

O-192-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 80949
BY MILES SAMARATNE
FOR REVOCATION OF TRADE MARK NO.1305617
CHEERS
STANDING IN THE NAME OF
PARAMOUNT PICTURES CORPORATION**

BACKGROUND

1) The following trade mark is registered in the name of Paramount Pictures Corporation:

Mark	Number	Effective Date	Class	Specification
CHEERS	B1305617	31.03.87	21	Stirrers, tankards, glasses, mugs, cups, bottle openers, corkscrews, bottle cradles, wine buckets, cocktail shakers, ice buckets, all included in class 21.

2) By an application dated 8 August 2002, Miles Samaratne applied for the revocation of the registration under the provision of Section 46(1)(b) as there has been no use of the trade mark in suit for an uninterrupted period of five years and there are no proper reasons for such non-use. The applicant also requested that the trade mark registration be partially revoked in accordance with Section 46(5) in respect of those goods for which the trade mark has not been used for a continuous period of five years.

3) On 15 November 2002 the registered proprietor filed a counterstatement denying the above grounds. The registered proprietor states that there has been use of a trade mark which differs in elements which do not alter the distinctive character of the mark in the form in which it is registered and makes reference to Section 46(2) of the Trade Marks Act 1994.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 5 May 2005 when the applicant for revocation was represented by Ms Woolfe of Messrs Page White & Farrer, and the registered proprietor by Dr James of Messrs R G C Jenkins.

REGISTERED PROPRIETOR'S EVIDENCE

5) The registered proprietor filed a witness statement, dated 12 November 2002, by Prannay Rughani the Marketing and Product Development Manager of the "Cheers" Bar and Restaurant London which operates in conjunction with Paramount Pictures Corporation. He states that "Cheers" is the name of a popular television programme and as a "spin off" from the programme Paramount Pictures Corporation has licensed the use of its trade mark in respect of a number of themed bar/restaurants.

6) Mr Rughani states that the CHEERS bar in London at which he works sells a range of products which are marketed under the trade mark CHEERS. He states that CHEERS has been used in respect of "tankards", "glasses (various types)" and "mugs". At exhibits PR1-4 he provides examples of a tankard, a "jam jar" glass, a shot glass and a mug. He states that the name CHEERS is prominent on all of the products and the mark also appears on the swing tickets that are attached to the products and that a trade mark notice appears on the swing ticket. All of the items have a stylised version of the mark upon them (shown below) and the three items with handles (not the shot glass) also have a swing tag with the stylised version of the mark printed upon it.



7) At exhibit PR5 is an example of a price list which he states is made available to customers in the Cheers Bar and Restaurant in London. He states that the mark is used on this in both plain block capitals and in stylised script form. This item is dated 2001 and shows prices for a coffee mug, a shot glass and a “jam jar” glass as well as items such as hats, keychains, videos and t-shirts. The “Cheers” mark appears in stylised version only other than a reference within the price list to “Cheers, Best of” which I take to be a reference to a set of videos of the television programme being offered for sale.

8) At exhibit PR6 Mr Rughani provides an example of a till receipt which he states is used when customers purchase “CHEERS” branded products from the Cheers Bar and Restaurant in London. This he states shows the word CHEERS in plain block capitals across the top. Although the example provided is dated 7 November 2002 Mr Rughani states that “I can confirm that receipts of exactly this type have been issued over the preceding years each and every time an article has been sold- it will be appreciated that past examples of such receipts are not retained”.

9) Mr Rughani states that the trade mark in suit has been used in respect of the products mentioned in paragraph 6 above “for a number of years preceding the date upon which the present revocation action was filed”. At exhibits PR7 & 8 he provides copies of a letter and artwork approval form from a supplier which has supplied products to the restaurant for over three years. The letter, dated November 2002, states that the supplier has provided “glassware and bar equipment to Cheers and the Soho Bars Group for over three years”. Also supplied is an “Artwork approval form” which shows the mark in suit in stylised form. At exhibits PR9 & 10 he provides a letter and an invoice from another supplier which has supplied mugs to the restaurant during the three years preceding the revocation action. The letter, dated November 2002, states that “branded Cheers Coffee mugs” have been supplied “For well over the last three years”. The invoice is for Cheers printed coffee mugs, is dated 2001 and is for £595.14.

10) At exhibit PR11 he provides a print out from his company’s database which shows details of sales for the period 22 December 2000-5 November 2002 and shows, *inter alia*, sales of shot glasses, jam jar (glasses) and mugs. These show the following:

	22 December 2000- 10 January 2002		10 January 2002 – 5 November 2002	
	Number of items sold	Value £	Number of items sold	Value £
Coffee Mug	238	940	367	1679

Shot Glass	1850	9157	1405	6954
Jam Jar glass	53	368	23	159
Trigger mugs	2430	13,715	1726	9483

11) Mr Rughani states that the above shows that the mark in suit and a stylised version of it, has been used with the consent of the registered proprietor during the five years prior to the application for revocation.

