

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 1193215 IN THE  
NAME OF SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS SNCF**

**AND IN THE MATTER OF APPLICATION NO. 82089 FOR REVOCATION  
THEREOF BY GW PADLEY VEGETABLES LIMITED**

**REGISTERED PROPRIETOR'S APPEAL TO AN APPOINTED PERSON  
FROM THE DECISION OF MR GEORGE SALTHOUSE DATED 2 APRIL 2008**

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**DECISION**

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Introduction

1. This case concerns the word-only trade mark, ORIENT EXPRESS, which is registered in respect of a variety of goods in classes 29, 30, 31, 32, 33 and 34 under registration number 1193215 (“the registered trade mark”) in the name of Societe Nationale Des Chemins De Fer Francais SNCF<sup>†</sup> (“the proprietor”). The full specification is set out in Part 1 of Annex 1 hereto. The registration originates from the merger of six separate applications (one in each of the listed classes). The registration procedures for the individual applications were completed on various dates between 20 March 1985 and 10 July 1987.
2. On 23 March 2005, Oriental Express Frozen Foods Limited applied to revoke the registered trade mark, except in relation to Class 34, under section 46(1)(a) and/or (b) of the Trade Marks Act 1994 (“the Act”) on the basis that there had been no genuine use of it during specified post-registration periods of five years or more, save in relation to coffee, sugar sachets and chocolate truffles. The revocation application was subsequently taken over by G W Padley Vegetables Limited (“the revocation applicant”) for reasons that I do not need to go into.
3. The proprietor defended the revocation application, claiming to have used the registered trade mark through licensees “in relation to the goods covered by the registration” and that there had been no suspension of use for five years or, if there had, that use had been commenced or resumed prior to the revocation application.

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<sup>†</sup> I reproduce the name as it appears on the Register, without accents.

4. The proprietor submitted evidence in support of its claim of use in the form of a witness statement from Joanna Jane Clark, the General Manager – Retail (CVSOE) of Orient-Express Hotels Ltd (since February 1997) and former Buyer & Merchandise Manager – Retail (CVSOE) of the same company (from March 1992). The revocation applicant relied on a witness statement made by Katherine Cullen, a registered trade mark attorney employed by the then representatives on the record for Oriental Express Frozen Foods Limited.
5. The first instance hearing took place on 24 January 2008 before Mr George Salthouse (“the Hearing Officer”). The revocation applicant was represented by Counsel, Guy Tritton, instructed by Freeth Cartwright LLP and the proprietor was represented by Kate Széll, a partner of Venner Shipley LLP.
6. In a written decision dated 2 April 2008 (“the decision” – BL ref. O/095/08) the Hearing Officer concluded that the proprietor had proved genuine use of the registered trade mark in relation to a broader range of goods than had been claimed by the revocation applicant, but a narrower range than the proprietor had claimed. He ruled that the specification of goods should be cut down to that shown in Part 2 of Annex 1 hereto and he ordered the proprietor to pay £2,000 as a contribution to the revocation applicant’s costs.
7. By a notice of appeal dated 15 May 2008, the proprietor appealed the decision “insofar as it revoked the registration for edible oils in Class 29 and whisky in Class 33”. The proprietor also appealed the costs award, irrespective of the outcome of the appeal in relation to the specification of goods.
8. When I received the papers relating to this appeal, I noted that there had been no reaction from the revocation applicant and, in view of the fact that its application had not been entirely successful, I asked Treasury Solicitors to include the following statement in a letter to Freeth Cartwright LLP, which they sent on 13 August 2008:

The Appointed Person has asked me to notify you that she assumes from the absence of any cross-appeal or Respondent’s Notice that you merely intend to defend the appeal in respect of edible oils in class 29 and whisky in class 33, as well as costs, and do not intend to argue any other point on the Hearing Officer’s Decision.

9. My aim in doing this was to flush out any proposed cross-appeal or additional reasons for upholding the decision. Although these should properly have come at an earlier stage, I wanted to ensure that there would be no late surprises. In the event, there was no response to this letter, and the revocation applicant played no active part in the appeal at all.

10. Ms Széll of Venner Shipley LLP represented the proprietor again at a hearing before me on 15 September 2008. As indicated above, the revocation applicant was not represented at the hearing and made no written submissions.

#### Section 46 of the Act

11. The relevant parts of section 46 of the Act provide 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;
- (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, ....
- (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: [subject to a proviso that is not relevant to this case]
- (4) ...
- (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.

12. These provisions implement articles 10(1), 10(2)(a), 10(3), 12(1) and 13 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (“the Directive”) insofar as those articles relate to revocation (including partial revocation) for non-use. They correspond to articles 15(1), 15(2)(a), 15(3), 50(1)(a) and 50(2) of Council Regulation 40/94/EC of 20 December 1993 on the Community trade mark (“the CTM Regulation”).

#### The evidence

13. The proprietor’s witness, Ms Clark, states in her witness statement that Orient-Express Hotels Ltd and its subsidiaries, Venice Simplon-Orient-Express Limited (“VSOE”) and Collection Venice Simplon-Orient Express Limited (“CVSOE”), have been licensed by the proprietor to use the registered trade mark since 1 May 1982. The businesses of these companies include the operation of two tourist trains running to and from the United Kingdom, “the British Pullman cars of the VENICE

SIMPLON-ORIENT-EXPRESS” and “the Northern Belle – the Orient-Express of the North” in Europe.

14. Ms Clark states that “Orient Express gift boutiques” feature on both trains and that the British Pullman has “a mobile boutique in the form of a trolley”. She goes on to give evidence about the goods sold through those boutiques as well as via a website at [www.orient-expressgifts.com](http://www.orient-expressgifts.com). The witness statement is supported by exhibits.

15. The witness statement of Ms Cullen, for the revocation applicant, is really a critique of Ms Clark’s evidence, pointing out gaps and flaws and making submissions as to the inadequacies of the evidence of use, then concluding that the proprietor’s evidence did not indicate actual use of the mark ORIENT EXPRESS in relation to any of the goods covered by the registered trade mark. Ms Clark then set out the following fallback position:

In the event that the Registry considers that use on whisky, Turkish delight, Gingerbread men, fudge, toffee and humbugs, virgin olive oil, champagne and boiled sweets can be shown, no evidence of use has been provided in relation to the remaining goods covered by Registration number 1193215....

and she proposed that the specification should be cut down to delete all other goods.

