

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 81505

IN THE NAME OF APPLE PROJECTS LTD

FOR REVOCATION OF TRADE MARK No. 2149359

IN THE NAME OF LOOK C LTD

DECISION

Trade Mark No. 2149359

1. Applied Technologies Manufacturing Ltd applied on 29 October 1997 to register a series of 3 signs as trade marks for use in relation to *'apparatus for recording, transmission and reproduction of sound or images; computer hardware; computer software; but not including software relating to movie stars'* in Class 9. The signs in the series were represented graphically in hand-written form:

MOVIE STAR
MOVIE STAR
MOVIE - STAR

The application proceeded to registration under number 2149359 on 29 May 1998. The registrant changed its name to Look C Ltd with effect from 19 June 2002. In this decision, Look C Ltd is referred to as '**the Proprietor**'.

Revocation Application No. 81505

2. On 10 November 2003 Apple Projects Ltd (*'the Applicant'*) applied under number 81505 for revocation of the registration of trade mark number 2149359 on the basis of non-use. In paragraphs 2 and 3 of its Statement of Grounds it pleaded as follows:

2. The Applicant is the proprietor of pending U.K. application No. **2341180 MOVIESTAR** (Series of Four) filed on 19 August 2003 in relation to "Apparatus and instruments for recording, transmission and reproduction of sound and/or images and parts and fittings therefor; apparatus, instruments and machines, all included in Class 9, for the reception, editing, amplification, relay, monitoring, erasing, recordal, reproduction or transmission of sound and/or images; combinations of the aforesaid apparatus, instruments and machines; electrical input and output apparatus for use with the aforesaid goods; headphones, earphones, microphones, loud speakers, loud speakers in cabinets; parts and fittings in Class 9 for all the aforesaid goods; magnetic tapes, magnetic heads; cassettes and cartridges, all incorporating magnetic tapes; remote control electric switches, electric plugs, electric cables, all for use with sound and/or image recording and sound reproducing apparatus and instruments; remote control apparatus and instruments; electric circuit noise reduction apparatus; sound analysing apparatus (not for medical use); television monitors; television receivers; DVD players; CD players; HI-FI and audio equipment; parts and fittings for all the aforesaid goods". The Applicant has a real and firm intention of using the Trade Mark **MOVIESTAR**. The Applicant conducted a Trade Marks Availability Search in relation to its proposed adoption of **MOVIESTAR** which found Trade Mark No. **2149359** on the register. Investigations have determined that Trade Mark No. **2149359** has not been used in relation to any or all of the goods for which registration has been secured within a period of five years from the date

of registration or in the alternative for a continuous period of five years. We hereby request therefore that registration no. **2149539** be removed from the Register under the provisions of Sections 46(1)(a) and 46(1)(b) Trade Marks Act 1994.

3. The Applicant approached the Registrant advising the Registrant of the Applicant's findings of no use of the Mark within a period of five years from the date of registration and in any event five years continuous non-use and that they be given the option of either cancelling registration No. **2149359** in its entirety or assigning it to the Applicant for a nominal consideration. It will be produced in evidence that subsequent correspondence with the Registrant has resulted in a complete lack of co-operation on the part of the Registrant and moreover outlandish, preposterous and inappropriate requests (including terms and conditions) which are wholly unacceptable to the Applicant. As a result, the current proceedings have been instigated and it is hereby requested that registration No. **2149359** be removed from the Register in its entirety and an Award of Costs be awarded in the Applicant's favour. In the absence of these proceedings being successful, the Applicant hereby requests that no Order of Costs be given in favour of the Registrant given the Registrant's demands as previously referred to which will be deduced from the evidence filed in the substantive part of the proceedings, if necessary.

These averments were supported by a formal declaration of truth and accuracy. They made it clear that the Applicant and the Proprietor were in direct conflict with one another over the right to use **MOVIESTAR** as a trade mark in relation to '*apparatus for recording, transmission and reproduction of sound or images*'.

