

O-106-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 1363050
IN THE NAME OF HOKKO CHEMICAL INDUSTRY CO LTD
OF THE TRADE MARK:**



HOKKO CHEMICAL INDUSTRY CO.,LTD.

IN CLASS 1

**AND THE APPLICATION FOR REVOCATION
THERE TO UNDER NO 82334
BY
HOKOCHEMIE GMBH**

Trade Marks Act 1994

**In the matter of registration no 1363050
in the name of Hokko Chemical Industry Co Ltd
of the trade mark:**



**in class 1
and the application for revocation
thereto under no 82334
by Hokochemie GmbH**

1) Section 46 of the Trade Marks Act 1994 (the Act) reads as follows:

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

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

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

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that——

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from——

(a) the date of the application for revocation, or

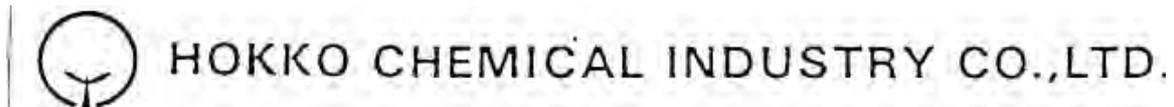
(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

Section 100 of the Act states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequent upon section 100, in revocation for non-use proceedings the onus is upon the registered proprietor to prove that it has made genuine use of a trade mark, or that there are proper reasons for non-use.

2) The registration process for the trade mark:



was completed on 13 March 1992. The trade mark is registered for the following goods:

chemical products included in Class 1 for use in the manufacture of perfumery, plastics, resins, medical products, polymer membranes, polymer catalysts, electroconductive materials and of photosensitive materials.

3) On 25 November 2005 Hokochemie GmbH (HG) filed an application for revocation of the registration on the basis of non-use. HG seeks revocation under section 46(1)(a) of the Act from 13 March 1997 or, in the alternative, under section 46(1)(b) of the Act from 12 October 2005. HG states that investigation has revealed that the trade mark has not been put to use for at least an uninterrupted period of five years prior to 12 October 2005. As the registration was completed upon 13 March 1992 the earliest date from which the registration can be revoked is 14 March 1997, as per the decision of Mr Geoffrey Hobbs QC, sitting as the appointed person, in *BSA by R2 Trade Mark* [2008] RPC 22 and as per practice direction TPN 1/2007. This matter was touched on by Mr Hobbs in his decision (BL O/158/08), an appeal against the refusal to allow cross-examination in this case:

“2. On 23 November 2005, Hokochemie GmbH (‘the Applicant’) applied for revocation of the registration of the above trade mark on the ground that it had not at any time subsequent to 13 March 1992 been used by or with the authorisation of the Proprietor for any goods of the kind in respect of which it was registered. Revocation was requested with effect from 12 October 2005 under Section 46(1)(b) of the Trade Marks Act 1994 and with effect from 13 March 1997 under Section 46(1)(a) of the Act (although the earliest date with effect from which the registration could actually be revoked under the latter provision is 14 March 1997: see *BSA by R2 Trade Mark* [2008] RPC 22, p.496, at paragraphs 31 to 37).”

I raised this matter at the hearing which took place in relation to the case. Counsel for Hokko Chemical Industry Co Ltd (Industry) did not resist the amendment of the date for revocation under section 46(1)(a) of the Act to 14 March 1997.

4) Industry denies the grounds of revocation. In its counterstatement Industry states that it had used the trade mark in respect of all or most of the goods. In BL O/158/08 Mr Hobbs also stated:

“18. The information provided in compliance with my directions establishes that the application for revocation is not being defended on the basis of any evidence directed to use of the trade mark in question for chemical products in Class 1 for use in the manufacture of polymer membranes, polymer catalysts, electroconductive materials or photosensitive materials. [my emphasis] In so far as it is defended on the basis of evidence directed to use in relation to chemical products in Class 1 for use in the manufacturer of perfumery, plastics, resins and medical products, the evidence in question includes documents which are alleged by the

Applicant to be fabrications for the reasons stated in the table accompanying the schedule it filed on 25 February 2008.”

5) Evidence on behalf of HG was furnished by Dr Wolfgang Munk, the managing director of HG. Evidence on behalf of Industry was furnished by Mr James Terence McAllister and Mr Yuji Ogawa. Mr McAllister is an associate of Marks & Clerk, the firm acting for Industry in this case. Mr Ogawa is the general manager of the Fine Chemicals Marketing Department of Industry.

6) The documents filed contain sums in foreign currencies. I have converted these using interbank rates as given by Oanda.com at the beginning of March 2009. Owing to the loss of the value of the pound sterling, these conversions will be indicative of the relative value of the sales rather than a historically accurate reflection of them.

7) The probity of the evidence has been challenged by Dr Munk in his evidence. The details of fourteen invoices are listed below. The writing in italics represents the basis for Dr Munk’s challenge as to their probity.

Avocado Research Chemicals Ltd No FCE148101
17 May 2001
TOPO Tri-N-Octylphosphine Oxide 15kgs 120,000 yen £859

Purity of product not mentioned. No claim on trade mark in Witness Statement McAllister dated 15 March 2006. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Avocado Research Chemicals Ltd FCE154201
9 April 2002
TOPO Tri-N-Octylphosphine Oxide 15kgs 120,000 yen £859

Invoice number descending again. No exhibit of claimed label marking in contrast to perfumery substances. No delivery terms whatsoever stated. SWIFT code missing.

Avocado Research Chemicals Ltd FCE349401
24 August 2004
TOPO Tri-N-Octylphosphine Oxide 15kgs 120,000 yen £859

Invoice number descends. Shipping mark does not state use of registered trade mark. Purity of product not mentioned. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE337101
21 November 2001

DMBCA Diemethyl Benzyl Carbinyl Acetate 1,140kgs 923,400 yen £6,616

Purity of product not mentioned. Shipping mark does not mention the trade mark disputed, which however is Exhibit JTM6 dated 15 March 2006. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE385201

29 October 2002

DMBCA Diemethyl Benzyl Carbinyl Acetate 1,520kgs 1,231,200 yen £8,821

Quest is shipping mark (= Mark of the supposed recipient, not coherent with Exhibit JTM6 dated 15 March 2006. Purity of product not mentioned. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE373301

8 October 2003

DMBCA Diemethyl Benzyl Carbinyl Acetate 2,280kgs 1,801,200 yen £12,906

Invoice number descends again. DOM & DOE not specified [DOM & DOE specified on this invoice only]. Shipping mark mentions recipient only. No lot number stated in contradiction to Exhibit JTM4 dated 15 March 2006. Purity of product not mentioned. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE435301

19 November 2003

DMBCA Diemethyl Benzyl Carbinyl Acetate 2,280kgs 1,801,200 yen £12,906

DMBCB Diemethyl Benzyl Carbinyl Butryate 720kgs 1,144,800 yen £8,202

DMBC Diemethyl Benzyl Carbinol 360kgs 284,400 yen £2,057

No information as to shipping mark. No purity of chemicals stated. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE434401

17 November 2004

DMBCA Diemethyl Benzyl Carbinyl Acetate 2,280kgs 1,459,200 yen £10,455

DMBCB Diemethyl Benzyl Carbinyl Butryate 1,080kgs 1,296,000 yen £9,286

DMBC Diemethyl Benzyl Carbinol 360kgs 230,400 yen £1,650

Purity of products not mentioned. No details with regards to shipping marks. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Quest International UK Limited FCE375501

14 September 2005

DMBCB Diemethyl Benzyl Carbinyl Butryate 720kgs 864,000 yen £6,190

DMBC Diemethyl Benzyl Carbinol 360kgs 230,400 yen £1,650

Invoice number. Purity of products not specified. Shipping mark space without information.

