

O-131-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO APPLICATIONS FOR REVOCATION
ON THE GROUNDS OF NON-USE
UNDER NOS. 81421, 81422 AND 81423
BY FLORAROMA
OF REGISTERED TRADE MARK
NOS. 1398682, 1398683 AND 2053016
IN THE NAME OF
S SCHWAB COMPANY INC**

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1. On 4 March 2004 an interlocutory hearing was held in respect of each of the above mentioned cases. The hearing was to determine whether evidence filed by the registered proprietor was evidence of use as required under rule 31(2) sufficient to allow the proceedings to continue.
2. Following the hearing, I advised both parties of my decision which was that the evidence was sufficient, if only just, to allow the proceedings to continue.
3. I am now asked by the applicant for revocation for written grounds of my decision.

Background

4. On 16 September 2003, Marks & Clerk on behalf of Floraroma, and under Section 46(1)(a) of the Trade Marks Act 1994, filed applications for revocation of trade mark registration Nos. 1398682, 1398683 and 2053016. Details of these registrations are as follows:

Reg No.	Mark	Specification	Registration date
1398682	LITTLE ME	Infants' bed and bath linens; all included in Class 24	22.11.91
1398683	LITTLE ME	Childrens' clothing; infants clothing; sleepwear, shirts, pants, jumpsuits, coveralls, jackets, bunting suits, sweaters, creepers, hats, sweatsuits, bibs, dresses, booties, sunsuits, bathing suits, sacques, kimonos, robes, vests and leotards; all included in Class 25	6.12.91
2053016		Class 18: Diaper bags, stroller bags, organizers sold empty. Class 21: Insulated bottle holders. Class 28: Stuffed toys and crib toys.	27.9.96

5. The registry sent copies of all three applications to Haseltine Lake on 22 September 2003 advising that the period for the registered proprietor to file its defence under rule 31(2) would expire 22 December 2003.

6. Haseltine Lake wrote back to the registry by way of a letter dated 8 October 2003 pointing out that although they were the address for service in respect of registration Nos. 1398682 and 1398683 they were not the address for service in respect of registration No. 2053016. On 10 October 2003 the registry corrected its error and sent a copy of the application to revoke registration No. 2053016 to the correct address for service, Fitzpatrick's, amending the period for filing of the registered proprietor's defence to expire 10 January 2004. As there had been no error in respect of notifying the registered proprietor of the applications against registration Nos. 1398682 and 1398683, the expiry date for filing a defence to these registrations remained as 22 December 2003. Fitzpatrick's subsequently filed a Form TM33 to record themselves as address for service in respect of all three registrations. The change of address for service was duly recorded.

7. On 22 December 2003, and in respect of each of the three registrations, Fitzpatrick's, on behalf of the registered proprietor filed a number of documents. These were a Form TM8 and statement of case along with a witness statement of a Mr Hugh Woltzen and an exhibit. On 23 January 2004 the registry wrote to Fitzpatrick's advising of its preliminary view that the witness statements and accompanying exhibit did not overcome the burden placed on the registered proprietor to show evidence of use of the mark as required by rule 31(2).

8. The letter referred to comments made in the decision in *Adrenalin*, BL 0-336-99 and went on to say that the registry was considering invoking the provisions of rule 31(3) and treating the opposition to the application for revocation as having been withdrawn. I will return to this later in my decision.

9. By way of a letter dated 5 February 2004, Fitzpatrick's disagreed with the preliminary view and requested to be heard. A letter dated 6 February 2004 from Marks & Clerk supported the registry's preliminary view and, whilst suggesting the registered proprietor had no entitlement to a hearing, requested the opportunity to attend in the event one was to be arranged.

10. A hearing was subsequently arranged and took place before me by three-way telephone link on 4 March 2004. The registered proprietor was represented by Mr Finn of Fitzpatrick's, the applicant by Mr Slater of Marks & Clerk. Both parties provided skeleton arguments. All accepted that a single hearing, and single decision, in respect of the three sets of proceedings, was appropriate. At the hearing, I reserved judgment but notified the parties of my decision by letter sent to them via facsimile later the same day.

