

O-328-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2025402  
IN THE NAME OF CASTLE VIEW INTERNATIONAL HOLDINGS LIMITED  
IN RESPECT OF THE TRADE MARK:**

**TRIGON**

**IN CLASSES 35, 36, 37 & 42**

**AND**

**AN APPLICATION FOR REVOCATION ON THE GROUNDS OF NON-USE  
UNDER NO 82841  
BY FACILICOM BEDRIJFSDIENSTEN BV**

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in the name of Castle View International Holdings Limited  
in respect of the trade mark TRIGON in classes 35, 36, 37 & 42**

**and**

**An application for revocation on the grounds of non-use  
under no 82841  
by Facilicom Bedrijfsdiensten BV**

### **Background**

1. On 20 April 2007 Facilicom Bedrijfsdiensten BV (“FB”) applied for the above trade mark registration to be revoked on the ground that it had not been put to genuine use in the five year period prior to the 8 June 2006 or in the five year period prior to the making of this application for revocation; the claim is based on section 46(1)(b) of the Trade Marks Act 1994 (“the Act”).

2. Castle View International Holdings Limited (“CV”) do not deny the allegation of non-use, but it says that the use of its trade mark was suspended due to a “gentleman’s agreement” and that this constitutes proper reasons for non-use; this is a further reference to section 46(1)(b). The details of the trade mark registration the subject of these proceedings are:

<b>Mark details</b>	<b>Specification</b>
UK Registration 2025402 for the mark:  <b>TRIGON</b>  <b>Filing date:</b> 29/6/1995  <b>Registration date:</b> 04/04/1997	<b>Class 35:</b> Relocation consultancy and services, tax advice, accountancy services, project management, reprographics, office services, book-keeping, business consultancy, business management and organisation consultancy, employment agency, personnel management, facilities management.  <b>Class 36:</b> Real estate strategy, landlord and tenant advice, property management, compensation claim advice, rent review, lease negotiation, factoring, estate agency; accommodation rental.  <b>Class 37:</b> Cleaning of buildings, repair and maintenance of buildings.  <b>Class 42:</b> Catering, security, landscaping, space and accommodation planning, interior design.

3. Only FB filed evidence<sup>1</sup>, however, as it is more in the nature of submission rather than evidence of fact I do not intend to summarise it separately. Neither side requested a hearing. FB did, however, file written submissions in lieu of attending a hearing. Although CV filed no formal submissions at the conclusion of the proceedings, it made submissions to support its position both in its counterstatement and also in a letter (dated 3 January 2008) responding to a request by FB for summary judgment of this application; I will take all of these submissions into account when reaching my decision.

### **The legislation**

4. The relevant<sup>2</sup> part of the Act reads:

“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) .....

### **The relevant five year periods**

5. Two periods of non-use are alleged by FB, namely: 1) the five year period prior to 8 June 2006 (I will refer to this as “Period 1”) and, in the alternative, 2) the five year period prior to its application (“Period 2”); both periods are pleaded on the basis of section 46(1)(b) of the Act. The relevant dates to consider are:

**Period 1** – The period begins on 8 June 2001 and ends on the 7 June 2006. Revocation is sought with effect from 8 June 2006.

**Period 2** – The period begins on 20 April 2002 and ends on 19 April 2007. Revocation, if granted, will be effective from 20 April 2007.

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<sup>1</sup> The evidence was given by Ms Helene Whelbourn of J.E. Evans-Jackson & Co, FB’s trade mark attorney.

<sup>2</sup> FB’s claim is made on the basis of section 46(1)(b), but section 46(1)(a) is detailed as this is necessary for context.

### **The “gentleman’s agreement”**

6. CV’s defence rests on what it describes as a “gentleman’s agreement” (I will refer to this as “the agreement”) the facts of which are set out in its counterstatement. The information provided is brief. CV’s agreement is with *Savills* (a firm of estate agents) with whom it entered into a joint venture under the trading name “Trigon” in the early 1990s. In 1999, *Savills* bought out CV’s interest in the joint venture. At this point the agreement was made whereby the trade mark would not be used by CV for a period of five years.

7. CV highlights that it is no longer constrained by the agreement and, therefore, it wishes to use the trade mark for its services.

### **The parties’ submissions**

8. CV’s primary argument is based on the agreement. It states that the consequences of the agreement are why the trade mark has not been used and, therefore, there has been a proper reason as to why the trade mark has not been used in the first three years of the five year period (Period 1). This equates, it says, to there being no single five year period of non-use without proper reason. CV also highlights that this is a case of suspension of use, as opposed to the mark never having being used at all, and, furthermore, it intends to make use of the mark again. Given that it intends to recommence its use, CV also requests, in the event of an adverse decision on its reasons for non-use, that the discretion allowed by the term “may be revoked” (emphasis added) in section 46(1) of the Act be exercised in its favour.