Default and Reinstatement

3. On 17 November 2003 the Trade Marks Registry sent a copy of the application for revocation by registered post to the address for service previously notified by the Proprietor under Rule 10 of the Trade Marks Rules. The Proprietor did not file a counterstatement or evidence of use within the period of 3 months prescribed by Rule

31(2). In a written decision issued by Mr. Graham Attfield on behalf of the Registrar on 12 March 2004, the application for revocation was treated as undefended and the registration of the trade mark in suit was revoked with effect from 10 November 2003 in the exercise of the power conferred by Rule 31(3). The Proprietor appealed against the order for revocation. Its appeal was allowed for the reasons given by Mr. Richard Arnold Q.C. in a decision of 11 November 2004 which is now reported as MOVIESTAR Trade Mark [2005] RPC 26, p.623. The order for revocation was set aside and the application under Sections 46(1)(a) and (b) of the Act was reinstated for determination inter partes, albeit without a counterstatement from the Proprietor under Rule 31(2).

The Evidence

4. In a Witness Statement with 4 exhibits dated 3 December 2004, the Proprietor's Technical Director (Mr. Samuel Golightly) gave evidence directed to the proposition that the trade mark in suit should remain registered for all goods of the kind specified in the registration. In paragraph 9 of his Witness Statement he said:

9. The trade mark MOVIESTAR was used exclusively by my Company during the period October 1997 to August 2001 in relation to electronic products for use in certain security applications. The products in question were in the nature of circuit boards, patch panels and related goods for use as part of a personal computer based closed circuit television recording system. The components in question facilitate the recording, transmission and reproduction of both sound and images. The circuit boards were in the form of so-called "PCI controllers" which are items of computer hardware adapted to be secured to the mother-board of a personal computers. In addition, application software for creating a PC based CCTV security system was supplied under the trade mark MOVIESTAR.

5. Mr. Gary Johnston of the Applicant's Trade Mark Attorneys responded in a Witness Statement dated 7 April 2005. He criticised Mr. Golightly's evidence and said:

In short, the Trade Mark has been used in relation to "*computer hardware and computer software and interconnection leads for use therewith*" and not in relation to "*apparatus for recording, transmission and reproduction of sound or images*". (paragraph 3)

... it is my contention that Registered Trade Mark number **2149359** be revoked by deletion of "*apparatus for recording, transmission and reproduction of sound or images*" and, at best (see my comments later re level of use) the Registration maintained only in relation "*computer hardware, computer software; interconnection leads for use therewith*". (paragraph 4)

6. Mr. Golightly rejected these contentions as to the nature of the goods sold by the Proprietor. In his Witness Statement in reply dated 3 August 2005 he said:

4. ... It is true that such goods as video players, DVD players, hi-fi systems, etc are "*apparatus and instruments for recording, transmission and reproduction of sound or images*", but the list given by Mr. Johnston of items which, in his opinion, are commonly regarded as being "*apparatus and instruments for recording, transmission and reproduction of sound or images*" is not comprehensive. In particular, he has ignored the fact that computer systems are frequently used for the purpose of recording, transmission and reproduction of sound or images. Every time a user connects his computer to a website he is using it as "*apparatus and instruments for transmission and reproduction of sound or images*". Every time a user saves a file from his digital camera or camcorder onto his computer that computer is "*apparatus and instruments for transmission and reproduction of sound or images*". All these actions are very common ones undertaken by a large proportion of the general public in this country. To a lesser but still significant extent computers are used by individuals and organisations in this country for the purposes of video conferencing and video editing. Again, computers used in

this way are “*apparatus and instruments for transmission and reproduction of sound and images*”.

5. The apparatus which my Company has sold under the trade mark MOVIE STAR would have been used in association with a range of other electronic components to form a complete CCTV surveillance system which would be used to capture and record images and sound. The images would be initially captured by a television camera and would then be fed to one of our MOVIE STAR boards. The board would act as a physical interface and electronic control to enable the output of the camera to be recorded. Recording might be done digitally on a computer to which our MOVIE STAR board was connected or, additionally or alternatively, by a video recorder. In the circumstances, there is no doubt in my mind that the equipment which was sold by my Company under the trade mark MOVIE STAR did constitute “apparatus and instruments for transmission and reproduction of sound or images”. To find otherwise would be perverse.