Registered proprietor's evidence

11. The evidence is substantially the same in each case. It consists of a witness statement of Mr Hugh Woltzen dated 19 December 2003 along with separate copies of a common exhibit comprising photocopies of a number of different invoices. In

view of this, I do not intend to summarise each set of evidence individually but will identify where each differs as appropriate.

12. Mr Woltzen states he is the Chief Financial Officer of S Schwab Company Inc (“his company”). His company is the registered proprietor of the three trade mark registrations under attack. Mr Woltzen says he has held this position since 1999, has full and free access to his company’s records and is authorised to make the statement on his company’s behalf.

13. The copy invoices exhibited to Mr Woltzen’s witness statement show sales of many different items. Many of these are listed in what I take to be some form of commercial shorthand or codified form and are not easily understood but others are more readily identifiable.

14. The copy invoices are dated 28 August 2003. Each contains information that the goods provided are to be “shipped to” ZEO America at a New Jersey, US address and “billed to” ZEO America at a Belfast, UK address. The invoices indicate that payment should be “remitted to” Little Me Childrenswear Co at a Baltimore US address.

1398682

In respect of this registration Mr Woltzen states his company has used the trade mark continuously since at least 1989 on all the goods for which it is registered. Such use has continued in the UK during the last five years. The mark is registered in capital letters but used in a stylised format.

Listed among the items provided on the invoices are:

Chenille blnkts,
DK toys towel/mit
DK toys bathbag
DK cls fleece growbg
DK toys blnkt slpr

1398683

In respect of this registration Mr Woltzen again states his company has used the trade mark continuously since at least 1989 on all goods for which it is registered. Such use has continued in the UK during the last five years. The mark is registered in capital letters but used in a stylised format.

Listed among the items provided on the invoices are:

Pgybk rds gown
Pgybk rds 2-pk bdyst
Ltl Noah gown
Ltl Dais 2-pk bdyst
Pgybk rds 2-pk bibs

2053016

In respect of this registration Mr Woltzen says the trade mark has been used continuously since at least 1996 in respect of stuffed toys and crib toys in class 28 and use has continued during the last five years.

Listed among the items provided on the invoices are:

Noahs Ark rattle toy
Duck Musical toy

Registered proprietor's submissions

15. Mr Finn explained how the registered proprietor had had only a short time to get its evidence together. There were, he submitted, a number of reasons for this.

16. There had been no advance warning that the revocation actions were going to be filed. There had been a registry error in sending the documentation in respect of all three cases to Haseltine Lake. They notified the registry of the error and made contact with Fitzpatrick's who were to represent the registered proprietor in respect of all three applications. Consequently, it was some time before Fitzpatrick's attempted to contact their US instructing agents which they did by post but the letter was returned on 11 November 2003 marked "Not deliverable as addressed. Unable to forward."

17. After checking the internet to establish an up-to-date address, Fitzpatrick's re-sent the documentation to their instructing agents who at some time appear to have undergone a change of name. By 18 December they had received no reply so on that day Fitzpatrick's sent an e-mail chaser. An e-mail reply was received the same day confirming that use had been made by the registered proprietor in the UK and indicating that details would be forwarded by the following day.

18. These details of use were received by Fitzpatrick's via e-mail the following day, and an exchange of correspondence between them and their instructing agents then took place, again by e-mail. Completed witness statements were received by Fitzpatrick's on 22 December 2003 and they filed them at the registry by fax later that same day.

19. Mr Finn said that delays had also occurred because all this took place in the run-up to the Christmas period. The registered proprietor had filed what evidence it could within the timescale available to it but more evidence was available which it intended to file in later stages of the proceedings in order to "bulk out" what it had already filed.

