IN THE NAME OF
STRAMPROY DEVELOPMENT & LICENSING B.V.**

BACKGROUND

1) The following trade marks are registered in the name of Stramproy Development & licensing B.V.:

Mark	Number	Date Registration completed	Class	Specification
ENTECON	1039705	24.09.75	7	Agricultural machines, machines for mechanical handling and parts and fittings included in Class 7 for all the aforesaid goods.
ENTECON BAGFLOW Registration of this mark shall give no right to the exclusive use of the word "Bagflow".	1280201	28.10.87	7	Agriculture machines, machines for mechanical handling and parts and fittings included in Class 7 for all the aforesaid goods.
ENTENCON BINFLOW Registration of this mark shall give no right to the exclusive use of the word "Binflow".	1280202	28.10.87	7	Agricultural machines; machines for mechanical handling; parts and fittings for all the aforesaid goods; all included in Class 7.
ENTENCON EASISHIFT Registration of this mark shall give no right to the exclusive use of the word "Easishift".	1488590	15.04.94	7	Agricultural machines; machines for mechanical handling; parts and fittings for all the aforesaid goods; all included in Class 7.

2) By applications dated 18 January 2005, 26 April 2005 & 27 April 2005, Entecon UK Limited applied for the revocation of the registrations under the provision of Sections 46(1)(a) & (b) claiming there has been no use of the trade marks in suit in the five years and three months prior to the filing of the applications for revocation. Alternatively, they seek partial revocation.

3) On 10 August 2005 the registered proprietor filed counterstatements. They pointed out that three of the marks contain a disclaimer regarding the second word of the mark. They state that therefore use of the mark ENTECON on its own qualifies as use of the marks which contain words other than ENTECON. They state that the applicant used the mark ENTECON and the three other marks in relation to all or some of the goods covered by the registrations during the relevant period. This use by the applicant was "either in its own right as registered proprietor or as a wholly owned subsidiary of its successor in title, Van Dijk International Holdings B.V.". It states that prior to 5 March 2003 the mark was used by Entecon Ltd. The mark was acquired by assignment by Van Dijk International Holdings B.V. on 5 March 2003 from Entecon Ltd. Thereafter, Entecon Ltd used the mark with the agreement of its parent company Van Dijk International Holdings B.V.. Entecon Ltd was acquired by the applicant for revocation in 2004. The Managing Director of the applicant company

was also the managing director of Entecon Ltd at all material times. The applicant company has the physical evidence or personal knowledge of the use by Entecon Ltd of the marks in question.

4) Only the registered proprietor filed evidence. Both sides ask for an award of costs. Neither side wished to be heard nor did they provide written submissions.

REGISTERED PROPRIETOR'S EVIDENCE

5) The registered proprietor filed two witness statements, dated 10 August 2005 & 30 August 2005, by Philip Warren Harris the registered proprietor's Trade Mark Attorney. From his evidence it can be adduced:

- Entecon Ltd were manufacturers, wholesale distributors and exporters dealing in industrial equipment and sheet metal fabrication, with a turnover of approximately £33 million in 2001. As of 31 December 2001 and up to and including 2003 Entecon Ltd was owned by Van Dijk International Holdings BV.
- Entecon Ltd was offering machines and spares in the UK as well as exports in 2001 (exhibit PWH10). Invoices from Entecon Limited to Van Dijk in 2001 and 2003 refer to the supply of conveyors by the UK firm.
- Archived pages from the internet show use by Entecon Limited of ENTECON, ENTECON EASISHIFT and ENTECON BAGFLOW between 2001-2004 on a range of conveyors and powder handling machines.
- The marks in suit were assigned from Entecon Ltd to Van Dijk International Holdings BV on 5 March 2003, and from Van Dijk International Holdings BV to Stramproy Development & Licensing BV on 2 January 2005.
- Mark L Kenny was appointed as a director of Entecon Limited on 4 February 2002. Mr Kenny was dismissed by Entecon Ltd on 26 February 2004 for "gross misconduct" and forced to resign from the Board of Directors
- On 19 February 2004 Entecon UK Limited was formed with Mr Kenny listed as a Director.
- On 15 March 2004 Entecon Ltd entered administration and were sold to Entecon UK Limited. Although the Summary of Assets filed with the High court and Companies House noted that "Goodwill/IPR not held at Entecon. On the books of Van Dijk Holdings." This statement was signed, on 5 July 2004, by Mark L Kenny.
- The applicant for revocation, Entecon UK Limited, claims on its website that it had "35 years experience in providing powder and granular conveying by aero mechanical means".
- Aarding Process Technology BV which now owns the Van Dijk group of companies deals in Entecon aero mechanical conveyors. The exhibit mentions

“the next generation of the Entecon® Aero Mechanical Conveyors” And also states that it has been “developed during our 42 years of experience in the powder handling industry”. A third party website, at exhibit PWH8, states “For over 40 years the Entecon Aero mechanical Conveyor (AMC) has been used in thousands of installations world wide”.

