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TRADE MARKS ACT 1994

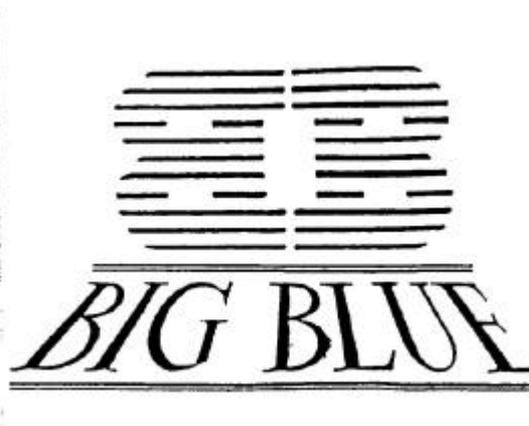
**IN THE MATTER OF APPLICATION UNDER No. 81091
BY BIG BLUE BOX STUDIOS LIMITED FOR
THE REVOCATION OF TRADE MARK No. 2056366
IN THE NAME OF BIG BLUE PRODUCTS INC**

TRADE MARKS ACT 1994

**IN THE MATTER OF AN Application under No. 81091
By Big Blue Box Studios Limited for the Revocation of
Trade Mark No. 2056366 in the name of Big Blue Products Inc**

BACKGROUND

1. Trade mark registration number 2056366 is for the following mark:



2. The mark is registered in Class 9 for a specification of “Computers, computer terminals, disk drives, monitors, printers, modems and interfaces; parts and fittings therefor; computer software; computer programs for business, accounting, communications and amusement; data carriers for the aforesaid.”

3. The mark was registered on 20 December 1996 with registration effective from 9 February 1996.

4. By an application dated 4 December 2002 Big Blue Box Studios Limited applied for the registration to be revoked by virtue of Section 46(1)(a) of the Act in that within the period of five years following the date of the completion of the registration procedure the mark has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods for which it is registered, and there are no proper reasons for non-use. The applicant adds that its enquiries show that Big Blue Box Products Inc “does business as a supplier of replacement parts for branded Notebooks, Laptops, Desktops and Servers of Manufacturers such as Compaq, Toshiba and IBM” and accordingly its trade mark is only being used in relation to services falling within Class 35 of the register.

5. The registered proprietor filed a Counterstatement denying the grounds of revocation.

6. Both sides have filed evidence in these proceedings and have asked for an award of costs in their favour. The parties are content for a decision to be taken without recourse to a hearing and no written submissions were forwarded for the Hearing Officer's attention.

REGISTERED PROPRIETOR'S EVIDENCE UNDER RULE 31(2)

7. This consists of two witness statements, one by Jeffrey G Alnwick dated 6 March 2003 and one by Kerry Andrew Lee dated 10 March 2003.

8. Mr Alnwick is the President of Big Blue Products Inc (the opponent).

9. Mr Alnwick states that Big Blue Products Inc sold its first product in relation to the trade mark BIG BLUE and device in the United Kingdom on 9 September 1992 and he goes on to say that for the period of 1992 to 2000, Big Blue Products Inc generated US\$ 9,079,024 in revenues in the UK. Mr Alnwick refers to Exhibit "JGA 1" to his statement which he describes as a schedule outlining the registered proprietor's sales in the UK and other European countries for the period 1997 to 2000 showing sales of approximately US\$ 6,769,257. Next, Mr Alnwick draws attention to Exhibit "JGA 2", a further schedule listing the registered proprietor's sales for the period 1 January 2001 to 24 April 2001 by individual country. The schedule shows a UK sales figure of US\$ 678,159 in relation to 33 accounts. Mr Alnwick also attaches as Exhibit "JGA 3", a computer printout which, he states, confirms these sales and he adds that these sales relate to computer parts and products which were sold in relation to the trade mark BIG BLUE and Device.

10. Turning to the promotion of the trade mark BIG BLUE and Device, Mr Alnwick states that the registered proprietor spends between £10,000 and £50,000 annually. He draws attention to Exhibit "JGA 4" which is a copy extract of an advertisement placed by Big Blue Products Inc in the January – June 2001 edition of "International Equipment Guide".