#### The Hearing Officer’s decision

16. The Hearing Officer first summarised the evidence in some detail. I do not propose to repeat that summary, but I should mention that at paragraph 6 of the decision he drew attention to the appearance in some of the exhibits of the logo pictured below (“the Logo”):



17. He then set out relevant parts of section 46 of the Act and dealt with the relevant non-use periods and revocation dates. He referred to section 100 of the Act as putting the onus of showing use of the registered trade mark onto the proprietor, and he stated that he took into account the judgment of the European Court of Justice (“ECJ”) in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ETMR 85, which is the current leading authority on the meaning of “genuine use” in section 46. The Hearing Officer set out paragraphs 35 to 42 of that judgment in full.

18. At paragraphs 23 to 24 of the decision, the Hearing Officer considered the evidence in the light of the ECJ's guidance. I reproduce those paragraphs below to the extent that they are relevant to the goods under appeal:

23) The evidence provided by the registered proprietor is somewhat scant. There is the assertion by Ms Clark that whisky, Turkish delight, Gingerbread men, fudge, toffee and humbugs, virgin olive oil, champagne, and boiled sweets have been sold on the UK trains over the past five years. To corroborate this she provides further evidence at exhibits 1 & 2. The evidence breaks down into:

- a) olive oil for which no evidence of labelling was supplied;
- b) ...; c) ...; d) ....;
- e) whisky, Turkish delight, champagne and boiled sweets with the logo mark as shown in paragraph 6 above;
- f) ...

24) In addition stock sheets were provided for all the listed goods. However, I did not find these of assistance as it was not clear from these documents where the goods were being offered for sale. The numbers also appeared to be very low, particularly as none of the items can be regarded as particularly expensive. Further, it was claimed that a number of the goods were sold on board the trains at "Orient-Express gift boutiques". However, no evidence as to the signage used, either at the relevant area or on the trolleys also used to sell such items, was provided. It seems to me that neither the trolley nor the boutique would have signs with such lengthy wording. I very much doubt that the trolleys have any sign at all upon them, as it would be only too obvious what their purpose was, just as the, now defunct, duty free trolleys aboard aircraft. The area of the train used for selling gift items is more likely to carry the tag "boutique" or "gift shop" rather than "Orient-Express gift boutique".

19. At paragraph 25, the Hearing Officer stated that, in considering the evidence of use, he had to consider whether the use of the marks as shown in the exhibits could be considered use of the registered trade mark. He looked to the judgment of Lord Walker in *BUD and BUDWEISER BUDBRAÜ Trade Marks* [2002] EWCA Civ 1534, [2003] RPC 25 at [40] to [45], quoting these paragraphs, from which I reproduce a sub-set:

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?

45 ... It is for the Registrar, through the hearing officer's specialised experience and judgment, 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 paragraph 26 of the judgment of the Court of Justice in *Lloyd Schuhfabrik v Klijsen Handel* [1999] ECR I-3819; the passage is dealing

with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.

20. The Hearing Officer reminded himself of two further dicta in relation to combined word and device marks, as follows:

26) 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.”

27) Further, I have regard to the views expressed by the Hearing Officer in *New Covent Garden Soup Company Ltd v Covent Garden market Authority* [BL O/312/05] where he commented at paragraph 26:

“26. I do not think that it can be seriously argued that arranging the words into a roundel affects their distinctive character. It is possible for the addition of elements to alter the distinctive character of a mark. For example, I do not think that the mark JAMES has the same distinctive character as the mark JAMES & JOHNSON. But in this case I believe that the average consumer of soups would regard the words NEW COVENT GARDEN SOUP CO as having an independent distinctive role within the composite mark. These words have the same distinctive character when they are used as apart of a composite mark as they do when used alone. On that view of the matter, the use of the words as part of the composite mark shown above falls squarely within s46(2).”

21. There then followed a key paragraph that is now attacked by the proprietor, in which the Hearing Officer dealt with the Logo. He said this about it:

30) The mark as registered is “ORIENT EXPRESS”. To my mind, the device element does not alter the distinctive character of the mark. However, the words “Venice Simplon” cannot be overlooked, and as they appear above the words “Orient Express” would be seen or enunciated first and would significantly affect the perception of the mark as well as making a very obvious visual and aural difference. They do not have an independent distinctive role within the composite mark. I therefore do not regard the use of this mark as use of the registered mark. Similarly, the use of the words “Venice Simplon-Orient Express” without the device element also cannot be regarded as use of the registered mark.

22. The Hearing Officer’s consideration of whether the use of “Orient Express Gift Boutique” described in the evidence amounted to use of the registered trade mark is also criticised. He expressed his view as follows:

31) .... Moving onto “Orient Express Gift Boutique”, the applicant referred me to a decision of the ECJ in *Celine Sarl v Celine SA* [2007] ETMR 80. The instant case is on all fours with this as it is the name of a shop/boutique, where goods which have other marks are sold. I regard this as being non-trade mark use. The mark has

not been used on goods and does not act as a badge of origin. It cannot be considered as use of the registered mark.

23. After consideration of further matters that are not in issue in the appeal, the Hearing Officer dealt with the sufficiency of the evidence of use, taking into account the comments of Jacob J in *Laboratoires Goemar SA v La Mer Technology Inc.* [2002] ETMR 34 on this point.
24. Having reached conclusions as to those goods in respect of which genuine use of the registered trade mark had been proved, the Hearing Officer went on to consider the correct approach to reducing a specification, adopting the propositions set out by the Appointed Person in *Nirvana Trade Marks* (BL O/262/06), derived from relevant High Court and Court of Appeal authorities. Applying these propositions to his findings, and taking into account the parties' oral submissions on the point, at paragraph 42 of the decision he drew up a revised specification to which the registered trade mark should be limited. This is set out in Part 2 of Annex 1. The Hearing Officer concluded that the registered trade mark should be revoked in relation to all other goods in the original specification.
25. I should mention a point on dates that arises out of the Hearing Officer's conclusion in paragraph 43 of the judgment, which he expressed as follows:
  - 43) The applicant has succeeded against the balance of the specifications in each class with effect from the following dates, Classes 29 & 30 as of 11 July 1987, Class 31 as of 9 May 1985 and Classes 32 & 33 as of 21 March 1985.
26. The dates mentioned here were in each case the day after completion of the registration process in the relevant class, which the revocation applicant had given as the start dates for the alleged periods of non-use. The first available revocation date was therefore five years later in each case, i.e. 11 July 1992 for Classes 29 and 30, 9 May 1990 for Class 31, and 21 March 1990 for Classes 32 and 33.
27. I do not believe that the Hearing Officer intended to declare the registered trade mark partially revocable from the 1987 and 1985 dates, since he clearly understood the requirement of at least five years' non-use prior to the earliest possible revocation date. I therefore read paragraph 43 as meaning that the non-use periods commenced on the dates set out, thus giving rise to revocation dates five years later. I have recorded these dates in Part 2 of Annex 1.
28. The Hearing Officer's ruling on costs, to which the proprietor objects, is recorded at paragraph 44, as follows:
  - 44) As the applicants have been substantially successful they are entitled to a contribution towards their costs. I order the registered proprietor to pay the applicants the sum of £2,000. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