International Flavours & Fragrances (GB) Ltd FCE389201

30 October 2002

DMBC Diemethyl Benzyl Carbinol 14,400kgs 9,216,000 yen £66,035

IFF is shipping mark [= Mark of the supposed recipient. Purity of product not mentioned. FOB Japan = Free on Board Japan. Seller loses control of the merchandise once loaded onto a ship in Japan. May thus never have reached England. No destination mentioned as shipping mark in contrast to other invoices.

International Flavours & Fragrances (GB) Ltd FCE390301

16 October 2003

DMBC Diemethyl Benzyl Carbinol 3,960kgs 2,534,400 yen £18,159

IFF is shipping mark [= Mark of the supposed recipient]. Purity of product not mentioned. FOB Japan = Free on Board Japan, the seller loses control of the merchandise which may have never reached England as the buyer is entitled to dispose of it freely once loaded onto a ship in Japan.

International Flavours & Fragrances (GB) Ltd FCE202401

13 May 2004

DMBC Diemethyl Benzyl Carbinol 5,580kgs 3,571,200 yen £25,588

Invoice number descends again. FOB Japan = Free on Board Japan. Seller loses control of the merchandise once loaded onto a ship in Japan. May thus never have reached England. No destination mentioned as shipping mark in contrast to other invoices. Purity of product not mentioned. IFF is shipping mark [= Mark of the supposed recipient].

Eurolabs Limited FCE238501

13 May 2005

3-Buten-1-ol 2kgs €1,000 £885

Invoice number. Shipping mark does not mention registered trade mark. For DDU delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

Dr Munk exhibits at exhibit 3 a printout from the website of Sigma-Aldrich in relation to the price of 3-Buten-1-ol which gives a price of 1930 Swiss francs for 1kg, this is the equivalent of £1,161. Dr Munk goes on to state:

“The maximum price for 2 kg of 3-buten-1-ol is thus approximately 1’500 £. It goes by itself that the price by the Registered Proprietor is much lower otherwise there would be no reason to source the product from overseas.”

Dr Munk states that to his own knowledge, Danzas changed its name to DHL in 2003. The invoice refers to air freight by Danzas. Dr Munk states that this, in combination with a lack of a copy of the respective air waybill is extremely suspicious. **(Documentation filed as additional evidence shows Danzas Maruken KK being used in combination with DHL.)**

Johnson Matthey PLC FCE083101
 Consignee – Smoptech OY in Finland
 26 March 2001
 DPPST P-Styryldipehnylphosphine 10kgs 800,000 yen £5,732

Invoice for Britain for delivery to Finland. Not a commercial compound according to page 7 of exhibit JTM8. Substance not listed in the register of existing commercial chemicals of the EU [EINECS]. For CIF delivery insurance certificates/freight invoices must necessarily be readily available in the company files.

I have listed the invoices below by numerical order of invoice and by chronological order:

26 March 2001	FCE083101
17 May 2001	FCE148101
9 April 2002	FCE154201
13 May 2004	FCE202401
13 May 2005	FCE238501
21 November 2001	FCE337101
24 August 2004	FCE349401
8 October 2003	FCE373301
14 September 2005	FCE375501
29 October 2002	FCE385201
30 October 2002	FCE389201
16 October 2003	FCE390301
17 November 2004	FCE434401
19 November 2003	FCE435301

26 March 2001	FCE083101
17 May 2001	FCE148101

21 November 2001	FCE337101
9 April 2002	FCE154201
29 October 2002	FCE385201
30 October 2002	FCE389201
8 October 2003	FCE373301
16 October 2003	FCE390301
19 November 2003	FCE435301
13 May 2004	FCE202401
24 August 2004	FCE349401
17 November 2004	FCE434401
13 May 2005	FCE238501
14 September 2005	FCE375501

All of the invoices bear the trade mark across the top.

8) Dr Munk states that DMBC “appears” to be generally sold as a liquid, not as a solid. In support of this claim he exhibits, at exhibit 7, a page downloaded from one website. The page identifies the chemical as being an aroma chemical. Pages from the brochure *HOKKO FINE CHEMICAL PRODUCTS* show that Industry supplies DMBC and DMBCA in colourless liquid or solid form. The same brochure indicates that DMBCB is supplied in colourless liquid form. That the quantities on the invoices for this product are given in kgs does not tell me anything as the Organophosphines brochure shows that the packing unit for liquids is in kgs.

9) Dr Munk states that DPPST in 2003 was classified as experimental. Exhibited at exhibit 6 are copies of pages from a publication of Rhodia. These pages advise that the product is sold by Rhodia as a development product and that it is not currently registered on the EINACS or TOSCA inventory. The pages advise that the product is sold in 20kg fibre drums. Dr Munk states that DPPST does not appear in Industry’s product list. In fact DPPST appears on pages 6-7 of *HOKKO FINE CHEMICAL PRODUCTS* under the general heading of *Organophosphines*; at the time of the publication of the brochure it is indicated that this chemical was at pilot stage.

Dr Munk states:

“The certificate of analysis must be produced for DMBC in order to be able to determine its aggregate state and whether the invoice produced could be genuine”.

and:

“The Applicant has conducted an internet search into prices for trioctylphosphine, demethyl benzyl carbinol, dimethyl benzyl carbonyl butyrate attached here as EXHIBIT 7 & 8. The prices are for quantities

lower by order of magnitude from the claimed sales volume and thus can be expected to result in a much too high estimated value for the actual sales volume.”

A page from the website of *New Directions* gives the price of 55lbs of dimethyl benzyl carbinyl butyrate aroma at \$490.59, this works out at approx £13.95 per kg. The per kg rate for the DMBCB for invoices FCE434401 and FCE375501 works out at approximately £8.60. A page downloaded from the website of Sigma-Aldrich on 13 May 2006 gives a price of 232.50 Swiss francs for 500gm of trioctylphosphine. This gives a kg price of £281.62. The kg price that Avocado Research Chemicals Ltd paid for TOPO was £57.26. Pages from the website of *New Directions* give the prices of DMBC aroma chemical and DMBCA aroma chemical at \$250 and \$270 respectively for 55lbs; this works out at approximately £7.11 and £7.68 per kg respectively. Invoice FCE390301 is for 3,960kgs of DMBC at a cost of £18,159, or £4.59 per kg. Invoice FCE434401 includes 2,280kgs of DMBCA at a cost of £10,455, or £4.59 per kg.

10) As a result of the hearing before Mr Hobbs, Industry supplied a schedule of the category of goods that were being defended. This schedule identified that goods *for use in the manufacture of perfumery, plastics, resins, medical products* were being defended. The schedule identifies DMBC, DMBCA and DMBCB as being used in the manufacture of perfumery. It identifies DPPST as being used in the manufacture of plastics and resins, TOPO as being used in the manufacture of resins and medical products and 3-Buten-1-ol as being used in the manufacture of medical products.

