

O/1041/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NOS. 505034 AND 505098

TO REVOKE ON THE GROUNDS OF NON-USE  
REGISTRATION NOS. UK00900226019 AND  
UK00801329569 FOR THE MARKS:

**SWATCH**

IN CLASS 14

AND

**SWATCH**

IN CLASS 9

OWNED BY

SWATCH AG (SWATCH SA) (SWATCH LTD.)

## BACKGROUND AND PLEADINGS

1. These proceedings concern the following trade marks that are owned by Swatch AG (Swatch SA) (Swatch Ltd.) (“the proprietor”):

SWATCH

Registration no. 900226019<sup>1</sup>

Filing date 15 April 1996; registration date 2 October 1998

Seniority date 24 June 1988

Registered for the following goods:

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

(“the Class 14 mark”); and

SWATCH

Registration no. 801329569

Filing date 18 November 2016; registration date 4 July 2017

Priority date 19 May 2016

Registered for the following goods:

Class 9: Apparatus for recording, transmission and reproduction of sound or images; electronic payment processing apparatus, apparatus for processing cashless payment transactions; computers, laptop computers, handheld computers, mobile computers, personal computers, wrist computers, smartwatches; telecommunication apparatus and instruments; apparatus for recording, transmission, reproduction of sound or images, particularly

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<sup>1</sup> The proprietor’s marks are comparable trade marks based on either a pre-existing EUTM (being EUTM no. 000226019) or a pre-existing International Registration that designates the EU (being IR no 01329569). On 1 January 2021, in accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with existing EUTMs and IRs designating the EU.

mobile telephones and new-generation mobile telephones with greater functionality (smartphones); handheld electronic apparatus for accessing the Internet and sending, receiving, recording and storing short messages, electronic messages, telephone calls, faxes, video-conferences, images, sounds, music, text and other digital data; handheld electronic apparatus for wireless reception, storage and transmission of data or messages; handheld electronic apparatus for global positioning [GPS] and displaying maps and transport information; handheld electronic devices for detection, storage, monitoring, surveillance and transmission of data relating to user activity, namely position, itinerary, distance traveled, heart rate; optical apparatus and instruments, particularly spectacles, sunglasses, magnifying glasses; cases for spectacles, sunglasses and magnifying glasses.

("the Class 9 mark")

2. On 27 June 2022, Samsung Electronics Co., Ltd. ("the applicant") applied to revoke the Class 14 mark for all goods save for "analogue watches". On 11 July 2022, it also sought the revocation of the Class 9 mark for all of the goods for which it is registered. Both of the applications were brought in reliance upon sections 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994 ("the Act").
3. Beginning with the application aimed at the Class 14 mark, the period during which the applicant alleges non-use under section 46(1)(a) is the five years after the registration of the mark, being 3 October 1998 to 2 October 2003 with revocation sought from 3 October 2003. Under the section 46(1)(b) ground, the applicant is alleging non-use of the mark for the period of 27 June 2017 to 26 June 2022, with revocation sought from 27 June 2022, being the date of the application at issue.
4. As for the application aimed at the Class 9 mark, the period during which the applicant alleges non-use under section 46(1)(a) is the five years after the registration of the mark, being 5 July 2017 to 4 July 2022 with revocation sought

from 5 July 2022. Under the section 46(1)(b) ground, the applicant is alleging non-use of the mark for the period of 8 July 2017 to 7 July 2022, with revocation sought from 8 July 2022.

5. The proprietor filed counterstatements wherein it defended all of the goods subject to the application against the Class 14 mark but only some of the goods in the specification of the Class 9 mark. The undefended goods in the Class 9 mark are:

Laptop computers, [...] personal computers; apparatus for recording, transmission, reproduction of sound or images, particularly mobile telephones and new-generation mobile telephones with greater functionality (smartphones).

6. Both parties filed evidence in chief with the proprietor also filing written submissions alongside its evidence. A hearing took place before me on 26 July 2023, by video conference. The proprietor was represented by Mr Daniel Selmi of 3 New Square, acting upon the instruction of Dentons, being the proprietor's legal representatives. The applicant was represented by Mr David Stone of Allen & Overy, who have represented the applicant throughout these proceedings.
7. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

## **EVIDENCE**

8. The proprietor's evidence in chief came in the form of the joint witness statement of Ms Mireille Koenig and Mr Antoine Haller dated 12 December 2022. Ms Koenig is the Chief Legal Officer at The Swatch Group Ltd ("the Swatch Group"), a position she has held since 2016. Mr Haller is the Head of Trademarks and Designs at the

Swatch Group, a position he has held since 2021. Prior to taking this role, Mr Haller was an Anti-counterfeiting Officer at the Swatch Group. Their statement is accompanied by 60 exhibits, being MKAH1 to MKAH60. The evidence explains that both Ms Koenig and Mr Haller are authorised signatories of the proprietor and confirms that the proprietor is part of the Swatch Group. A list of the companies within what is referred to as the Swatch Group is provided in the evidence, of which the proprietor is one.<sup>2</sup>

9. I note that the proprietor's evidence consists of evidence in a foreign language. Translations of the same have been provided. In support of the accuracy of these translations, witness statements (all of which are dated 21 December 2022) have been provided by Ms Elina Nierojewski-Velez, Mr Ian Cottrell, Ms Judith Beckett, Mr Matthew Roselli, Ms Monique Engelhart and Ms Teresa Adelson. All of these individuals are translators at Transperfect Legal Solutions and their evidence relates to translations to English from languages such as Portuguese, French, Italian, Dutch and German and Polish, respectively. I do not intend to summarise each statement but note that they confirm (1) what parts of Ms Koenig and Mr Haller's evidence has been translated and (2) the witnesses' belief that the translations are accurate.
  
10. The applicant's evidence came in the form of the witness statement of Mr David Stone dated 22 February 2023. As set out above, Mr Stone is the applicant's legal representative and is, therefore, duly authorised to give evidence on the applicant's behalf. Mr Stone's statement is accompanied by twelve exhibits, being DAS1 to DAS12.
  
11. Given the voluminous nature of the evidence filed, I do not consider it appropriate or necessary to summarise the entirety of the evidence throughout the course of my decision. I will, however, summarise it to the extent that I consider it necessary to do so at the relevant parts of my decision. For the avoidance of doubt, I confirm that I have taken all of the evidence and submissions into account.

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<sup>2</sup> MKAH1

## PRELIMINARY ISSUES

12. Throughout these proceedings and at the hearing, the parties made a number of arguments and submissions that I consider necessary to discuss as preliminary issues to my decision.

### High Court proceedings and the related revocation proceedings

13. Throughout these proceedings, there has been reference by both parties to proceedings in the High Court of England and Wales between the applicant and several companies within the Swatch Group (the proprietor being one of them).<sup>3</sup> The outcome of the High Court proceedings was the granting of an injunction in favour of the Swatch Group.<sup>4</sup> The applicant claims that during those proceedings, the Swatch Group confirmed that it had not used its marks for ‘smartwatches’ and that it became apparent that there was no use for other goods contained in the specifications of other marks owned by companies within the Swatch Group. As a result, the applicant claims that the injunction is based on overly broad specifications of the Swatch Group’s marks, for which there is no use. Consequently, the applicant now seeks the present revocation action against the proprietor’s marks. In addition to these proceedings, there are 12 other revocation actions brought by the applicant against 18 different trade marks owned by various companies within the Swatch Group.