### Standard of review

29. An appeal from the decision of a Registry Hearing Officer is a review, not a re-hearing. In a case in which there was no oral evidence, I should show “a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”: *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28].
30. In particular, I may not interfere with the Hearing Officer’s decision merely because I am surprised at the outcome or even would have reached a different decision if considering the matter afresh: *BUD Trade Mark* [2002] EWCA Civ 1534, [2003] RPC 25 at [12] and [53].
31. A decision does not contain an error of principle merely because it could have been better expressed: *REEF Trade Mark* (above).
32. Ms Széll accepted that the standard of review laid down by these authorities applied to this appeal notwithstanding the non-participation of the other side. The revocation applicant was entitled to let the proprietor do all the running and simply to wait and see whether I was persuaded that there was a basis for overturning any aspect of the decision.

### The Appeal

33. The three elements of the proprietor’s appeal were that:
  - (1) “edible oils” should not have been removed from the specification of goods in Class 29;
  - (2) “spirits (beverages)” in Class 33 should have been limited to “whisky”, rather than being removed altogether from the specification; and
  - (3) there should have been no award of costs.
34. In relation to both points on the specification, the proprietor contended that the Hearing Officer erred in principle when he concluded that use of the term “Orient Express Gift Boutique” did not amount to trade mark use.
35. As regards “whisky”, the proprietor also contended that the Hearing Officer made significant errors in his consideration of the Logo and, as a result, incorrectly concluded that the demonstrated use of the Logo did not amount to use of the registered trade mark either *per se* or “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered” within the meaning of section 46(2).

36. The point on costs was that the Hearing Officer's statement that the revocation applicant had been "substantially successful" was manifestly wrong. The revocation applicant had succeeded in part and failed in part. The fair and proper approach should therefore have been to make no award of costs.
37. I shall deal with the "Orient Express Gift Boutique" point first, since this is relevant to both categories of goods in issue; then I shall consider the Logo, which arises only in relation to whisky; and lastly, costs.

Use of "Orient Express Gift Boutique" as name of on-board boutique

38. Whisky and virgin olive oil were two of the categories of goods listed by Ms Clark as having been "sold in the Train boutiques over the past 5 years". The question that arises in this appeal is whether the Hearing Officer made an error of principle when he concluded that use of the term "Orient Express Gift Boutique" did not constitute use of the registered trade mark.
39. Ms Széll argued on behalf of the proprietor that the Hearing Officer mis-applied the ECJ ruling in Case C-17/06 *Céline Sarl v Céline SA* [2007] ETMR 80. In particular, he ignored the fact that the ECJ had expressly stated that use of a trade or shop name could in some situations amount to trade mark use and therefore failed to consider whether such was the case here. He also based his decision on an incorrect assumption that the Orient Express Gift Boutique was equivalent to the type of duty free trolley that appears on board aircraft.
40. The statement in *Céline* that is relied on by Ms Széll comes at paragraph 23 of the longer quote from the ECJ decision that I set out below (my emphasis added):

21. 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" within the meaning of Art.5(1) of the Directive.

22. Conversely, there is use "in relation to goods" within the meaning of Art.5(1) of the Directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, *Arsenal* at [41] and *Adam Opel* at [20]).

23. 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.

24. In the main proceedings, it is for the national court to determine whether the use by Céline Sàrl of the Céline sign constitutes use in relation to those goods for the purposes of Art.5(1) of the Directive.

25. Lastly, Céline SARL claims that there could be no confusion on the part of the public as to the origin of the goods in question.

26. As was noted at paragraph 16 of this judgment, the **unauthorised use** by a third party of a sign which is identical to a registered mark in relation to goods or services which are identical to those for which that mark is registered **cannot be prevented under Article 5(1)(a) of the directive unless it affects or is liable to affect the functions of the mark, in particular its essential function of guaranteeing to consumers the origin of the goods or services.**

27. That is the situation where the sign is used by the third party in relation to his goods or services in such a way that consumers are liable to interpret it as designating the origin of the goods or services in question. In such a case, the use of the sign is liable to imperil the essential function of the mark, since, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, to that effect, *Arsenal Football Club*, paragraph 48 and the case-law cited, and paragraphs 56 to 59).

28. In the main proceedings, **it is for the national court to determine whether the use by Céline SARL of the Céline sign affects or is liable to affect the functions of the ‘Céline’ sign, particularly its essential function.**

41. *Céline* was about infringing use under article 5(1) of the Directive, so one first has to consider whether the ECJ’s guidance has any bearing on the question of genuine use under articles 10(1) and 12(1). It seems to me that it does since, in the same way that the Court emphasises here that infringing use only arises where the use concerned has an effect on the essential function of the registered trade mark (see also Case C-206/01 *Arsenal v Reed* [2003] ETMR 19 at [51]), it has also stated that ‘genuine use’ of a registered trade mark requires use “in accordance with its essential function, which is 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”: *Ansul v Ajax* (at [43]).

42. Applying *Céline* to a case where the use of a shop name is relied on as “genuine use” of a registered trade mark, and taking into account the guidance given in *Arsenal* and *Ansul*, the question that has to be determined is whether the shop name is perceived by relevant consumers as an identifier of the origin of the goods that are sold through the shop, or merely as an identifier of the retail business being carried on. That is a question of fact which will depend on all the circumstances of the case. As the ECJ indicates in *Céline* (at [22]), if a shop name is actually affixed to goods, the marketing of those goods will amount to relevant use. But, since such marketing would amount to use of the name affixed to the goods whether or not those goods

were sold through a shop bearing the same name, that observation does not help a great deal.

