

O-193-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No.81629
BY INTELLIQ LIMITED
FOR REVOCATION OF TRADE MARK No. 1349402**


DATASPHERE

**STANDING IN THE NAME OF
DATASPHERE S.A.**

BACKGROUND

1) The following trade mark is registered in the name of Datasphere S.A.:

Mark	Number	Effective Date	Class	Specification
	1349402	18.01.88	9	Computer software and computer programmes; materials for the recordal of computer programmes; magnetic and optical tapes, discs, cassettes and cartridges, all for the recordal of computer programmes; all included in Class 9.

2) By an application dated 20 February 2004, Intelliq Limited applied for the revocation of the registration under the provision of Sections 46(1)(a) & (b) as there has been no use of the trade mark in suit in the five years since registration and that use of the mark has been suspended 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 25 May 2004 the registered proprietor filed a counterstatement with a witness statement, dated 25 May 2004, by Stuart Ritchie Nield the registered proprietor's Trade Mark Attorney. He states that his evidence comes from his own knowledge and also from information provided to him by the registered proprietor. He states that:

"I confirm that Datasphere intends to defend the full range of goods covered by registration no. 1349402, but I have not been able to obtain full evidence within the short and non-extendable deadline."

4) Mr Nield provides the following as evidence of use of the mark in suit:

- At exhibit SRN1 are six invoices to two companies in the UK. These are dated from 27.04.00-13.03.03 and relate to payments for software maintenance or software licence. The invoices refer to the software by way of codes and not the mark in suit. However, the top of the invoice does have the mark in suit upon it.
- At exhibit SRN2 is a copy of a page from an exhibition in Singapore which states that the registered proprietor "works with agents" in the UK.
- At exhibit SRN3 is a letter, dated 30 July 2002 from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) which states

that certain of the registered proprietor's software has passed the Society's tests.

- At exhibit SRN4 are two brochures. Neither are dated and both show the contact for the company in Switzerland. Mr Nield claims that the brochures state that the software shown within them is sold to banks in all of Europe which would include the UK.
- At exhibit SRN5 are printouts from the company's website dated between 24 May 2002-18 June 2003 which show the company name in the same form as the mark in suit.
- At exhibit SRN6 are copies of the SWIFT website. Mr Nield claims that the registered proprietor's software is accredited by SWIFT and most banks and financial institutions use SWIFT to transfer funds. As SWIFT has an office in London he claims that this exhibit shows use of the registered proprietor's software in the UK.
- At exhibit SRN7 he provides a photocopy of a compact disc for the "BALI 400 Documentation" which has the mark in suit upon it. Mr Nield states that this disc is held at his office.
- At exhibit SRN8 is a copy of a page from the company website which shows a number of compact discs with the mark in suit upon them. The print out is dated 21 May 2004. Mr Nield claims that these products have been sold to UK clients.
- At exhibit SRN9 are extracts from the registered proprietor's website dated 5 May 2004. These give a brief history of the company and details of its products. However, there is no mention of the UK on any of the pages. Mr Nield claims that the use of English on the website shows commitment to the mark and the intention that the site is viewed by the English public.
- At exhibits SRN10-14 are documents provided by the registered proprietor's agent in the UK, Aqua Global. These include an undated description of the type of product supplied by the agent to various large corporations amongst which is the "Bali" system from the registered proprietor. There is a proposal dated July 2000 to use the "Bali" system, two letters to banks in London, dated June 2000 and January 2001, providing information in the form of a brochure on the "Bali" software system and identifying the manufacturer as Datasphere (the name being in plain font and not with the "ghosting" used in the mark in suit). There is also a letter to a bank in Bulgaria, although it is not clear quite how this assists the registered proprietor.

5) Mr Nield claims that the above constitutes use of the mark in offering products for sale in the UK which bear the mark in suit. In addition, he asserts that the use of the company name should also be taken into account as it is used in a form not differing in elements which alter the distinctive character of the mark.

6) No other evidence was filed by either party. Both sides ask for an award of costs, with the registered proprietor asking for an award above the normal scale as the

revocation action was pursued despite the applicant being provided with evidence showing use of the mark. Neither side wished to have a hearing. Both sides provided written submissions which I shall refer to as and when they are relevant.

DECISION

7) 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) 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 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.”

8) 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, 20 February 1999-19 February 2004.

9) 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.”

10) 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,

11) I also 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*.”

12) 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 35-42:

“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. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.

41. That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the same mark under the conditions described in paras [35] to [39] of this judgement. Since the parts are integral to those goods and are sold under the same mark, genuine use of the mark for those parts must be considered to relate to the goods previously sold and to serve to preserve the proprietor's rights in respect of those goods.

42. The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services, which, though not integral to the make-up or structure of the goods previously sold, are directly related to those goods and intended to meet the needs of customers of those

goods. That may apply to after-sales services, such as the sale of accessories or related parts, or the supply of maintenance and repair services.”

13) Of the evidence filed only two parts are relevant, as the others are either dated after the relevant date, do not refer to use in the UK, or are so generalised that they invite supposition rather than offering evidence. The two relevant exhibits are:

- a) the invoices at exhibit SRN1 which are dated from 27.04.00-13.03.03 and relate to payments for software maintenance or software licence. The invoices refer to the software by way of codes and not the mark in suit. However, the top of the invoice does have the mark in suit upon it and must be considered as part of an after sales service; and
- b) the two letters to banks in London at exhibits SRN 12 & 13, dated June 2000 and January 2001, providing information in the form of a brochure (not supplied) on the “Bali” software system and identifying the manufacturer as Datasphere (the name being in plain font and not with the “ghosting” used in the mark in suit). To my mind this shows that the registered proprietor, via its agent, is seeking sales of its computer software and programmes in the UK.

14) I have to consider whether the use of the plain font 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.”

15) 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.”

16) To my mind the use of the name of the company in plain font equates to use of the mark in suit as the “ghosting” effect, whilst a recognisable element, is insignificant compared to the dominant feature of the mark “Datasphere”.

17) In the light of this evidence I believe that the registered proprietor has shown genuine use of the mark in suit upon “computer software and computer programmes”.

18) I do not accept that the evidence shows use upon the remainder of the specification namely, “materials for the recordal of computer programmes; magnetic and optical tapes, discs, cassettes and cartridges, all for the recordal of computer programmes; all included in Class 9”. I therefore order that this part of the specification be revoked with effect from 20 February 2004.

19) 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**