6. In addition to constituting “apparatus and instruments for transmission and reproduction of sound or images” in their own right, the apparatus sold by my Company under the trade mark MOVIE STAR would, in practice, often be used in association with, for example, a video recorder. In typical CCTV based security systems a video recorder is used to record the monitored signals from CCTV cameras. The apparatus sold by my Company under the trade mark MOVIE STAR was intended to provide an interface between the CCTV cameras and the video recorder ...

7. The Proprietor subsequently obtained permission under Rule 31A(6) to file a Witness Statement with 1 exhibit dated 3 December 2005. In that Witness Statement Mr. Golightly provided further information as to the nature and characteristics of the Proprietor’s **MOVIESTAR** TV tuner PCI card. He stated in paragraph 2:

Additional evidence for presentation at the hearing on 7th December 2005 has come to light which I wish the hearing to be able to refer to. This consists of copies of the front and back of printed packaging for the Moviestar branded TV Tuner of which an invoice is already present in the body of

evidence previously submitted. This equipment in conjunction with a standard computer was specifically designed for Video and Audio recording and replay from a broadcast TV source and was marketed for sale to the domestic market. This product was also able to transmit video and audio across the internet as stated on the packaging.

His exhibit showed the front and back faces of a box used as packaging for the TV tuner PCI card. The features and functionality of the product were identified on the packaging in the following terms:

MovieStar TV Tuner and much, much more!

The MovieStar TV Tuner card allows you to watch TV on the PC but it can also allow you to capture images from video tape or camcorder, it can be used with video conferencing software in conjunction with your camcorder and it can run your household security with the optional security camera pack.

TV

The TV Tuner is the latest advanced PLL type and it even picks up Channel 5 here at the office (when nothing else will). The Extreme TV software automatically searches for valid TV stations and programs them into a memory so you can skip from one to the next. You have software control over contrast, brightness, colour, volume etc. In fact everything you would expect from today's TV. Some features which you will not find on a TV include freeze frame with still image save function as a BMP file, AVI movie recording directly to the hard disc and a scalable viewing window.

Capture from Camcorder

This MovieStar TV Tuner card has two video input sockets which can be used to connect your camcorder to the PC. There is a composite PAL phono connector and a high quality S-video 4 pin mini-DIN connector. You can capture and store BMP stills as well as AVI movies.

These files can be used in other software packages on your PC including DTP programs and multimedia authoring programs. You can even attach the files to e-mails and send them over the internet to put them into a web page to brighten things up!

Video Conferencing

If you are thinking of video conferencing over the internet or LAN then you can use the MovieStar TV Tuner with your camcorder so that the people you are speaking with can see you. The video conferencing software will look for a standard driver type which is included with the MovieStar TV Tuner so you can be up and running in minutes!

Security Camera

With the optional Security Camera Pack you can use your MovieStar TV Tuner to keep an eye on your house, garden or garage whilst you're out. The camera unit has an inbuilt sensor which when triggered by movement in the field of view will automatically initiate the recording of an AVI file to disc with the time and date. The device also has a SCART connector and when connected to a TV it will interrupt viewing to show that is happening outside.

The LookC software included with the Security Camera Pack comes from one of our own professional security products and it creates a new directory for each day and in it you will find a list of video events stored with the time as the file-name. The length of the files and the frame rate of the images can be user selected but each of the of the frames will be a perfect digital still which you can print out or keep as evidence. Please ask the retailer for more information about this upgrade or visit our web site.

Pack Contents:

MovieStar TV Tuner PCI card
Internal Audio Lead
Driver and Application Software on CD
Installation Instructions
Warranty Card

Minimum Host PC Specification:

Pentium P166

32Mb RAM
PCI Motherboard with a free PCI slot
24 bit colour VGA card with overlay support
Win95 OSR2 or 98
Sound Card

Beneath an illustration of a screenshot, the promotional wording stated:

Using this MovieStar TV Tuner PCI card you can watch TV, capture images from your camcorder, use video conferencing software and improve home security by adding the Security Camera Pack and capturing time and date stamped video footage of intruders.