20. Commenting on the registry's letter which referred to the *Adrenalin* decision, it was Mr Finn's contention the *Adrenalin* case was not on all fours with the current proceedings. In that case, although evidence was filed and accepted under rule 31(2), no further evidence had been filed later in the proceedings and so the registered proprietor's claims to use had not been expanded upon or further explained. Mr Finn went on to say that in any event the type of evidence referred to in that decision was set out purely as a guide to what the registrar would normally expect to have before him when the evidence stages of proceedings were completed.

21. Mr Finn said that in revocation actions, and for rule 31(2) purposes, the registered proprietor merely had to make a prima facie case of use, details of which could be expanded upon in the later evidence stages. Mr Finn contended that in these proceedings the registered proprietor had made out a prima facie case and would expand on that evidence in the later evidence stages.

22. In response to my questions, Mr Finn explained that difficulties in contacting the instructing US agents had been caused because Fitzpatrick's internal database which contained contact details was out of date. Following an internet search correct details were identified and contact made.

23. In relation to the information contained on the invoices, Mr Finn explained that the goods were first shipped to Zeo America in New Jersey for onward transmission to Zeo America in Belfast. He emphasised that the goods were sold to Zeo America Belfast and the invoices sent to them for payment. Payment was to be made to Little Me Childrenswear which, whilst he had no specific instructions on this point, Mr Finn thought was the trading name of the registered proprietor.

Applicant for revocation's submissions

24. Mr Slater began by confirming that the applications had only been made following investigations which had not found any evidence of use within the relevant period. Had use been found, he said, the applications would not have been made.

25. Commenting on the delays which had occurred in the representatives making contact with the registered proprietor, Mr Slater argued that there had been no need to send correspondence by post. Fax machines could have been used from the beginning to speed up the contact.

26. As regards the witness statements, there was, said Mr Slater, nothing in them that showed any use within the relevant period. Taking into account the provisions of Section 46(3), to be relevant, he said, invoices should have been dated before June 2003, three months before the filing of the applications for revocation. I will return to this later. The exhibits were not of original invoices, and he queried whether they were genuine, and mentioned his doubts as to whether the "little me" device had been affixed to the paperwork prior to it being photocopied.

27. Mr Slater said that the invoices did not make it clear whether the payment was due in \$ US or £ Sterling. He went on to say that the inclusion on the invoice of the reference to the Textile Fiber Products Identification Act suggested it was use in the US.

28. Commenting on the *Adrenaline* decision, Mr Slater said it was of relevance. It was referred to in *Kerly* page 281 and, in line with the ECJ's decision in *Laboratoires Goemar* [2003] EWHC 1382 indicated that there was a minimum requirement of use on the goods within the specification along with some quantum of use.

Registered proprietor's submissions in reply

29. Mr Finn queried Mr Slater’s understanding of the relevant dates and the invoice dates. It was his argument that the provisions of Section 46(3) did not come into play in these proceedings as the registered proprietor had at no time before the filing of the applications been aware that such applications were or might be made. In any event, the registered proprietor had been continuously trading since at least 1989.

Decision

30. The relevant legislation is set out in Section 46 of the trade Marks Act 1994. This 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)

(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.”

31. As I indicated earlier, there was some dispute between the parties as to the relevant five year period. The applications for revocation are made under the provisions of Section 46(1)(a). That being the case I take the relevant five year periods to be:-

1398682	22.11.1991 – 21.11.1996
1398683	6.12.1991 – 5.12.1996
2053016	27.9.1996 – 26.9.2001

32. Also relevant is rule 31 of the Trade Mark Rules 2000. This states:

“31.-(1) An application to the registrar for revocation under section 46(1)(a) or (b) of the registration of a trade mark shall be made on Form TM26(N) together with a statement of the grounds on which the application is made; the registrar shall send a copy of the application and the statement to the proprietor.