11) Exhibited at JTM2 is a brochure produced by Industry for organophosphines (the front of the brochure bears the trade mark). Page 11 of the brochure is devoted to TOPOs. The invoices relating to TOPO have all been issued to Avocado Research Chemicals Ltd and relate to products supplied in 15kgs net iron drums. The brochure page refers to the packing unit for the product being 10kg, 20kg or 150kg. The brochure shows that TOPO is used as a solvent for the synthesis of p-hydroxybenzoic acid in the Kolbe-Schmitt reaction. Mr McAllister states that the final product created through this reaction is salicylic acid which is used as an ingredient in the manufacturing process for topical preparations such as transdermal patches, gels, ointments, liquids, creams or plasters for skin conditions. In his evidence Mr Ogawa states TOPO is used as a solvent in the synthesis of p-hydroxybenzoic acid as part of the Kolbe-Schmitt reaction. This reaction results in salicylate being formed and, when sulphuric acid is added thereto, the final product created is salicylic acid. Mr Ogawa is responding to a paragraph 38 of the first witness statement of Dr Munk where he states:

“38. Salicylic acid is 2-Hydroxybenzoic acid (= o-hydroxybenzoic acid) and not the p-hydroxybenzoic acid as claimed by the “Witness”. P-

hydroxybenzoic acid is a distinctly different molecule and cannot be transformed into as salicylic acid.”

In his second witness statement Dr Munk returns to this matter:

“C.2 Salicylic acid (EXHIBIT 1) is o-hydroxy benzoic acid and produced by ONE variant of the Kolbe-Schmitt reaction.

C.3 This variant dates from 1860 and does not use TOPO, which at the time was unknown anyway.

C.4 The Registered Proprietor claims the para isomer can be synthesized by using TOPO as a solvent but no proof thereof is submitted.

C.5 It is only the ortho isomer, the ORTHO – salicylate, that can be used an ointment for topic skin application (wartz) but not the para isomer, the PARA – salicylate, that the Registered Proprietor claims to be accessible by use of their solvent.

C.6 Ortho and para isomers are to distinct molecules that cannot be converted into one another.....

D.7 The Applicant upholds the Registered Proprietor’s attempts to submit false evidence. This is illustrated by the issue misleading and false statement with regards to the use of TOPO in organic synthesis.

Exhibit JTM 2 dated 15 March 2006 comprises a technical information sheet on TOPO.

Therein TOPO is said to be a catalyst for the synthesis of p-benzoic acid and mentions the Kolbe-Schmitt reaction. However the Kolbe-Schmitt reaction dating from 1860 yields ortho-benzoic acid when reaction carbon dioxide (see above C).

The Applicant doubts that either Mr Ogawa nor Mr McAllistar are aware of the difference of ortho and para substituents and question the value of their respective statements.

The incompetence culminates is the use of “salicylate” and the erroneous assumption that para benzoic acid can be used as an ointment for topical skin application. Factually, only the ortho isomer has that use.”

At the beginning of the hearing Mr Ogawa, who was cross examined, amended his evidence. (He also sought to amend the evidence of Mr McAllister, something which he was not in a position to do.) In paragraph 6.6 the reference to DMC was amended to DMBC. The second sentence of paragraph 9.6 was amended to read:

"P-hydroxybenzoic acid is used as an ingredient in the manufacturing process for topical preparations such as transdermal patches, gels, ointments, liquids, creams or plasters for skin conditions"

This means that the reference to salicylate being formed as part of the Kolbe-Schmitt reaction and that when sulphuric acid is added to the salicylate that salicylic acid is formed, has been removed.

The brochure also shows that TOPO is used as a catalyst in the synthesis of phosgene. Mr McAllister states that phosgene is widely used by the chemical industry and related manufacturing industries for the manufacture of isocyanates, polyurethane and polycarbonate resins, pesticides, herbicides and dyes. Exhibited at JTM8 is a copy of a brochure entitled *HOKKO FINE CHEMICAL PRODUCTS*. (The trade mark appears on the front of the brochure. The internal evidence of the brochure indicates that it was produced prior to the summer of 2004.) TOPO appears in this brochure under the general heading of *Organophosphines*. Mr Ogawa confirms what Mr McAllister states and adds that phosgene is also used to create pharmaceutical intermediates.

12) Mr McAllister states that he "understands" that Quest International UK Limited is a worldwide supplier of fragrance compounds and base ingredients for consumer products. The heading *Fragrance Raw Materials* appears on pages 12-13 of the *HOKKO FINE CHEMICAL PRODUCTS* brochure, listed amongst the materials under this heading are DMBC, DMBCA and DMBCB. DPPST appears on pages 6-7 of *HOKKO FINE CHEMICAL PRODUCTS* under the general heading of *Organophosphines*; at the time of the publication of the brochure it is indicated that this chemical was at pilot stage. Under the heading *Intermediates for Agrochemicals, Pharmaceuticals, etc* of the *HOKKO FINE CHEMICAL PRODUCTS* brochure, 3-Buten-1-ol appears.

13) Pictures of a drum containing DMBCA are exhibited. This shows that the product was manufactured on 7 November 2003 and had an expiry date of one year later. The destination of the drum is Quest at Ashford. The device of the trade mark followed by HOKKO CHEMICAL appears on a label on the drum. Pictures of a drum containing DMBCB are exhibited. This shows that the product was manufactured on 10 October 2003 and had an expiry date of one year later. The destination of the drum is Quest at Ashford. The device of the trade mark followed by HOKKO CHEMICAL appears on a label on the drum. (I will return to the photographs of the drums later.)

14) Examples of labels for DPPST and TPP are exhibited, there is no provenance in relation to these labels.

15) Pages from Industry's website, downloaded on 12 January 2006 are exhibited. In these pages Industry states that its expertise is in:

“Pharmaceutical and agrochemical compounds and intermediates of electronic chemical materials, perfume, raw materials of catalysts, and other organic industrial chemicals.”

Additional evidence of Industry

16) On Friday 6 March 2009 Industry filed a substantial amount of additional evidence, including 385 pages of exhibits; this was evidence that Dr Munk did not see until the morning of the hearing, Wednesday 11 March 2009. Ms Lane, counsel for Industry, said that the evidence had been sent to Dr Munk on 6 March 2009; there is, however, a vast difference between despatch and receipt. In a covering letter Industry stated that it had difficulty in locating and obtaining copies of these documents. It stated that this delay had been caused in part by some of its records being “off-site” in a warehouse and being difficult to access. In his evidence of 14 June 2006 Dr Munk queried the absence of confirmatory evidence of what is shown in the invoices; which at that time were redacted. In Dr Munk’s letter of 25 February 2008 he gave chapter and verse as to why he had doubts about the veracity of the invoices (as detailed above). The additional evidence of Industry answers the issues raised by Dr Munk; it includes certificates of analysis, certificates of insurance, shipping documents and safety data sheets. I find it difficult to believe that if Industry had acted in a diligent fashion, whether the material was held “off-site” or not, it could not have furnished the documentation long before the Friday before the hearing, to the registrar, and before the day of the hearing to Dr Munk. Industry could, at the very least, have stated that it intended to file such documentation a long time beforehand.