All of the normal controls appear on the desktop and there is automatic tuning, freeze frame, an AVI record function and the TV window is scalable on screen.

The card is fully plug and play and you can be watching TV in minutes.

The Hearing

8. The application for revocation proceeded to a hearing before Mr. David Landau acting on behalf of the Registrar of Trade Marks on 7 December 2005.

9. The Applicant maintained that the registration of the trade mark in suit should be revoked in its entirety. If, which it did not concede, there had been genuine use in relation to goods of the kind listed in the registration, the goods in question should, in its contention, be taken to fall outside the wording '*apparatus for recording, transmission and reproduction of sound or images*' and within the wording '*computer hardware, computer software*'. The latter contention was clearly advanced with a view to removing or reducing the conflict noted in paragraphs 2 and 3 of the Applicant's Statement of Grounds. In the early stages of the hearing on 7 December 2005, the hearing officer

sought and obtained confirmation of the Applicant's fallback position (Transcript page 10, line 24 to page 11, line 13):

THE HEARING OFFICER: ...

... Before Mr. Golightly starts with his submission, could I just get our parameters. Miss McFarland, from what Mr. Johnston put in, in his evidence in parenthesis, he states there that if it is accepted that there has been use, the specification should be limited to computer hardware, to computer software, interconnection links for use therewith and that seems to be the position also of your skeleton, if I am reading that correctly.

MISS McFARLAND: That is correct.

THE HEARING OFFICER: If I decided that there should be a partial revocation, we should cut out the first bit of the specification, leave the second bit and leave that bit Mr. Johnston has put in?

MISS McFARLAND: Yes.

THE HEARING OFFICER: Thank you very much, Miss McFarland.

10. The Proprietor maintained that the trade mark should remain registered for all goods of the kind specified in the registration. The hearing officer sought and obtained confirmation from Mr. Golightly as to the precise nature of the goods for which use had been shown (Transcript page 12, lines 3 to 21):

THE HEARING OFFICER: ... As far as I can see, the evidence shows -- whether it is acceptable or not, obviously Miss McFarland does not think it is acceptable -- there is use on video capture cards, TV tuner cards, input leads, patch panels and application software for those goods. I have gone through all the invoices and they are for a limited sphere of goods, are they not?

MR. GOLIGHTLY: Yes.

THE HEARING OFFICER: PCIs of various types.

MR. GOLIGHTLY: My understanding was that the TV tuner was a separate and distinct product from the security version. The security version in itself is an adaptation of the video capture card.

THE HEARING OFFICER: They are still PCIs, are they not, Mr. Golightly?

MR. GOLIGHTLY: Yes, the two main parts of the product range are PCI cards, that is correct. I am sorry, I was not sure which part of the statement you were referring to.

Mr. Golightly none the less maintained that use of the trade mark in relation to such goods was sufficient, having regard to their functionality, to justify retention of the Proprietor's existing list of goods: Transcript page 13 line 12 to page 14 line 3 and page 33 lines 2 to 13. In maintaining that position he will obviously have been mindful of the dispute over the ambit of the Applicant's pending application for registration of the trade mark **MOVIESTAR** as noted in paragraphs 2 and 3 of its Statement of Grounds.

11. At the mid-point of the hearing, the hearing officer took the opportunity to explain to Mr. Golightly how the decision was to be taken with regard to the limitation of trade mark specifications by reference to use. He (the hearing officer) provided him (Mr. Golightly) with an oral exposition of points from the judgments in Thomson Holidays Ltd v. Norwegian Cruise Line Ltd [2003] RPC 32, p.586 (CA); British Sugar Plc v. James Robertson & Sons Ltd [1996] RPC 281; Case T-126/03; Reckitt Benckiser (Espana) SL v. OHIM (14 June 2005) and ANIMAL Trade Mark [2004] FSR 19, p.383. He concluded in the following terms (Transcript page 16 line 12 to page 17 line 2):

One of the reasons I asked Miss McFarland about the proposed specification, which is what you would be left with if I accepted you had some use and I accepted the applicant's view that it was not use across all the goods, is because in **Mercury Communications Ltd v. Mercury Interactive (UK) Ltd** Mr. Justice Laddie actually stated that a specification for computer software per se was too large. It is not something which would normally be acceptable because computer software is defined by its function rather than just the general term of software.

