

**O-178-17**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 501166**

**BY SWEETZONE LIMITED**

**FOR REVOCATION OF TRADE MARK No. 2429491**

**STANDING IN THE NAME OF NISHA ENTERPRISES LIMITED**

## BACKGROUND

1) The following trade mark is registered in the name of Nisha Enterprises Limited (hereinafter NEL).

Mark	Number	Date filed/ registered	Class	Specification
<b>SWEETS ZONE</b> Sweets Zone  A series of two	2429491	09.08.06 15.02.08	29	Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats; potato crisps; desiccated coconut; fruit chips; prepared nuts; coated nuts; roasted nuts; salted nuts; ground nuts; dips; sauces; prepared chickpeas; roasted chickpeas; Bombay mix; dalmoth; farrari mix; makhana; Mexican mix; tropical mix; flaked nuts; herbs; balti mix; mixtures of nuts; mixtures of nuts and dried fruits; snack foods included in Class 29; prepared meals and snacks including any of the preceding goods.
			30	Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice; corn snacks; maize snacks; popcorn; tortilla chips; pizzas; pies; chocolate; non-medicated sweets; candy; chocolate biscuits; chocolate

				coated nuts; chocolate coated fruit; mints (sweets); toffee; fudge; liquorice (confectionery); breakfast cereals; ghatia; dried noodles; pakora; gram flour; spices; popcorn; salted popcorn; flavoured popcorn; toffee popcorn; coconut flour; crackers; biscuits; cookies; snack foods included in Class 30; prepared meals and snacks including any of the preceding goods.
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2) By an application dated 23 March 2016 Sweetzone Limited (hereinafter SL) applied for the revocation of the registrations shown above under the provisions of Section 46(1)(a) claiming there has been no use of the trade mark on the goods for which it is registered in the five year period 16.02.08 – 15.02.13; revocation is sought from 16 February 2013. Under section 46(1)(b) it claims there has been no use of the trade marks on the goods for which they are registered in the five year periods 21 December 2010 – 20 December 2015 and 23 March 2011- 22 March 2016; revocation is sought from either 21 December 2015 or 23 March 2016. Alternatively SL requests that the registration is revoked for confectionery and goods similar to confectionery.

3) On 26 May 2016, NEL filed its counterstatement. It contends that its mark has been used during the specified periods on the following goods:

Class 29: Snack foods.

Class 30: Confectionery; corn snacks; maize snacks; popcorn; tortilla chips; chocolate; non-medicated sweets; candy; chocolate-coated nuts; chocolate-coated fruit; mints (sweets); toffee; fudge; liquorice (confectionery); snack foods.

4) Both sides filed evidence. Both sides seek an award of costs in their favour. Neither side wished to be heard. Both sides provided written submissions.

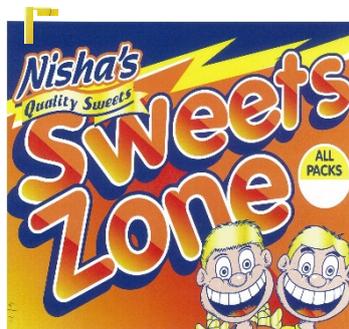
## NEL'S EVIDENCE

5) NEL filed four witness statements. The first, dated 21 July 2016, is by Surinder Pahuja a Director of NEL, a position he has held since February 1999. He states that his company began using the mark SWEETS ZONE in 2004 in respect of confectionery and snacks and it has been used continuously by his company since then. He states that the mark is prominently displayed at the point of sale in over 180 retail outlets in the UK including Edinburgh, Glasgow and Dundee. The retail outlets include chains such as Costcutter and G One 0 One (G101). He states that the image was created by a design company, Lennox McKinlay, in February 2004. He provides the following sale figures for confectionery and snacks:

Year	To: G101 on account £	UK cash buyers £
2013	150,580	
2014	145,913	244,653
2015	140,127	244,745
2016 Jan-June	63,580	

6) Mr Pahuja provides the following exhibits:

- SP1: An example of the point of sale boards. As can be seen in the image below, this has the words "Nisha's Quality Sweets" and then underneath in larger print the words "Sweets Zone". It also has the words "All Packs" within a circle where presumably a price can be written.



- SP2: Invoices relating to the design and provision of 500 "Nishas Sweet zone" point of sale boards in 2004, 200 in 2010 and 200 in 2013.

- SP3: A list of 186 stores in Scotland which have the point of sale boards and offer his company's confectionery and snack products.
- SP4: Photographs (as per below) showing sweets and snacks sold under the board which has the mark in suit upon it. The board is as previously described, and all of the packets of sweets, nuts etc. have the words "Nisha's Quality Sweets" upon them. The packets do not have the words "Sweets Zone" upon them. I note that on page 25 there is a packet of "mini bananas" which do not have the "Nisha" mark upon them, whilst page 34 has packets of Haribo sweets which have been included in with the Nisha products.



- SP5: A copy of a promotional leaflet which was circulated to customers in "approximately 2011" in connection with a new confectionery range. This shows the board and packets of sweets etc. as previously described.