APPLICANT’S EVIDENCE

12) The applicant provided a witness statement, dated 7 March 2003, by Miles Samaratne the applicant for revocation. He states that the evidence of use provided by the registered proprietor does not show use of the mark as registered. He also points out that no evidence of use has been filed with regard to some of the specification.

REGISTERED PROPRIETOR’S ADDITIONAL EVIDENCE

13) The registered proprietor filed three witness statements. The first, dated 24 March 2003 is by Mr Rughani who filed an earlier statement. He comments that the stylised version of the mark used is one which differs only in elements which do not alter the distinctive character of the mark in the form that it is registered. Regarding his earlier exhibit PR6 he points out that receipts are usually taken away by the customer and not retained by the business. He also repeats his assertion that the receipt is indicative of the type issued in the five years prior to the application for revocation.

14) The second statement, dated 25 March 2003, is by Paul Goldsmith the Account Manager of Event Merchandising Limited, a position he has held since 2000. He states that his company has supplied the Cheers Bar and Restaurant with mugs bearing the “Cheers” trade mark for more than three years. He provides an invoice dated 16 July 2002 from his company to the Cheers bar relating to, *inter alia*, 108 Cheers mugs.

15) The third statement, dated 9 March 2004, is by Rebecca Borden, the Assistant Secretary of Paramount Pictures Corporation. She states that the television programme “Cheers” was first broadcast in the UK in 1983 and provided to be very popular with repeats still being shown on various channels. She states that the titles to the television programme depict the word “Cheers” in the stylised version as shown earlier in this decision which is registered in the UK under number 1410950.

16) Ms Borden states that the success of the television series inevitably led to the use of the trade mark in other fields. The mark in both stylised and word form has been licensed for use in respect of the provision of food and drink by means of “Cheers” named and themed restaurants and bars and also of those trade marks in respect of merchandising such as mugs, glasses, clothing, bags, towels, mirrors, charms etc. She states that as a result of a licensing agreement a themed bar and restaurant opened in London in 1997 and has been operating continuously since that date. All of the “Cheers” merchandising is manufactured and sold under licence from the registered proprietor and has been since the premises opened in 1997. She specifically states that the mugs, glasses and tankards manufactured by Parsley In Time and Event

Merchandising Limited and sold at the premises of the Cheers bar/restaurant in London during the period 1999-2002 was under licence from the registered proprietor.

APPLICANT'S ADDITIONAL EVIDENCE

17) The applicant Mr Samaratne filed a second witness statement dated 14 June 2004. He points out that the registered proprietor has not filed evidence relating to a significant part of the specification. He states that the license agreement between the registered proprietor has not been filed and so claims that her statement “is not supported by concrete evidence, and therefore it can have very little weight”. He states that in the absence of a letter of consent or licence linking the proprietor to the user the application should succeed. He refers to the SAFARI case and provides a copy of the Registry decision at exhibit MS1.

18) Mr Samaratne states that the mark used is the stylised mark “Cheers London” and not the word mark as registered. He repeats that the till receipt is dated after the relevant date and that it is not clearly stated that the presentation of the mark on the till was unchanged over the five year period. He also states that the mark used does differ in elements which alter the distinctive character of the mark as the registered proprietor has two marks registered, the word mark in suit and the stylised version registered under number 1410950.

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

DECISION

20) At the hearing Dr James, for the registered proprietor, accepted that use had not been shown of Trade Mark 1305617 with regard to “Stirrers, cups, bottle openers, corkscrews, bottle cradles, wine buckets, cocktail shakers, ice buckets, all included in class 21”. The only items which the registered proprietor is defending are “tankards, glasses and mugs”.

21) The relevant parts of Section 46 of the Trade marks Act 1994 reads as follows:

“46.(1) The registration of a trade mark may be revoked on any of the following grounds-

- (a)....
- (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 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.”

22) The applicant alleges that the mark has not been used in the five years prior to the date of the application for revocation. Under Section 46(b) the period in question is, therefore, 9 August 1997- 8 August 2002

23) Where the registered proprietor claims that there has been use of the trade mark, the provisions of Section 100 of the Act makes it clear that the onus of showing use rests with him. 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.”

24) The case for revocation can be summarised as follows:

- a) That the use shown is not use with the consent of the registered proprietor, Paramount Pictures Corporation (PPC) as no link between PPC and the UK user has been shown.
- b) The use that has been shown relates to a trade mark which differs significantly from the mark registered.
- c) There has been no genuine use of the registered trade mark.