I am just telling you the parameters I will apply there. Effectively, it is a reasonable and fair description of the goods as would be seen by the average consumer on the basis of the evidence of the use I have. Do you understand that Mr. Golightly? You will get a formal decision which will actually give you the full texts of these judgments.

The hearing officer thus drew attention to the disparity between the Applicant's fallback position and the approach envisaged by Laddie J. in the Mercury Communications case. However, the point was not addressed at the hearing in any more detail than that.

The Hearing Officer's Decision

12. In his written decision issued on 13 December 2005 (BL O-323-05) the hearing officer held that the registration of the trade mark in suit should be limited to:

computer hardware; computer software; interconnection leads for use therewith; but not including software relating to movie stars.

He decided that revocation of the registration for all other goods within the wording of the specification should take effect from 30 May 2003 (the day following the fifth anniversary of completion of the registration process) under Sections 46(1)(a) and

46(6)(b). On the basis that each side had achieved a measure of success, he decided that the parties should bear their own costs of the proceedings in the Registry.

13. His basic finding, as recorded in paragraph 22 of his decision, was that:

In this case the combination of the exhibits and the statement of Mr. Golightly do establish use of the trade marks for the following goods: video capture cards, television tuner cards, application software for the aforesaid goods, input leads and patch panels.

The question for consideration on that basis was whether and, if so, to what extent the wording of the specification the Proprietor was seeking to defend covered categories of '*apparatus*', '*computer hardware*' or '*computer software*' which could not realistically and fairly be taken to have been exemplified by the particular goods for which use had been shown. The hearing officer addressed that question in paragraph 24 of his decision:

24) It is my view that *video capture cards* and *TV tuner cards*, being PCIs, are very particular, specific and identifiable items. A potential purchaser of these products would view and describe them in that format, not for instance lumping them in, for instance, with graphics cards. A similar argument to that for software is appropriate to them; they are very much identified by their purpose. So I do not consider that in normal circumstances even leaving LookC with PCIs at large and application software therefor would be appropriate. It would certainly not be appropriate for the limited nature of the goods to leave LookC with *apparatus for recording, transmission and reproduction of sound or images*; this is well beyond the scope of the use shown and the way that the public would describe them. LookC have used the trade mark(s) on a limited number of components which when used with a large amount of other equipment can be used to record, transmit or reproduce sound or images; so equally could a transistor or a switch. This first part of the specification covers an enormous range of goods eg DVD players and recorders, record decks, amplifiers, loudspeakers. This first part of the specification is

not a natural way of describing the goods upon which use has been shown. All of the goods, with the exception of input leads, are items of computer hardware or software. Apple have stated that if it is found that there has been genuine use of the trade marks then the specification should be limited to *computer hardware; computer software; interconnection leads for use therewith*. This is a far wider specification than the evidence warrants. However, this is what Apple has chosen and so I will limit the specification within the terms of Apple's claim. **The registration will be limited to the following goods:**

computer hardware; computer software; interconnection leads for use therewith; but not including software relating to movie stars.

It is clear from the terms in which he expressed himself that the hearing officer considered he was giving the Proprietor the benefit of a concession made by the Applicant with regard to the revised specification of goods identified in his decision.

The Appeal

14. On 11 January 2006 the Proprietor gave notice of appeal to an Appointed Person under Section 76 of the Act contending in substance that the hearing officer had adopted a revised specification which did not fully and accurately reflect the nature and characteristics of the goods for which use had been shown.

15. The Grounds of Appeal specifically challenged the approach adopted in paragraph 24 of the hearing officer's decision:

- (1) Mr. Landau states in section 24 *'It is my view that video capture cards and TV tuner cards, being PCIs, are very particular, specific and identifiable items'*.