14. During the hearing, the parties took me to the transcript of the cross-examination of Mr Sylvain Dolla, being the Chief Executive Officer of Tissot SA (being a company that sits within the Swatch Group) and a Member of the Extended Group Management Board for the Swatch Group. The applicant sought to point out that, during the cross-examination of Mr Dolla in the High Court, he confirmed that Tissot and the Swatch Group generally made a decision not to enter the smartwatch market and that the Swatch Group had never sold a smartwatch. Further, Mr Dolla

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<sup>3</sup> *Montres Breguet SA & Ors v Samsung Electronics Co. Ltd* [2022] EWHC 1127 (Ch)

<sup>4</sup> The judgment of the High Court is presently subject to an appeal due to be heard on 5 and 6 December 2023

confirmed that the Swatch Group decided to keep away from the smartwatch market as it is understood as a commodity.<sup>5</sup> In response to this point, the proprietor sought to argue that Mr Dolla was an employee of Tissot SA and not the proprietor in the present case, to which the applicant argued that Mr Dolla is also a member of the Extended Group Management Board so his comments can be taken to apply to all members of the Swatch Group. In any event, I do not consider that the comments of Mr Dolla in the High Court, despite being under oath, are relevant to the assessment I must make at present. While they are noted, my present assessment is based on the evidence before me and if that evidence is satisfactory in demonstrating use of a smartwatch, then that is sufficient to warrant a finding of genuine use of the same. If not, then no such protection will be granted. Mr Dolla's comments, therefore, have no effect on the assessment before me and I will say no more about them.

#### Reputation of the proprietor as found by Falk J in the High Court proceedings

15. Throughout these proceedings, there has also been mention of the judgment of Falk J in the High Court proceedings wherein she stated at paragraph 175 that:<sup>6</sup>

“Marks such as those associated with Omega, Longines, Tissot and Swatch are very well-known. Their reputation is obvious. [...] Further, I would observe that the developers of apps using identical or similar signs to the marks clearly intended to imitate or at least to pay homage to the relevant marks, including exclusive marks such as Jaquet Droz. That rather demonstrates the existence of a reputation.”

16. While I accept that it may very well be the case that the proprietor and other companies within the Swatch Group enjoy a reputation, this is not at issue here. Further, it does not follow that because Falk J found there to be a reputation in the marks at issue before her then I must reach a similar conclusion here, i.e. that there has been genuine use of the marks at issue. Instead, my decision is based on an

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<sup>5</sup> A copy of the transcript of the cross-examination of Mr Dolla is exhibited at DAS5

<sup>6</sup> A copy of the full judgment is exhibited at DAS3

assessment of the evidence before me whilst taking into account the relevant case law and legislation. Falk J's determination regarding a reputation is not relevant to this decision and I will say no more about it.

### Relevant periods

17. As set out above, there are two sets of relevant periods for each of the revocation applications. The earlier periods are the ones relevant to the 46(1)(a) grounds with the latter periods being relevant to the 46(1)(b) grounds. In its counterstatements, the proprietor clarified that it only sought to rely on use insofar as it covers the latter relevant periods. As such, the proprietor's evidence only focused on the later relevant periods. The basis for this was set out at the hearing by Mr Selmi wherein he confirmed that the proprietor relies on the provisions set out at section 46(3) of the Act which set out that:

“46 (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.”

18. So long as I am satisfied as to use and provided that said use commenced or resumed prior to the period of three months before the application dates of the present proceedings, I agree with the proprietor's position in that the earlier relevant period in respect of the Class 14 mark is of no real consequence to the



genuine use assessment I must make.<sup>7</sup> That being said, it follows that if there is no use in respect of the latter relevant periods, the proprietor's failure to file any evidence in relation to the earlier relevant periods means that the revocations will take effect from the earliest sought revocation dates. So while I will make no reference to the earlier periods in my assessments below, they may still have effect on these proceedings.<sup>8</sup> For ease of reference going forward, I will only refer to the one relevant period for each revocation application, being 27 June 2017 to 26 June 2022 for the Class 14 mark and 8 July 2017 to 7 July 2022 for the Class 9 mark.

### The proprietor's evidence

19. Prior to the hearing, the applicant filed a skeleton argument that contained detailed and extensive criticisms of the proprietor's evidence. Having reviewed and considered the issues raised by the applicant, I note that the majority of them relate to criticisms of the evidence insofar as they fail to demonstrate genuine use. While Mr Stone did not seek to raise all of these issues at the hearing, Mr Selmi set out that it was not appropriate for the applicant to raise these issues at such a late stage in the proceedings (being the skeleton argument stage) without formally challenging the evidence. While this point is noted, it is not necessary that the applicant raises such issues in evidence or request to cross-examine witnesses. On the contrary, it is common in proceedings before the Tribunal for an opposing party to raise issues with the sufficiency of the other side's evidence at the hearing stage or via written submissions in lieu. Further, I remind myself that the onus is on the party bearing the burden of proving use to file its best case as evidence in chief. Having said that, I do appreciate that where the party challenging the evidence appears to have avoided criticising the accuracy or sufficiency of it during the written procedure, only to unveil an extensive attack on its accuracy and sufficiency after the evidence rounds have closed, there is potential for unfairness. In the present case, I appreciate that the applicant's critique of the proprietor's

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<sup>7</sup> I make reference only to the Class 14 mark in respect of this point on the basis that there is a significant overlap between the 46(1)(a) period and 46(1)(b) period for the Class 9 mark so the issue discussed here is of no real consequence to that mark.

<sup>8</sup> On this point, I note that revocation of the undefended goods in the Class 9 mark will take effect from the earlier date.

evidence is extensive and was not unveiled until mere days before the hearing. However, in respect of the former point, I remind myself that the evidence filed in these proceedings was voluminous and spread over 60 exhibits. In such circumstances, it is not unsurprising that any criticisms of the same would also be extensive. In respect of the latter point, I note Mr Selmi's issues with the applicant's approach but note that he did not seek to make an application to allow for the proprietor to file evidence in response to the criticisms made. While I will say no more about this issue, I wish to point out, for the avoidance of doubt, that while I will give consideration to the applicant's criticisms, the conclusions I will reach in this decision will be based on my own assessment of the evidence before me.

20. Having said all of the above, I am of the view that there are two issues that I wish to directly address. The first relates to the applicant's claim that the proprietor's witnesses are not persons properly qualified to know the nature of the use of the marks. This is on the basis that they are members of the proprietor's legal team rather than the business itself. This issue is noted but I agree with Mr Selmi on this point in that it is not appropriate for the applicant to only seek to raise the issue at such a late stage in these proceedings. If the applicant wished to take issue with this point then it should have mentioned it in its evidence, thereby potentially prompting evidence in reply whereby the proprietor's witnesses could directly address the point. Without a direct challenge, I see no reason why I should disbelieve the proprietor's evidence simply because it came from employees in the Swatch Group's legal and trademarks teams. On this point, I note that evidence filed on behalf of companies is commonly given by persons of the same or similar employment status and such evidence is routinely accepted into proceedings before the Tribunal without issue.

21. The second issue raised relates to the evidence at large being discredited by the false statement by Ms Koenig and Mr Haller that "Swatch has made genuine use of the Mark for the goods in its specification during the period in question."<sup>9</sup> The

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<sup>9</sup>See paragraph 36 of the witness statement of Ms Koenig and Mr Haller

applicant argues that this statement is ‘obviously incredible’<sup>10</sup> as the evidence clearly does not demonstrate use for everything. While this argument is noted, I do not agree. Even if it is not the case that the evidence shows genuine use for *all* goods in the proprietor’s specification, the claim that it has is not sufficient to discredit the accuracy of the proprietor’s evidence as a whole.<sup>11</sup> Without any direct challenge to the evidence, I consider it reasonable to proceed on the basis that, if use is not shown for all goods, it may simply have been the case that Ms Koenig and Mr Haller believed that it had. This is not, in my view, an intentionally misleading statement that prompts me to question the truthfulness of the statement as a whole.

