

O-291-08

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 81742  
BY JOHN PLAYER & SONS LIMITED  
TO REVOKE REGISTRATION NO. 827306  
IN THE NAME OF GALLAHER LIMITED

## **Background**

1.Registration No. 827306 is for the trade mark BLUES. The registration procedure was completed on 1 March 1963. The registration stands in the name of Gallaher Limited and is registered in respect of:

*Class 34:  
Cigarettes*

2. By an application received 30 June 2004, John Player & Sons Limited applied for the registration to be revoked in its entirety. The application was made under the provisions of section 46(1)(b) of the Act on the basis that the mark has not been used in relation to the goods for which it is registered for at least five years. Revocation of the registration is sought as of 15 April 2004.

3. The registered proprietor filed a counter-statement denying the claims made and seeking dismissal of the revocation action.

4. Only the registered proprietor filed evidence in these proceedings. In accordance with usual practice, the parties were advised of their right to a hearing and were informed that if neither requested to be heard, a decision would be taken from the papers and any written submissions filed. Neither party requested to be heard and neither filed written submissions. I therefore give this decision on the basis of the evidence now before me.

## **Registered proprietor's evidence**

5. This consists of two witness statements of Alan David Goldring dated 4 October 2004 and 20 January 2006. Mr Goldring is a trade mark attorney employed by J E Evans Jackson & Co, the registered proprietor's representatives in these proceedings. Mr Goldring confirms that he is authorised to make his statements on behalf of the registered proprietor and that the information he gives has been obtained from the registered proprietor's files and records.

6. In his first witness statement Mr Goldring states that the trade mark has been used "in various forms and formats in connection with different principle (sic) brands." The first use of the mark took place before 1950 with the earliest registration in the United Kingdom under registration No. 701674 dating back to 1951. Mr Goldring explains that at that time, BLUES or GALLAHERS BLUES was principally sold in Northern Ireland and that registration No. 701674 was registered upon evidence of use and distinctiveness being filed. He goes on to say that the mark in suit was registered in 1961 to recognise the wider distribution of BLUES cigarettes. In fact, the registration was applied for 10 November 1961 and, as I indicated above, the registration procedure was completed on 1 March 1963.

7. At BLUES 1, Mr Goldring exhibits a copy of a pack of GALLAHER'S BLUE cigarettes as sold in the 1960s in the United Kingdom. He goes on to explain that within the period 1999 to 2004, use of BLUES has principally been in connection with the registered proprietor's SOBRANIE brand of cigarettes. At BLUES 2 he exhibits a copy of the SOBRANIE BLUES pack as produced and sold "over the last few years".

The pack is said to date from January 2004 and to have been used for cigarettes produced for sale both in the United Kingdom and in various export markets particularly the former Soviet States and the Far East.

8. In his second witness statement, Mr Goldring further explains the recent use of the mark. He states that since at least as early as 2002, the trade mark BLUES has been used on the registered proprietor's SOBRANIE cigarette products which were manufactured at its premises in Lisnafillan in Northern Ireland. The cigarettes were manufactured for sale and distribution in the United Kingdom and for export to the European Union and overseas. At BLUES 3 he exhibits a copy of a chart of production records for the Lisnafillan plant to show quantities of cigarettes produced under the mark. He says that this chart shows that around 15 million cigarettes have been produced under the BLUES or SOBRANIE BLUES mark in the five years before the proceedings were commenced. Manufacture has continued since that time. I note that the dates given in this exhibit range from 3 December 2002 to 12 June 2005. I attach a copy of this exhibit at Annex A.

9. No further evidence was filed in these proceedings.

## **Decision**

10. The application for revocation is founded on section 46 of the Act. This states:

**“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.

(4) ....

(5) ....

(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 exist at an earlier date, that date.”

11. The onus of showing that the trade mark in question has been used within the relevant period, or that proper reasons exist for its non-use, rest with the proprietor. This is set out in section 100 of the Act which states:

“**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.”

12. The application for revocation is based on section 46(1)(b) of the Act. The applicant seeks revocation of the registration “as of” 15 April 2004. The relevant period is therefore the five years preceding this date, i.e. 15 April 1999 to 14 April 2004.

13. The Act refers to “genuine use” having been made of the trade mark though it does not set out what constitutes such use. The requirements for “genuine use” have been set out by the European Court of Justice in its judgment in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and in its reasoned Order in Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar S.A.* [2004] FSR 38.

14. In *Ansul*, the European Court of Justice held:

“35....”Genuine use” therefore means actual use of the mark...

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 the origin of the goods or services to the consumer or end user...

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 its enforceability *vis-à-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 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 service 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.”

15. In *La Mer*, the ECJ held:

“21... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out...

23...

24. In addition, use of the mark by a single client which imports the products for which the mark is registered 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 of the mark.

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.”

16. The evidence filed by the registered proprietor is far from extensive or comprehensive. Mr Goldring’s exhibit BLUES 1 shows a cigarette packet bearing, *inter alia* the word BLUE. This packet is said to date from the 1960s. Other than the bare assertion that cigarettes were sold in such packets in the United Kingdom in the 1960s, no further details are provided. It is clear from Mr Justice Kitchen’s decision in

*Moo Juice Trade Mark* [2006] RPC 18, that a bare assertion that a trade mark has been used is not sufficient to establish even an arguable case of use of the mark for the purposes of rule 31(3), let alone to satisfy the overall burden on him under section 100 of the Act. The mark in suit is not the word BLUE but the word BLUES, however, given the paucity of this material which goes no way to establishing use of the word BLUE, and especially so within the relevant period, I do not consider it necessary to determine whether it is a variation from the form in which the mark is registered as per section 46(2).