I suggest that this is a totally spurious fact of no relevance to the issue. PCI stands for Peripheral

Component Interconnect which is the interface standard that our products used to communicate with a Personal Computer and as such is as relevant as describing a Video Cassette Recorder as a BNC, BNC being an interface standard used to communicate with a TV or video monitor.

- (2) Mr. Landau states in section 24 *'It would certainly not be appropriate for the limited nature of the goods to leave LookC with apparatus for recording transmission and reproduction of sound or images; this is well beyond the scope of the use shown and the way the public would describe them'*.

I submit that this is the exact nature of the use shown, as witnessed by the description of the products on the packaging, it would be remarkable indeed if the public having purchased one of our products on the high street would describe them in another way to that advertised.

- (3) Mr. Landau states in section 24 *'LookC have used the trade mark(s) on a limited number of components which when used with a large amount of other equipment can be used to record, transmit or reproduce sound or images; so equally could a transistor or a switch'*.

I submit that this is a misleading assessment of the situation in that our equipment (software and hardware) is central to activities of recording transmitting and reproducing sound and images containing as it does millions of transistors and other hardware and thousands of lines of software code arranged in a design specifically intended for the purpose whereas a transistor is just a transistor. In addition alternative approaches to the recording transmission and reproduction of sound and images also comprise equipment which cannot be used on its own for example a video cassette record not only requires a cassette for permanent storage of video and audio but also a TV or monitor to reproduce video and audio and has no facility for transmitting video or audio at all.

- (4) Mr. Landau states in section 24 *'This first part of the specification covers an enormous range of goods eg*

DVD players and recorders, record decks, amplifiers and loudspeakers’.

I suggest that while a gulf exists between our products and record decks, amplifiers and loudspeakers, DVD players and recorders perform a largely identical function to our products (bar the function of transmission) and are sold in the same markets as our Moviestar TV Tuner (which is equally capable of recording transmitting and reproducing TV signals or any other source of video). This similarity extends to any product used for recording transmitting and reproducing video and audio because that is what our products do. To make a distinction here is manifestly unjust to us and misleading to the public in that they might easily conclude that a DVD player branded Moviestar is in fact made by us carrying with it our brand loyalty. Indeed some products sold into this market consist of a personal computer and a video capture card and software packaged into a single box, almost identical to our technology but packaged differently, does the technology matter or does the function which it performs matter?

- (5) Mr. Landau states in section 24 *‘The Registration will be limited to the following goods: computer hardware; computer software; interconnection leads for use therewith; but not including software relating to movie stars’.*

As the missing part of the specification is the primary purpose of our products as clearly advertised on packaging and elsewhere I assume we would no longer be able to sell our products as a result of this decision and that is manifestly unjust and makes a mockery of Trade Mark registration.

16. Further Grounds of Appeal were raised in support of a contention that the Proprietor’s representative (Mr Golightly) had not received a fair hearing. This contention was not pursued at the hearing before me and so far as I am concerned it

stands accepted that the hearing officer's decision should not be regarded as open to review on that basis.

Decision on Appeal

17. It is clear beyond argument that the wording of the specification the Proprietor was seeking to defend covered many different categories of '*apparatus*', '*computer hardware*' and '*computer software*' which could not realistically and fairly be taken to have been exemplified by the particular goods for which use had been shown. The hearing officer was therefore required to apply the provisions of Section 46(5) of the Act:

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.

These provisions reflect the requirements of Article 13 of the Trade Marks Directive (Council Directive 89/104/EEC):

Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only

The underlying principle is clear: as and when the need for corrective action arises, the list of goods or services covered by a trade mark application or registration should be reduced so far as necessary to confine it to goods or services for which the trade mark in question is fully registrable. When giving effect to that principle in the context of an application for revocation on the basis of non-use, it is necessary to take account of the policy stated in the 8th recital in the preamble to the Trade Marks Directive:

Whereas in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation.

