

O-172-05

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No. 1291919
IN THE NAME OF PEDIGREE DOLLS AND TOYS LIMITED**

AND

**IN THE MATTER OF AN APPLICATION FOR REVOCATION
THERE TO UNDER No. 81166
BY WARNER BROTHERS ENTERTAINMENT, INC.**

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No. 1291919 in the name of Pedigree Dolls and Toys Limited**

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**IN THE MATTER OF an Application for Revocation
thereto under No. 81166
by Warner Brothers Entertainment, Inc.**

BACKGROUND

1. On 6 February 2003, Warner Brothers Entertainment, Inc., made an application for revocation of trade mark registration number 1291919, for the mark WILLIE WONKA, standing in the name of Pedigree Dolls and Toys Limited. The registration is in Class 3 and in respect of the following specification of goods:

Cosmetics; non-medicated toiletries, talcum powder; shampoos; preparations for the care of the hair and of the skin; soaps; essential oils; perfumes; dentifrices; all included in Class 3.

2. The application for revocation is made under Sections 46(1)(a) and 46(1)(b) and is expressed as follows:

that within a period of five years following the date of 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.

that such use has been suspended for an uninterrupted period of five years and there are no proper reasons for non-use.

3. On 12 June 2003, the registered proprietors filed a counterstatement in which they say that they have made genuine attempts to put the mark into use, but have not succeeded in doing so. They deny the grounds on which the application is made.

4. Both sides seek an award of costs. Both sides filed evidence.

5. The matter came to be heard on 26 and 27 July 2004, when the registered proprietors were represented by Mr Guy Tritton of Counsel, instructed by Marks & Clerk, their trade mark attorneys. The applicants for revocation were represented by Mr Thomas Moody-Stuart of Counsel, instructed by Field Fisher Waterhouse, their trade mark attorneys.

REGISTERED PROPRIETORS- EVIDENCE-RULE 31(2)

6. This consists of a Witness Statement dated 11 June 2003, by Jerimy George Reynolds, Director and Chief Executive of Pedigree Dolls and Toys Limited, a position he has held since December 1985. Mr Reynolds says that he is directly involved in the day to day business affairs of his company and its associated companies, and is responsible for trade mark and other affairs.

7. Mr Reynolds says that the registered proprietors have made genuine efforts to put the mark WILLIE WONKA into use in the relevant five year period, and that there has been use partly in relation to goods described as 'Willie Wonka Fashion Boutique' which consist of children's cosmetics in the form of powder/rouge compacts with a mirror, nail polish, lipstick and self-adhesive decals in particular shapes that are either presented individually or in combinations on card backing with artwork including WILLIE WONKA.

8. Exhibit JGR1 consists of an order form for Pedigree Books products, listing, inter alia, WILLIE WONKA fun packs, listing these as 'Sindy Annual 2001 + Doll', 'Shoot Annual 2001 + Ball' and 'Fox Kids Annual 2001 + Video'. Exhibit JGR2 consists of Mr Reynolds's business card that depicts, amongst others, the WILLIE WONKA name on the reverse. Mr Reynolds says that this has been the practice for some 5 years. Mr Reynolds recounts his company having relocated to new premises, and to records having been mislaid or destroyed during the move.

9. Exhibit JGR3 consists of leaflets showing his company's various WILLIE WONKA toys and games, Mr Reynolds saying that children's cosmetics is a logical extension from these goods.

10. Mr Reynolds says that his company has a business relationship with Remus Playkits, a German based company, stating that during 1999, various categories of goods from their range were consolidated under his company's WILLIE WONKA mark. He refers to exhibit JGR4 which he describes as a bundle of pictorials reflecting the various products, namely colouring and activity books, that were intended for this range under the WILLIE WONKA trade mark. It appears that apart from test sampling with various retailers these products did not get into production. Mr Reynolds details the range of goods shown, mentioning that it includes stationery, cosmetics and cosmetics packs, and headgear in the form of hair ties and alic bands.