25) I turn first to the question of whether the registered proprietor consented to use by the London based bar and restaurant. The applicant for revocation referred to three cases *ANASTASE* O/145/01, *CHRYSOTHEQUE ZOLOTAS* O/145/99 and *TAM TAM* O/106/01.

26) I note that in *Anastase* the registered proprietor claimed that the license was a verbal agreement but there was no evidence of contact between the parties. As the Hearing Officer said “...the situation described by Mr Joory is very peculiar, and begs more questions than it answers”. Similarly, in *Chrysotheque Zolotas* the Hearing Officer said “Crucially there is a conflict of evidence as to what agreement (if any) existed between the Greek companies as regards use of a trade mark in the United Kingdom”. Finally, in *Tam Tam* the registered proprietor did not provide any evidence and the Hearing Officer was left to infer what he could from the information available. It is clear that in these cases there was a highly questionable contract, a conflict in the evidence or silence. In the instant case there has been a clear statement from both the UK user and the Registered Proprietor stating that the use made in the UK is under license from the Registered Proprietor although no copy of the license agreement has been filed. I do not consider these cases referred to by the applicant to be on all fours with the instant case.

27) The registered proprietor referred me to the case of *SAFARI* O/300/01 in which the Hearing Officer set out the relevant law and his conclusions at paragraphs 12 -18 inclusive. The Hearing officer concluded:

“17. It appears from this that:

1. Use with the consent of the registered proprietor of a trade mark is deemed to be use by the proprietor himself for the purposes of Section 46(1)(a) and (b) of the Act;

2. This is reconciled with the function of a trade mark by Section 46(1)(d) of the Act which states that use (with the proprietor's consent) which results in deception of the public as to the origin or the quality of the goods, renders the registration of the trade mark liable to revocation;
3. The question of whether the registered proprietor has exercised sufficient control over the use of his trade mark is therefore a matter which may be raised by way of an attack under Section 46(1)(d) of the Act, but it is not a matter which is relevant to the question of whether the mark has been used for the purpose of Section 46(1)(a) and (b) of the Act."

28) In the evidence provided by the registered proprietor the statement of Ms Borden states that the London premises and all of the merchandising sold from those premises is sold under license from the registered proprietor. Ms Borden goes further in identifying the suppliers of the mugs, glasses and tankards and stating that these specific goods were sold from the London premises under license from the registered proprietor. In my view, despite the absence of a copy of the licensing agreement, the registered proprietor has shown that the use made of the mark in the UK is with the consent of the registered proprietor.

29) I now turn to the issue of whether the use of the stylised version of the trade mark can be considered use of the registered mark. In considering this issue I look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 24. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

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

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

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

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

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose eyes? - registrar or ordinary consumer?’ is a direct conflict. It is for the registrar, through the hearing officer’s specialised experience and judgement, to analyse the ‘visual, aural and conceptual’ qualities of a mark and make a ‘global appreciation’ of its likely impact on the average consumer, who:

‘Normally perceives a mark as a whole and does not proceed to analyse its various details.’

The quotations are from para [26] of the judgement of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

30) I also refer to the comments of Sir Martin Nourse, in the same *Bud* case where, at paragraph 12, he said:

“Mr Bloch accepted that, in relation to a particular mark, it is possible, as Mr Salthouse put it, for the words to speak louder than the device. However, he said that it does not necessarily follow that the entire distinctive character of the mark lies in the words alone. That too is correct. But there is yet another possibility. A mark may have recognisable elements other than the words themselves which are nevertheless not significant enough to be part of its distinctive character; or to put it the other way round, the words have dominance which reduces to insignificance the other recognisable elements.”

31) I was also referred to the case of *Second Skin* [2001] RPC 30 where the Hearing Officer stated at paragraph 16:

“A member of the public on seeing 2ND SKIN immediately translates that trade mark into SECOND SKIN and when taking notes, etc., could write 2ND SKIN or SECOND SKIN interchangeably, the one is a recognisable alternative to the other in everyday use and can be used in place of the other without any loss of meaning or understanding”.

32) The applicant also relied upon the *Second Skin and Elle* [1997] FSR 529 cases in which it was accepted that the issue of whether the mark registered and the mark actually used could have been accepted by the Registry is not a valid test for the purposes of Section 46(1).

33) The registered proprietor claims that it has used the registered mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. The stylised mark used is as follows:



34) The applicant contends that the stylised version is:

“...materially different, visually and particularly conceptually, from the mark of registration. CHEERS is a dictionary word which is naturally and commonly used, particularly in respect of drink and food. The mark is the sign of a fictitious bar in Boston, which was the setting of a television situation comedy named after the bar, with the addition of the word LONDON underneath. The mark of the proprietors refers to that bar and/or the television comedy. It is highly stylised and is not immediately obvious at first glance as a derivative representation of the word CHEERS, because the first letter could be a large lower case e and the last letter could be a large lower case g, especially in its off-setting below the line. It requires some knowledge of the English language to realise that no word starts ehee or ends eerg and therefore to work out how the mark could be pronounced.