18. The hearing officer found that the Proprietor had used its **MOVIESTAR** trade marks for '*video capture cards, television tuner cards, application software for the aforesaid goods, input leads and patch panels*' (paragraph 22). This was clearly not sufficient to justify retention of the registration in suit for all types of '*computer hardware; computer software*' cf DATASPHERE Trade Mark [2006] RPC 23, p.590. Nor was it sufficient to justify retention of the registration in suit for all types of '*apparatus*' for recording, transmission and reproduction of sound or images. It was, however, sufficient to justify retention of the registration for some such items, to be identified and defined in terms of the particular category or categories of goods in Class 9 which could realistically and fairly be taken to have been exemplified by the particular goods for which use had been shown: WISI Trade Mark [2006] RPC 22, p.580 paragraphs 11 to 15. The outcome needed to be a specification of goods expressed in terms which covered no independent sub-category or sub-categories of goods other than the one(s) within which the **MOVIESTAR** trade marks could properly be taken to have been used: see Case T-483/04 Armour Pharmaceutical Co v. OHIM (17 October 2006) at paragraphs 23 to 33 (where the Court of First Instance held that the evidence on file was sufficient to justify a claim for protection in respect of '*calcium-based preparations*' in class 5, but not sufficient to justify a claim for protection in respect of '*pharmaceutical and medical preparations*' in general).

19. The hearing officer approached the task of identification and definition on the basis that *'apparatus for recording, transmission and reproduction of sound or images'* should be deleted from the specification of the registration because that was *'not a natural way of describing the goods upon which use has been shown'* (paragraph 24) since *'all of the goods, with the exception of input leads, are items of computer hardware or software'* (paragraph 24). However, this appears to me to be an over-simplification. The goods for which use had been shown were items supplied for the purpose of enabling computer users to increase the functionality of their computers by adding capabilities for the recording, transmission and reproduction of sound or images. In order to identify and define the items in question with the required degree of particularity, it was necessary to have regard to the sector of trade in which such items would normally be bought and sold. Whilst that would broadly be the computer goods sector (covering both hardware and software) it would none the less be right to classify them within that sector as items (of *'apparatus'* or *'equipment'*) supplied for use by computer users in the recording, transmission and reproduction of sound or images as indicated above.

20. At this point I should explain why I do not agree with the hearing officer in thinking that the Applicant's fallback position allowed him to determine that *'computer hardware; computer software; interconnection leads for use therewith'* satisfied the requirements of Section 46(5) of the Act and Article 13 of the Trade Marks Directive notwithstanding that *'this was a far wider specification than the evidence warrants'* (paragraph 24).

21. The battle lines between the parties were drawn in the following manner. The Applicant's primary contention was that the registration of the trade mark suit should be

revoked in its entirety. In answer to that, the Proprietor contended that its trade mark should remain registered for all goods of the kind specified in the registration on the strength of the use which had been made of it. In particular, Mr Golightly maintained that *'the equipment which was sold by my Company under the trade mark **MOVIESTAR** did constitute "apparatus and instruments for recording, transmission and reproduction of sound or images". To find otherwise would be perverse'* (see paragraph 6 above). In opposition to that, the Applicant did indeed adopt the fallback position of inviting the Registrar *'to find otherwise'*, in the event that the trade mark was taken to have been used, by finding that it had been used only in relation to *'computer hardware, computer software, interconnection leads for use therewith'* and not in relation to *'apparatus for recording, transmission and reproduction of sound or images'* (see paragraphs 5 and 9 above).

22. The parties thus maintained directly opposed positions, each with a weather eye on the impact that a finding against it might have upon the conflict noted in paragraphs 2 and 3 of the Applicant's Statement of Case. Further, the hearing officer had himself observed at the hearing which took place on 7 December 2005 that the Applicant's fallback position was out of line with the approach envisaged by Laddie J in the Mercury Communications case (see paragraph 11 above). In the circumstances, it was incumbent upon him to resolve the contested application for revocation by determining the wording of the specification that the Proprietor was entitled to retain under Section 46(5) and Article 13 on the basis of the evidence on file. The contradictory positions of the Applicant and the Proprietor made it necessary for him to decide affirmatively which, if either of them, was correct and to what extent, in relation to the position it had adopted.