43. Ms Széll argued that part of the reason for the Hearing Officer reaching the wrong conclusion about the use of “Orient Express Gift Boutique” in this case was that he made an incorrect assumption that the Orient Express gift boutiques were equivalent to duty free trolleys on aeroplanes. In Ms Széll’s submission, the purpose of duty free trolleys on aeroplanes is to sell goods cheaply to people who happen to be in transit, whereas the purpose of the Orient Express gift boutiques is to sell souvenirs to travellers on the Orient Express trains. While purchasers from the on-board duty free trolley simply want to save money on goods they could buy elsewhere, purchasers from the on-board Orient Express gift boutiques are looking to buy something special as a memento for themselves or a present for someone else, which is specifically linked to the Orient Express ‘brand’. Someone who buys a product from the Orient Express gift boutique does so as part of the luxury experience of travel on an Orient Express train. If a product acquired from the Orient Express gift boutique turned out to be shoddy, the purchaser would complain to the operators of the Orient Express. The Orient Express name is thus being linked to the goods acquired by its use as the name of the gift boutique.
44. While this all sounds quite plausible, I have to consider what evidence there was of such matters before the Hearing Officer, in particular in relation to edible oils and whisky.
45. The starting point is the evidence about the use that had been made on the trains of the expression “Orient Express Gift Boutique”. Ms Clark used the term, “Orient Express gift boutique” (without capitalised initial letters of “gift” and “boutique”), in her witness statement, as follows:
3. ...Orient Express gift boutiques feature on both of the Trains. The Orient Express gift boutique is visited by the vast majority of passengers on the Trains – the British Pullman has a mobile boutique in the form of a trolley. ...
6. Sales of foodstuffs from the Orient Express gift boutiques have also been made over the Internet, as can be seen from Exhibit 2.
7. ... These documents show that hampers, containing a range of foodstuffs and beverages were sold in Orient Express gift boutiques, and direct to UK customers from 2003 onwards.
46. Exhibit 2 included some pages printed from a website at [www.orient-express.com](http://www.orient-express.com). Across the top of these pages is a banner containing the words “Orient-Express Gift Boutique” in slightly stylised form, which in context serves as the name of the on-line shop, but does not tell us anything about whether or how the same name appears on board the trains. The web pages include photographs of a man and woman who appear to be purchasing goods from another man at a counter, which is presumably

the counter at the on-board gift boutique. But it is impossible to tell from the photograph whether the words “Orient Express Gift Boutique” actually appear.

47. At paragraph 24 of the decision, the Hearing Officer stated that no evidence had been provided as to the signage used, either at the fixed gift boutique area on the trains, or on the trolley on the British Pullman. There was no challenge to this statement by the proprietor. Nor did Ms Széll try to persuade me that the hearing officer was wrong to conclude that the area of the train used for selling gift items was more likely to carry the tag “boutique” or “gift shop” than “Orient-Express gift boutique”.
48. Therefore, so far as on-board use is concerned (the proprietor having conceded that the on-line gift boutique did not assist the case in relation to edible oils and whisky), all we know from the evidence is that there is an on-board gift boutique, and that a company representative refers to it as the “Orient Express gift boutique” when she talks about it.
49. It thus seems to me that the evidence of consumer-facing use of the term “Orient Express Gift Boutique” was insufficient to get the argument based on *Céline* off the ground, and the Hearing Officer would have been entitled to disregard this term for that reason alone. However, I go on to consider the merits of that argument since the Hearing Officer did so and the proprietor has argued the appeal on this basis.
50. If the proprietor had succeeded in establishing that the name “Orient Express Gift Boutique” had been used on board the trains, the Hearing Officer’s job would then have been to determine whether such use could be said to have been “in relation to” the goods in issue. In the words of the ECJ in *Céline*, the question would be whether the name was used in such a way that a link would be established between the sign and the goods. If all of the goods in a boutique that bears a name on prominent signage were themselves clearly marked with the same name, then it might be reasonable to conclude that such a link was intended not only by the use on the goods, but also by the use on the boutique signage. But the problem for the proprietor in this case is that, while there clearly are some goods that bear Orient-Express-related branding, there are others that do not or where the branding is unclear.
51. For example, exhibit 2 contains publicity flyers about various hampers available through the on-board and on-line gift boutiques. While the hampers themselves are sold as “Limited Edition Orient-Express Hampers”, their contents include numerous food and drink products that bear third party trade marks, such as Williamson & Magor Earl Grey teabags, Partridges blackcurrant extra jam, and McKenzie oval Albert biscuits. One also finds in exhibit 1 a photograph of the olive oil bottle that is said to be sold through the gift boutiques (not as part of the hampers), on which the

labelling is completely illegible. In a letter apparently from the suppliers of the olive oil, it is referred to as “Tenuta Pianelli Olive Oil”, which may indicate that this branding remains on the bottle. We simply do not know from the available evidence.

52. Although there was no unequivocal evidence that third party branded goods were sold through the on-board boutiques, other than those within the hampers, it is clear that the Hearing Officer inferred from the available evidence that this was the case. Taking the evidence as a whole, I am unable to say that the Hearing Officer erred in drawing this inference, and I therefore cannot find significant fault with the analogy that he drew (at [24]) with duty free trolleys or with his comment (at [31]) that the case involved a shop/boutique where goods which have other marks are sold.
53. The Hearing Officer did perhaps deal with the *Céline* point rather briefly, without spelling out the guidance that he was following. However, the point had been argued before him, and he reached a clear conclusion that the claimed use of “Orient Express Gift Boutique” was “non-trade mark use” and that the name did not operate as a “badge of origin”, which was entirely consistent with the application of *Céline* to his findings of fact. Any legitimate criticism here would simply be to the manner of expression used rather than the identification of real errors.
54. In summary, the Hearing Officer did not make any significant error when he concluded that the use claimed of the name “Orient Express Gift Boutique” did not amount to use of the registered trade mark.
55. That conclusion effectively disposes of the appeal in relation to edible oils, for which the evidence of use was limited to an assertion by Ms Clark that virgin olive oil had been sold in the train boutiques. As I have already mentioned, the supporting exhibits left it totally unclear as to whether the olive oil bottles bore any Orient-Express branding, so the proprietor was reliant on succeeding on the “Orient Express Gift Boutique” point to keep edible oils (or at least olive oil) in the specification.

#### Use of the Logo on whisky cases

56. The proprietor’s evidence included pictures of a whisky bottle case bearing the Logo among the pictures of goods said to be sold through the on-board gift boutiques, reproduced in Annex 2 hereto. In the absence of other evidence of use of the registered trade mark in relation to whisky, and having failed in relation to “Orient Express Gift Boutique”, the only chance of preserving “whisky” in the Class 33 specification is to persuade me that the Hearing Officer made a material error when he decided that use of the Logo was not use of the registered trade mark or use of a mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it is registered.

57. Ms Széll argued that the Hearing Officer wrongly failed to consider whether the mark ORIENT-EXPRESS was itself used whenever the Logo was used, that mark being equivalent to the registered trade mark since the addition of the hyphen was *de minimis*.

58. In the alternative, she argued that, if the Logo as a whole had to be compared with the registered trade mark, so that section 46(2) came into play, the Hearing Officer made errors of principle in his approach to that comparison.

59. It is convenient to take the second of these arguments first, since this is a criticism of what the Hearing Officer actually said. The first argument is a complaint about what he did not do, which is easier to put into context having looked at what he did.