### New Limitation proposals

22. As set out above, the applicant’s pleaded case in respect of the Class 14 mark is that it be limited to just ‘analogue watches’. During these proceedings, the applicant provided an alternative position, being a claim that the Class 14 mark only survive in respect of ‘watches other than smartwatches’. This issue first came to the Tribunal’s attention via written correspondence from the applicant on 29 March 2023 and the proprietor’s subsequent response on 6 April 2023. The proprietor sought to oppose the alternative argument being raised at such a late stage in these proceedings on the basis that it had not been specifically pleaded. After further correspondence between the parties, the Tribunal confirmed via email on 4 July 2023, that in revocation proceedings it is open for the Hearing Officer to reframe a trade mark specification by reference to the evidence filed and that it did not follow that if the application were to succeed, the specification could only be limited to that of the applicant’s pleaded case. Instead, the Tribunal confirmed that the Hearing Officer may reach alternative conclusions based on the evidence filed and the issue as to whether such an amended specification should make reference

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<sup>10</sup> In making this point, Mr Stone referred to the wording used in the case of *Pan World Brands Ltd v Tripp Ltd* [2008] RPC 2.

<sup>11</sup> On this point, I refer to paragraph 44 of *DRYSHOD* (Case BL O/243/19) wherein Mr Phillip Johnson, sitting as the Appointed Person, set out that it was plainly wrong in law to suggest that just because some part of a witness’s evidence are inaccurate, other parts should not be accepted.

to the exclusion of 'smartwatches' or not is something that the parties were free to make submissions on.

23. I note that in its skeleton argument prior to the hearing and also via oral submissions from Mr Stone at the hearing, the applicant sought to introduce a further alternative specification, being "watches other than smartwatches and connected watches". While Mr Selmi did not further the proprietor's opposition to the introduction of these alternative specifications at the hearing, he did raise the issue in his skeleton argument. As confirmed in the Tribunal's response discussed above, it is open to me during the course of this decision to determine a fair specification of the goods at issue in light of both the evidence before me and the relevant case law (cited in full below). As such, I am of the view that the applicant is entitled to raise the alternative arguments in respect of a fair specification.

24. So long as I am satisfied that the evidence and case law support such a finding, it may be that I conclude on a fair specification in line with one of the applicant's submitted specifications. Alternatively, I may conclude in line with the proprietor's position (that the proprietor maintains its class 14 specification in full) or conclude with finding an alternative term that I deem to constitute a fair specification (again, so long as the evidence and case law support such a finding).

## **DECISION**

25. Section 46 of the Act states:

"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 purpose of subsection (1) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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 in 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) [...]

(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 existing at an earlier date, that date”.

26. Given that the proprietor’s marks are comparable marks, paragraph 8 of part 1, schedule 2A is relevant. It reads:

“8.— Non-use as defence in infringement proceedings and revocation of registration of a comparable trade mark (EU)

(1) Sections 11A and 46 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the period of five years referred to in sections 11A(3)(a) and 46(1)(a) or (b) (the "five-year period") has expired before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark, are to be treated as references to the corresponding EUTM ; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union”.

27. Section 100 is also relevant, which reads:

“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.”

28. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark:



*Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

29. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real”<sup>12</sup> because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark”<sup>13</sup> is not, therefore, genuine use.

30. I am also guided by *Awareness Limited v Plymouth City Council*, Case BL O/236/13 (“*Plymouth Life*”), wherein Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.

[...]

28. .... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to

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<sup>12</sup> *Jumpman*, Case BL O/222/16

<sup>13</sup> *Ibid.*

the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

31. In addition, in *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

32. The proprietor’s marks are comparable marks based on either an earlier EUTM or an earlier IR designating the EU. This means that use of the marks in the EU prior to (and including) IP Completion Day (being 31 December 2020) is relevant to the present assessment.<sup>14</sup> By virtue of being a Member State prior to this date, the UK still forms part of the relevant territory of the EU. From 1 January 2021 onwards, however, the relevant territory is the UK only. In relation to the period during which use in the EU is relevant, I refer to the case of *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, wherein the Court of Justice of the European Union noted that:

“It should, however, be observed that ... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

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<sup>14</sup> See paragraph 4 of Tribunal Practice Notice 2/2020

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

33. In respect of the framing of a fair specification, I remind myself of the case of *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, wherein Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

34. Further, I note the case of *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

35. Before proceeding to consider the relevant assessment, I wish to discuss the volume of the proprietor's evidence. By my count, the proprietor's evidence in chief (excluding the translated evidence) is 266 pages in length. While this does fall within the guidelines of the Tribunal, being 300 pages for evidence in chief as set

out in Tribunal Practice Notice 1/2015 (“the TPN”), I note that there is a significant amount of evidence wherein several pages of documents are laid out on one page. While not an exhaustive list of examples where this practice has taken place, I refer to Exhibit MKAH15 which consists of 27 pages of documents condensed into just 15 pages of evidence, Exhibit MKAH39 which is made up of just 12 pages but contains 46 pages worth of invoices and Exhibit MKAH47 which is made up of 8 pages but contains 12 pages worth of publication evidence. The evidence has been filed in such a way that it is clearly an attempt at circumventing the TPN without having to seek directions permitting the filing of evidence in excess. I note that this issue was not picked up by the Tribunal upon the filing of the evidence. Given its status as admissible evidence before the Tribunal, it is incumbent upon me to consider the evidence in full so I must, therefore, consider the evidence as filed. That being said, I do wish to express that this approach is inappropriate in proceedings before the Tribunal and will be considered further when it comes to making an assessment as to costs.

36. At the hearing, the parties made various submissions in respect of the evidential burden and the case law that is relevant to the assessment of proof of use. The applicant’s argument boiled the position down to being a three step test in that I must first examine the evidence relied on, then I must consider what does that evidence prove, as a whole, before making a determination as to what a fair specification is based on the use shown. The proprietor’s argument in response was that this was a ‘divide and conquer’ approach which did not take a wholistic view of the evidence. While I agree that I must take the evidence as a whole, this does not mean that just because it is voluminous and detailed that it is satisfactory in showing genuine use for all goods at issue. On this point I agree with the applicant in that if there are individual issues with different items of evidence that renders that specific evidence of little or no assistance, then that must affect the overall evidential picture. While I am entitled to make inferences based on the evidence before me, the sheer volume of evidence coupled with the fact that the proprietor is a large company does not simply mean that I must make every inference in favour of the proprietor. Put simply, if I am not satisfied that such an inference is reasonable to make then I will not make it. On this point, I remind

myself of the comments of Mr Daniel Alexander Q.C. in *Plymouth Life* (cited above and also referred to by the applicant at the hearing) that I will be justified in rejecting evidence if it is insufficiently solid. I do not consider this a necessarily controversial approach and I will proceed to assess genuine use in the way outlined in the case law.

37. I will begin with the assessment of the Class 9 mark. I do so on the basis that it deals expressly with ‘smartwatches’ and as the applicant argues that the fair specification of the Class 14 mark should exclude smartwatches, I consider it necessary to address the position regarding smartwatches and wrist computers (being a broader term that can be said to include smartwatches) first.