17. Exhibit BLUES 2 consists of what appears to me to be a photocopy of a printer's copy of a design showing a view of all external faces of a cigarette packet. The packet depicted is said to date from January 2004 but was used for cigarettes sold over "the last few years" (the relevant witness statement is dated 4 October 2004). The packet bears a mixture of English and what I take to be Cyrillic writing. The word BLUES appears in cursive script across its top, bottom, front and back panels. In each case the word appears below the word SOBRANIE which appear in essentially plain block capitals. Despite the packet bearing both SOBRANIE and BLUES, the two words are presented in widely differing styles, with other material and are physically dislocated, especially so on the face of the packet, and thus I consider the word BLUES to be used as a trade mark in its own right. As I indicated above the word BLUES appears in cursive script (as opposed to the plain block capitals in which it is registered) however I do not consider anything rests on this. They are plainly both the word BLUES and any difference in the particular styles is not such as to alter the distinctive character of the mark in the form in which it was registered.

18. The chart of production record exhibited at BLUES 3 bears the legend "SOBRANIE BLUES 20/200". Mr Goldring states that the mark BLUES has been used continuously since before 1950 and that "around 15 million" cigarettes have been manufactured in Northern Ireland in the period between December 2002 and the end of the relevant period (14 April 2004). These cigarettes are said to have been made for sale in the UK, the European Union, the former Soviet states and the Far East.

19. Whilst neither sales figures (in monetary terms) nor details of actual customers or outlets have been provided, the production figures and period of time over which production took place leads away from this being token or internal use. From my reading of the chart it appears that the cigarettes manufactured were put into individual packets of twenty (with ten of these packets put together to form packs of two hundred). The cigarettes produced during the relevant period would make up approximately 750,000 individual packets of twenty. Again, given the period over which production is shown and the not insignificant numbers of cigarettes produced, the evidence is sufficient to indicate the creation or preservation of an outlet for the goods.

20. Whilst, as I indicated above, the evidence is far from extensive, none of it has been challenged or commented upon by the applicant. The mark is said to have been used in relation to sales of cigarettes in the United Kingdom, the European Union, the former Soviet states and the Far East. On the basis of the evidence filed, I am not prepared to accept that there has been use of the mark in the United Kingdom, European Union or Far East. The use of the Cyrillic script on the packet

does, however, support the claim to have used the mark in the former Soviet states. Section 46(2) establishes that use solely for export purposes may constitute genuine use of a mark. I find that there has been genuine use of the mark within the relevant period in relation to cigarettes for export to the former Soviet states.

21. Despite my finding that genuine use has been shown in relation only to goods for export, I do not consider it is necessary to limit the specification of goods to reflect that limited market use. In *KIM* (O-004-08) the Hearing Office said:

“54. ...It is noteworthy that sub-section (2) deems certain use of a mark in the UK for export purposes to be genuine use for the purposes of sub-section (1). It would be odd if use of a mark in relation to goods solely for export purposes was both sufficient to sustain a trade mark registration for the goods in question under sub-section (1), and at the same time supportive of a claim under sub-section (5) for partial revocation of the mark for non-use in relation to the same goods for the domestic market.”

22. The application for revocation fails in its entirety.

### **Costs**

23. The application for revocation having failed, the registered proprietor is entitled to an award of costs in its favour. The statement of case attached to the Form TM26 was brief in the extreme. Similarly, the counter-statement was not in any way lengthy or complex. I have commented above on the paucity of the evidence filed by the registered proprietor. No evidence was filed by the applicant. No hearing took place and neither side filed written submissions in lieu of a hearing. Taking all matters into account, I order John Player & Sons Limited to pay Gallaher Limited the sum of £200 as a contribution towards its costs. This sum is 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 23<sup>rd</sup> day of October 2008

Ann Corbett  
For the Registrar  
The Comptroller-General

17.06.2005

Dynamic List Display

1

Order	Material	Type	MRP ctrlr	PrCtr	Pint	Target qty	Unit	Bas. start	Basic fin.	System statu	Material description
1004331	P299711118	PP01	PLC		100	4,000.00	TS	03.12.2002	04.12.2002	TECO CNF	SOBRANIE BLUES 20/200 DO
1004674	P299711118	PP01	PLC		100	4,080.00	TS	05.01.2003	08.01.2003	TECO CNF	SOBRANIE BLUES 20/200 DO
1006488	P299711118	PP01	PLC		100	3,200.00	TS	14.04.2003	15.04.2003	TECO CNF	SOBRANIE BLUES 20/200 DO
1007488	P299712160	PP01	PLC		100	2,000.00	TS	15.06.2003	15.06.2003	TECO CNF	SOBRANIE BLUES 20/200 DO
1012161	P299712160	PP01	PLC		100	1,700.00	TS	23.02.2004	24.02.2004	TECO CNF	SOBRANIE BLUES 20/200 DO
1018994	P299712160	PP01	PLC		100	500	TS	10.12.2004	12.12.2004	TECO CNF	SOBRANIE BLUES 20/200 DO
1019541	P299712160	PP01	PLC		100	1,000.00	TS	13.01.2005	14.01.2005	TECO CNF	SOBRANIE BLUES 20/200 DO
1021132	P299712160	PP01	PLC		100	1,000.00	TS	01.04.2005	02.04.2005	TECO CNF	SOBRANIE BLUES 20/200 DO
1022839	P299712160	PP01	PLC		100	200	TS	12.06.2005	12.06.2005	REL CNF	SOBRANIE BLUES 20/200 DO