

O-327-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RESPECT OF REGISTRATION
NO. 2024099A IN THE NAME OF
DENNISON TRAILERS LTD**

AND

**REVOCATION NO. 81513 THERETO BY
YORK TRAILERS LTD**

TRADE MARKS ACT 1994

IN THE MATTER OF an Interlocutory Hearing
in respect of Registration No. 2024099A
in the name of Dennison Trailers Ltd and
Revocation No. 81513 by York Trailers Ltd

Background

1. Trade mark registration No. 2024099A is in respect of the following mark:



and is registered in class 12 in respect of: *Motor vehicle trailers and semi-trailers; parts and fittings for the aforesaid goods.*

2. By an application dated 11 November 2003, York Trailers Ltd applied for revocation of the registration under the provisions of Sections 46(1)(a) and (b) of the Act. The basis of the application is that the mark has not been used on or in relation to the goods covered by the registration and that there are no proper reasons for non-use.

3. For completeness, I should say that at the time the application to revoke the registration was made, the registration stood in the name of Utility International Ltd. The registration was later subject to an assignment which was recorded at the registry and the registration now stands in the name of Dennison Trailers Ltd.

4. The registered proprietor filed a counterstatement in which it essentially denies the mark has not been put to genuine use. Along with the counterstatement the registered proprietor filed evidence purporting to be evidence of use of the mark.

5. By way of a letter dated 1 March 2004 the applicant submitted that the evidence filed was insufficient to meet the evidential burden on the registered proprietor and requested the immediate cancellation of the registration. A number of letters were then exchanged between the parties and registrar. This correspondence culminated in a letter from the registrar and dated 25 May 2004 which indicated that it was the registrar's preliminary view that the evidence filed was not sufficient to discharge the onus on the registered proprietor to prove use of the mark.

6. The registered proprietor requested a hearing to argue against the preliminary view and a hearing took place before me on 21 July 2004. At the hearing the registered proprietor was represented by Mr Fernando of Counsel instructed by Pinsents, the applicant by Mr Wyand QC instructed by Baron & Warren. Following the hearing I issued my decision which was that the evidence was not sufficient to discharge the onus on the registered proprietor to show use of the mark on the specification of

goods as registered within the relevant period. I went on to consider whether I should exercise discretion in favour of the registered proprietor to allow the proceedings to continue. I declined to exercise that discretion in the registered proprietor's favour and determined that the opposition to the application would be deemed to have been withdrawn.

7. Following the issue of my decision, a period of one month was allowed for either party to file a Form TM5 requesting a full written statement of the grounds of that decision. The Form TM5 being filed within the period allowed, I set out below the grounds of my decision.

Registered proprietor's evidence

8. The evidence consists of two witness statements each supported by exhibits. The first is by James Dennison and dated 17 February 2004.

9. Mr Dennison is the Managing Director of the registered proprietor ("his company") and has held that position since February 1998. He states that his company is a leading manufacturer of commercial vehicle semi-trailers and operates across the whole of the UK.

10. Mr Dennison explains that his company purchased the registration in suit from liquidators of the previous registered proprietor on 14 November 2002 "including all associated goodwill and common law rights associated with the business connected under the trade mark forming the subject of the said Registration".

11. Mr Dennison states:

"I understand that the previous owners of Registration No. 2024099A, Utility International Limited were created as a joint venture between Utility Trailer Manufacturing Company of the United States of America and Wordsworth Holdings plc in November 1997 and started trading in early 1998. I understand that Utility International Limited traded under the trade mark forming the subject of Registration No. 2024099A (hereinafter referred to as "The Trade Mark"), amongst other brands, and manufactured and sold trailers and associated parts and fittings under the said trade mark. I understand from Stephen Bennett, who was the Managing Director of Utility International Limited from 1998, that Utility International Limited used the trade mark in relation to trailers throughout 1998 into 1999 and even beyond. I understand from Stephen Bennett that the Trade Mark was used on Vehicle Identification Numbers, which appeared on the trailers much later than 1999. I understand from Stephen Bennett that a large order was made to Blue Circle Cement of trailers carrying the Trade Mark in 1999."

Mr Dennison does not give any explanation for the basis of his understandings.

12. Mr Dennison explains that prior to Utility International Ltd's ownership of the trade mark in suit, it was owned (and indeed was originally applied for) by Wordsworth Holdings Ltd.