### The Class 9 mark

#### *Smartwatches; wrist computers.*

38. The proprietor claims that it sells goods under the above term by way of its ‘Swatch Touch Zero’ watch (of which there are two models, being an original model and a second one) and its ‘SwatchPAY!’ device. I note that the applicant argues that these are not smartwatches. In making this argument, the applicant relies on the comments of Mr Dolla in the High Court proceedings, I have addressed these above and see no reason to re-address them here. Additionally, the applicant’s position is that the proprietor itself refers to its ‘Swatch Touch Zero Two’ model as ‘a tactile, electronic watch exhibiting computer and smartwatch functions.’<sup>15</sup> Further, the invoice evidence (that I will come to discuss below) refers to the product as “wrist-watch, electr” (presumably meaning ‘electric’) and not as a wrist computer or a smartwatch.<sup>16</sup>

39. Having considered the user manual for both products in the ‘Swatch Touch Zero’ range,<sup>17</sup> it is clear to me that the first version of this watch is not a smartwatch. This

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<sup>15</sup> See paragraph 32 of the witness statement of Ms Koenig and Mr Haller

<sup>16</sup> See MKAH58

<sup>17</sup> MKAH54 and MKAH55



is on the basis that this watch only seemingly exhibits a basic pedometer function and something referred to as a Beach Volleyball 'hit' function. While this is a watch with some advanced functionality, it is not a computer in the form of a watch (being all that a 'smartwatch' is). Turning to the second version of the watch, I note that it has some more advanced functionalities such as advanced pedometer functions, Bluetooth functionality, tracks the user's activity, monitors the movement of the user to determine how big of a 'fan' the user is of a certain sport and a connected mobile application. While these features are noted, I still do not consider that this is a smartwatch either because, as was the case above, this is not a computer in the form of a watch. Having said that, I appreciate that some average consumers may consider the additional features sufficient or the watch to be deemed a type of 'smartwatch' (albeit a fairly basic one). I will, therefore, consider the use in relation to the same further below. Before doing so, I will briefly consider the 'SwatchPAY!' device.

40. As above, I turn now to the 'SwatchPAY!' device. I am in agreement with the applicant that this is not a smartwatch. This is because the evidence relating to this device identifies it as a passive NFC chip embedded within the watch face to make contactless payments.<sup>18</sup> I make this finding on the basis that this device is, by the proprietor's own admission, a passive chip that sits inside the watch face. In essence, this is simply a chip akin to those found inside 'Chip & PIN' credit/debit cards. While it is a function that advances the features of the watch, I do not consider that it can be said to add any 'smart' function to the watch itself. That being said, this device is relied upon for other goods in the Class 9 mark and I will assess its use below.

41. Having reviewed the evidence in respect of the proprietor's smartwatch, I note the following:

- a. The goods were available online via the proprietor's official third party retailers such as WatchShop and The Watch Hut during the relevant period. Evidence

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<sup>18</sup> See paragraph 27 of the witness statement of Ms Koenig and Mr Haller

of this is demonstrated via screenshots dated in 2021 taken from the internet archive facility, the Wayback Machine.<sup>19</sup> While noted, there is nothing further regarding these retailers and I have nothing before me to enable me to infer that a reasonable amount of sales would have stemmed from the existence of the products on these websites. An additional point of note in respect of these print-outs is the use of reference numbers on the proprietor's smartwatch in that each item's reference number (regardless of whether on the WatchShop or The Watch Hut website) begins with the designation 'SVQN' (for the second version) and 'SURW' (for the original version). Further, there is a watch shown that not a smartwatch. I note that this has a reference beginning with 'SUOW'.

- b. The product is accompanied by a downloadable application that the evidence claims has been available to download since the beginning of the relevant period. Screenshots of the app on the Apple App Store and Google Play Store are provided.<sup>20</sup> The screenshots are undated; however, the version history indicates the app's availability during the relevant period. While there is no evidence confirming the download figures for this application, I note that there are a number of reviews shown. The App Store print-out shows just nine reviews and while the Google Play print-out shows 578 reviews, this is far from significant. Further, there is nothing to suggest that these reviews stem from UK or EU users. On the latter point, I have nothing to assist me in the nature of these reviews, i.e. whether they are limited to the region of the person accessing the site or not (thereby covering global reviews);
- c. Ms Koenig and Mr Haller state that these devices have sold well in the UK and EU. In support of such a claim, sample invoices have been provided that range from 2017 to 2020.<sup>21</sup> The narrative evidence sets out that they are invoices to Swatch Group distributors. No breakdown of smartwatch sales for these invoices has been provided. The claim made in respect of these invoices is that they relate to sales of the 'Swatch Touch Zero' but I note that there are a range of watch straps, watch bracelets and gift cards included. A further note of interest is the fact that only a number of the watches shown include

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<sup>19</sup> MKAH56

<sup>20</sup> MKAH57

<sup>21</sup> MKAH58

reference numbers beginning with the 'SVQN' designation and only a limited number of them include the word 'ZERO' in their descriptor. On this point, I note that there are additional watches shown that include the designation 'SUOW'. Lastly, the cost of the items in the invoice appear relatively low and I consider it reasonable to infer that this is because the prices shown are the wholesale prices;

- d. An additional invoice showing the wholesale of 'Swatch Touch Zero' devices to third party corporate clients.<sup>22</sup> This is an invoice addressed to a redacted retailer in Reading and is dated 26 June 2019. Like the invoices discussed above, this one is also said to be a sample; and
- e. Print-outs showing 'Swatch Touch Zero' products.<sup>23</sup> The print-outs are undated and two of them are seemingly taken from the proprietor's Polish and French websites. One is also in English and indicates that it is from a 'Swatch Official Stockist' so it is unclear whether this is from the proprietor's own website or not. Further, it is not clear that this is a UK-based website or, for example, one from the USA or Australia. The print-outs show different versions of the proprietor's Touch Zero watch such as 'DEEPZERO', 'FREEZERO', 'EARTHZERO', 'PETROZERO', 'STRIPEZERO' and 'CUBEZERO'. Notably, the English-language print-out states that the model shown is discontinued. Like the print-outs from third party retailers, these show reference designations and, for the second version of the watches, this begins with 'SVQN' and, for the original, this begins with 'SUV'.

42. Firstly, I wish to discuss the nature of the invoice evidence. At the hearing, Mr Stone set out that the first set of invoices discussed are internal and, therefore, in accordance with *Ansul* (cited above), they are of no assistance in the case of genuine use. I note that the invoices shown are from 'The Swatch Group Export SA' and confirm that the goods are to be shipped to Swatch Group subsidiaries in England, France, Austria and Italy. While the recipients of the goods on the invoices are Swatch Group companies, I am satisfied that they are parts of the distribution arm of the group and constitute distribution invoices. Therefore, I

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<sup>22</sup> MKAH59

<sup>23</sup> MKAH60

consider that they should be treated in the ordinary way, i.e. as if they were shipped to third party retailers. In such circumstances, it is ordinary for distribution invoices to be used to support a claim of use. Therefore, I consider it reasonable to infer from the invoices that they were meant for onward sale to consumers in that country and I have nothing before me to suggest that these goods were not eventually sold on to consumers.