9. FB refers to a number of authorities in relation to what should constitute proper reasons for non-use: *INVERMONT Trade Mark* [1997] R.P.C. 125, *Kerly’s Law of Trade Marks and Trade Names (Fourteenth edition at 10-72 to 10-73)* (“*Kerly’s*”) and *Haupt v Lidl Stiftung & Co KG* [2007] E.T.M.R. 61; I note that the latter two authorities refer to Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994. FB submits that the test relates to situations where there are valid and unavoidable reasons for non-use arising independently of the will of the proprietor. It submits that a commercial decision to enter into an agreement to not use the mark does not meet this criterion. FB also highlight that the agreement itself has not been filed in evidence and that its terms are not known, furthermore, a “gentleman’s agreement” may not even be binding in law.

10. FB further submits that the agreement covers only the first three years of the period (Period 1) and observes that there has been no resumption of use or preparations to resume use. Therefore, there is no reason why the mark could not have been used in the remainder of the period; reference is made to *CERNIVET Trade Mark* [2002] R.P.C. 30 and also to *Philosophy di Alberta Ferretti Trade Mark* [2003] R.P.C. 15 to support this line of argument.

11. Finally, FB refers to *MAGIC BALL Trade Mark* (BL O/084/99) and to *Philosophy de Alberta Ferretti Trade Mark* to the extent that the onus is on CV to prove its use and, by inference, to prove that it has proper reasons for non-use. It submits that CV has failed to discharge this onus. In relation to CV's request to exercise discretion in its favour, it highlights the decision in *Premier Brands UK Ltd v. Typhoon Europe Ltd* [2000] F.S.R. 767 where it was held that no such discretion exists.

### **Application of the law**

12. I begin by assessing the question in relation to Period 1. Although Period 2 is also relevant, the parties' submissions focus on Period 1 and, in any event, if I find that the reasons for non-use are not proper for Period 1 then neither will they be proper for Period 2.

13. The authorities relied upon by FB are all relevant. I note in particular the reference in *Kerly's* which includes, *inter alia*, a reference to the Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994:

"References to "proper" reasons for non-use" need to be interpreted in accordance with Art. 19(1) of TRIPS which uses the expressions "valid reasons based on the existence of obstacles" to the genuine use which is required. "Circumstances arising independently of the will of the owner of the trademark, such as import restrictions on or other governmental requirements for goods and services protected by the trademark, shall be recognized as valid reasons for non-use"

14. Also, in its judgment in *Hauptl v Lidl Stiftung & Co KG* the European Court of Justice stated:

"It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as 'proper reasons for non-use' of that mark."

15. FB referred to the *Magic Ball* case as decided by the Registrar of Trade Marks, but I also note that this decision was appealed to the High Court (*Magic Ball Trade Mark* [2000] R.P.C. 439) where Mr Justice Park stated:

"As regards the new Act, there has been no discussion yet in the High Court or above of the words "proper reasons". There is one earlier decision of a hearing officer in *Invermont Trade Mark* [1997] R.P.C. 125. The officer, in a passage cited and relied on by his colleague who decided the present case, said this:

"... bearing in mind the need to judge these things in a business

sense, and also bearing in mind the emphasis which is, and has always been placed on the requirement to use a trade mark or lose it, I think the word proper, in the context of section 46 means: apt, acceptable, reasonable, justifiable in all the circumstances. I do not think that the term "proper" was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor's business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine, might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman's own control and I think he should plan accordingly."

On the facts of the INVERMONT case the decision was that the reasons for non-use were not "proper". However, the facts were too different from the present case for the particular decision to afford any guidance.

I have no disagreement with anything which the hearing officer said in the INVERMONT case. I would only add the comment that, while the adjectives which he puts forward--"apt, acceptable, reasonable, justifiable in all the circumstances"--seem to me to be well chosen, it must not be forgotten that the statutory word which falls to be applied is "proper", not any of the near-synonyms which the hearing officer suggested."

16. Taking the authorities in the round, it strikes me that proper reasons for non-use is not something to be accepted lightly. Having a reason for non-use, from the proprietor's subjective point of view, is not the same as having "proper" reasons which calls for, in my view, an objective test. The test for "proper" reasons relates to obstacles or impediments or other events causing serious disruption. I also note that the authorities differentiate between events that are independent of the will of the proprietor and events that are within its control.

17. In terms of the agreement relied upon by CV, I share the concerns of FB to the extent that there is little by way of detail about it. The basic facts are outlined in CV's counterstatement, but no specific information is given in evidence in relation to the terms of the agreement. Indeed, it is not even known whether the agreement was reduced into writing. This, in itself, could have led me to uphold the application for revocation because there is so little information to base my decision upon. Section 100 of the Act places the onus on a proprietor to show what use has been made of its mark. I see no reason why this should not extend a similar onus to a proprietor that defends itself on the basis of having proper reasons for not using its mark. However, I will nevertheless give my findings on the bare facts as they have been outlined.