13. Mr Dennison states:

“Various companies still provide parts for trailers branded under the trade mark and have done so continuously to my knowledge since 1998 with our consent and the consent of previous owners of the trade mark. An example of this is Stanway Commercials Limited who supply parts and carry out associated repair and maintenance services for trailers branded under the York and Leaf Device.”

Mr Dennison doesn't say under which trade mark any parts are/were supplied.

14. Attached to Mr Dennison's witness statement are a number of exhibits headed JD1-12. I will return to these later in this statement of grounds.

15. The second witness statement is by Terry Brayshaw also dated 17 February 2004. Mr Brayshaw states he is the Managing Director of Stanway Commercials Ltd (“the company”) a position he has held since 1 April 2000.

16. It is, I believe, appropriate to set out Mr Brayshaw's witness statement in some detail. He states:

“I understand that Utility International Limited was created as a joint venture between Utility Trailer Manufacturing Company of the United States of America and Wordsworth Holdings plc in November 1997. Utility International Limited traded under the YORK and Leaf device, amongst other brands, and manufactured and sold trailers and associated parts and fittings under the said brand. Fifty percent of the Company was owned by Utility International Limited from 1998 until the receivership of Utility International Limited in late 2002. The Company provided repair and maintenance services to Utility International Limited and third parties, in particular the repair and maintenance of trailers branded under the YORK and Leaf device until the receivership of Utility International Limited. Such services were also provided to third parties who had purchased trailers carrying the YORK and Leaf device, in the form of a maintenance package provided in association with Utility International Limited. The Company also supplied parts to trailers manufactured and distributed by Utility International Limited under the YORK and Leaf mark to third parties and in fact continue to do so to this day. The YORK and Leaf Device still appears on the side of the Company's factory and while we were part owned by Utility International Limited appeared prominently on business cards and administrative and promotional literature. The Company would have repaired and serviced hundreds of trailers carrying the YORK and Leaf device while we were part owned by Utility International Limited up until late 2002 and still service such trailers today. Also we would have provided thousands of parts which would have been supplied to fit trailers to which the YORK and Leaf Device would have been applied. The sale of such parts would have been under the YORK and Leaf Device.”

17. Mr Brayshaw goes on to state:

“I know from my association with Utility International Limited and the goods and services we sold in association with Utility International Limited that trailers carrying the YORK and Leaf device were sold in 1999 and 2000 if not later. All trailers carry identification which show when they were manufactured and given that we still supply parts for and repair trailers which carry the YORK and Leaf device, I know that trailers are being serviced now by the Company which carry the YORK and Leaf device and were manufactured in 1999 and 2000. In fact we have 20 trailers on there (sic) way from a client called WH Malcolm which require servicing in a few weeks time and I understand these trailers were manufactured in 2000 and carry the YORK and Leaf device.”

18. Mr Brayshaw also gives no details of the basis of this understanding.

19. Mr Brayshaw concludes his statement:

“I can categorically state, without any doubt, that trailers, trailer parts and associated repair and maintenance services were sold under the YORK and Leaf device by Utility International Limited or the Company up until November 2002. As explained above the Company still supplies parts, which fit trailers carrying the YORK and Leaf device and we still service trailers, which carry the YORK and Leaf Device and were manufactured in 1999 and 2000. The YORK and Leaf device still appears on the side of the Company’s factory.”

20. Mr Brayshaw attaches to his witness statement one exhibit showing the copy of the trade mark which he refers to as the YORK and Leaf device. He does not provide any exhibits to support the claims made in his witness statement.

Grounds of decision

21. The application for revocation is brought under the provisions of Section 46 of the Act. The relevant parts state:

“**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.

(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.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

- (a) the date of the application for revocation, or
- (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

22. In its written submissions the applicant indicated that the application to revoke the registration is to proceed under the grounds of Section 46(1)(b) only. The relevant five year period is therefore 11 November 1998 to 10 November 2003.

23. Rule 31 of the Trade Marks rules read:

“31.-(1) An application to the registrar for revocation under section 46(1)(a) or (b) of the registration of a trade mark shall be made on Form TM26(N) together with a statement of the grounds on which the application is made; the registrar shall send a copy of the application and the statement to the proprietor.