*Use in a form differing in elements which do not alter the distinctive character of the registered trade mark under section 46(2)*

60. I have already set out the paragraphs of the decision in which the Hearing Officer considered various authorities under section 46(2) and analysed the Logo in the light of those authorities (see paragraphs 19 to 21 above). The proprietor claims that the Hearing Officer made the following material errors in his approach:

- (1) He failed to give any reasoning to support his statement that the words VENICE SIMPLON could not be overlooked.
- (2) He was wrong to take into account the question of whether the words ORIENT-EXPRESS had an “independent distinctive role” within the Logo. Alternatively, if that were a relevant consideration:
  - (a) he failed to give any reasoning for saying that they do not have any independent distinctive role within the composite mark; and
  - (b) it was factually incorrect to state that they did not.

61. For these reasons, the proprietor invites me to consider the matter afresh and, when doing so, to take account of the following observations on the Logo:

- (1) The words VENICE SIMPLON appear in very much smaller typeface than the words ORIENT-EXPRESS and they blend in with the surrounding decorative elements of the Logo.
- (2) In contrast, the words ORIENT-EXPRESS extend significantly to the left and right of those elements.
- (3) Thus the words ORIENT-EXPRESS dominate the mark and little emphasis would be put on the words VENICE SIMPLON.

62. I remind myself at this point that, however much I might agree with the observations in the last paragraph, I may only take them into account in a fresh assessment of the Logo if I agree that the matters raised in the previous paragraph justify the setting aside of the Hearing Officer's own assessment.
63. I also note that a complaint about lack of reasoning in a Hearing Officer's decision about his comparison of two marks may be a valid one if it is not possible, from the reasons given, to conclude that he approached the comparison on the correct basis: *OPEN COUNTRY Trade Mark* [2000] RPC 477 (CA).
64. The Hearing Officer was undoubtedly right to rely on the Court of Appeal decision in *BUD and BUDWEISER*. It is the leading English authority on the interpretation of section 46(2), and it is binding on the Registry (and me). The regard he paid to the *New Covent Garden Soup Co.* decision was not surprising, since that was an example of the application by a very experienced hearing officer (Allan James) of the principles in *BUD* to a claim that the use of words inside a device mark amounted to genuine use of a registered trade mark for the words alone. However, his reliance on that case does give rise to a problem to which I shall return below.
65. The Hearing Officer did not refer to any of the European Court authorities that post-date *BUD* before he analysed the Logo. These have been reviewed in some detail in two decisions of Richard Arnold QC, sitting as Appointed Person, in which he considered the Court of First Instance's decisions in relation to article 15(2)(a) of the CTM Regulation (corresponding to section 46(2) of the Act), and their affirmation by the ECJ, as well as extracts from the Opposition Guidelines followed by the Office for Harmonisation in the Internal Market ("OHIM") in relation to the same provision: *NIRVANA Trade Mark* (BL O/262/06) and *REMUS Trade Mark* (BL O/061/08). The Hearing Officer was clearly aware of the *NIRVANA* case, since he referred to it later in the decision in connection with the correct approach to reducing a specification, though he did not refer to it in connection with section 46(2). The decision in *REMUS*, however, was issued between the hearing and the decision in this case, and it is possible (though perhaps unlikely) that the Hearing Officer was not aware of it.
66. It is unnecessary for me to give any further details here of the various underlying decisions. Their full case references are set out in *NIRVANA* and *REMUS*. But I do set out below the guidance that Richard Arnold QC derived from his review, which he set out in *NIRVANA* and reiterated in *REMUS*, as follows:
33. .... The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period....
34. The second question is whether the sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen

from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all....

67. There have been no decisions in the ECJ or CFI since *REMUS* that would give any reason to change this guidance. It seems to me that it is fully consistent with the approach laid down in *BUD*, effectively being a step-by-step version of the process that Lord Walker described in the extract that I have set out at paragraph 19 above. I would not expect a different result to come out of a comparison between a logo and a word mark depending on which guidance was being followed.
68. Having established that the Hearing Officer had armed himself with the correct overall test for comparing the Logo with the registered trade mark, can it be said that he applied it incorrectly or that his absence of reasoning leaves it unclear as to whether he might have done?
69. The proprietor's first complaint that the Hearing Officer gave no reasoning for saying that "the words 'Venice Simplon' cannot be overlooked" does not seem to me to be correct. He expressly stated that, since these words appeared above the words "Orient Express" they would be seen or enunciated first which, in his view, meant that they would significantly affect the perception of the registered trade mark, as well as making a very obvious visual and aural difference. Although he did not also spell out in terms that he reached this conclusion *despite the fact that* the words VENICE SIMPLON appeared in significantly smaller typeface than ORIENT-EXPRESS, it is highly improbable that he did not factor this in, particularly since he had reproduced the Logo in the immediately preceding paragraph of his decision, which was sitting on the same page as his written analysis.
70. There is more substance to the second complaint, however, since the Hearing Officer appears to have added a test derived from the wording used in *New Covent Garden Soup Co.* of whether the words of a registered trade mark have "an independent distinctive role" within a composite mark. In that case, the comparison was between the word mark NEW COVENT GARDEN SOUP CO. and the following logo:



In the paragraph of the analysis relied on (set out at my paragraph 20 above), Mr James stated that the average consumer of soups would regard the words as having an "independent distinctive role" within the composite mark.

71. It is clear from the rest of his analysis that the focus of Mr James’s attention was on the *BUD* test of same/different distinctive character, and I would not criticise his conclusion that the words had the same distinctive character when they were used as part of the logo as they did when used alone. But I do not regard his comment about the words maintaining an “independent distinctive role” within the composite mark as being a necessary step in the process. It seems to me that, whether or not the word element of a composite mark has an “independent distinctive role” may be relevant to the question of whether section 46(2) needs to be considered at all, but it is superfluous to the test laid down in *BUD* or the guidance given in *NIRVANA* and *REMUS*.
72. The Hearing Officer’s reliance on the “independent distinctive role” test may have made no difference to the outcome of his comparison between the registered trade mark and the Logo. However, I cannot be certain about that, particularly since the rest of his analysis is only briefly stated. I do therefore consider that there is sufficient uncertainty about his approach that the analysis should be conducted afresh.
73. In doing so, I bear in mind the purpose of section 46(2), which is to allow a trade mark proprietor to rely on variations in the way in which the mark is used, when exploiting it commercially, for example so as to enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned, provided that the distinctive character of the mark remains the same: *Case T-194/03 Il Ponte Finanziaria SpA v OHIM* at [50]. In this way, a proprietor can also avoid the need to register every different variant of his mark in which the differences do not alter its distinctive character. But variants that go beyond that test, even if the differences are only “slight”, will need to be registered separately to be protected: *BUD* at [22]-[23]; *Case C-234/06P Il Ponte Finanziaria SpA v OHIM* [2008] ETMR 13 at [86].
74. There is no doubt that the words *ORIENT-EXPRESS* appear prominently in the Logo and, in use, are the most legible elements. I also accept Ms Széll’s submission that consumers would see the decorative elements of the Logo as just that – decoration which does not alter the distinctive character of the words that they surround. However, the fact that *ORIENT-EXPRESS* stands out does not mean that other words in the Logo would be ignored. The words *VENICE SIMPLON*, although considerably smaller in font than *ORIENT-EXPRESS*, clearly qualify those words, and would be read together with them. Most people would be aware that Venice is a city in Italy, but Simplon is less likely to be recognised as a place name (in fact, the name of a mountain pass and a region in the Swiss Alps). If there were evidence of exposure to consumers of different versions of the Logo, in which the “Venice Simplon” element changed to “London Glasgow”, “London Paris”, “Paris Istanbul” etc., then there might be a case for saying that the place names