(2) Within three months of the date on which a copy of the notice and statement is sent by the registrar to the proprietor, the proprietor may file a counter-statement, in conjunction with notice of the same of Form TM8 and either:

- (a) two copies of evidence of use made of the mark; or
- (b) reasons for non-use of the mark.

Where such a notice and counter-statement, and evidence of use of the mark or reasons for non-use of the mark, are filed within the prescribed period, the registrar shall send a copy of the Form TM8 and the counter-statement, and the evidence of use of the mark or the reasons for non-use of the mark, to the applicant.

(3) Where a counter-statement, in conjunction with a notice of the same, on Form TM8, and evidence of use of the mark or reasons for non-use of the mark, are not filed by the proprietor within the period prescribed by paragraph (2), the registrar may treat his opposition to the application as having been withdrawn.

(4) Within three months of the date upon which a copy of the Form TM8 and counter-statement is sent by the registrar to the applicant, the applicant may file such evidence as he may consider necessary to adduce in support of the grounds stated in his application and shall send a copy thereof to the proprietor.

(5) If the applicant files no evidence under paragraph (4) above in support of his application, he shall, unless the registrar otherwise directs, be deemed to have withdrawn his application.

(6) If the applicant filed evidence under paragraph (4) above or the registrar otherwise directs under paragraph (5) above, the proprietor who has filed a notice and counter-statement under paragraph (2) above may, within the three months of the date on which either a copy of the evidence or a copy of the direction is sent to him, file such further evidence as he may consider necessary in support of the reasons stated in the counter-statement and shall send a copy thereof to the applicant.

(7) Within three months of the date upon which a copy of the proprietor's evidence is sent to him under paragraph (6) above, the applicant may file evidence in reply which shall be confined to matters strictly in reply to the proprietor's evidence, and shall send a copy thereof to the proprietor.

(8) No further evidence may be filed, except that, in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit.

(9) Upon completion of the evidence the registrar shall request the parties to state by notice to her in writing whether they wish to be heard; if any party requests to be heard the registrar shall send to the parties notice of a date for the hearing.

(10) When the registrar has made a decision on the application she shall send the parties to the proceedings written notice of it, stating the reasons for her decision; and for the purposes of any appeal against the registrar's decision the date when the notice of the decision is sent shall be taken to be the date of the decision."

33. The applicant filed Form TM26(N) and a statement of grounds in respect of each of the three registrations on 16 September 2003 and in accordance with the requirements of rule 31(1). These applications were processed by the registry and, for the reasons I set out earlier in this decision, the dates for the proprietor to file any defence under rule 31(2) were set at 22 December 2003 (in respect of 1398682 and 1398683) and 10 January 2004 (in respect of 2053016).

34. In the event, on 22 December 2003, the registry received by fax a Form TM8 along with a counter-statement and evidence for each of the three applications and which were intended to comply with the requirements of rule 31(2).

35. This documentation was rejected by the registrar in the letter of 23 January 2004 as it was said it did not "overcome the burden placed on the registered proprietor under the provisions of Section 100 of the Trade Marks Act 1994". An extract from the *Adrenalin* case was also included in the letter. It read:

"When evidence is provided by a proprietor in defence of their registration the Registrar would normally expect to see for example, figures detailing financial turnover or profit from sales of goods or services under the mark, details of exactly what goods or services have been offered under the mark, expenditure on advertising the mark with details of where and when the mark was advertised, exhibits demonstrating how the mark is promoted in advertising and how the mark was placed on goods in the marketplace."

36. Mr Slater, for the applicant, agreed with the registrar's preliminary view that the evidence provided was not sufficient. Mr Finn, for the registered proprietor, argued that this view was putting the evidential onus too high at this stage in the proceedings.