The word CHEERS does not have those connotations. The word CHEERS does not allude uniquely to the situation comedy programme. The connotations of the word are materially different from the connotations of the mark used by Paramount.”

35) The applicant also claims:

“It is notable that the stylised mark of the proprietors is used with the additional word LONDON on all four physical samples of the goods in this case, and this is a long way from the wordmark of registration. The stylised mark of the proprietors is materially different from the wordmark CHEERS.”

36) The applicant referred me to two earlier decisions of the Registry relating to very similar actions between the two parties of the instant case. In these decisions the Hearing Officer when faced with the same stylised mark stated:

“To use the applicant’s own analysis. The word in the form shown in the registered proprietor’s evidence is in an “italicised script”, a commonplace font which hardly changes it in a material way. They go on to say that it has a “prominent stylised letter C” and an “underlining flourish attached to the very stylised last letter” which I consider to be overstating the case, but in any event, both are nonetheless still clearly the letters. In short, I see the mark as shown in the evidence as the word CHEERS and that any stylisation has not altered the distinctive character of the word from the form in which it is registered.”

37) I am not persuaded that I should differ from the position of the Hearing Officer. Whilst in the above case no reference is made to the word “LONDON” appearing in the mark I do not believe that this affects the outcome. The use of a geographical reference in addition to the mark registered would not affect the view of the average consumer. Consequently, my decision is that the mark shown to be used is in a form which does not differ in elements which alter the distinctive character of the mark in the form in which it is registered. The application for revocation under Section 46(1) of the Act must fail.

38) Lastly, I turn to the question of genuine use. This was not pursued at the hearing but as it is in the original pleading I shall consider the issue. In considering this matter I look to the comments of Jacob J. in the case of *Laboratories Goemar SA v La Mer*

Technology Inc. [2002] ETMR 34. This was an appeal against a decision by the Registrar. In that case the question of whether a very limited amount of use in this country can be regarded as sufficient to be “genuine” was considered. It was decided to refer the matter to the European Court of Justice. However, the learned judge also gave his opinion on the matter. He said:

“29. Now, my own answer. 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 inquire whether that advertisement was really directed at customers here. For then the place of use is also called into question, as in *Euromarket*.”

39) I also take into account the judgement in Case C40/01 *Ansul BV v Ajax Brandbeveiliging BV* where the European Court of Justice, on 11 March 2003, stated at paragraphs 35-39:

“35. Next, as Ansul argued, the eighth recital in the preamble to the Directive states that trade marks ‘must actually be used, or, if not used, be subject to revocation’. ‘Genuine use’ therefore means actual use of the mark. That approach is confirmed, *inter alia*, by the Dutch version of the Directive, which uses in the eighth recital the words ‘werkelijk wordt gebruikt’, and by other language versions such as the Spanish (‘uso efectivo’), Italian (‘uso effettivo’) and English (‘genuine use’).

36. ‘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 origin of goods or services to the consumer or the end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that ‘genuine use’ of the mark 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. The protection the mark confers and the consequences of registering it in terms of enforceability *viv-a-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations for by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus 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 of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or services concerned on the corresponding market.”

40) On the question of onus of proof I note the comments from the *NODOZ* case [1962] RPC 1, in which Mr Justice Wilberforce dealt with the issue of the onus of proof on the registered proprietor. He said:

“The respondents are relying upon one exclusive act of user, an isolated act, and there is nothing else which is alleged or set up for the whole of the five year period. It may well be, of course, that in a suitable case one single act of user of the trade mark is sufficient; I am not saying for a moment that that is not so; but in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly conclusive proof. It seems to me that the fewer the acts relied on the more solidly ought they to be established,

41) The relevant facts before me are as follows:

- The registered proprietor has shown use of the mark in suit on swing tags attached to the articles which it has sought to defend “tankards, glasses and mugs”.
- A Price list showing these articles has been supplied, as have figures for the number of such items sold and the value of these sales.
- Letters from suppliers stating that they have supplied such articles with the mark printed upon them.

42) In the light of this evidence and the silence of the applicant I believe that the registered proprietor has shown genuine use of the mark in suit upon tankards, glasses and mugs. At paragraph 20 of this decision I noted that the registered proprietor accepted that it had not shown use of its trade mark B1305617 with regard to “Stirrers, cups, bottle openers, corkscrews, bottle cradles, wine buckets, cocktail shakers, ice buckets, all included in class 21”. I therefore order that this part of its specification is revoked with effect from 8 August 2002.

43) The revocation has been successful with regard to part of the specification. The applicant is therefore entitled to a contribution towards costs. I therefore order the registered proprietor to pay the applicant the sum of £1000. 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 5th day of July 2005

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