11. The registered proprietor's second witness statement comes from Kerry Andrew Lee, an assistant solicitor working for Field Fisher Waterhouse, who represent the registered proprietor in these proceedings.

12. Mr Lee attaches, as Exhibit "KAL", a number of invoices from the registered proprietor which relate to sales in the UK by the proprietor for the period January 2001 to December 2002. These invoices relate to a number of individual UK businesses.

APPLICANT'S EVIDENCE UNDER RULE 31(4)

13. This consists of a witness statement by Antony John Allen Bubb dated 17 June 2003. Mr Bubb is a partner in the firm of Wilson Gunn Gee, the applicant's professional advisors in these proceedings.

14. Mr Bubb explains the background to the present revocation proceedings in that it stems from a threatened opposition by the registered proprietor in the present case to the applicant for revocation's application to register its trade mark at OHIM. He also expresses surprise at the

registered claim to BIG BLUE due to his perception that this is a “nickname” of the IBM Corporation.

15. Mr Bubb conducted an Internet search and located web pages relating to the business of Big Blue Products Inc. A copy of these web pages is attached as Exhibit “AJAB 1” to his statement. He states that the registered proprietor does not use BIG BLUE as an indication of any products and he adds that Big Blue Products Inc is merely a reseller of branded computer components originating from IBM, Toshiba and Compaq. Mr Bubb concludes that there is no suggestion in the website of Big Blue Products Inc that it is the originator of any form of computer software. He believes that the website is not used in relation to goods in Class 9 but only in relation to services in Class 35.

16. Turning to Mr Alnwick’s statement on behalf of the registered proprietor, Mr Bubb does not dispute that Big Blue Products Inc has made sales in the UK, but he disputes that any such sales involve use of the registered mark in relation to any products for which the mark is registered. In relation to Mr Lee’s witness statement, M Bubb contends that all of the invoices appear to relate to computer components that are identified as being the branded products of other manufacturers which comprise computer hardware only. He adds that none of the invoices bear the mark in suit.

REGISTERED PROPRIETOR’S EVIDENCE UNDER RULE 31(6)

17. This consists of a second witness statement by Kerry Andrew Lee which is dated 16 September 2003. Mr Lee refers to copies of articles from American publications (Exhibit “KAL 2” to his statement) about the registered proprietor’s right to use the words “BIG BLUE”, notwithstanding “nickname use” by IBM Corporation.

APPLICANT’S EVIDENCE UNDER RULE 31(7)

18. This consists of a second witness statement by Antony John Allen Bubb dated 29 December 2003.

19. Mr Bubb states that the question of whether or not the registered proprietor is entitled to use the words BIG BLUE is not relevant to these proceedings as the question to be determined is whether the proprietor has used the mark in suit in the UK during the relevant period.

20. This concludes my summary of the evidence filed in these proceedings. I now turn to the decision.

DECISION

21. 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) 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.

22. In addition Section 100 of the Act is relevant. It reads:

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

23. The applicant’s grounds refer to Section 46(1)(a) of the Act. Once this application for revocation was made, the effect of Section 100 was to place the onus on the registered proprietor to show the extent and nature of the use made of it of the mark.

24. The registered proprietor must show genuine use of the mark within the relevant period if the registration is to be successfully defended (there being no claim that there are proper reasons for non-use). The relevant period under Section 46(1)(a) is the period of five years following the completion of the registration procedure, which in the present case is five years from 20 December 1996 ie. 20 December 2001.

25. The concept of “serious/genuine use” was considered in the Opinion of Advocate General Colomer given on 2 July 2002 in Case C40/01, *Ansul BV v Ajaz Brandbeveiling BV* in which, at paragraphs 56 to 58, the Advocate General stated the following:

“56. The concept of the trade mark and the characteristic functions of this form of industrial property also require public and external use, directed at the outside world. It is necessary, through its exploitation, for the trade mark to be present on the market for the goods or services which it represents. Consequently, we may speak of genuine use if goods are sold or services are supplied, but also where the mark is used for advertising purposes, in order to introduce the goods or services to the market.