(2) Within three months of the date on which a copy of the notice and statement is sent by the registrar to the proprietor, the proprietor may file a counter-statement, in conjunction with notice of the same on Form TM8 and either:

- (a) two copies of evidence of use made of the mark; or

(b) reasons for non-use of the mark.

Where such a notice and counter-statement, and evidence of use of the mark or reasons for non-use of the mark, are filed within the prescribed period, the registrar shall send a copy of the Form TM8 and the counter-statement, and the evidence of use of the mark or the reasons for non-use of the mark, to the applicant.

(3) Where a counter-statement, in conjunction with a notice of the same, on Form TM8, and evidence of use of the mark or reasons for non-use of the mark, are not filed by the proprietor within the period prescribed by paragraph (2), the registrar may treat his opposition to the application as having been withdrawn.

(4) Within three months of the date upon which a copy of the Form TM8 and counter-statement is sent by the registrar to the applicant, the applicant may file such evidence as he may consider necessary to adduce in support of the grounds stated in his application and shall send a copy thereof to the proprietor.

(5) If the applicant files no evidence under paragraph (4) above in support of his application, he shall, unless the registrar otherwise directs, be deemed to have withdrawn his application.

(6) If the applicant files evidence under paragraph (4) above or the registrar otherwise directs under paragraph (5) above, the proprietor who has filed a notice and counter-statement under paragraph (2) above may, within three months of the date on which either a copy of the evidence or a copy of the direction is sent to him, file such further evidence as he may consider necessary in support of the reasons stated in the counter-statement and shall send a copy thereof to the applicant.

(7) Within three months of the date upon which a copy of the proprietor's evidence is sent to him under paragraph (6) above, the applicant may file evidence in reply which shall be confined to matters strictly in reply to the proprietor's evidence, and shall send a copy thereof to the proprietor.

(8) No further evidence may be filed, except that, in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit.

(9) Upon completion of the evidence the registrar shall request the parties to state by notice to her in writing whether they wish to be heard; if any party requests to be heard the registrar shall send to the parties notice of a date for the hearing.

(10) When the registrar has made a decision on the application she shall send the parties to the proceedings written notice of it, stating the reasons for her decision; and for the purposes of any appeal against the registrar's decision the

date when the notice of the decision is sent shall be taken to be the date of the decision.”

24. The question to be determined is whether the evidence filed by the registered proprietor is sufficient to meet the requirements of rule 31(2).

25. In determining this question I also take account of 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.”

26. In *Groupement Carte Bleue v CB Richard Ellis Inc* [2002] RPC 31, the Hearing Officer considered the purpose and type of evidence a party may consider filing under the provisions of rule 31(2). He commented:

“In my view, taking the Act and the Rules together, they seem to me to envisage that when challenged there is an onus upon the registered proprietor at the outset to provide some evidence that the trade mark the subject of the application for revocation was in use during the relevant period. In that connection, in particular I note that the word “show” is used in section 100 which suggests in revocation proceedings evidence must be more than mere assertion that the trade mark in question has been used, but must be actual evidence which shows how the trade mark is used.”

27. He went on to say:

“I do not consider therefore that the regime requires the registered proprietor to submit within the three-month unextendable period allowed for filing the form TM8, counter-statement and evidence of use, the entirety of their evidence. In many respects that would be unrealistic in a number of cases.....Therefore it seems to me that the Act and the Rules indicate that at least initially the registered proprietor in seeking to defend himself against an allegation of non-use need only show use at the outset which indicates clearly to those concerned that a proper defence is, and can be mounted in relation to the allegation that the trade mark has not been used.”

28. There was much submission at the hearing regarding how I should approach the evidence filed in these proceedings. Mr Fernando submitted that I should evaluate that evidence collectively. Mr Wyand for his part, reminded me that however the evidence is considered the issue is whether it shows evidence of use.

29. As I set out at paragraph 11 above Mr Dennison refers in his witness statement to a Stephen Bennett who, he says, was MD of Utility International Ltd from 1998. He states he understands from Mr Bennett that the mark was used throughout 1998 and 1999 and beyond in relation to trailers but I find it somewhat unsatisfactory that he gives no indication of how he gained this understanding. No evidence has been filed by Mr Bennett himself.