11. Mr Reynolds claims that the registered proprietors have made a genuine attempt to make use of the trade mark WILLIE WONKA in relation to cosmetics, and in particular, children's cosmetics, and would have done so but for the demise of Remus Playkits, and that there are proper reasons for non-use.

APPLICANTS- EVIDENCE-RULE 31(4)

12. This consists of a Witness Statement dated 26 September 2003, from Ian Peter Thomas, Managing Director and part owner of Jani-King (GB) Limited, the regional

office of Jani-King International, Inc. Mr Thomas says that 11 years ago he founded Jani-King (GB) Limited, a franchise company. Mr Thomas's Statement consists entirely of comments on the Statement made by Mr Reynolds, primarily on the reasons why Mr Reynolds' company did not proceed with the manufacture of the products in conjunction with Remus Playkits. Whilst I do not consider it appropriate to summarise these statements, I will take them fully into account in my decision.

REGISTERED PROPRIETORS- EVIDENCE- RULE 31(6)

13. This consists of a further Witness Statement, dated 19 December 2003, by Jeremy George Reynolds. The Statement consists of submissions responding to the comments made by Mr Thomas in his Statement. Whilst I do not consider it appropriate to summarise these submissions in detail, I will take full account of them in my decision. Mr Reynolds questions the standing of Mr Thomas to give evidence relating to non-food markets.

APPLICANTS- EVIDENCE-RULE 31(7)

14. This consists of a Witness Statement, dated 22 March 2004 by Leighton John Cassidy, who states that he is a New Zealand qualified Barrister and Solicitor, and is a paralegal employed by Field Fisher Waterhouse in the Trade Mark and Brand Protection Group of that firm.

15. Mr Cassidy refers to his having undertaken internet searches into the range of toy and games manufacturers in the UK, details of which are shown as exhibits LJC1, LJC2 and LJC3, the aim being to show that after the demise of Remus Playkits, the registered proprietor could have sourced products from elsewhere. He goes on to refer to further investigations conducted via the Companies House website, the individual company's own websites, and the site of www.kellysearch.com, the results of which are shown as exhibits LJC4 to LJC23. These show that there are numerous beauty sets and children's cosmetics manufacturers that the registered proprietors could have sourced as an alternative supplier.

16. That concludes my review of the evidence insofar as it is relevant to these proceedings.

PRELIMINARY ISSUE - ADJOURNMENT

17. This case is one of four revocations running concurrently between the parties. Prior to the hearing a number of preliminary issues were raised that required me to consider the admittance of further evidence, discovery and striking out in relation to the case involving Class 16. The parties had requested that I adjourn two of the actions relating to Classes 16 and 28, and as a consequence, the remaining two cases in Classes 3 and 25. I determined that the additional evidence that had been admitted, and the evidence that may result from a forensic examination of Mr Stamp's diary dealt with the concerns of the parties and would be sufficient to enable the issues to be

determined. I could see no reason to adjourn any of the proceedings and the request was refused.

DECISION

18. The statutory provisions of Section 46 under which this application has been made are as follows.

A46.-(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 to 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."

19. Section 100 is also 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."

20. The mark was placed on the register on 27 January 1989, which means that the relevant period for consideration of the attack under subsection (a) is from that date to 26 January 1994, and under subsection (b), any five year period between 27 January 1994 and the date of the making of the application for revocation, in this case, 6 February 2003. In both cases subject to the proviso in subsection (3).

21. The registered proprietors do not claim to have actually used the mark, instead relying on the proviso to Sections 46(1)(a) and 46(1)(b) which allows for an unused registration to remain on the register where there are proper reasons for the mark not having been used. However, they refer to preparations that they made to put the mark into use and I consider it appropriate to look at that act in the context of genuine use.

In Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 the European Court of Justice considered the question of what constitutes genuine use in the following terms:

"Genuine use must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end

user by enabling him, without any possibility of confusion, to distinguish the product or service from others that have another origin."

22. The *Ansul* decision stated genuine use entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. Such use must be in relation to goods or services that are already on the market, or about to be marketed and or for which preparations are underway to secure customers, for example, advertising. The assessment of whether there has been genuine use must take into account all of the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, and may include giving consideration, inter alia, to the nature of the goods or services at issue, the characteristics of the market concerned, and the scale and frequency of use; the use need not always be "quantitatively significant" for it to be deemed genuine.

23. In the *Police* trade mark case [2004] RPC 35, the Appointed Person considered that the *Ansul* judgement did not limit the factors to be taken into account in establishing whether use was genuine only to the three areas specifically mentioned. The judgement had stated that all facts and circumstances relevant to establishing whether there had been real commercial exploitation should be included in the equation, and that the size of a proprietor's undertaking may be relevant.

24. Further guidance on the scale and frequency of use can be found in *La Mer Technology Inc v Laboratoires Goemar SA*'s trade mark case 2004 WL 2945720. This is the decision of a resumed appeal hearing following a reference to the ECJ on various questions relating to the meaning of "genuine use". In his decision Blackburne J stated:

"31. Whether in any given case the proven use amounts to genuine use ("whether the commercial exploitation of the mark is real" as paragraph 38 of *Ansul* puts it) will depend on all of the facts and circumstances relevant to establishing such a state of affairs, including the characteristics of the market concerned and of the products or services in question, and the frequency or regularity of use of the mark. Even minimal use will be sufficient if, in the market concerned, the proven use is considered sufficient to preserve or create a market share for the goods or services protected by it. Thus, the sale or offering for sale (in, say, a trade magazine) of a single exceedingly costly and highly unusual item carrying the mark in a specialised market, for example a very large and complex piece of earth-moving equipment, may very well be considered by itself to be sufficient in the market for such equipment to preserve or create a market share for items of that kind which carry the mark whereas the sale of a low priced everyday product in a widespread market, for example a single jar of face cream bearing the mark or the exposure for sale of, say, half a dozen such jars for sale on a shop shelf, would almost certainly not be. It would be irrelevant to this conclusion that, in the latter example, the purpose of the proprietor of the mark (or of some third-party acting with the proprietor's consent) when offering the jar of cream for sale was to create a share in the market for face cream sold in jars bearing the mark."

25. Mr Justice Blackburne referred back to the decision of Jacob J in the earlier part of the appeal:

"15. Jacob J himself ventured an answer to those questions. At paragraph 29 of his judgment ([2002] FSR 51 at 293) he said this:

"I take the view that provided there is nothing artificial about a transaction under a mark, then it will amount to "genuine" use. There is no lower limit of "negligible". However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely "colourable" or "token", that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further enquire whether that advertisement was really directed at customers here. ...

Nor do I think that the absence of a *de minimis* rule significantly affects the policy behind the legislation. Yes, marks must be used within the relevant period, but there seems no reason to make a trader who has actually made some small, but proper, use of his mark, lose it. Only if his use is in essence a pretence at trade should he do so. And of course, if he has only made limited use of his mark it is likely that the use will be only for a limited part of his specification of services. If he has a wider specification, that can and should be cut back to just those goods for which he has made use ..."

26. There is little in the way of evidence on which to base a decision, and much of what there is relates to annuals, a printed item that is proper to Class 16, or what Mr Reynolds calls a *fun pack*, a combination of an annual with a toy, plaything, timepiece, audio or video tape related to the subject of the annual. There is no evidence that the fun pack ever included cosmetics. I would not say that progression from a trade in such goods to children's cosmetic products is natural or the norm; there is no evidence that it is. There is evidence relating to other items such as activity books, and in *JGR4* even cosmetics for children, but apart from some *test sampling* with a number of un-named retailers at some unspecified time these never reached the market. On the evidence before me I have to conclude that there has been no genuine use of the mark. It is therefore not surprising that the registered proprietors rely on the defence that there are proper reasons for non-use. In the *Invermont* trade mark case [1997] RPC 125, the Registrar's Hearing Officer considered the meaning of the words *proper reasons for non use*, and drawing a distinction between the wording of Section 26(3) of the Trade Marks Act 1938 and the provisions of Section 46(1)(a) of the 1994 Trade Marks Act said:

Moreover, the word *proper* appears, rather than the slightly more restrictive word *special*. The reasons do not have to be special, it seems merely *proper*. As can be seen in any English dictionary, *proper* is a word with many meanings. But bearing in mind the need to judge these things in a business sense, and also bearing in mind the emphasis which is, and has

always been placed on the requirement to use a trade mark or lose it, I think the word proper, in the context of section 46 means:-apt, acceptable, reasonable, justifiable in all the circumstances

.....He describes difficulties which by his own admission are normal in the industry concerned and in the relevant market place. I do not think that the term »proper« was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor's business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine, might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman's own control and I think he should plan accordingly....@

27. The Hearing Officer concluded that distinct from the decision in *James Crean & Sons* [1921] 38 RPC 155, the wording of Section 46 of the 1994 Trade Marks Act did not restrict the circumstances to those affecting the trade as a whole, and that disruptive situations affecting the registered proprietors' business alone could be proper reasons within the meaning of this section of the Act.

28. In the *Magic Ball* case [2000] RPC 439 the registered proprietor had undertaken the development of a new manufacturing process for a proposed product to be sold under the trade mark but had experienced protracted technical difficulties in setting up a satisfactory production method. The problems experienced by the proprietors were clearly exceptional and were not caused by a normal situation or routine difficulty and were accepted as being "proper reasons" why the mark had not been used. In his decision Mr Justice Park considered the guidance relied upon from the *Invermont* trade mark case, in particular the suggestion that the word "proper" in the context of section 46 means "apt, acceptable, reasonable, justifiable in all the circumstances" and intended to cover "abnormal situations in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor's business not within the businessman's own control". Stating that he had "no disagreement" with anything which the Hearing Officer said in *Invermont*, and "while the adjectives »apt, acceptable, reasonable, justifiable in all the circumstances« seem to be well chosen" he cautioned that it must not be forgotten that the statutory word which falls to be applied is "proper", not any of the near-synonyms which the Hearing Officer suggested.

29. In the *Cerivnet* trade mark case [2002] RPC 30, Mr Geoffrey Hobbs QC sitting as the Appointed Person stated that in considering whether there were proper reasons for a trade mark not having been used, the tribunal would need to be satisfied that but for the suggested impediments to use the mark could, and would have been put to genuine use during the relevant five year period.

30. The information provided by the registered proprietors is very sketchy, being mainly statements of what they intended to do but lacking much in the way of detail

on what they actually did do. They rely primarily on the demise of Remus Playkits as the reason for not having put the mark into use. As illustrated in the *Magic Ball* case, difficulties that affect an individual trader rather than the trade as a whole may be considered proper reasons, but as stated in the *Cerivnet* case the registered proprietors have to establish to my satisfaction that but for this event they would have put the mark into use. As I see it, the consideration in this case is not only whether, if Remus had remained as a trading entity the mark would have been put into use in relation to the goods for which it is registered, but also whether, without Remus, the registered proprietors could have so used the mark?

31. In his evidence Mr Reynolds refers to two factors that prevented the registered proprietors from putting the mark into use. The first is disruption caused by a move to new premises during which historical records have been destroyed or mislaid. The proprietors admit to not having used the mark so I do not see how the possible loss of records could be relevant. But in any event, as this occurred in late 2002" and potentially within the three-month exclusion of the proviso to Section 46(3), I do not see that I could take this as being a relevant fact.