17) The filing of late additional evidence puts hearing officers in an invidious position; the behaviour of the potential filer has to be balanced against the consequences of not admitting the evidence, which could do the other party no favours if the evidence was admitted on appeal.

18) The admission of the evidence in this case is governed by rule 31(A)(6) of the Trade Marks Rules 2000 (as amended) rather than the Trade Marks Rules 2008 owing to the transitional provisions of the latter (as per rule 83):

“(6) The registrar may, at any time if she thinks fit, give leave to either party to file evidence upon such terms as she thinks fit.”

19) Consideration as to the criteria for the admission of additional evidence were given by Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Lappet Manufacturing Co Ltd v Yosif Abdulrahman Al-Bassam Trading Establishment* BL O/467/02:

“The burden of persuasion is clearly upon the party asking for the indulgence. The position adopted by the opposite party may well have a

bearing on the answer to be arrived at. In a case such as the present, where rectification of a procedural irregularity is required, I think it is necessary to consider: (1) the materiality of the evidence in question to the issues that the Registrar has to determine; (2) the seriousness of the irregularity which the Registrar is being asked to rectify; and (3) the justice and fairness of subjecting the opposite party to the burden of the evidence in question at that stage of the Registry proceedings. These are matters of degree. Over and above that, a judgment must be made as to their relative weight in the context of the given case.”

20) The evidence is material in that it specifically deals with the concerns that Dr Munk had raised in relation to the invoices of Industry. In this case there is no irregularity in procedure that requires rectification. Taking into account the considerable volume of the evidence and the fact that Dr Munk had not seen it until the morning of the hearing an enormous burden was put upon him. It was impossible for him to deal with the evidence at the hearing. In this matter I was less than happy with the conduct of Industry; whether intentionally or not, Dr Munk was ambushed. Industry had plenty of time to warn of its desire to file collaborative evidence. I am not convinced that Industry acted in an expeditious fashion. In the end for the sake of both myself and Dr Munk having a fuller evidential picture, I agreed to the inclusion of the evidence. I did this on the basis that Dr Munk had four weeks from the date of the hearing to make written submissions and/or furnish additional evidence in relation to the additional evidence and/or he could request a hearing, within this period, in which he could make submissions in relation to the additional evidence. **I am less than happy with the conduct of Industry in relation to the filing of the additional evidence and it is certainly behaviour that I will take into consideration in relation to the award of costs.**

21) On 7 April 2009 Dr Munk filed written submissions and a witness statement. Most of the submissions do not relate to the additional evidence, nor are they directly collateral to the additional evidence. The witness statement does not relate to the additional evidence. I am not prepared to accept the witness statement of Dr Munk of 7 April 2009 into the proceedings as it is outwith the parameters set for additional evidence. I only take into account those submissions that relate to the additional evidence of Industry. I am conscious that this might appear unfair to Dr Munk, taking into account the leeway given to Industry in the filing of the additional evidence. Unless a line is drawn in relation to the evidence the proceedings could turn into an endless tennis match. Dr was advised of the parameters within which he could file evidence and make submissions but was not constrained by them. In reaching my decision I have born in mind that Dr Munk is not legally represented but I do not consider that this can sway me. The nature of Dr Munk’s evidence is such that it could very well give rise to Industry seeking to put in counter evidence. It is important to bear in mind that Industry’s evidence consisted of documents, the absence of

which Dr Munk specifically queried. So the additional evidence was in direct, if much delayed, response to the questioning of Dr Munk.

22) The additional evidence of Industry consists of shipping advice notes, certificates of analysis, insurance certificates, cargo receipts, remittances advice, safety data sheets, air way bills, bills of lading, notices of export permission, packing lists and shipping instructions. The invoices are not each supported by all of these documents but all of the invoices are supported by a number of them. In his submissions Dr Munk writes:

“7. The evidence submitted on 6 March 2009 with regards to FCE083101 is incomplete as the bank remittance contrary to all other transactions and contrary to business practice does not mention the invoice number on the remittance statement. There remain doubts whether there has been a business transaction. The hand-written remark linking the remittance notice to the invoice FCE083101 is without legal value.

8. With regards to invoice FCE385201 the proof is in incomplete as no bank remittance statement is provided.”

Dr Munk may have had reasonable concerns about the invoices in their redacted state, he may also have had reasonable concerns emanating from the absence of an explanation of the numbering system. Under cross-examination Mr Ogawa explained the numbering system of the invoices:

“A. The first three numbers of this number are the serial number. Hokko Chemical's fiscal year begins on December 1st and therefore the first order received after December 1st is numbered 001.

Q. In the first three digits?

A. Yes. The fourth digit refers to the year so if it is 5, it is 2005. The 01, the last two digits, 01 refers to the shipment number where there is more than one shipment in one order. So if there are two shipments in a particular order, then they will be numbered 01 and 02.”

With the non-redacted invoices, the explanation of the numbering system and the supporting documentation, there is simply no reasonable basis for questioning the veracity of the invoices, outwith evidence that challenges their veracity. The dots have been placed over the i's and the t's have been crossed by Industry. **The invoices must be accepted as representing genuine transactions.**

Cross-examination of Mr Ogawa

23) There were disparities between the written evidence and what Mr Ogawa said or what was demonstrated in cross-examination. In his witness statement of 17 March 2008 Mr Ogawa states:

“12. In summary, I have a very good understanding of written and spoken English, including English specific to Chemistry, as a result of my school and university education and my extensive English language experiences overseas and in the workplace.”

Exhibit YO1 to the statement includes a notarised personal history of Mr Ogawa made by Mr Kiyoshi Hirazawa, the general manager of the patent and product registration department of Industry. In this personal history Mr Ogawa's foreign language ability is described in the following terms:

“Very good in writing, reading and speaking in English and Spanish.”

Despite these statements Industry had requested that a translator should be used. In a letter of 7 October 2008 the registrar agreed to an interpreter being present providing that Mr Ogawa answers the questions in English. At the hearing the questions were initially translated into Japanese and the answers given in English. After a while I found that his replies were too difficult to understand and for the sake of good order allowed his replies to be translated. Mr Ogawa did not demonstrate a reasonable ability to understand and communicate in English. Mr Ogawa's facility in the English language was in marked contrast to that of Dr Munk, who is a resident of Zurich and whose mother tongue is not English. Mr Hobbs in his decision of 9 June 2008 said:

"With the degree of fluency in English which Mr. Ogawa claims to possess, it appears to be possible for him to give answers in English to questions asked of him in English by reference to technical and commercial documents written in English."

In this witness statement Mr Ogawa states that a draft of his first witness statement was prepared by his trade mark attorneys which he considered and amended as necessary. He does not state if this latter witness statement, in which he comments on his English language abilities, was prepared in a similar fashion. This leads to a paradox in relation to his second witness statement. He makes a statement in relation to his ability to understand English but his use of English makes it inherently improbable that he actually drafted the statement as to his ability; a somewhat bizarre situation, Mr Ogawa does not have the language skills to make the claim in writing to the language skills that he professes. So Dr Munk's concerns about the English language skills of Mr Ogawa were shown in cross-examination to be fully justified. If Mr Ogawa had read the witness statements of Dr Munk, the language skills of the former leave it very much in doubt what he actually understood.