57. On the contrary, private use, which does not extend beyond the proprietor’s internal sphere, is irrelevant, in so far as it is not aimed at winning a share of the market. In this way, measures taken in preparation for marketing goods and services or storage and warehousing without leaving the company premises cannot constitute “adequate” and “genuine use”. The use consisting of affixing the mark to goods or to their packaging for export purposes is considered relevant only as an exception. This exception is justified by the need to protect firms whose business is concentrated on exports and which, through not exploiting a trade mark on the internal market, run the risk of losing it through disuse.

58. To sum up, we can only speak of genuine use where the trade mark, in the form in which it was registered, is used publicly and with external relevance, to open up a niche in the market for the goods or services which it represents.”

26. Where does the registered proprietor stand in light of the above? The evidence of use comes from Exhibits attached to the statements of Mr Alnwick and Mr Lee which comprise schedules of sales; a computer print out of UK sales, for the period 1 January 2001 to 24 April 2001; an advertisement from a publication entitled The 2001 International Equipment Guide January – June 2001; and invoices made out to UK companies, a number of which fall within the relevant period.

27. The examples of use of the mark show use of the company name ie. Big Blue Products Inc. However, none of the examples show use of the mark as registered, which in addition to the words BIG BLUE incorporates the following device:



28. Section 46(2) of the Act is relevant and it reads as follows:

“46.-(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.”

29. From the above it follows that if the removal of the device element alters the distinctive character of the mark in the form in which it was registered, there will have been no use of the mark for the purposes of Section 46(1) of the Act.

30. In my considerations in relation to the distinctive character of the mark I am guided by the following comments of Lord Walker of Gestingthorpe who in the recent Court of Appeal decisions in *Budejovicky Budvar Narodni Podnik v Aneuser Busch Inc* (A3/2002/0048). A3/2002/0049), stated at paragraphs 43 to 45:

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

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

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

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

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose eyes? – Registrar or ordinary consumer?’ is a direct conflict. It is for the Registrar, through the hearing officer’s specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who “normally perceives a mark as a whole and does not proceed to analyse its various details.”

The quotations are from paragraph 26 of the judgment of the Court of Justice in *Lloyd Schufabrik v Klijsen Handel* [1999] ECR I – 3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

31. It seems to me that the removal of the device element in the use of the mark has a significant visual and conceptual impact and also, but to a lesser extent, an aural impact upon the qualities of the mark. The device is inherently distinctive, is readily visible, could well be referred to in a description of the mark and will have an obvious impact upon the average customer in his/her overall perception.

32. Taking into account the visual, aural and conceptual impact of the additional device element within the registered mark and the consequential totality and taking account of the registered proprietor’s use, on a global appreciation I believe the mark used by the proprietor possesses a different distinctive character from the mark as registered.

33. Consequent to my decision that the mark shown to be used is in a form differing in elements which alter the distinctive character of the mark in the form in which it is registered, the application for revocation under Section 46(1) of the Act must succeed. In accordance with Section 46(6)(a) the rights of the proprietor shall be deemed to have ceased as from the date of the application for revocation.

34. While my decision in relation to Section 46(2) and its impact has decided the matter, for the sake of completeness I go on to consider the applicant’s case that the registered proprietor only does business in relation to services falling within Class 35 of the register and not in relation to goods falling under Class 9.

35. On the approach to be adopted in determining whether the registered proprietor's use falls within the specification for which the mark is registered I am guided by the following passage from the Court of Appeal's decision in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

“30. Pumfrey J was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?”

31. Pumfrey J in *Dcon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under Section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

36. Turning, once again, to the registered proprietor's evidence of use (see paragraph 26 of this decision), the examples which relate to the use of the mark demonstrate that the registered proprietor provides computer hardware and software by mail order, telephone, fax or the Internet. It appears that the goods in question are the branded goods of third party manufacturers e.g. the advertisement at Exhibit “JGA 4” to Mr Alnwick's statement refer to Compaq, IBM and Toshiba. There are no examples of the mark in suit used on or in relation to the goods, other than in the supply of goods by mail order etc.