43. Moving on to an assessment of the evidence, I wish to first point out that the proprietor has not sought to specify how many sales have stemmed from the invoices provided. Without any clarification in the narrative evidence, it is left to me to make my own calculations. On this point, I remind myself of the comments of Mr Alexander Q.C. in *Plymouth Life* in that if something is likely to be relatively well known to the proprietor (such as total sales figures) and it could have been provided with relative ease, I am entitled to be sceptical of its absence from the evidence before me. On that basis, I see no reason why total sales figures for these goods could not have been provided. I appreciate that, as alluded to at the hearing, the total sales figures may have some commercial sensitivity surrounding them, however, I note that no confidentiality order was sought by the proprietor and neither did the proprietor seek to file approximate figures (i.e. '*in the region of*' or '*in excess of*'). That being said, this issue does not mean that the invoices are of no assistance and it is necessary for me to consider them in detail.

44. After considering the reference numbers in the invoices, it is clear that they include some 'Swatch Touch Zero Two' watches. For these entries, it is easy to discern what goods were being sold. However, a wide range of the watches shown do not contain such a reference and, from my examination of the evidence as a whole, I am of the view that some entries may not even relate smartwatches. For example, I have set out above that there are a number of items present that relate to watches that begin with the designation 'SUOW'. The entries in the invoices covering this designation is described as a 'wrist-watch,electr,mech,plastic'.<sup>24</sup> This, to me,

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<sup>24</sup> See, for example, page 4 of MKAH59. I also note that this description is present on a vast array of goods within the proprietor's invoices.

indicates that this product is a mechanical watch rather than a smart one.<sup>25</sup> In the absence of any evidence to suggest that this item (and all those other with similar descriptors) are various types of smartwatches, I am not prepared to make an inference that they are. Further on this point, I note that the only identifiable designation of goods that appear to be smart watches is 'SVQN' (there are entries under the reference 'SUV' but, as above, these appear to me to be the first iteration of the Touch Zero which is not a smartwatch) and, without anything further, I have nothing to suggest any other form of designation is a smart watch. Whilst bearing this issue in mind, I have conducted a detailed assessment of the invoices and note that of the 290 sales of watches within them, only 14 can be said to be a smartwatch.

45. The same issue applies to the additional invoices, being those referred to at paragraph 46(d) above. These invoices show only 26 watches relating to the 'Touch Zero Two' range. In total, this demonstrates sales of 60 smartwatches during the relevant period. In respect of the value of these entries, I have been able to determine that the EU and UK invoices referred to at paragraph 46(c) above equate to a total wholesale value of £214.88, €198.38 and 139.88 PLN. As for those referred to at paragraph 46(d), these do include retail values and I note that the invoices cover a total sales value of £2,600.

46. In addressing the criticisms against the proprietor's evidence, Mr Selmi argued that the approach to take here is to focus on the evidence as a whole. While this is true and I accept that I must look at the evidence as a whole, I do not consider that this extends to everything before me when I am looking solely at whether there is sufficient use of 'smartwatches'. For example, the proprietor has filed evidence in relation watches (or, as the applicant puts it, analogue watches) and while this does form part of the evidence as a whole, it is clearly of no assistance to the issue of use for 'smartwatches'. It does not follow that just because there may be use of

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<sup>25</sup> On this point, the evidence of the proprietor's smart watch demonstrates that it is a watch with a digital face, not a mechanical one. As there is nothing before me to suggest that the proprietor has created or sold a smart watch that consists of a mechanical face, I am unwilling to infer that these cover an alternative type of smartwatch.

watches (or analogue watches) this is of any assistance to the present issue regarding smartwatches.

47. At the hearing, as an explanation for the limited nature of the invoices, Mr Selmi set out that the proprietor has sought to keep within the 300 page limit of the Tribunal. As a result, Mr Selmi claims that the proprietor has been unable to append comprehensive invoice evidence. While noted, such comments are not in line with how the proprietor has conducted this case, namely that, as discussed above, it technically filed evidence in excess of the 300 page limit. Additionally, the issue of use is not an overly complicated one in proceedings such as these. For example, there is no need for a party to file every single invoice to support a claim as to use and, on the contrary, it is commonly accepted as sufficient for genuine use that general turnover figures are provided in narrative evidence and then only a limited number of sample invoices provided in support of the same. The opposite is the case here in that the proprietor has simply filed a wide range of invoices and accompanied this with a broad statement that the devices have sold well in the UK and EU. In my view, such an approach in Tribunal proceedings is somewhat problematic as it leaves a lot in the hands of the Hearing Officer regarding what is meant by the vague supporting statements and, in order to succeed, it requires a number of inferences to be made.

48. In the present case, no figures have been provided to support the broad claim made by the witnesses and, instead, I have been left to assess the extent of use in light of the invoice evidence before me. In considering this point, I am of the view that the claim that the devices 'sold well' is purely subjective and the supporting invoices (being demonstrative of just 60 sales over five years with very limited sales figures associated with the same) are not, in my view, convincing enough to support such a broad and subjective statement. On this point, it appears that I am being asked to make an inference that because the proprietor is a large watch brand, any level of sales associated with its smartwatch is bound to be sufficient enough for it to be deemed genuine. If such a claim were to be accepted, there would be nothing stopping parties before this Tribunal simply adducing narrative evidence along the lines of, '*my company has sold a lot of goods bearing the mark*'.

This cannot be the case and is entirely inconsistent with the requirements of use set out in *Walton*, the issues raised in both *Plymouth Life* and *Dosenbach* and of Section 100 of the Act, which firmly places the burden on the proprietor.

49. I appreciate that the remaining evidence of the proprietor demonstrates widespread advertising and a significant presence for 'Swatch' as a brand. However, insofar as any advertising or presence relates to smartwatches, there is none. Taking the evidence as a whole and bearing in mind everything I have set out above, the only sufficiently solid evidence I have upon which to pin a finding of genuine use for these goods is 60 sales over a period of five years. The UK and EU markets for smartwatches is, in my view, likely to be enormous with an annual turnover likely to exceed billions of pounds/euros. While I appreciate that use does not need to be quantitatively significant for it to be deemed genuine, I am not willing to find that the sale of 60 smartwatches over this time warrants such a finding. In short, I do not consider such a low level of sales to be warranted in the economic sector concerned to maintain or create a share in the market for the goods in question. As a result, the proprietor has failed to provide evidence of genuine use for these goods.

*Electronic payment processing apparatus, apparatus for processing cashless payment transactions.*

50. In respect of these goods, the proprietor relies on the 'SwatchPAY!' devices. As mentioned above, the proprietor's evidence describes this as a passive NFC chip that is embedded into the watch face that allows users to make contactless payments. This device is certified by Mastercard and VISA and can be used with many major credit or debit cards. It is activated by an accompanying mobile application. Turning to the actual construction of the above terms in the Class 9 mark's specification, I am of the view that they cover devices that actually assist in the processing of payments (such as Chip and PIN payment terminals, for example) and not the actual goods that are used to make said payments. Therefore, I do not consider that the 'SwatchPAY!' watch is a type of apparatus that can be said to naturally fall within the above terms. If it were then the above

terms could also be said to cover credit or debit cards with contactless functions. Put simply, neither the 'SwatchPAY!' watch or contactless credit/debit cards actually assist in processing the payment but, instead, simply facilitate it. As a result, I do not consider that there can be any genuine use of the above goods.