above ORIENT-EXPRESS would be treated as superfluous added matter that does not alter the distinctive character of the ORIENT-EXPRESS element. But there is no such evidence in the case. I have to take the Logo at its face value. Indeed, the small amount of evidence of context that there is tends to support my view of how consumers would perceive the Logo: I note in particular the use of “Venice Simplon Orient-Express” in the name of one of the trains and the use of the intertwined stylised initial letters “VSOE” as seen on the tag in Annex 2.

75. One can conduct a reality test on this outcome by considering what might happen if a third party were to market an alcoholic drink under the name ORIENTAL EXPRESSION. I would expect that the proprietor would have a significantly better chance of challenging that use under section 10(2) of the Act, based on the registered trade mark for the words ORIENT EXPRESS for whisky, than it would based on a registration for the Logo. That being the case, it seems to me that it would defeat the overall object of the non-use provisions in section 46 of ensuring that unused trade marks may not be relied on to prevent the use of marks on the market by third parties or to invalidate a third party’s trade mark registrations, if a small amount of use of the Logo were sufficient to maintain a registration for the words ORIENT EXPRESS alone.

76. Thus, although I have found one of the proprietor’s concerns about the Hearing Officer’s reasoning to be justified, winning that point was a pyrrhic victory, since I agree with the outcome of the Hearing Officer’s analysis under section 46(2).

*Use of the registered trade mark per se under section 46(1)*

77. That leaves the question of whether the Hearing Officer was wrong not to consider whether use of the Logo involved use of the registered trade mark *per se*, and should have concluded that it did. The proprietor relies on two authorities:

(1) The first is the *BUD* case already referred to, in which the Court of Appeal affirmed the hearing officer’s decision that the use on boxes of beer of the text “BUD-BUDVAR-BUDWEISER” involved use of each of BUD, BUDVAR and BUDWEISER as separate marks presented adjacent to each other.

(2) The second is the ECJ decision in Case C-353/03 *Société Des Produits Nestlé SA v Mars UK Limited* [2005] ETMR 96, in which the Court held that the use of a non-distinctive component as part of a composite mark may give rise to that component acquiring distinctive character and thereby becoming registrable under article 3(3) of the Directive. By analogy, Ms Széll submits, use of a component of a composite mark must be capable of defeating an application to revoke a registration for the component.

78. If there is a place for the concept of one trade mark having “an independent distinctive role” within another, this is where it belongs. The essence of the argument is that there are some “composite marks” in which one or more elements within them have an independent distinctive role and therefore that use of the composite mark should be considered use of the element within it as well. In the context of section 46, there would be no need to resort to sub-section 46(2) in such a case, as use of the composite mark would include use of the registered element *per se*.
79. The term “composite mark” in this context is perhaps misleading. Most people would not describe the repeated words BUD-BUDVAR-BUDWEISER as a composite mark, but would see them – as the Court of Appeal said – as separate marks presented adjacent to each other. Similarly, the CFI in Case T-29/04 *Castellblanch SA v OHIM* [2005] ECR II-5309 spoke of “joint affixing of separate marks or indications on the same product”, giving the example in the context of wine products of the name of the winery and the name of the product, and said that “joint use of those elements on the same bottle does not undermine the function of [one of them] as a means of identifying the products in issue”.
80. In *Nestlé*, the ECJ concluded that an inherently non-distinctive trade mark could acquire distinctive character through use under article 3(3) of the Directive, whether it was used (i) on its own, or (ii) “as part of a registered trade mark”, or (iii) “as part ... of a component of a registered trade mark”, or (iv) as “a separate mark in conjunction with a registered trade mark”. The only question of importance was whether, as a result of the use in each case, the relevant class of persons actually perceive the relevant goods or services as originating from a given undertaking.
81. The underlying issue in that case was whether the use of HAVE A BREAK ... HAVE A KIT KAT could have resulted in the element HAVE A BREAK acquiring distinctive character. The question in a non-use context would be whether the use of HAVE A BREAK ... HAVE A KIT KAT would amount to use of the registered trade mark HAVE A BREAK for the purpose of defending a revocation action.
82. I would expect the answer to be that it could do so in theory, but subject to proof on the facts that consumers perceive HAVE A BREAK to be used as an indication of origin, irrespective of the appearance of the additional words. It would be for the proprietor to overcome the practical difficulties of proving this state of affairs. I do not see why the theory should be any different in the case of a logo that contains both words and graphical elements, though the practical difficulties would be at least as great.
83. This is a difficult area, and one which has already been discussed in some detail by Richard Arnold QC in *REMUS*. Luckily, I do not need to take the argument any

further in this case because it is too far from a situation where the submission could be made good on the facts. It is clear from my analysis in paragraph 74 above that I do not agree with the proprietor's contention that the words ORIENT EXPRESS would be perceived as being used independently within the Logo. Additional evidence might have persuaded me of that, but none was available. The Hearing Officer was thus right to treat the case as one to which section 46(2) applied, and I have already made my decision in relation to that.

#### First instance costs award

84. The Registrar is given a wide discretion to award "such costs as he may consider reasonable" under section 68 of the Act. Tribunal Practice Notice 2/2000 sets out the principles by which the Registrar is expected to exercise that discretion, and provides for a scale of costs to be awarded for the various steps required to be taken in Registry proceedings in the majority of cases, as well as giving some guidance about the circumstances in which costs off the scale might be warranted. The scale has been updated by Tribunal Practice Notice 4/2007 for proceedings commenced on or after 3 December 2007, but the scale set by TPN 2/2000 still applied to this case at first instance, and the principles therein continue to apply for all cases.