37. The registrar has prepared guidance for his officers to assist in the consideration of evidence in such proceedings. The sort of evidence looked for is set out in the Trade Marks Registry Work Manual at Chapter 15. At Section 5.12 "Evidence; revocation based on non-use" it reads:

"It is not intended at the Counterstatement stage that the registered proprietor file full evidence, for example, it is not necessary to give turnover or

advertising details but just to show that use of the mark has been made by his providing eg invoices or packaging material. Section 100 of the Trade Marks Act 1994 makes clear that the onus is on the registered proprietor to “show what use” has been made of the mark.....

Exhibits should be supplied showing the range of the goods or services on which the mark has been used. Alternatively, if the application for revocation affects some, but not all of the goods and services, the evidence should at least show the use made on these goods or services.”

38. The extract above refers to Section 100 of the Act, which deals with the burden of proving use of a trade mark. It 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.”

39. This suggest to me that in revocation proceedings based on an allegation of non-use, the evidence provided must be more than mere assertion that the trade mark(s) in question has been used.

40. The extract from the work manual would seem at first glance to be at odds with the decision in the *Adrenalin* case. On closer inspection, I do not think it is. It is, I think, clear from rule 31(6) that the evidence required at the rule 31(2) stage need not be the entirety of what the registered proprietor has to or intends to file. That would be too burdensome and, in most cases, somewhat unrealistic, in view of the fact that the period set under rule 31(2) is non-extendable under rule 68(3)-and that the ultimate consequence of non-compliance with rule 31(2) can in effect be summary revocation of a prima facie validly registered trade mark –see rule 31(3).

41. In my view, the evidence supplied under rule 31(2) should be sufficient to show the registered proprietor intends to defend itself against the allegation of non-use and present at least an arguable case under Section 46(1)(a). The registrar cannot dictate the type or extent of evidence which a party should file in any proceedings before him but some guidance can be found both in the information material produced by the registry and through decided cases. The *Adrenalin* case is one such decision providing, I think, examples of what evidence the registrar would normally expect to see to enable him to reach a substantive decision at the completion of revocation proceedings. These current proceedings are not yet complete; there are further opportunities for both parties to file evidence, something that the registered proprietor at least has indicated that it intends to do.

42. The registered proprietor filed Forms TM8 with counter-statement and evidence under rule 31(2) and this clearly indicates an intention to defend the applications. The evidence does raise a number of questions, not least in relation to the destination of the goods and the link between the invoices and the registered proprietor. There is a clear statement that use has been continuously made since commencement and continues to be made and invoices have been filed to support that claim.

43. There is also the question of whether Section 46(3) comes into play. The relevant periods under Section 46(1)(a) expired well before the filing date of the applications for revocation. The provisions of S46(3) only apply where use is commenced or resumed after the expiry of the relevant five year period but before the filing of the application for revocation. In each of these three cases, use is said by the registered proprietor to have been made since at least as early as 1989 (1398682 and 1398683) and 1996 (2053016), that use being continuous since that date and continuing during the last five years. The applicant has not claimed that use has been commenced or resumed since the date of expiry of the relevant period. Prima facie, it seems to me that the provisions of S46(3) do not come into play.

44. Whilst I feel that it is preferable that evidence should be robust enough to stand on its own merits, taking into account the claims made in the evidence and the submissions made at the hearing, I was, on balance, satisfied that the registered proprietor had met, prima facie, the requirements of rule 31(2), if only just, and had at least an arguable case sufficient to allow it to continue with the defence of the applications. Had I found for the applicant I would, in any event, have exercised the registrar's discretion under Rule 31(3) in favour of the registered proprietor because of the reasons given at the hearing for the sparseness of the evidence.

45. The sufficiency or otherwise of the evidence along with support for the submissions made at the hearing is something that can be fully tested after an assessment of the full evidence has been made and after a full hearing on the merits is held, if necessary. The question of whether the use made of the mark meets the requirements of section 46(2) was not part of the discussion before me and thus is also one that falls to be decided after full argument on the point and as part of the substantive decision.

Dated this 11th day of May 2004

**Ann Corbett
For the Registrar
The Comptroller General**