*Apparatus for recording, transmission and reproduction of sound or images; computers, handheld computers, mobile computers.*

51. The proprietor's position is that use of its 'Swatch Touch Zero' and 'SwatchPAY!' goods are enough to maintain its registration for the above. I do not consider that such a defence is sustainable. Firstly, I see no reason why the 'SwatchPAY!' device would be considered as falling within either of the above goods. Secondly, I have found above that the evidence regarding the 'Swatch Touch Zero' is far from sufficient to justify a finding of use for 'smartwatches' and I make the same finding here in respect of the above terms. In any event, I do not consider that the proprietor's 'Swatch Touch Zero' watch would be viewed as falling within any of the above terms. It is neither an apparatus for recording, transmitting or reproducing sound or images and neither is it a computer (be that handheld or mobile).<sup>26</sup> As a result, I find that the proprietor has failed to provide genuine use for these goods.

*Telecommunication apparatus and instruments; handheld electronic apparatus for accessing the Internet and sending, receiving, recording and storing short messages, electronic messages, telephone calls, faxes, video-conferences, images, sounds, music, text and other digital data; handheld electronic apparatus for wireless reception, storage and transmission of data or messages; handheld electronic apparatus for global positioning [GPS] and displaying maps and transport information; handheld electronic devices for detection, storage, monitoring, surveillance and transmission of data relating to user activity, namely position, itinerary, distance traveled, heart rate.*

52. At the hearing, I enquired with Mr Selmi regarding the issue of GPS functionality and heart rate monitors in the proprietor's smartwatches. While it was accepted

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<sup>26</sup> While I have accepted that it is a 'smartwatch', I repeat here what I have said at paragraph 44 above in that it is not a particularly advanced one and, as such, I do not consider it constitutes a computing device.



that the 'Swatch Touch Zero' did not have such functionality, it was argued that the use of the same was sufficient to demonstrate use of such goods as these are common functionalities of smartwatches. While I am of the view that such an argument is unsustainable, it is of no relevance here as I have found that the proprietor has failed to demonstrate genuine use for such goods. As such, I find that there is no genuine use for the above goods.

*Optical apparatus and instruments, particularly spectacles, sunglasses, magnifying glasses; cases for spectacles, sunglasses and magnifying glasses.*

53. The proprietor's position in respect of these goods is that it has sold sunglasses in a variety of styles and has done so since 2016. Evidence showing these goods on the proprietor's website between 2021 and 2022 has been provided.<sup>27</sup> Images of the boxes that the sunglasses are shown in are also included.<sup>28</sup> I note that a number of print-outs have been provided that show 'SWATCH' sunglasses for sale on eBay.<sup>29</sup> While these are noted, I fail to see what they add as (1) the listed seller does not appear to be the proprietor,<sup>30</sup> (2) there is no indication that they were sold and (3) it is my understanding of the nature of eBay sales that they may commonly go unsold and be re-listed by the seller so it cannot be reasonably be inferred that these goods sold. Further, the print-outs are undated and refer to delivery dates in December, presumably being December 2022 which is when the statement is dated. The proprietor has provided a range of sample invoices.<sup>31</sup> These are distribution invoices dated between 3 May 2018 and 2 May 2022 and cover the distribution of goods within the Swatch Group of companies and relate to the UK. Having considered the invoices, I note that they include the sale of 146 pairs of sunglasses. As was the case with the other invoices mentioned throughout the decision, they are wholesale invoices and I am unable to determine any exact level of turnover associated with them. Lastly, I note that the proprietor's evidence is also accompanied by advertisements in prominent magazines and via articles in

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<sup>27</sup> MKAH41

<sup>28</sup> MKAH43

<sup>29</sup> MKAH44

<sup>30</sup> On this point, there is nothing to suggest that the sales via these third party eBay sellers was with the proprietor's consent.

<sup>31</sup> MKAH45

the UK and the EU.<sup>32</sup> These include publications are such as Grazia, Elle Italy, Glamour and Gioia.

54. The issue I have before me is, again, that the evidence as to the level of sales for the proprietor's sunglasses (146 pairs over a five year period) is astronomically low when compared to the UK and EU markets for such goods (which I consider to be enormous markets). While such evidence is not the be all and end all in genuine use cases and I appreciate that there are advertisements in well-known publications across the EU. However, the evidence remains very limited and the inference being asked of me in the present case is significant, namely that there is genuine use simply because of the assertion that the sales are significant despite the evidence in support of this being severely limited. Again, the proprietor asserts that just because it is a large brand, it must have genuinely used its mark during the relevant period for these goods. I am unwilling to make such an inference and I refer, again, to the comments of Mr Alexander Q.C. in *Plymouth Life* and Section 100 of the Act and reiterate that the burden is on the proprietor to prove as such. In light of the aforementioned comments of Mr Alexander Q.C., I am entitled to be sceptical of the evidence before me, particularly given that it is my view that it is reasonable to expect more information surrounding the level of sales to be readily available to the proprietor and, therefore, before me in these proceedings. So while I note the evidence, I am of the view that, as a whole, it is insufficiently solid to allow me to reach a finding that there has been genuine use of these goods.

#### The Class 14 mark

##### *Horological and chronometric instruments.*

55. While I note that it is not in dispute as to whether there has been any genuine use of goods falling within this term (on the basis that the application is aimed at all goods save for 'analogue watches'), it is in dispute as to what a fair specification for the use shown would be. Consequently, I will conduct a very brief assessment

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<sup>32</sup> MKAH46 and MKAH47

of the proprietor's use of goods within this term. I note that, as an example, the proprietor has provided sample invoices that show the sales of €698,186.34 in the EU and £363,438.84 in the UK worth of watches between 2017 and 2022.<sup>33</sup> The evidence sets out that these sales figures cover just a fraction of the total sales by the proprietor but no further information is provided as to the actual size of the use. While there is additional evidence pointing toward use of goods that fall within the above term, I do not consider it controversial to end my assessment there and simply conclude that the aforementioned use is clearly indicative of a level of use that is genuine.

56. In its skeleton argument, the proprietor set out that a fair reading of the above term was *instruments for indicating and measuring time*. Its position is that, throughout the evidence, there are numerous references to timekeeping instruments and, as such, it should be permitted to maintain the entirety of the above term. As set out above, the applicant argues that these goods should be limited to either "analogue watches" or "watches other than smartwatches and connected watches". In response to this position, the proprietor argues that these terms are not an ordinary or natural way to describe a time instrument, which is all that horological and chronometric instruments means.

57. I note that, in the evidence before me, the only goods that can be said to fall within this category are the proprietor's range of watches. The proprietor did not dispute this but submitted that there are a number of authorities that provide support for the full specification being maintained despite use only being shown for one category of goods. These authorities include the *Euro Gida* and *Titanic Spa* cases (both of which are cited above). In addition, the proprietor made reference to the case of *Guccio Gucci SPA* (Case BL O/424/14) and a Tribunal decision, being *IWATCH* (Case BL O/307/16), wherein the Hearing Officer determined that the use of watches and the parts and fittings of the same was sufficient to grant a fair specification for the broader term which, in that case, was "horological and chronometric apparatus and instruments". In response, the applicant referred to

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<sup>33</sup> See paragraph 9 of the witness statement of Ms Koenig and Mr Haller

the case of *Roger Maier and Another v ASOS*<sup>34</sup> in support of the argument that where terms are sufficiently broad and have identifiable sub-categories within them that are capable of being viewed independently, then use in relation to only one or more of those sub-categories does not constitute use of the mark in relation to all the other sub-categories.