24) In his witness statements of 5 February 2007 and 17 March 2008 Mr Ogawa states that he has read the witness statement of Dr Munk of 14 June 2006. In paragraph 28 Dr Munk called into question the numbering of the invoices, “they

are not numbered in a coherent way". At the hearing Dr Munk asked Mr Ogawa about the numbering of the invoices:

"Q. Could you please state the reasons why this information has not been given earlier in spite of the various requests that I made?

A. I was not aware of questions being asked on the numbering system and it was only very recently that I learnt about it and therefore prepared it for this hearing.

DR. MUNK: Can I have five minutes because in one of your witness statements you said that you have read my witness statement and my remarks. As I recall, this is one of the remarks that I had. To check that, I will need a couple of minutes. Is that permissible or shall I do it later? It is something in the back of my mind.

THE HEARING OFFICER: I can give you a couple of minutes to look for it.

DR. MUNK: I am grateful. I am sorry about that. I think in paragraph 5 of his witness statement of 5th February, he says, "I have read the witness statement of Mr. Wolfgang Munk"

DR. MUNK: Yes. Now I need to find it in my witness statement to make the full circle.

THE HEARING OFFICER: It is in paragraph 28 of your witness statement of Dr. Munk where you say they are not numbered in a coherent way.

DR. MUNK: Yes, the first bullet point.

THE HEARING OFFICER: Yes.

MS. LANE: Is that a submission or a question?

DR. MUNK: No, it is not a question.

THE HEARING OFFICER: It is a statement.

DR. MUNK: It is just a statement. I just wanted to make sure and whether I want to ask a further question regarding the witness to confirm again that he was not aware, despite his declaration.

MS. LANE: Is that the question that you want the interpreter to translate?

DR. MUNK: Yes. Does Mr. Ogawa want to confirm his earlier statement that he had no information about my request?

A. I was aware of the statement that you made.

Q. Okay, so I accept the other statement as an error. Why did you not reply to that statement in your witness statement?

A. I did not include it in my witness statement because I did not think it was necessary to reply to the observation.

Q. You did not deem it necessary to reply to the question, okay.

A. That is right. That was my judgment. "

When first asked Mr Ogawa states that he had only become recently aware of the query re the numbering system. When it is put to him that this is contradicted by his written statements in which he states, on two occasions, that he had read the witness statement of Dr Munk of 14 June 2006 he immediately resiles from this position.

25) Dr Munk questioned in his witness statement of 14 June 2006 the comments made by Mr McAllister re salicyclic acid. Mr Ogawa stated that he had read this witness statement of Dr Munk yet in his witness statement makes an error in relation to salicyclic acid. An error that he amended at the hearing.

26) Dr Munk asked questions about the photographs of chemical drums in the evidence of Industry:

“Q. Do you systematically photograph all products that you send abroad?

A. This particular picture was taken in 2007 because it is for a product that was in 2007 and the corresponding invoice is not in this pack. We took this photograph for this hearing, but we do not take photographs for all our things.

Q. So to make sure that I really have understood correctly, this was a picture taken in 2007 after the application for revocation has been filed.

A. That is right.

Q. Is it correct that prior to 2005, you had no exposure -- I have asked this already but I think it is very important in this context -- to fine chemicals within the company?

A. That is right.

THE HEARING OFFICER: I need clarification of this. We are talking about exhibit JTM4. Mr. Ogawa, you are stating that this photograph was taken in 2007.

A. Yes.

Q. And this is a drum of a chemical whose expiry date was 2004.

A. I am not sure if we are talking about the same one.

Q. It is also referred to in paragraph 13 of Mr. McAllister's first statement where he states that the product was manufactured on 7th November 2003, which is what the label says.

A. I made a mistake. I am sorry, I made a mistake. They were made in 2003.

Q. Can you reply to Dr. Munk's earlier question then? Does your company regularly take photographs of drums?

A. Sometimes photographs are taken as samples.”

I find it inherently improbable that Industry takes photographs “as samples” of drums of chemicals. All the more inherently improbably when taking into account Mr Ogawa’s first reply to the question of Dr Munk and his immediate resiling from this position when I pointed out the dates upon the label in the drum. I consider that Dr Munk’s question “Do you systematically photograph all products that you send abroad?” was both very pertinent and perspicacious.

27) There are disparities between what is said in the witness statements of Mr Ogawa and what was ascertained in cross-examination. I have grave doubts as to the extent to which Mr Ogawa was involved in the writing of his witness statements and even graver doubts as to his understanding what was written in

them. The problems over salicyclic acid also bring into question his knowledge of the chemicals under consideration here and their uses. Despite the cross-examination of Dr Munk as to Mr Ogawa's qualifications, I found it impossible to gauge Mr Ogawa's knowledge of the chemicals that are under consideration in this case. Mr Ogawa's specialism appears to be in agricultural chemicals rather than the chemicals in consideration here. His rôle in relation to fine chemicals appears to have been that of a manager rather than that of an industrial chemist. Taking into account the manner in which he immediately resiled from statements he made under cross-examination, when they were contradicted by the evidence, and the disparities between the evidence and what was discovered under cross-examination, where there is an absence of clear documented evidence, I can give little if any weight to the statements of Mr Ogawa.

Genuine use of the trade mark

28) A convenient summary of the criteria relating to genuine use was given by the Court of First Instance (CFI) in *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/07*:

“99 In interpreting the concept of genuine use, account should be taken of the fact that the ratio legis of the requirement that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-2811, paragraph 38, and judgment of 8 November 2007 in Case T-169/06 *Charlott v OHIM – Charlo (Charlott France Entre Luxe et Tradition)*, not published in the ECR, paragraph 33).

100 There is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the registration (Case C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 72; see also, by analogy, Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 43). In that regard, the condition of genuine use of the mark requires that the mark, as protected on the relevant territory, be used publicly and externally (*Silk Cocoon*,

paragraph 99 above, paragraph 39; VITAFRUIT, paragraph 99 above, paragraph 39; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 34; see also, by analogy, Ansul, paragraph 37).

101 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (VITAFRUIT, paragraph 99 above, paragraph 40; Charlott France Entre Luxe et Tradition, paragraph 99, paragraph 35; see also, by analogy, Ansul, paragraph 100, paragraph 43).

102 As to the extent of the use to which the earlier trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use (VITAFRUIT, paragraph 99 above, paragraph 41, and Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 36).

103 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237, paragraph 71).

104 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case (VITAFRUIT, paragraph 99 above, paragraph 42; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 37; see also, by analogy, Ansul, paragraph 100 above, paragraph 39).

105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT) [2002] ECR II-5233, paragraph 47)."

In *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-416/04 P the ECJ stated:

“72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

The CFI considered *The Sunrider* principles in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06:

“32 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court has stated that use of the earlier mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned in order to maintain or create a share in the market for the goods or services protected by the mark (*VITAFRUIT*, paragraph 27 above, paragraph 42, and *LA MER*, paragraph 26 above, paragraph 57; see, by analogy, *Ansul*, paragraph 24 above, paragraph 39, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21).

33 The Court of Justice also added, in paragraph 72 of the judgment in *Sunrider v OHIM*, paragraph 27 above, that it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not, which means that a *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it,

cannot therefore be laid down. Thus, the Court of Justice has held that, when it serves a real commercial purpose, even minimal use of the trade mark can be sufficient to establish genuine use (*LA MER*, paragraph 26 above, paragraph 58).”