6) Mr Harris contends that the evidence of use in the UK by Entecon Limited is in the possession of Entecon UK Limited, the applicant for revocation.

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

DECISION

8) The revocation actions are based upon Section 46 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) 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)
- (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.”

9) The applicant alleges:

- that trade mark 1280202 was not used in the five years following the completion of the registration process or in the five year period starting five years and three months prior to the revocation action being filed on 18 January 2005. Giving periods of 29 October 1987-28 October 1992 and 18 October 1999- 17 October 2004.
- that trade marks 1039705, 1280201 and 1488590 were not used during the periods 14 October 1999-14 October 2004 and 18 January 2000- 18 January 2005.

10) 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.”

11) 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 vis-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.”

12) In the instant case the registered proprietor has provided archive internet material which shows use of the marks ENTECON, ENTECON EASISHIFT and ENTECON BAGFLOW with regard to conveyors and other machinery for handling powder. They have also provided invoices from 2001 and 2003 under the ENTECON mark with regard to conveyors. There is also the third party website which refers to use of ENTECON with regard to conveyors for over forty years world-wide. The last use is from an Australian website but it does provide some support to the overall contention.

13) The evidence of use is scant. However, the evidence has not been challenged and I must also bear in mind the other evidence that the applicant for revocation was fully aware of the use made of the marks in the UK and indeed, probably has evidence of such use. In my opinion the registered proprietor has, on the balance of probabilities, shown use of its marks ENTECON, ENTECON EASISHIFT and ENTECON BAGFLOW within the relevant periods on goods which fall within the specification

as registered. The application for revocation with regard to trade marks 1039705, 1280201 and 1488590 therefore fail.

14) No use of the mark ENTECON BINFLOW (1280202) has been shown. I note that the word “BINFLOW” is the subject of a disclaimer, although disclaimers do not go into the marketplace. Use of ENTECON has been shown, see above. I must now turn to consider whether use of the mark as shown in the exhibit can be considered use of the registered mark. In considering this issue I look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 25. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

“40 These points are uncontroversial, not to say pedestrian, but they do to my mind help to show what is the right approach to the language of s.46(2) of the Act, which is at the heart of the first appeal:

“...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.”

(This language is word for word the same as the English language version of Art.10.2(a) of the Directive).

41 The word “elements” can be used, and often is used, to refer to the basics or essentials of a matter. However it can hardly have that meaning in s.46(2), since a basic or essential difference in the form in which a trade mark is used would be very likely to alter its distinctive character. In s.46(2) “elements” must have a weaker sense (of “features” or even, as Mr Bloch came close to submitting, “details”).

42 The deputy judge touched on this and some related points in paras [18-22] of his judgment. He stated that the elements of a mark must be assessed separately. He also stated (or at least implied) that only some of the elements might contribute to the distinctive character of the mark. He pointed out that the inquiry was as to whether the mark’s distinctive character was altered (not substantially altered).

43... The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

‘Bare ruin’d choirs, where late the sweet birds sang’

is effective whether or not the reader is familiar with Empson’s commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose eyes? - registrar or ordinary consumer?’ is a direct conflict. It is for the registrar, through the hearing officer’s specialised experience and judgement, to analyse the ‘visual, aural and conceptual’ qualities of a mark and make a ‘global appreciation’ of its likely impact on the average consumer, who:

‘Normally perceives a mark as a whole and does not proceed to analyse its various details.’

The quotations are from para [26] of the judgement of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

15) I also refer to the comments of Sir Martin Nourse, in the same *Bud* case where, at paragraph 12, he said:

“Mr Bloch accepted that, in relation to a particular mark, it is possible, as Mr Salthouse put it, for the words to speak louder than the device. However, he said that it does not necessarily follow that the entire distinctive character of the mark lies in the words alone. That too is correct. But there is yet another possibility. A mark may have recognisable elements other than the words themselves which are nevertheless not significant enough to be part of its distinctive character; or to put it the other way round, the words have dominance which reduces to insignificance the other recognisable elements.”

16) To my mind, use of the word ENTECON absent the word BINFLOW does not significantly alter the distinctive character of the registered trade mark which takes the mark beyond the differing forms allowed under Section 46(2). Consequently, it is my opinion that the registered proprietor has shown use of the registered trade mark and the revocation actions under Sections 46(1)(a) & (b) fail.

17) 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 £1,800. 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 9th day of April 2008

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