58. Because I consider that it is of no relevance, I will discuss the proprietor's reference to the *IWATCH* decision first. At paragraph 39 of that decision, the Hearing Officer confirmed that the use of "horological and chronometric apparatus and instruments" was not contested by the applicant and, further, he set out that nothing turned on this issue. Therefore, I fail to see how it is relevant to the assessment I must now make. Conversely, I note that there is an additional UK IPO decision before me (as submitted by the applicant) wherein a different Hearing Officer found that use of watches alone was such that a specification of 'horological and chronometric instruments' was unsustainable and, in that case, the term was limited to 'watches'.<sup>35</sup> While these decisions are noted, neither of them are binding upon me and I will say no more about them.

59. Moving to the actual application of the aforementioned case law, I note that the wording of the test set out in *Euro Gida* was that it must be based on 'the perceptions of the average consumer'. As for *Titanic Spa*, I note that at paragraph 47(iv), Mr Justice Carr looked at how an average consumer would fairly describe goods<sup>36</sup> in relation to which the trade mark has been used. Further, the latter case explains that use in relation to one sub-category will not constitute use in relation to all other sub-categories of goods. Similarly, I note that, as per paragraph 65 of *ASOS*, a specification is not to be cut down to precise goods for which the mark has been used if the average consumer considers that the goods used form their own sub-categories. In such a scenario, the mark must be limited accordingly. Lastly, the *Guccio Gucci* case sets out that the real question is not whether a narrow specification would suffice, but whether the wide specification is justifiable

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<sup>34</sup> [2015] EWCA Civ 220

<sup>35</sup> HAMILTON & INCHES, Case BL O/090/17

<sup>36</sup> While services are specifically referred to in the *Titanic Spa* case, the question applies equally to goods, as is the case here

and makes more sense. The answer to this question is, as set out by Mr Alexander Q.C., dependent upon (to some degree) the nature of the wider specification.

60. For the most part, the wording of the tests set out in the case law discussed above confirm that the assessment of a fair specification is, in essence, focused on the perception of the average consumer. In considering that position, I am not convinced that average consumers would, upon viewing a range of watches (regardless of if they were digital, automatic or analogue), describe them as *horological and chronometric instruments*. I note that there is nothing before me in evidence to suggest that this is how the actual consumer describes such goods. As a result (and to borrow the wording used in the *Guccio Gucci* case), I am not convinced that this broader specification is justifiable and neither does it make more sense in light of the use made of it. As such, I conclude that the proprietor should not be permitted to retain the full term.

61. In light of the above, the issue now before me is what specification is appropriate. The applicant's case is that the specification should be limited to either "analogue watches" or "watches other than connected watches or smartwatches". During the hearing, Mr Selmi set out that the average consumer would not categorise the goods in such an artificial way. In respect of the term 'analogue watches', I agree with Mr Selmi and I see no reason why the average consumer would, upon being confronted with a series of watches, seek to describe them using the precise type of watch that they are. Even if it were the case that an undertaking only sold analogue watches (or digital ones, for that matter), I see no reason why the average consumer would look to make such a distinction in their description of the same. As a result, I reject the applicant's pleaded case that these goods should be limited to 'analogue watches'.

62. In considering the alternative argument that the specification should be limited to 'watches other than connected watches and smartwatches', I make a similar finding to that reached above. Put simply, I see no reason why the average consumer would look to articulate specific exclusions when considering the use made of the goods by the proprietor. In considering this point, I remind myself that

the applicant argued that the present situation can be likened to goods such as 'alcoholic beverages, except beers' in class 33 on the basis that it is a term that explicitly excludes goods from another class (beers are natural to class 32).<sup>37</sup> While this is noted, such a consideration would not cross the average consumer's mind and I agree with Mr Selmi's argument that such a term is artificial. As a result, I reject the applicant's alternative case that these goods should be limited to 'watches other than connected watches and smartwatches'.

63. I have found that the term as registered, being "horological and chronometric instruments", is too broad in light of the use made of the mark. I have also found that the proposed terms of the applicant, being "analogue watches" and "watches other than connected watches and smartwatches" are not natural categorisations that the average consumer would make and are, therefore, not appropriate. Instead, I consider that the most appropriate conclusion in the circumstances is that the term be limited to "watches". This is on the basis that when confronted with the use before me, the average consumer would simply refer to it as covering "watches". Further, I consider that this term is a suitable sub-category of goods and is sufficiently broad enough so as to offer appropriate protection to the proprietor. Further, it is not too limiting that it can be said to strip the proprietor of any fair protection associated with the use made of the mark.

64. In respect of the fair specification point, I note that submissions were put before me regarding the effect of the Nice Classification. At the hearing, Mr Selmi made reference to the case of *Pathway*<sup>38</sup> wherein Carr J held, at paragraph 79 of his judgment, albeit obiter, that the Nice Classification would be relevant to revocation if the term were unclear or imprecise. In the present case, the arguments of the applicant are noted, however, as set out above, the assessment I must make is based on the perception of the average consumer. Put simply, I find that the average consumer would view "watches" as being a term that is sufficiently clear and precise in describing the goods at issue. As a result, I see no reason why the

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<sup>37</sup> Additional references to other goods were mentioned but, for illustrative purposes, I have only mentioned one example.

<sup>38</sup> *Pathway IP SARL v Easygroup Ltd* [2018] EWHC 3608 (Ch)

Nice Classification would be relevant and find that the addition of an exclusion regarding 'connected watches' and 'smartwatches' would not assist in adding clarity. I consider that the exclusion of such in a class 14 specification serves no purpose (they are naturally excluded by virtue of being class 9 goods, in any event) and would not be something that average consumers would refer to in their description of the goods shown in evidence.

*Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes.*

65. In support of a claim that it has used its Class 14 mark for the above goods, the proprietor's evidence shows the following watch models:

- a. The 'Swatch Luminescent Sand Watch', which is shown on a third party retailer website and the proprietor's own website.<sup>39</sup> The print-out for the third party retailer is taken from the internet archive facility, The Wayback Machine, and is dated within the relevant period. However, the print-out from the proprietor's website is not. While this watch is coloured gold, the materials used are stainless steel;
- b. The 'Swatch Pink Confusion Model', which is shown on an Amazon print-out and on the proprietor's own website.<sup>40</sup> Neither print-out is dated but I note that the Amazon print-out sets out that the watch was first available on 6 August 2020, being within the relevant period. The description of this watch from the Amazon website sets out that it is 'Rose Gold-tone stainless steel' and 'plexiglass crystal'. The proprietor's website sets out that it has "a stone studded bezel for that million dollars look and a never seen before 3D textured shiny metal dial creating the effect of the most precious stone paved surface." Its materials are silicone and stainless steel; and
- c. The 'Swatch Goldy Show Model', which is shown on an Amazon print-out and on the proprietor's own website.<sup>41</sup> Neither print-out is dated but I note that the

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<sup>39</sup> MKAH31

<sup>40</sup> MKAH32

<sup>41</sup> MKAH33

Amazon print-out sets out that the watch was first available on 6 August 2020, being within the relevant period. On the proprietor's website, this watch shows the same description as the 'Swatch Pink Confusion Model' and is made of leather and stainless steel.

66. Lastly, there are also a range of advertising evidence from popular magazines in the UK and EU between 2017 and 2020 that show the proprietor's watches.<sup>42</sup> Some of these publications are in foreign languages and I note that translations into English have been provided.

67. On the point of the above evidence, the use of gold colouring is noted, however, this is just the use of gold coloured materials and not the use of gold itself. There is nothing to suggest that any of these goods are made of precious metals or coated therewith. Therefore, I find that such use is not use of precious metals and nor is it use of goods in precious metals. As such, the evidence of use before me is insufficient to demonstrate genuine use of the above goods.

