

O-176-05

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No. 1331369
IN THE NAME OF HELEN OF TROY LIMITED**

AND

**IN THE MATTER OF AN APPLICATION FOR REVOCATION
THERE TO UNDER No. 81452
BY LIDL STIFTUNG & CO. KG**

TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark Registration No. 1331369 in the name of Helen of Troy Limited

and

IN THE MATTER OF an Application for Revocation thereto under No. 81452 by Lidl Stiftung & Co. KG

BACKGROUND

1. On 28 September 2003, Lidl Stiftung & Co. KG made an application for revocation of trade mark registration number 1331369 for the mark FINALE standing in the name of Helen of Troy Limited. The registration is in Class 3 and in respect of the following specification of goods:

Preparations included in Class 3 for the hair.

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 prior to the application being made 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.

3. On 13 January 2004, the registered proprietors filed a counterstatement in which they deny the grounds on which the application is made.

4. Both sides seek an award of costs. Only the registered proprietors filed evidence.

5. Neither side requested to have an oral hearing on the case, electing instead to have a decision taken from the papers on file, so after a careful study of the evidence I now go on to make my decision.

REGISTERED PROPRIETORS= EVIDENCE-RULE 31(2)

6. This consists of a Witness Statement by Kevin James, Senior Vice President, International Operations of Helen of Troy HOT (UK) Limited.

7. Mr James refers to Exhibit KJ1, which consists of two invoices, dated 28 July 2003 and 21 August 2003, for goods supplied by Helen of Troy HOT (UK) Limited to Superdrug Stores PLC. The goods are described as being ACode 045427, FINALE UL@ and ACode 045427, Finale Ultra 225m@. The first invoice shows 768 items being supplied at a cost of £162.52, the second, 1,536 items at a cost of £325.25. Although

there is nothing that shows what the goods being supplied actually consist of, Mr James says that Exhibit KJ2 is a sample of the container of the FINALE product, and that this is a sample of the product distributed in the UK by his company in the period 26 September 1998 to 26 September 2003. From this it is reasonable to infer that the invoices relate to this product. The container is for an unperfumed hairspray bearing the name Afinalé®. There is nothing on the container that ties it to the details on the invoices or by which to date it as having originated in the period given by Mr James.

8. Mr James explains that his company acquired the trade mark from the previous proprietors, Proctor & Gamble Company, by a Sale & Purchase Agreement dated 21 October 2002, a copy of which is shown as Exhibit KJ3.

REGISTERED PROPRIETORS- EVIDENCE- RULE 31(6)

9. This consists of a Witness Statement dated 9 September 2004, by Kevin James, Senior Vice President, International Operations of Helen of Troy HOT (UK) Limited.

10. Mr James confirms that the trade mark FINALE has been used by his company and their predecessors in title continually between 26 September 1998 to 26 September 2003 in respect of a range of hair products for purchase through major supermarkets, mentioning Tesco. He says that as shown by Exhibit 1, significant sales were achieved. The exhibit lists actual sales ranging from , 298,000 to , 444,000 although is not expressly stated to relate to the FINALE product. Exhibit KJ3 consists of photocopies of the packaging of the FINALE product (the same as shown in Exhibit KJ2 to the earlier Statement), Mr James again confirming that this is representative of the packaging used between 26 September 1998 to 26 September 2003. That concludes my review of the evidence.

DECISION

11. 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."

12. 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."

13. The application for revocation was made on 28 September 2003 which means that the relevant period for there to have been use is from 28 September 1998 to the 27 September 2003.

14. On the question of whether the evidence shows there to have been any genuine use of the mark in relation to the goods for which it is registered, I look to the judgement in Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 of the European Court of Justice. In that case the ECJ 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."

15. 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 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.

16. 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.

17. 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."

18. 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 ..."@

19. The evidence of use of the mark filed by the registered proprietors is thin to say the least, consisting of examples of some packaging, details of sales figures, and two invoices.

20. The packaging is stated by Mr James to show a sample container of the FINALE product as distributed in the UK in the five years to the date on which the application was made. The container shows the word FINALE being used in connection with a hair spray. Mr James later refers to the FINALE range of hair products but there is no evidence that shows use on any other product. Whilst the mark is represented in lower case with an accent over the terminal 'E', I still take this to be 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. However, neither of the items of packaging exhibited bear any marking that establishes that they were in use within the relevant five year period.

21. The sales figures in Exhibit KJ1 show a trade that is on a commercial scale. However, whilst they relate to sales within the UK within the five years preceding the application, there is absolutely nothing that indicates that the product sold was branded FINALE.

22. The invoices clearly relate to sales of a FINALE product within the relevant period, but it is not possible to ascertain what the product actually is. They relate to two transactions with a single company; not of itself a bar to their acceptance as genuine use, and whilst in the context of the overall market the sales are not significant, there is nothing that leads me to believe that they are sham or a pretence at trade. However, what is a problem is that these invoices relate to sales that occurred on 28 July 2003 and 21 August 2003, within the three months immediately preceding the making of the application for revocation.

23. The instances of use are few and far between and as I have highlighted suffer from a number of flaws. Without the support of Mr James' statement the evidence does not establish that there has been genuine use of the mark that is sufficient to save the registration. Whilst I do not doubt Mr James' veracity, the case law makes it clear that 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. The feeling I get is that the registered proprietors and their predecessors in title probably have made genuine use of the mark, but I cannot make a judgement based on gut instinct. Nor should I infer that this is the case; use must be proved and the onus for doing so rests squarely on the owners of the registration.

24. I find that the registered proprietors have not discharged the onus placed upon them and established that there has been use of the mark in relation to any of the goods for which the mark is registered. Consequently, the application for revocation under section 46(1)(b) succeeds and the registration will be revoked accordingly with effect from 28 September 2003.

25. The application for revocation on the grounds of non-use for the reasons given above succeeds. The applicants for revocation are entitled to an award of costs. I order the registered proprietor to pay to the applicant the sum of £1,000. 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 24th day of June 2005

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