He should not have been deflected from doing so by *'what Apple has chosen'* in its own interests to prefer (paragraph 24).

23. The Applicant contends on appeal that the Proprietor should be left with the specification of goods adopted by the hearing officer. However, I do not think it can be right to burden the Proprietor with a specification of such undue width. To do so in the context of a finding that *'this was a far wider specification than the evidence warrants'* (paragraph 24) would be to hang a legal millstone around the Proprietor's neck. For its part the Proprietor readily accepted that: *'If we had been asked to retreat from the computer hardware and computer software specification I could not have had any argument because that is so broad as to be almost worthless'* (Appeal Transcript p.25, lines 22 to 24). Its main aim on appeal was to ensure that it could claim protection for *'apparatus'* having the functionality specified in the wording that the hearing officer decided to strike out.

24. The Proprietor wishes to describe its computer goods in abstract terms (*'apparatus'*) by reference to functions (*'recording, transmission and reproduction of sound or images'*) that can be performed only by interconnecting them with computers and other electronic equipment manufactured and marketed by third party suppliers. There is no evidence of any *'economic link'* between the Proprietor and any such suppliers: cf Case C-9/93 IHT Internationale Heiztechnik GmbH v. Ideal Standard GmbH [1994] ECR I-2789, paragraphs 34 to 38. Nor is there any evidence that the Proprietor otherwise possessed any power of *'quality control'* over the goods of any such suppliers cf Kerly's Law of Trade Marks and Trade Names 12th Edn (1986) at paragraph 2-19. In short, there is no basis on which the Proprietor can be said to have used its

MOVIESTAR trade mark(s) during the relevant period so as to offer ‘a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality’ (Case C-39/97 Canon KK v. Metro Goldwyn Mayer Inc [1998] ECR I-5507, paragraph 28) in relation to anything other than items of the kind identified and described in the evidence filed on its behalf.

25. So what has the Proprietor been doing under the trade mark registration in issue? The answer according to the evidence appears to be supplying: apparatus and equipment in the form of circuit boards, patch panels, leads, connectors; application software; all for enabling computers to implement recording, transmission and reproduction of sound or images. Does that way of describing the Proprietor’s trading activities cover any independent sub-category or sub-categories for which use has not been demonstrated? I believe not. It describes the Proprietor’s specialisation homogenously in terms which do not appear to me to extend beyond the discrete area of trading activity within which its trade mark has been put to genuine use. Does the terminology realistically and fairly describe that area of trading activity? I believe so. The parties were not minded to put forward focused wording for consideration in this connection. I, for my part, am not conscious of any more appropriate terminology for identifying and defining the particular category of use exemplified by the goods which the Proprietor is shown by the evidence to have supplied during the relevant period.

26. For the reasons given above, I consider that the specification of the Proprietor’s trade mark registration number 2149359 should be revoked with effect from 30 May 2003 in relation to all goods for which it was registered in Class 9 other than:

apparatus and equipment in the form of circuit boards, patch panels, leads, connectors; application software; all for enabling computers to implement recording, transmission and reproduction of sound or images; but not including software relating to movie stars

I do not consider that the Proprietor is entitled to retain any specification of goods wider than that which I have set out above.

27. In the result, neither party has succeeded in achieving the position for which it contended on appeal. Taking account of the relative degrees of success and failure which my decision now requires each party to accept, I consider that the right course will be to leave the costs of the proceedings where they lie.

28. The appeal is allowed to the extent indicated in paragraph 26 above. There will be no order for costs in respect of the appeal. The hearing officer's order as to costs will remain undisturbed.

Geoffrey Hobbs Q.C.

13 November 2006

Mr. Samuel Golightly (Technical Director) appeared on behalf of the Proprietor.

Miss Denise McFarland instructed by William A. Shepherd & Son Ltd appeared on behalf of the Applicant.

The Registrar was not represented.