30. Mr Dennison also states he understands from Mr Bennett that a large order of trailers was made to Blue Circle Cement in 1999. Again he gives no indication of how he gained this understanding but does exhibit copies of correspondence which, he says, prove these sales. These copies form Exhibit JD5.

31. JD5 comprises copies of two letters from Stephen Bennett to a John Bright at Blue Circle Industries plc together with three “technical” drawings. The first letter is on paper which bears a Utility International Ltd heading. It is dated within the relevant period and is written by Stephen Bennett. The letter appears to be a quotation for trailers. The trailers are described as “identical to the specification built by YORK last year with the exception of the change in paint and fuel tank detail.” The second letter is on plain paper and bears a date within the relevant period. Again it appears to be a quotation for trailers. It states “Generally the trailers would be built to the same specification as built by YORK TRAILERS last year....” There is nothing in or on either letter to indicate that the trailers to which the quotation applies are being offered under anything other than the Utility name. Indeed there is, I believe, some force in Mr Wyand’s argument that the wording used in the letters differentiates Utility International Ltd from “York”. Certainly there is no indication that the trailers being quoted for were being offered under, or would, if an order followed, be sold under, the mark in suit.

32. The three “technical” drawings filed as part of the exhibit do not appear to relate to either of the copy letters and each of them have dates which pre-date the relevant period.

33. Exhibits JD1, JD4 and JD8 are copies of audited company accounts which make no reference to the trade mark in suit nor to any sales made under the mark. Exhibits JD2 and JD3 are copies of documents relating to the assignment. They contain nothing relating to any use of the mark in suit. Exhibit JD7 is merely a copy of an internal envelope of no probative value in relation to use of the mark on the goods of the registration.

34. Exhibit JD11 is what appears to be some sort of promotional video but I am given no indication of when it was made or if and when it was released. I do, however, note that the video includes footage of a visit to a trailer factory on 7 December 1988 by the then Prime Minister, Mrs Thatcher. This is almost ten years before the start of the relevant period. Exhibit JD12 are printouts from a variety of websites said to be offering trailer parts for sale. The printouts are all taken from the internet well after the end of the relevant period.

35. Exhibit JD9 is a copy of an article taken from the Internet. Whilst the copy shows it to have been downloaded on 15th December 2003, the article itself states it was first published 15th April 1998. The article refers to Utility International Ltd’s take-over of a factory and its plans to take on extra staff. JD10 is a video of a local BBC news broadcast of 12 January 1998. It refers to Utility International Ltd’s investment in a factory.

36. Exhibits JD9 and 10 both date from before the relevant period (some 7 and 10 months respectively). Mr Fernando acknowledged that this material predates the relevant date but argued that it should be taken into account as corroborating other

evidence of use within the relevant period. He also submitted that it could be legitimately inferred from this material that use carried on into the relevant period.

37. In the *Carte Bleue* case the Hearing Officer was also required to consider when an inference was appropriate. He said:

“I note also the decision of Mr Geoffrey Hobbs Q.C. in *CORGI Trade Mark* [1999] R.P.C. 549, and I quote: “I appreciate that the registrar is frequently required to act upon evidence that might be regarded as less than perfect when judged by the standards applied in High Court proceedings. Even so, it is necessary to remember that there is a distinction to be drawn between inference and conjecture.” ”

38. He went on to say:

“The dividing line between conjecture and inference is often a very difficult one to draw. A conjecture may be plausible but it is of no legal value, for its essence is that it is a mere guess. An inference in the legal sense, on the other hand, is a deduction from the evidence, and if it is a reasonable deduction it may have the validity of legal proof.”

39. I cannot infer from this material that goods were sold under the mark 7 months and more later. Despite Mr Fernando’s submission that factories and large scale production are not ephemeral, 7 months is a long time in industry. The reports refer to investment by an incoming company and its future plans but these plans may or may not have come to fruition. Even if they did and the company did start or continue production, it is not unheard of for manufacturing companies to encounter difficulties and cease production over a matter of weeks if not a shorter period. In any event, even if I were to infer that the company’s factory still remained open and goods were being manufactured I could not infer under which trade marks any resulting use might have been made. It is clear from exhibit JD2 that Utility International Ltd owned various trade marks and Mr Brayshaw’s witness statement claims that it traded under the “York and Leaf device, amongst other brands”.