29) Dr Munk submitted that the use that was shown on invoices was use of a company name rather than use of a trade mark. However, it is the company name and a device, or at least an English language version of it, that is the registered trade mark. There is besides nothing that precludes a company name being a trade mark or vice versa. It is a question of fact in a particular case. In *PEBEX Trade Mark* 10 January 2002 [2004] ETMR 14 the Supreme Administrative Court of Warsaw stated:

“21 In addition to the above, it was correct for the Patent Office to consider that conflict may arise between the company name and the trade mark. It should be stressed that because of a difficulty in drawing a clear border between the use of a designation as a trade mark and its use as a company name (Art.13 of the Law on Trade Marks provides that affixing a trade mark to documents related to entering the goods onto the market, that is using this trade mark in business letters, invoices, price lists or catalogues, is also regarded as the use of the trade mark), incorporating someone else's trade mark into one's own company designation constitutes, as a rule, the infringement of rights deriving from the registration of this trade mark. It is particularly difficult to eliminate conflict if the matter concerns-just as the discussed one-the trade mark used for services, which by its nature is most frequently used in a manner typical for the use of a company designation.”

As a judgment of a Polish court the above is neither binding nor persuasive; however, it clearly identifies the difficulties that can arise in distinguishing between use of a company name and use of a trade mark. In *Céline Sàrl v Céline SA* Case C-17/06 the European Court of Justice (ECJ) stated:

“21 The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 *Robelco* [2002] ECR I-10913, paragraph 34, and *Anheuser-Busch*, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ within the meaning of Article 5(1) of the directive.

22 Conversely, there is use ‘in relation to goods’ within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting

his company name, trade name or shop name to the goods which he markets (see, to that effect, *Arsenal Football Club*, paragraph 41, and *Adam Opel*, paragraph 20).

23 In addition, even where the sign is not affixed, there is use ‘in relation to goods or services’ within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.”

In her opinion in the same case, Advocate General Sharpston stated:

“35. A company name in particular need not necessarily be used ‘in relation to’ goods or services which the company supplies ‘in the course of trade’. Its use may be confined to more formal circumstances, the company actually trading under one or more other names. And even where the company name is used in some relationship to goods or services in the course of trade, that use will not necessarily be such as to distinguish the goods or services, to designate their origin or to create the impression of a material link in trade with the proprietor of an identical or similar trade mark. At the hearing, the United Kingdom gave the example of an invoice, in the company name, for the sale of goods identified by a different brand name or trade mark. A fortiori, the mere adoption (registration) of a company name prior to any use – which is the subject matter of the national court’s question as worded – must normally fall outwith the scope of Article 5(1) of the Directive.

38. Thus the response to the national court’s question, in the terms in which it is posed, should be to the effect that the mere adoption of a company or trade name does not normally constitute use within the meaning of Article 5(1) of the Directive; subsequent use of such a name in the course of trade must be assessed by the competent court on the facts of each case, in the light of the criteria set out in point 29 above, in order to determine whether it constitutes use in relation to goods or services for the purposes of that provision.”

30) Dr Munk put forward a line of argument that use had to be use on the goods eg on the drums of chemicals. This is misconceived; the requirement is for use in relation to the goods or services, not on them. A requirement for affixing the trade mark to goods or to the packaging of goods solely arises in relation to goods being exported from the United Kingdom.

31) The use of the trade mark on the invoices is use in relation to goods, it is also use that distinguishes the goods of Industry; indeed there is nothing else with which to distinguish the goods of Industry. It is also to be noted that the trade mark is not simply the company name, it includes a device element. The use of



HOKKO CHEMICAL INDUSTRY CO.,LTD.

on the invoices is use of the trade mark in relation to goods. It is the clearest indicator to the purchaser of the origin of the goods. It is another matter if it establishes genuine use in relation to the goods for which the trade mark is registered and in relation to which Industry claims that there has been genuine use.

32) Dr Munk was concerned about the three invoices made out to International Flavours & Fragrances (GB) Ltd bearing the wording "FOB Japan", free on board Japan. He considered that this means that once on board the goods could have been shipped anywhere on the globe. Dr Munk posits that somewhere between Kobe and Felixstowe the vessels carrying the goods might have offloaded the consignment from Industry. The problem with this line of argument is that it just the most hypothetical conjecture. There is nothing to suggest that the goods were not delivered to International Flavours & Fragrances (GB) Ltd, the bills of lading give no support to this conjecture. Dr Munk needs to put forward something more than conjecture; he needs to put forward some evidence that the goods did not arrive at Felixstowe. In the absence of a shred of evidence to support the conjecture, I accept that the goods destined for International Flavours & Fragrances (GB) Ltd arrived at their destination.

33) Industry claims that it has made genuine use of the trade mark in relation to *chemical products included in Class 1 for use in the manufacture of perfumery, plastics, resins, medical products.*

34) Owing to the nature of the specification, the issue is not what chemicals have been furnished but the purpose to which they have been put. There was some dispute as to the use of TOPO in the process of creating salicylic acid, as noted above Mr Ogawa amended his statement in relation to this at the hearing. Industry also states that TOPO is also used in the creation of phosgene (which use is indicated in the page on TOPO in the brochure relating to organophosphines), which it states is used in the manufacture of isocyanates, polyurethane and polycarbonate resins, pesticides, herbicides and dyes. 3-Buten-1-ol is identified, in *HOKKO FINE CHEMICAL PRODUCTS* brochure, as being an intermediate in agrochemicals, pharmaceuticals etc, so there is nothing that clearly indicates that the chemical was used in the manufacture of medical products.

35) Below I give the sales figures in forms that allow for them to place into a clearer context:

26 March 2001	FCE083101	DPPST 10kgs 800,000 yen £5,732
17 May 2001	FCE148101	TOPO 15kgs 120,000 yen £859

21 November 2001	FCE337101	DMBCA 1,140kgs 923,400 yen £6,616
9 April 2002	FCE154201	TOPO 15kgs 120,000 yen £859
29 October 2002	FCE385201	DMBCA 1,520kgs 1,231,200 yen £8,821
30 October 2002	FCE389201	DMBC 14,400kgs 9,216,000 yen £66,035
8 October 2003	FCE373301	DMBCA 2,280kgs 1,801,200 yen £12,906
16 October 2003	FCE390301	DMBC 3,960kgs 2,534,400 yen £18,159
19 November 2003	FCE435301	DMBCA 2,280kgs 1,801,200 yen £12,906 DMBCB 720kgs 1,144,800 yen £8,202 DMBC 360kgs 284,400 yen £2,057
13 May 2004	FCE202401	DMBC 5,580kgs 3,571,200 yen £25,588
24 August 2004	FCE349401	TOPO 15kgs 120,000 yen £859
17 November 2004	FCE434401	DMBCA 1,459,200 yen £10,455 DMBCB 1,080kgs 1,296,000 yen £9,286 DMBC 230,400 yen £1,650
13 May 2005	FCE238501	3-Buten-1-ol 2kgs €1,000 £885
14 Sept 2005	FCE375501	DMBCB 720kgs 864,000 yen £6,190 DMBC 360kgs 230,400 yen £1,650