85. The Registrar's discretion is subject to the overriding factor that he must act judicially: *Rizla Ltd's Application* [1993] RPC 365, reiterated in TPN 2/2000. This principle has often been relied on (as it was in *Rizla*) in connection with applications for compensatory awards to be made, off the normal scale fees. However, it also applies whenever scale fees are being awarded.

86. Further guidance as to the factors that should be taken into account in the exercise of judicial discretion as to costs can be derived from rule 44.3 of the Civil Procedure Rules, relevant extracts from which provide as follows:

44.3 (1) The court has discretion as to—

- (a) whether costs are payable by one party to another;
- (b) the amount of those costs; and
- (c) when they are to be paid.

(2) If the court decides to make an order about costs—

- (a) the general rule is that the unsuccessful party will be ordered to pay the costs of the successful party; but
- (b) the court may make a different order.

(4) In deciding what order (if any) to make about costs, the court must have regard to all the circumstances, including—

- (a) the conduct of all the parties;
- (b) whether a party has succeeded on part of his case, even if he has not been wholly successful; ...

- (5) The conduct of the parties includes—
- (a) conduct before, as well as during, the proceedings, and in particular the extent to which the parties followed any relevant pre-action protocol;
  - (b) whether it was reasonable for a party to raise, pursue or contest a particular allegation or issue;
  - (c) the manner in which a party has pursued or defended his case or a particular allegation or issue;
  - (d) whether a claimant who has succeeded in his claim, in whole or in part, exaggerated his claim.
- (6) The orders which the court may make under this rule include an order that a party must pay—
- (a) a proportion of another party's costs;
  - (b) a stated amount in respect of another party's costs;
  - (c) costs from or until a certain date only;
  - (d) costs incurred before proceedings have begun;
  - (e) costs relating to particular steps taken in the proceedings;
  - (f) costs relating only to a distinct part of the proceedings; and
  - (g) interest on costs from or until a certain date, including a date before judgment.

87. As the notes at paragraph 44.3.1 in the White Book make clear, this rule was designed to enable orders for costs to reflect the level of success achieved by the receiving party, rather than preserving a position whereby even partial success could be sufficient to obtain an order for costs. As stated in the 3<sup>rd</sup> paragraph on page 1121 of Volume 1 (2008):

Whereas prior to the CPR a party who met with “substantial” success was entitled to all his costs, the situation has since changed.

88. There are now several Court of Appeal authorities on the subject of CPR r. 44.3, which bear out this comment. Taken together, they show a much more flexible approach to costs than before, ranging from multi-issue cases where costs are considered on an issue by issue basis (e.g. *Summit Property Ltd v Pitmans* [2001] EWCA Civ 2020), to those where partial success on an application results in an order for costs that is discounted to reflect the applicant’s degree of success (e.g. *Jim Ennis Construction Ltd v Thewlis* [2003] EWCA Civ 1273). In this way, the courts try to reflect the realities of the case in a fair way.

89. The authority that I have found particularly helpful for this case is the judgment of Sir Peter Gibson in *Martin v Randall* [2007] EWCA Civ 1155, which also discusses how to deal with appeals from costs orders below, as follows:

[13] .... The court has a wide discretion as to costs (CPR 44.3(1)) but the general rule is that the unsuccessful party will be ordered to pay the costs of the successful party, though the court may make a different order (CPR 44.3(2)). In considering

which party is the successful party a test which may sometimes be applied is: which party has to pay money to the other? See for example *Day v Day (Costs)* [2006] EWCA Civ 415 para 17 per Ward LJ.

[14] In deciding what order if any to make on costs the court must have regard to all the circumstances, including the conduct of the parties, whether a party has succeeded on part of his case even if he has not been wholly successful, and any admissible offer to settle made by the party and drawn to the court's attention, whether or not made in accordance with Pt 36 (see CPR 44.3(4)). The conduct of the parties includes conduct before as well as during the proceedings, whether it was responsible for a party to raise or pursue a particular allegation or issue, and the manner in which it was pursued and whether a Claimant who has succeeded in his claim in whole or in part exaggerated his claim (see CPR 44.3(5)). The wide range of orders which the court may make include ordering a party to pay costs from or until a certain date only and costs incurred before proceedings have begun (see CPR 44.3(6)).

[15] ...

[16] An appellate court's ability to interfere with a trial judge's exercise of discretion is constrained. It is only where the trial judge has exceeded the generous ambit within which reasonable disagreement is possible that the appellate court is entitled to interfere. An often adopted statement of the circumstances in which an appeal against an exercise of discretion will be allowed is that of Stuart-Smith LJ in *Roache v News Group Newspapers Ltd* [1998] EMLR 161 at p 172:

'Before the court can interfere it must be shown that the judge has either erred in principle in his approach or has left out of account or has taken into account some feature that he should, or should not, have considered, or that his decision was wholly wrong because the court is forced to the conclusion that he has not balanced the various factors fairly in the scale.'

90. Turning back to the situation in this case, the only reasoning given by the Hearing Officer before ordering the proprietor to pay £2,000 was that the revocation applicant had been “substantially successful” and was therefore “entitled to a contribution towards their costs”. Of course, the scale fees that apply in Registry proceedings are inherently no more than a contribution towards costs, even when the maximum amount under the scale is awarded. So it is not clear from his use of the word “contribution” whether the Hearing Officer intended to treat the revocation applicant effectively as the “winner” or merely as more winner than loser.

91. The maximum that could have been awarded to an applicant for revocation under the scale in TPN 2/2000 was as follows:

1.	Application & statement of grounds	£300
2.	Considering defence and counter-statement	£200
3.	Preparing & filing evidence	£1,500
4.	Considering evidence	one half of item 3
5.	Preparing for & attending hearing	£1,500

giving a maximum total of £4,250 on top of the £200 application fee. However, in a case which has proceeded without any complications and in which only one very short witness statement is submitted, with limited exhibits, and the only evidence from the other side is a commentary on that evidence, one would not expect anything close to the full amount to be awarded even in the event of complete success.

92. I bear in mind the following comment in TPN 2/2000:

11. ... A survey of recent substantive decisions indicates that the average award of costs by Hearing Officers in patents and trade marks cases is around £700. This is an insignificant sum, even as a contribution, in the current climate. The Office has proposed, and users have not disagreed, that an average closer to £2,000 would be more suitable: this would not represent full cost recovery but would be a realistic contribution. A revised scale which should deliver an average award of that order is set out at annex A.

93. My own, admittedly imperfect, survey of awards of costs made by Hearing Officers in applications for revocation in the year leading up to the decision in this case (in cases to which the scale fees in Annex A to TPN 2/2000 still applied) tells me that £2,000 is in the mid- to upper-range of costs awards to a successful party for a case involving only one trade mark.