40. The remaining exhibit is JD6. The first two pages are headed “Pre-order engineering request”. I have no evidence before me of what a pre-order engineering request might be but note that each of the papers have an identified customer and sales representative. The forms appear to be a request for something to be done or made available preparatory to an order but I have no evidence which explains this. What the forms do show is a model type, “ZT 2 FPT” and “ZT 3 FCS”. I note that “ZT” is referred to in exhibit JD2 as one of the trade marks assigned by Utility International Ltd. The third page of this exhibit is an untitled form of some sort which shows the customer as being Blue Circle. The form is almost completely devoid of any completed detail, does not bear any reference to the trade mark and is, in any event, undated.

41. Mr Brayshaw’s evidence is brief. He explains the relationship between his company and Utility International Ltd although Mr Wyand pointed out the detail is somewhat at odds with information contained in exhibits attached to Mr Dennison’s evidence. Mr Brayshaw says his company provided repair and maintenance services

for trailers branded under, as he puts it, the “York and Leaf device” and supplied parts for trailers manufactured and distributed by Utility International Ltd under the York and Leaf mark, but this does not mean that any parts were supplied under the trade mark in suit.

42. Mr Brayshaw does go on to say that his company still services such trailers and would have provided thousands of parts to fit trailers to which the York and Leaf device would have been applied and that the sale of such parts would have been under the York and Leaf device. He does not provide any supporting evidence for these assertions but in any event does not specifically address the position during the relevant period.

43. Taking the evidence in its entirety and having subjected it to individual attention, I am unable to agree with Mr Fernando’s submission that I can infer from the evidence that the mark has been used within the relevant period. Neither does the evidence clearly indicate that a proper defence is and can be mounted to the allegation that the trade mark has not been used.

44. Of course that is not an end to the matter. There are also the provisions of rule 31(3) to consider. This reads:

“**31.(3)** Where a counter-statement, in conjunction with a notice of the same, on Form TM8, and evidence of use of the mark or reasons for non-use of the mark, are not filed by the proprietor within the period prescribed by paragraph (2), the registrar may treat his opposition to the application as having been withdrawn.”

45. The use of the words “may treat” in the rule establishes that the registrar has a discretion to allow proceedings to continue notwithstanding the fact that the registered proprietor may have failed to comply with the requirements of the Act and rules.

46. Mr Fernando submitted there were three reasons why the discretion should be exercised in the registered proprietor’s favour. Firstly, he said, the registered proprietor did not have the benefit of the full statutory period to identify and collate its evidence. This was said to be because following the service of the notice of revocation in mid November by the registrar to the then recorded registered proprietor’s address for service (who incidentally also represent the currently recorded registered proprietor), there was a delay of one month whilst the assignees of the mark were located. This may have been the case but, as Mr Fernando accepted, it seems to me that the delay is one that can and should be laid at the registered proprietor’s own door. Rights come with responsibilities. Having assumed the rights to the registration it had the responsibility to ensure the assignment was submitted promptly to the registrar for recordal. Exhibit JD2 shows the assignment of the mark to have been dated 14 November 2002. Exhibit JD3 shows that the application for recordal of the assignment was not filed until 23 December 2003 –more than a year later.

47. The second reason put forward was the inclusion of the Christmas holiday within the period for collecting evidence. I do not believe this argument to have any force. The third reason was that Utility International Ltd., the assignor, had been wound up.

Mr Fernando submitted that this made it “incredibly difficult to track down company documentation with the time period set under the rules”. I accept that the winding up of a company may have an effect on the availability and completeness of its records but I was given no details of what documents may or may not have been already in the registered proprietor’s possession.

48. In any event, there is no evidence before me as to why evidence was not available from other sources. As Mr Wyand pointed out, Mr Brayshaw’s company, for example, could reasonably be expected to have records which corroborate the bald assertions that trailers were made and parts sold in the relevant period under the mark.

49. The evidence required to satisfy the requirement of rule 31(2) should be sufficient to demonstrate that a defence of the trade mark can be mounted. I determined that no such evidence has been filed in this case. Given that there were no proper reasons for non-use claimed and having found that there was no justification for the exercise of the discretion under rule 31(3) the consequences are clear. I determined that the opposition to the application for revocation would be treated as withdrawn.

Dated this 29th day of October 2004

ANN CORBETT
For the Registrar
The Comptroller-General