2001

DPPST £5,732

TOPO £859

DMBCA £6,616

Total = £13,207

2002

TOPO £859

DMBCA £8,821

DMBC £66,035

Total = £75,715

2003

DMBCA £12,906, £12,906 = £25,812

DMBC £18,159, £2,057 = £20,216

DMBCB £8,202

Total = £54,230

2004

DMBC £25,588, £1,650 = £27,238

DMBCB £9,286
DMBCA £10,455
TOPO £859

Total = £47838

2005

3-Buten-1-ol £885
DMBCB £6,190
DMBC £1,650

Total = £8,725

Total sales DPPST = £5,732
Total sales TOPO = £2,577
Total sales 3-Buten-1-ol = £885
Total sales DMBCA = £51,704
Total sales DMBC = £115,139
Total sales DMBCB = £23,678

Total sales = £199,715

Total sales perfume products = £190,521

36) In cross-examination Mr Ogawa stated that there were another ten invoices in relation to DMBC, DMBCA and DMBCB. Ms Lane considered that I should take this into account. Why weren't these sales invoices included in the evidence if they were relevant? It is not as if Industry has not had plenty of time to file evidence or is loathe to filing additional evidence, at the last moment. There is nothing to suggest from when these sales emanate, there is nothing to suggest the quantity of the goods sold; there is a complete absence of detail. Neither I nor Dr Munk can consider the details of the sales. Taking into account my view of the evidence of Mr Ogawa and of his answers under cross-examination, I do not consider that this claim in relation to the invoices can be taken into account. The case of Industry rests upon the exhibited evidence before me.

37) There is no evidence as for what the TOPO sold to Avocado, the only purchaser, was used. Mr Ogawa stated that he had no idea for what Avocado used TOPO. In relation to the use of TOPO by Avocado, he made the somewhat gnomonic comment:

“For confidentiality reasons, that has not been discussed.”

TOPO has a variety of uses; it is used in the manufacture of phosgene, which in turn is used in the production of isocyanates, polyurethane and polycarbonate

resins, pesticides, herbicides and dyes. It is also used in the manufacture of medical products and plastics. Ms Lane submitted that because TOPO could have been used in the manufacture of medical products, resins and plastics, this was use of the trade mark. Non-use cases are about fact, they are about the actual use made, not of some hypothetical use. The specification of the registration is defined by its use in various industries, not by the nature of the products. Ms Lane's argument is based on the nature of the product and not the use of the product. There is no limitation on the nature of the products in the specification, they are defined and limited by their use. So to establish use Industry must show what use has been made of the products. It must show for what Avocado used the TOPO. Mr Ogawa stated that he did not know. Ms Lane wants to claim use in relation to three manufacturing processes, when there is no evidence of use in one process. The question for me is starkly simple; in the production of what products does the evidence show that TOPO has been used. The answer is equally simple. The evidence does not show use of TOPO in the use of the manufacture of any products. The evidence has not been furnished. TOPO might have been used in the manufacture of products in the specification, it might not have. Under section 100 the onus is upon Industry is to prove its case. It has singularly failed to do this in relation to TOPO and so use in relation to this product cannot be of assistance to Industry.

38) Ms Lane submitted that the sale of DPPST represented use in the United Kingdom. The DPPST was shipped directly shipped from Japan to Finland. It was never in the United Kingdom. Ms Lane submitted that because the invoice for the sale was sent to Johnson Matthey PLC in the United Kingdom that this invoice represented use in the United Kingdom. The additional evidence shows that the DPPST was purchased for a customer of Johnson Matthey PLC. Genuine use of a trade mark requires use that maintains or creates a market; I fail to see how a product that has never entered the United Kingdom can be seen as maintaining or creating a market in the United Kingdom. The use in this case might be of aid in an action in Finland, not in an action in the United Kingdom. Ms Lane considered that section 10(4)(d) of the Act supported her case; infringement of a trade mark occurring where the sign is used on business papers. However, this relates to infringement, not genuine use of a trade mark; the two are quite different concepts and are governed by different legal concepts. Indeed the two concepts are almost polar opposites. It is also to be noted that this is the sole sale of DPPST upon which Industry relies; a single sale from 2001. The use has to be warranted in the economic sector concerned. In *La Baronia de Turis, Cooperativa Valenciana v v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-323/03* the Court of First Instance (CFI) stated:

“43 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector

concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (*HIPOVITON*, cited above, paragraph 34; see also, by analogy, *Ansul*, cited above, paragraph 43).

44 Concerning the extent of the use made of the earlier mark, account must be taken, in particular, of the commercial volume of all the acts of use on the one hand and the duration of the period in which those acts of use occurred, and the frequency of those acts, on the other. Thus, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness (*HIPOVITON*, cited above, paragraphs 35 and 37).”

DPPST is used in the manufacture of plastics and resins. One does not know for what the DPPST which was received in Finland by Smoptech OY was used; whether it was for the manufacture of plastics or resins. So for the same reasons as given in relation to TOPO, Industry cannot rely upon this sale as one does not know to which category of goods in the specification that it relates, and the specification distinguishes between resins and plastics. Beyond this, one sale of DPPST needs additional evidence to dispel possible doubts about its genuineness. To ascertain if this sale was part of Industry’s creation or maintenance of a market in relation to goods for use in the manufacture of plastics or resins one needs to know how it arose. If a person in the United Kingdom wishes to purchase a DVD and can only find it, through the Internet, for sale in Germany; I cannot see that such an order, without further information about the website, can be seen as creating or maintaining a market in the United Kingdom. The supplier could be totally passive, the act of sale being the result of the efforts of the purchaser. If one saw a pattern of sales to the United Kingdom, if one saw the nature of the website, one could draw conclusions as to whether the sale represented maintaining or creating a market. It is to be noted that creating and maintaining are not passive activities, or inactivities.

39) Industry relies on the facts that its brochures are in English to help support its claim to genuine use of the trade mark. English is the international language of science and technology, so a brochure in English from a chemical company of itself is indicative of nothing. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the CFI noted that literature in English, owing to the nature of the goods, could be taken into account in relation to use in Finland:

“53 As regards the complaint that those brochures should not have been taken into consideration on the ground that they were available only in English, French, German, Spanish and Cyrillic script, but not in Finnish, it

cannot be concluded from the fact that no brochures were drawn up in Finnish that brochures in English were not distributed in Finland.

54 In this respect, it is necessary to recall that the goods concerned, namely hollow fiber oxygenators with detachable hard-shell reservoir, are highly technical and are therefore intended for professionals, namely doctors specialised in cardiovascular surgery or highly-qualified hospital personnel. It is common ground that in the medical field English plays a fundamental and preponderant role, and also that, particularly in Finland, knowledge of English is very widespread.”

English is also the language of a good number of states, not just the United Kingdom. Industry does not advise of any promotional activity in the United Kingdom, it does not give evidence of any relationship with an agent in the United Kingdom, it does not give evidence that its brochures have been distributed in the United Kingdom. Its sole evidence of its part in the market in the United Kingdom rests with its invoices; one of which relates to a sale in Finland.