37. I bear in mind Mr Justice Jacob's general observations in *Laboratories Goemar SA and LaMer Technology Inc* [2002] ETMR 34 on the onus that rests on registered proprietors to carefully establish their position on use:

“8. Our Act, sensibly, explicitly requires the trade mark owner, to prove use of his mark when non-use is alleged. Probably that is implicit under the Regulation too, for who is to know most about the details of use other than the owner of the mark? The way the UK Act puts it is in Section 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.”

9. In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye – to ensure that use is actually proved – and for the goods or services of the mark in question. All the t’s should be crossed and all the i’s dotted.”

38. In light of the above guidance I have no hesitation in concluding that the registered proprietor’s evidence does not demonstrate use in relation to the Class 9 goods for which its trade mark is registered. However, the evidence does demonstrate use of BIG BLUE PRODUCTS INC in relation to services relating to the bringing together of a variety of computer hardware and software products enabling customers to purchase these goods by mail order, telephone, fax or the Internet. These services are proper to Class 35.

39. I now go on to consider whether the registered proprietor’s use amounts to use **in relation to the goods** even if it does not actually amount to use on goods. On this point I am guided by the following passages from the judgement of Jacob J in *Euromarket Designs Incorporated v Peter and another* [2000] AU ER D 1050 (the Crate and Barrell case):

“56. That is not all on the question of non-use. If one looks at the advertisements they are essentially for the shops. True it is that some of the goods mentioned in the advertisements fall within the specification, but I doubt whether the reader would regard the use of the shop name as really being “in relation” to the goods. I think this is an issue worthy of trial in itself. The argument is that there is an insufficient nexus between “Crate & Barrel” and the goods; that only a trade mark obsessed lawyer would contend that the use of “Crate & Barrel” was in relation to the goods shown in the advertisement.

57. In this connection it should be borne in mind that the Directive does not include an all-bracing definition of “use”, still less of “use in relation to goods.” There is a list of what may inter alia be specified as infringement (Art. 5(3), corresponding so s.10(4) and a different list of what may, inter alia, constitute use of a trade mark for the purpose of defeating a non-use attack (Art. 10(2), equivalent to Section 46(2)). It may well be that the concept of “use in relation to goods” is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled “Boots”, only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign “in relation to” the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the Crate & Barrel US shops to the UK in Crate & Barrel packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence.”

40. As always, each case must be considered on its own particular circumstances. A wide variety of trading priorities exist and customers will react differently to each. My own knowledge and experience tells me that some retail/mail order names are also used as brand names on the goods themselves, whereas in other cases third party brands may appear in the goods or will always appear on the goods.

41. Turning to the facts of the case before me I am able to deduce that the registered proprietor brings together a number of computer brands with a view to providing customers with a wide choice to match their own particular requirements.

42. The registered proprietor's use does not demonstrate any relevant trade in own brand goods. I can see nothing which would lead customers to think that the registered proprietor's mark was being used in relation to goods. I have come to the view that the registered proprietor's use is not such as can assist them in relation to the goods of the registration in suit and the application for revocation under Section 46(1)(a) is also successful on this basis.

CONCLUSION

43. The application for revocation succeeds as within the period of five years following the date of the completion of the registration procedure:

- i) the mark shown to be used is in a form differing in elements which alter the distinctive character of the mark in the form in which it is registered; and also;
- (ii) the mark has not been put to use in relation to the goods for which it is registered.

44. In accordance with Section 46(6)(a) the rights of the registered proprietor shall be deemed to have ceased as from the date of the application for revocation.

COSTS

45. The applicant is entitled to a contribution towards costs. I therefore order the registered proprietor to pay the applicant the sum of £1000 which takes into account that no hearing took place on this case. This sum is to be paid within seven days of the expiry of the period allowed for appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 28th day of April 2004

**JOHN MacGILLIVRAY
for the Registrar
the Comptroller-General**