- SP6: Examples of letterheads. These have the name of the company “Nisha Enterprises Ltd” on the top right. Also at the top from left to right are the marks “Nisha’s fine foods from around the world” and device; “Golden Cross GC the snack people” and device; and lastly “Nisha’s Quality Sweets Sweets Zone” and device. The first is dated 2007 and conforms to the above. The 2012 and 2015 templates differ in that they include another mark “Millar making the finest confectionery” and device whilst the Golden Cross mark has altered slightly as has the exact positioning of the marks.
- SP7 & 8: Copies of sales sheets in relation to G101 and cash sales to back up the figures in the table above.
- SP9: A photograph of the delivery lorry used during 2004-2009. This shows the wording “Nisha’s Quality sweets Sweets Zone and device.

7) The second witness statement, dated 29 June 2016, is by Allan Butler who worked as a design consultant for a company called Lennox McKinlay between 1997 and 2008. He states that in February 2004 he was asked by NEL to design point of sale artwork for its Sweets Zone trade mark. He provides, at exhibit AB1, an example of the artwork which is exactly as has been previously described. He also provides a copy of an invoice for the supply of such boards which was included at exhibit SP2 above.

8) The third witness statement, dated 1 July 2016, is by Alan Callaghan who works for AMC Screen Print Ltd. He confirms that this company fulfilled orders for the point of sale boards for NEL. He provides exhibits which back up this statement and which have been described at SP2 above.

9) The fourth witness statement, dated 8 July 2016, is by Gordon Davidson the Development Manager of G101. He confirms that his company purchases a range of products from NEL, in particular confectionery and snacks, and sells them on point of sale boards provided by NEL. He confirms this trade has been ongoing since 2006 in at least 43 stores.

## **EVIDENCE OF SL**

10) SL filed four witness statements. The first, dated 1 October 2016, is by Marc Andrew Godfrey the Managing Director of Maggi IP Services Ltd. He states that he carried out an investigation into whether NEL used the mark in suit and concluded that it did not. He provides a copy of his report at exhibit MAG1, which does not assist my decision.

11) The second witness statement, dated 13 October 2016, is by Yousef Mulla a Director of Mullaco Ltd based in Batley. He states that he purchased goods from Unibev Ltd, now Sweetzone Ltd in 2003 and states that the "Pencil Jelly Bags" were under the Sweetzone mark. He provides an invoice from 2003 to show the purchase of Pencil Jelly Bags from Unibev. No mention is made of the mark Sweetzone on the invoice.

12) The third witness statement, dated 15 October 2016, is by Khalid Jussab who was, until 2013, a director of Trade Winds Trading Ltd. He states that he was a customer of Unibev and also purchased "Pencil Jelly Bags" under the Sweetzone mark in 2003. He also provides an invoice which shows the purchase of Pencil Jelly Bags from Unibev. No mention is made of the mark Sweetzone on the invoice.

13) The fourth witness statement, dated 29 October 2016, is by Yasin Bashir Okhai a Director of SL a position he has held since 2003. He states that his company have used the mark SWEETZONE upon confectionery since 2003, and describes how, in 2008, he arranged for NEL to re-bag a number of SL's products as they were nearing the end of their shelf life. These were items which were, he states, wrapped SWEETZONE products that were put into a "Mega party bag". Approximately three lorry loads of goods were repackaged by NEL but nothing was said regarding any potential conflict. He claims that he visited a number of G101 stores and not all of them have the point of sale boards. He also contends that the board is not use of the mark upon the goods.

## **NEL's EVIDENCE IN REPLY**

14) NEL filed a second witness statement, dated 30 December 2016, by Mr Pahuja who has provided evidence earlier in these proceedings. He refutes the claims that the mark has not been used. He provides a considerable amount of evidence relating to an exhibition in Scotland in 2003, which does not assist my decision as it is prior to the relevant periods.

15) That concludes my review of the evidence. I now turn to the decision.

## **DECISION**

16) The revocation action is based upon Section 46(1)(a) & (b) of the Trade Marks Act 1994, the relevant parts of which read as follows:

“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).....

(d).....

(2) For the purpose 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 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.”

17) Section 100 is also relevant, which reads:

“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.”

18) The revocation action was filed on 23 March 2016 with revocation sought under Section 46(1)(a) & (b). The period under section 46(1)(a) is 16 February 2008 – 15 February 2013, with a revocation date of 16 February 2013. The periods under section 46(1)(b) are 21 December 2010 – 20 December 2015 with revocation sought from 21 December 2015; and 23 March 2011 – 22 March 2016 with revocation sought from 23 March 2016.

19) In determining whether NEL has used its trade marks I take into account the case of *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, where Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the

import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

20) I also look to *Awareness Limited v Plymouth City Council*, Case BL O/230/13, where Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. .... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the

specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

21) I also take into account the following cases which, although they refer to use on a shop are, I believe, relevant to the instant case. In *Aegon UK Property Fund Limited v The Light Aparthotel LLP*, BL O/472/11), Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“17. .... unless it is obvious, the proprietor must prove that the use was in relation to the particular goods or services for which the registration is sought to be maintained.