32. In his evidence Mr Reynolds focuses on a product he describes as a *Fun pack*, a composite product of an annual in conjunction with another product such as an audio or video tape, or a plaything, the article being determined by the subject matter of the annual. He says that for some time it had been the registered proprietors' intention to add children's cosmetics as an option for the WILLIE WONKA fun packs. There may well have been an intention but where is the evidence to support this?

33. Mr Jeremy Reynolds says that but for Remus going into receivership the registered proprietors would almost certainly have commenced using WILLIE WONKA in relation to children's cosmetics. Whilst I do not wish to get involved in semantics, Mr Reynolds' choice of words gives me cause to wonder whether this is the case? If Mr Reynolds firmly believes that but for Remus going into receivership the mark would have been put into use, why not simply say this? The use of 'almost certainly' creates that element of doubt and I believe reflects the fact that Mr Reynolds cannot be certain.

34. He says that Remus offered a unique turnkey operation which was highly appropriate to the brand position determined for WILLIE WONKA.... The breadth of range and its appropriateness was not readily available elsewhere.... It is not clear to me what Mr Reynolds is saying. It may well be that Remus could supply the goods in the combination format envisaged by the registered proprietors, on one hand calling this 'unique' but then suggesting that a similar arrangement could have been made with other traders, albeit not readily available. He refers to the pricing structure being unworkable with UK retailers but not what this means. The feeling I get is that Mr Reynolds is attempting to put in place a smokescreen of vagueness and ambiguity to avoid setting out the exact position.

35. Whatever is the position with regard to the *Fun packs*, the goods covered by the registration are cosmetics for children. Such goods are not highly specialised or

technical and must be capable of being sourced from any number of traders. Mr Reynolds does not address this. If it was his company's intention to only use the mark in relation to cosmetics sold as part of a fun pack, and consequently determined that Remus was the only possible source, that was down to them, as was the decision not to obtain the goods from alternative sources. As it happens the evidence shows that the venture with Remus was not in respect of 'fun packs', but rather goods to be sold under the WILLIE WONKA fashion boutique range, some of which were children's cosmetics. I see no reason why Remus would have been the only supplier capable of providing such goods.

36. The mark was applied for in November 1986 and achieved registration in January 1989. The registered proprietors would have had something over sixteen years from making the application and over thirteen years post registration in which to put the mark into use. Even if the consideration is limited to their relationship with Remus they had from some time in 1999 to mid-2002 in which to get the enterprise off the ground, potentially 18 months to three and a half years. In the *Philosophy* case [2003] RPC 15 it was submitted that it would be inequitable to hold that the proper reasons for non-use had to extend throughout the five year period, and that provided the reasons existed for part of the period this should be sufficient. Whilst not appearing to disagree, in his decision Gibson LJ stated:

"A proprietor who does nothing for most of the five-year period and then embarks on a procedure known to be lengthy but intended to lead to goods bearing the mark being produced for sale cannot in my judgment say that the ordinary commercial delays in producing a new product bearing the mark amounted to proper reasons for non-use for the five-year period."

37. In the *Bali* trade mark case [1966] RPC 387 at 406, Ungood-Thomas J gave further consideration to the matter of 'special circumstances' saying:

"A trade mark is a commercial asset intended to be used commercially by businessmen, and it seems to me that "special circumstances" have to be understood and applied in a business sense"

38. The Hearing Officer in *Invermont* adopted a similar approach saying 'bearing in mind the need to judge these things in a business sense..'. In the circumstances before me I do not consider that the registered proprietors have come anywhere near to establishing that there are proper reasons for not having used the mark, and the application succeeds.

39. The application for revocation on the grounds of non-use for the reasons given above succeeds, and the registration will accordingly be revoked with effect from 6 February 2003. The applicant is entitled to an award of costs. I order the registered proprietor to pay to the applicant the sum of , 1,500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of June 2005.

**Mike Foley
for the Registrar
the Comptroller-General**