*Precious stones.*

68. In respect of these goods, the proprietor relies on the same evidence as it did for its claim to have used "precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes". In considering that same evidence (being that discussed at paragraphs 66 and 67 above), I note that it does make reference to goods that incorporate crystals and a watch face that replicates the effect of a precious stone. My first issue with this evidence is that the term being assessed here is "*precious stones*" and not "*goods incorporating precious stones*". Secondly, the description of the watch face is that it is intended to give the 'effect' of precious stones, alluding to the fact that it does not consist of any precious stone. Lastly, I have nothing before me to confirm whether a crystal is a precious stone or not. It is my understanding that it is a type of glass (in one example above it is referred to as 'plexiglass crystal') and without anything to the contrary, I am

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<sup>42</sup> MKAH34



unwilling to find that it is a precious stone. Taking these issues into account, I find that the proprietor has failed to provide genuine use for the above goods.

### *Jewellery.*

69. Before getting into the specific evidence regarding jewellery, I consider it necessary to discuss the broad 'Swatch Group' evidence that sets out that the group's global 'watches and jewellery net sales' between 2017 and the first half of 2022 is in excess of 33 billion pounds.<sup>43</sup> This represents a staggering level of sales but is, in my view, overly broad and vague. It is, therefore, of very little probative value. My reasons for this are twofold. Firstly, the group structure confirms that, as of 31 December 2021, there was over of 100 companies (that includes a number of other watch brands) that were fully consolidated members of the Swatch Group,<sup>44</sup> leaving it impossible for me to determine what proportion of these sales relate to the 'SWATCH' marks. Secondly, the broad nature of the category of 'watches and jewellery' and the group's apparent focus on watches leaves it impossible for me to determine how much of these sales figures actually cover jewellery. As such, I consider that this evidence is insufficiently solid and it is unable to assist me in accurately determining the level of use associated with the proprietor's jewellery goods.

70. Moving on, I note that the proprietor's claim is that not only is a watch an item of jewellery but that it also sells a range of other jewellery under the 'SWATCH' brand. Firstly, while a watch may technically be an item of jewellery, I do not consider that the average consumer will describe them as such. Instead, the consumer will simply view them as 'watches'. As such, I do not consider that the watch evidence is of any assistance to the proprietor on this point. Moving on to the second argument regarding the proprietor's range of jewellery, I note that the proprietor has filed evidence in support of the same. This includes a print-out dated 22 January 2022 from the proprietor's website which shows its 'accessory' collection

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<sup>43</sup> Paragraph 6 of the witness statement of Ms Koenig and Mr Haller

<sup>44</sup> MKAH1

that includes items of jewellery such as necklaces and earrings.<sup>45</sup> Further, there is an undated print-out from a third-party retailer, being The Watch Shop, which shows one pair of earrings.<sup>46</sup> In addition, there is a series of undated images of additional necklaces and earrings alongside some rings and a bracelet.<sup>47</sup> Lastly, a range of what the witnesses refer to as sample invoices are included that are dated between 2018 and 2022 showing the sale of 'SWATCH' branded jewellery to internal distributors for onward sale in the UK.<sup>48</sup> I note that of the 46 pages of invoices provided, 17 contain no goods that could be said to be jewellery goods.

71. The applicant's criticism of this evidence is that they are internal invoices and, as per *Ansul* (cited above), should not be considered as sales to consumers. While noted, I adopt here the approach I have at paragraph 45 above in that I will take them as if they cover sales to consumers. That being said, the proprietor has not sought to provide a breakdown in respect of the invoices and I have, therefore, been left to undertake my own calculations. As wholesale invoices, I will not refer to the total sales figures as they may not reflect the total amount of turnover attributed to the same. Therefore, I have only the sales figures to work with. Taking into account only those items in the invoices that are items of jewellery, the proprietor has sold 101 items of jewellery during the relevant period. This is very low and, when compared to the relevant markets in the EU and UK for jewellery at large, I do not consider that it is sufficient to demonstrate that the proprietor has made a genuine attempt to create or maintain a market share for these goods. Again, it seems to me that the proprietor has simply appended a range of invoices to its evidence and relied on the fact that, as a large company, there must be genuine use for these goods. Repeating my comments throughout this decision, I am not willing to make such an inference.

72. For the avoidance of doubt, the above assessment did not take into account the watch straps included within the invoices as I do not consider that they are items of jewellery. However, if I am wrong to exclude these then, even taking them into

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<sup>45</sup> MKAH37

<sup>46</sup> MKAH38

<sup>47</sup> MKAH40

<sup>48</sup> MKAH39

account (together with the figures discussed in the preceding paragraph) this only results in a total sale of 163 goods during the relevant period. This is not, in my view, enough to alter the findings I have made in the preceding paragraph.

73. To confirm, I find that the proprietor has failed to prove genuine use for “jewellery”. Even if I am wrong to conclude, as I have above, that a watch would not be described as an item of jewellery, I do not consider that it advances the proprietor’s position beyond what I have found throughout this decision. This is on the basis that, in such circumstances, the only sufficient evidence in respect of ‘jewellery’ is in the form of watches and, as such, the above term would need to be limited to reflect this i.e. “jewellery, namely watches”. Given that the proprietor remains sufficiently protected for such goods by virtue of maintaining its mark for “watches”, I see no reason to limit the above term in this way.

## **CONCLUSION**

74. The outcome of this decision is that the Class 9 mark is to be revoked in full and that the Class 14 mark is to be partially revoked for the following goods:

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

75. The Class 14 mark may, however, remain registered for the following goods that I have determined as being reflective of a fair specification for the term ‘horological and chronometric instruments’:

Class 14: Watches.

76. As I have set out above, the proprietor did not seek to file any evidence in respect of the earlier relevant periods in respect of the 46(1)(a) grounds.<sup>49</sup> Instead, it chose

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<sup>49</sup> This point is technically not applicable to the Class 9 mark as a consequence of the significant overlap between the relevant periods for the 46(1)(a) and 46(1)(b) grounds meaning that by virtue of seeking to prove use for the second relevant period, evidence was filed in respect of the first.

to rely on the provision set out in section 46(3) of the Act. This means that where the marks are to be revoked, they are to be done so from the earliest dates sought. Therefore, the revoked goods under the Class 14 mark have an effective revocation date of 3 October 2003 and those in the Class 9 mark have an effective revocation date of 5 July 2022.

## **COSTS**

77. In the parties' skeleton arguments, they indicated their intention to claim costs off the scale. However, it was decided at the hearing that the issue of costs was not to be addressed at present. This was on the basis that, as set out above, this decision is part of a broader set of proceedings brought by the applicant against the Swatch Group of companies. Instead, the parties requested that the issue of costs be dealt with at the conclusion of all matters. I agreed with this proposal.

78. In discussing the issue of costs at the hearing, it was mentioned that the parties wished to file additional documents in support of their claim for off-scale costs. So while I make no decision on costs at this stage, I do hereby direct the parties to file any written submissions and additional documentation in support of their costs claim within 28 days from the date of issue of this decision. Upon the receipt of these submissions and additional documents, I will list one hearing to deal with the costs for all of these connected matters.

## **APPEAL PERIOD**

79. For the avoidance of doubt, I wish to point out that the appeal period relating to this decision will not begin to run until I have issued my supplementary decision on costs.

**Dated this 6<sup>th</sup> day of November 2023**

**A COOPER**  
**For the Registrar**