40) Industry has no base in the United Kingdom, it has neither subsidiary nor agent. The sales it has made in the United Kingdom have been few. In relation to several of the products for which it has claimed use there is no evidence as to the actual use of the product(s), where product(s) have multiple uses. Mr Ogawa stated the 3-Buten-1-ol was sold to Eurolabs Limited for use in the manufacture of medical products. In relation to Avocado Research Chemicals Ltd Mr Ogawa did not know the use to which the goods of Industry were put. However, he does know the use for which Eurolabs Limited puts 3-Buten-1-ol, or so he says under cross-examination. Mr Ogawa also stated that 3-Buten-1-ol is mainly used for liquid crystals. It is, of course, helpful for Mr Ogawa's case that it should be considered that the use of 3-Buten-1-ol has been for the manufacture of medical products. For the reasons that I have given above re Mr Ogawa's evidence, I do not consider that his mere statement by him of this is sufficient evidence of the fact. 3-Buten-1-ol could have been used for a function that is not covered by the specification that Industry is trying to protect and so it has not established use for a product for the manufacture of medical product.

41) For the sake of completeness I will consider what the position would be if Industry had established that the 3-Buten-1-ol was sold for the manufacture of medical products. This is the sole sale for a product which was for the manufacture of medical products. Dr Munk asked what the size of the United Kingdom medical market was, Dr Ogawa was unable to say. I think it can be accepted that it is enormous. 3-Buten-1-ol is only used as part of a process and so a great deal of it is not required. However, the fact is that in relation to goods which might have been used for the manufacture of medical products there has been only one sale shown since the trade mark was registered, a sale of €1,000; in the terms of the medical market in the United Kingdom this is hardly a grain of

sand in the Sahara. There is no evidence as to how the sale came about; was it a passive sale instigated by Eurolabs Limited or was it the result of promotion? Does this sale represent the maintenance or creation of a market in products for the United Kingdom or just a chance sale? The fact that a sale has been made does not prove or indicate that the *Ansul* criteria have been established. Where there has been such small usage more evidence is required to show that the maintenance of the trade mark is warranted in relation to the market concerned. Welsh exiles across the globe may subscribe to Welsh language periodicals such as *Y Cymro* and *Golwg*, that there are small sales in other jurisdictions is not indicative of the publishers seeking to establish or maintain a market in these jurisdictions. Their promotional activities are not geared to such activities, the sales are born of the purchaser and not of an attempt to maintain or create a market in, for example, France or Spain. The one sale of goods, of a small value, for use in the manufacture of medical products, without greater documentary evidence, cannot be seen to satisfy the *Ansul* criteria. The scale of the sale, taking into account the size of the market cannot be viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark (*La Mer Technology Inc v Laboratoires Goemar SA* Case C-259/02). All the evidence could do is establish a coincidence; Industry has a trade mark registered in the United Kingdom and on one occasion a purchaser in the United Kingdom made a small purchase, in terms of the market; so there is the coincidence of a registered trade mark and a sale.

42) The evidence does not show in what manufacturing processes the TOPO and 3-Buten-1-ol have been used. This should have been a simple enough to show in evidence, witness statements from the purchasers would have clarified this issue; or even literature about the purchasers might have clarified the issue. DPPST has been supplied once, to a company in Finland; so even if it was supplied for one of two potential uses identified by Industry one does not know which of them. TOPO has a range of functions, many outside the remit of the specification. TOPO has only been supplied to one undertaking, yet Industry is claiming two types of use, one for resins and one for medical products; these are very far apart and one has no idea which, if either, use was made by Avocado of the product. Of course, as far as the evidence goes the chemical could have been used in the manufacture of dyes or herbicides. One does not know if any of the chemicals were used in the manufacture of anything.

43) Industry's strongest case; I would go so far as to say its only case with any hope of success relates to *chemical products included in Class 1 for use in the manufacture of perfumery*. The products in question are DMBC, DMBCA and DMBCB. The heading *Fragrance Raw Materials* appears on pages 12-13 of the *HOKKO FINE CHEMICAL PRODUCTS* brochure, listed amongst the materials under this heading are DMBC, DMBCA and DMBCB. The products have been supplied to two purchasers in the United Kingdom International Flavours & Fragrances (GB) Ltd and Quest International UK Limited. I estimate that total

sales of these products amounts to £190,521. There were sales in 2001, 2002, 2003, 2004 and 2005. A pattern of sales over a five year period, to two purchasers, and of a not insignificant amount, if not an enormous amount, is indicative of Industry maintaining a market in such products in the United Kingdom. The case law rehearsed above establishes that there is no de minimis limit for sales. In the terms of the perfumery industry, the sales are not enormous but they are not insignificant; it is necessary to bear in mind that the chemicals are only used in process and so only small amounts might be needed.

44) The nub of the question is whether it has been established that DMBC, DMBCA and DMBCB were used in the manufacture of perfumery. The products are categorised in the literature of Industry as fragrance raw materials. The pages reproduced at exhibits 7 and 8 to the first witness statement of Dr Munk show that these chemicals are aroma chemicals. These pages, from the *New Directions* website, describe the perfumery uses of the chemicals with reference to the scent eg apple, peach. However, that the chemicals have perfumery uses and that they are categorised as fragrance raw materials does not mean that they have been used in the manufacture of perfumery. *Collin English Dictionary 5th Edition* defines perfumery in the following terms:

“n. pl; -eries; 1. a place where perfumes are sold. 2. a factory where perfumes are made. 3. the process of making perfumes. 4. perfumes in general.”

In the context of the specification, perfumery must relate to the manufacture of perfumes. It does not follow that because the chemicals are aroma chemicals that they are used in the manufacture of perfumes. They could be used to give an aroma to a variety of products eg pot pourri, soaps, shampoos; this is not the manufacture of perfumes. It could be that the products were used in the manufacture of perfumes, however, that, on the basis of the evidence before me, is mere speculation. I simply have no idea for what DMBC, DMBCA and DMBCB were used. Industry could have furnished evidence from those to whom it supplied its products to show to what use they goods were put; whether that be in the form of witness statements and/or literature about the undertakings. It did not. The onus under section 100 is upon Industry and it has failed to discharge this onus in relation to the use of DMBC, DMBCA and DMBCB. I have no doubt that these products were supplied and in reasonable quantities but I have no solid evidence for what they were used and the specification is defined by use, not by the product. As the CFI stated in *Kabushiki Kaisha Fernandes v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-39/01*:

“47. In that regard it must be held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned.”

45) I find that Industry has not established genuine use of its trade mark in relation to *chemical products included in Class 1 for use in the manufacture of perfumery, plastics, resins, medical products*; the goods for which it claimed that there had been use. On the basis of the evidence before me I cannot see that the registration should not be revoked under section 46(1)(a) of the Act. The registration is revoked in its entirety under section 46(1)(a) of the Act from 14 March 1997.

Costs

46) Owing to the cross-examination of Mr Ogawa I agreed at the hearing that the parties could make written submissions on costs consequent upon the issuing of the substantive decision. The parties are allowed one month from the date of this decision to make written submissions in relation to costs.

47) The appeal period in relation to the substantive decision will run in parallel with the appeal period in relation to the decision on costs; when that decision has been issued.

Dated this 27th day of April 2009

**David Landau
For the Registrar
the Comptroller-General**

The hearing took place on 11 March 2009.

Ms Lindsay Lane of counsel, instructed by Marks & Clerk, appeared for Industry. HG was represented by Dr Wolfgang Munk, its managing director.