94. It therefore appears both from the Hearing Officer's comments and from the amount actually awarded that he was effectively treating the revocation applicant as being entitled to a costs award as if it was the overall winner.

95. I agree with the proprietor that this did not reflect the true situation. This is not a case where CPR 44.3(2)(a) would apply as a matter of course. The application was brought against the entirety of the registered trade mark, subject only to the exceptions of coffee, sugar sachets and chocolate truffles, whereas the proprietor managed to persuade the Hearing Officer that several other descriptions of goods should be maintained in the specification. In the circumstances, it does appear that the Hearing Officer failed to assess the relative levels of success achieved by each party fairly, or to consider any of the matters set out in CPR 44.3. Alternatively, if he did factor in such matters, it is not apparent from his decision that he did so. I therefore need to look at the question of costs afresh.

96. As a first step, the measure of success of the application can be taken by comparing the original specification with the reduced specification ordered by the Hearing Officer, both set out at Annex 1 hereto. There is no other evidence available to me as to what the "real dispute" was between the parties. (For example, was the revocation applicant's real interest in getting "fresh fruits and fresh vegetables" out of the picture, as it succeeded in doing; or was "wines" its primary target, in relation to which it failed?) So I cannot give particular weight to the presence or absence of particular goods in the final specification. On the other hand, I believe that it would

be taking the “issues-based approach” too far if I were simply to count up the number of goods that were knocked out of the specification and compare it with the number of the goods that are left. But I do regard it as significant (in the revocation applicant’s favour) that the cut-down specification contains no goods in class 31; and it is also significant (in the proprietor’s favour) that classes 29, 30 and 33 remain populated with a substantial portion of the original specification.

97. If I were to do what the proprietor asks, and make no order as to costs, I believe that this would be unjust to the revocation applicant. It was only by bringing the application and pursuing it to the end of a hearing that partial revocation was achieved. The proprietor’s defence of the application was across the board, notwithstanding the fact that it was only able to adduce evidence in relation to a subset of the specification. It was only in the proprietor’s skeleton argument submitted two days before the hearing that there was any acceptance that a reduced specification was appropriate, by which time the majority of the costs had been incurred. And the reduced specification that was proposed in the skeleton argument still contained a number of goods in respect of which genuine use was not established.

98. On the other hand, the revocation applicant ought to have realised, having seen the proprietor’s evidence, that aspects of its application would fail, and to that extent it could have made concessions before the hearing. Although a ‘fall-back position’ was included in both the evidence and the skeleton argument submitted by the revocation applicant, total revocation was still sought (subject to the goods that had been conceded in the statement of grounds attached to the Form TM26(N)).

99. Weighing up: (i) the scope of the attack on the registered trade mark; (ii) the extent of the success achieved by the revocation application in its attack and by the proprietor in its defence of the mark; (iii) the quantity and nature of the evidence in the case; and (iv) the parties’ respective approaches to the case generally, – I conclude that the revocation applicant was entitled to receive some contribution towards its costs, but one that was significantly less than if its application had been entirely successful. In my judgment, a just and fair award would have been £1,000.

Conclusion

100. My decision can be summarised as follows:

- (1) I dismiss the appeal in relation to the requested reinstatement of “edible oils” and “whisky” in the cut-down specification; and
- (2) I set aside the Hearing Officer’s order for costs and substitute my own order that the proprietor should pay the revocation applicant £1,000 as a contribution towards its costs. This is subject to a set-off discussed below.

101. So far as the costs of the appeal are concerned, it does not appear that the revocation applicant incurred any at all. It may or may not have instructed its representatives to advise on the appeal, but I will assume not in circumstances where no representations have been made and where even my own request for clarification of matters prior to the hearing was ignored. Therefore the revocation applicant is not entitled to any contribution to costs in relation to the aspects of the appeal that it “won”.

102. The proprietor has succeeded in halving the costs order that was made against it at first instance, having argued for a reduction to zero. I do not know whether it would have brought this aspect of the appeal if it had not been objecting to aspects of the substantive decision as well. However, it would have been entitled to do so, and I believe that it would be unjust to give no recognition to the partial success that it has had on this point. Bearing in mind that the point did not involve lengthy written or oral submissions, I have concluded that a fair approach would be to make a small award by way of set-off against the first instance costs that are due, in the amount of £200.

103. The final position on costs is therefore that the proprietor should pay to the revocation applicant the sum of £800, which I order to be paid within 14 days of being notified of this decision.



ANNA CARBONI

31<sup>st</sup> October 2008

The Appellant (the registered proprietor) was represented by Ms Kate Széll of Venner Shipley LLP. Freeth Cartwright LLP remained on the record for the Respondent (the applicant for revocation), but the Respondent was not represented at the hearing and made no written submissions.

## ANNEX 1

### Part 1 – full specification for registered trade mark no. 1193215

Class	Specification of goods	Registration process completed
Class 29	Meat; fish, poultry and game, none being live; other than for animals; meat extracts; fruits and vegetables, all being preserved, dried or cooked; jellies and dairy products, all for food; jams, eggs, milk, edible oils, edible fats; food preserves; pickles.	10.07.87
Class 30	Coffee, tea, cocoa, sugar, rice, tapioca, sago; mixtures of coffee and chicory, coffee essences and coffee extracts; chicory and chicory mixtures, all for use as substitutes for coffee; flour, preparations made from cereals for food for human consumption, bread, biscuits (other than biscuits for animals), cakes, pastry, non-medicated confectionery; ices, honey, treacle; yeast and salt, all for food; baking powder, mustard, pepper, vinegar, sauces, spices (other than poultry spices); ice.	10.07.87
Class 31	Fresh fruits and fresh vegetables.	08.05.85
Class 32	Beer, ale and porter; mineral waters, aerated waters, non-alcoholic drinks and preparations for making such drinks, and syrups, all included in Class 32.	20.03.85
Class 33	Wines, spirits (beverages) and liqueurs.	20.03.85
Class 34	Tobacco, whether raw or manufactured; smoker's articles included in Class 34; matches.	20.03.85

### Part 2 – cut-down specification for registered trade mark no. 1193215

Class	Specification of goods	Dates of partial revocation*
Class 29	Preserved fish; soup; jellies; crisps; jams and marmalade.	11.07.92
Class 30	Coffee; tea; biscuits (other than biscuits for animals); cakes; non-medicated confectionery; honey; salt and relishes.	11.07.92
Class 31	-	09.05.90
Class 32	Cordials.	21.03.90
Class 33	Wines and liqueurs.	21.03.90
Class 34	Tobacco, whether raw or manufactured; smoker's articles included in Class 34; matches.	-

\* See paragraphs 25-27 of this decision for an explanation of the revocation dates.

ANNEX 2

Whisky case bearing the Logo