18. In *Céline SARL v. Céline SA*, Case C-17/06 (*Céline*), the Court of Justice gave guidance as to the meaning of “use in relation to” goods for the purpose of the infringement provisions in Article 5(1) of the Directive. Considering a situation where the mark is not physically affixed to the goods, the court said at [23]:

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

19. The General Court has, on more than one occasion, proceeded on the basis that a similar approach applies to the non-use provisions in what is now Article 42 of the European Union Trade Mark Regulation. For example, in *Strategi Group*, Case T-92/091, the General Court said:

“23. In that regard, the Court of Justice has stated, with regard to Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks

(OJ 1989, L 40, p. 1), that the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services. The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' (*Céline*, paragraph 21).

24. Conversely, there is use 'in relation to goods' where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets. In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party (see *Céline*, paragraphs 22 and 23).

20. Those passages must be read together with the general requirements of proof of use in *Ansul* at [43] that there is genuine use of a trade mark where the mark is used in accordance with its essential function namely to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services.

22) In *Euromarket Designs Inc. v Peters* [2001] F.S.R. Jacob J. (as he then was) stated that:

"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 (Article 5(3), corresponding to section 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 (Article 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 United States shops to the United Kingdom 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.”

23) In *Cactus SA v OHIM*, Case T-24/13, the General Court held that the owner of what was then a CTM (now an EUTM) who used the mark only as the name of a shop, had used the mark “in relation to” the natural plants, flowers and grains sold in the shop (as well as in relation to retail services for those goods). This is because it had demonstrated that the public would link the (otherwise unbranded) goods to the mark used for the shop and regard the user of that mark as being responsible for the quality of the goods. The court stated that:

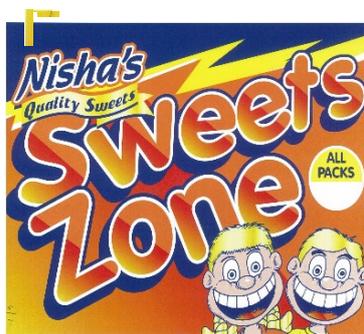
“69 Accordingly, in view of the context of the present case, as described in paragraphs 66 to 68 above, and, in particular, the applicant’s specific expertise in the plants and flowers sector, which it publicises, it must be considered that the documents submitted by the applicant which show the earlier marks

establish to the requisite standard that there is a link between those marks and plants, flowers and seeds which bear no mark. Those documents show that the applicant offers for sale or sells those goods with the earlier marks as the only indication of a trade mark, with the result that those marks are the only signs that provide an indication of the commercial origin of the goods in question.

70 That conclusion is not affected by the consideration referred to by the Board of Appeal and OHIM that, in the light of the registration of the earlier marks in relation to retail services in Class 35, the earlier marks must be regarded as designating the applicant's stores which retail plants, flowers and seeds, not those goods themselves. Although the earlier marks are also registered to designate retail services in respect of the sale of plants, flowers and seeds, as is apparent from paragraphs 31 to 39 above, that does not mean, given the context of the present case described in paragraphs 66 to 68 above, that those same marks may not also designate plants, flowers and seeds which bear no mark and which are offered for sale in shops operated by the applicant.

71 In those circumstances, it must be concluded that the Board of Appeal erred in deciding that the applicant had not proved genuine use of the earlier marks in relation to 'natural flowers and plants, grains' in Class 31."

24) The use being relied upon is the image at exhibit SP1 mentioned earlier in this decision. For ease of reference I reproduce the image below.



25) NEL contends that the point of sale board shown above shows use of the mark in suit upon confectionery and snacks. It relies upon *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

“32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.”

26) NEL also referred me to the case of *Specsavers v Asda Stores Ltd* where use of a composite word and device mark was found to constitute use of the device alone. To my mind neither of these cases is on all fours with the instant case. It is clear from the evidence that the mark in suit is not used upon any of the goods. I have quoted cases above in relation to the use of the names of shops as I believe these provide the closest analogy. I accept that the mark has appeared on point of sale boards but, in my opinion, the average consumer will see the words “Sweets Zone” and the device of two children’s happy faces on such boards as merely indicating the area of the shop where sweets are sold. From some of the photographs it is clear that the board is placed between other brands of confectionery and holds not only Nisha sweets but also those of other manufacturers. The only mark which appears upon the actual goods is the name NISHA’S QUALITY SWEETS and the origin of the goods is clearly the brand NISHA. At best the board advertises where the NISHA branded confectionery is located. Although the boards have been used for a number of years this makes no difference to the fact that it is not use of the mark upon or in relation to the goods for which it is registered. **Taking all the above into account I conclude that no use of mark in suit has been shown in any of the relevant periods.**

## **CONCLUSION**

27) As the revocation action has been successful the mark will be regarded as revoked with an effective date of 16 February 2013.

## **COSTS**

28) As SweetZone Ltd has been successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering the evidence from the other side	£300
Preparing submissions	£400
TOTAL	£1,100

29) I order Nisha Enterprises Limited to pay Sweetzone Limited the sum of £1100. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 11<sup>TH</sup> day of April 2017**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**