18. It is clear that the agreement was a commercial agreement entered into by CV and Savills following CV being bought out of the joint venture that existed between them. CV refers to this as being part of a larger commercial transaction. I do not know of the circumstances that led to CV being bought out of the joint venture with Savills, having said that, even if I knew this, I doubt that this would have had any impact on my decision. I say this because commercial transactions and agreements are made on a regular basis for a wide range of reasons. They are entered into with the free will of the parties concerned. On the face of it, and applied to the known facts here, CV has entered into a commercial agreement of its own free will. CV has made an election and there is nothing to suggest the existence of any circumstance beyond its control. Whilst it may be true that the agreement has prevented the use of the mark for a certain period of time (although this has not been proven due to the lack of detail), the fact that this has resulted from a business decision that CV has made places it, in my view, outside the scope of “proper” reasons as outlined in the relevant authorities. Whilst an agreement between two parties may be operative between themselves, I cannot see why such an agreement should insulate a registered proprietor from an attack by a third party on the grounds of non-use. **I find that the agreement relied upon by CV and its claimed obligation not to use the mark, does not constitute a proper reason for non-use.**

19. FB have also highlighted that the agreement not to use the mark relates only to the first three years of Period 1, yet there is no evidence of a resumption of use or preparations to resume such use in the remainder of the period. CV, on the other hand, say that this is irrelevant because there are proper reasons within the period. Although academic given my finding in the preceding paragraph, I will deal with the point in case of appeal. FB have referred me to two authorities, firstly in *CERNIVET Trade Mark* [2002] R.P.C. 30 where Geoffrey Hobbs QC (sitting as the Appointed Person) stated:

“Against that background it seems to be necessary, when considering whether there were proper reasons for non-use, for the tribunal to be satisfied that in the absence of the suggested impediments to use there could and would have been genuine use of the relevant trade mark during the relevant five-year period.”

Secondly in *Philosophy de Alberta Ferretti Trade Mark* [2003] R.P.C. 15, Peter Gibson L.J. stated:

“A proprietor who does nothing for most of the five-year period and then embarks on a procedure known to be lengthy but intended to lead to goods bearing the mark being produced for sale cannot in my judgment say that the ordinary commercial delays in producing a new product bearing the mark amounted to proper reasons for non-use for the five-year period.”

20. Although neither of the above cases are fully on point, they nevertheless highlight that there is a connection between the proper reasons and the requirement to show use during the relevant period. The learned editors of *Kerly's* come to the same view in paragraph 10-075 of its 14<sup>th</sup> Edition. That is not to say that a proper reason for non-use needs to be in existence for the entirety of the relevant period. That is not the case with genuine use so it seems unlikely that this should be the case when considering proper reasons for non-use. It is a question of balancing the respective factors, which all have a degree of interdependency<sup>3</sup>. For example, if there was a proper reason for non-use for a period of one month out of five years then this is very unlikely to excuse the lack of use during the relevant period, whereas, on the other hand, if a proper reason existed for all but one month of a five year period then this is likely to be sufficient. It is clear from CV's counterstatement that, upon the expiry of the agreement, there was nothing to constrain it from using the mark or preparing to do so. Despite its statement that it intends to recommence use, no evidence of use or preparations for resumption of use has been filed for either period in question. In my view, even if I considered the agreement to represent a proper reason for non-use (which I do not) the absence of any resumption of use or preparations for resumption in the remainder of the period would have resulted in the application for non-use succeeding. I would have expected, at the very least, for preparations to have been made; there is no evidence of this whatsoever.

21. It is not necessary to deal with Period 2 because the issues are the same as would be my findings.

### **Discretion**

22. In the event that I found against CV in respect of the properness of its reasons for non-use, it nevertheless requests that the registrar's discretion be exercised in its favour in view of its previous use of the mark and its intention to resume such use. On this, FB highlights the decision of Neuberger J. in *Premier Brands UK Ltd v. Typhoon Europe Ltd* [2000] F.S.R. 767 where he stated:

"I do not find it surprising that two members of the Trade Marks Registry come to different conclusions on this difficult point. With diffidence, I have reached the conclusion that the view expressed in *Zippo* [1999] R.P.C. 173, namely that there is no discretion, is to be preferred."

23. Although it is clear from the above case that the question of the existence of discretion was a finely balanced one, Neuberger J.'s finding is binding upon me. **I have no discretion to exercise.**

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<sup>3</sup> See, by way of analogy, the recent judgment of the Court of First Instance of the European Communities ("CFI") in *Sonia Rykiel création et diffusion de modèles v. OHIM* (Case T-131/06) relating to genuine use.

## **Conclusion**

24. The application for revocation is successful. CV's registration is hereby revoked under the provisions of section 46(6)(b) of the Act with effect from 8 June 2006.

## **Costs**

25. FB has been successful and is entitled to a contribution towards its costs. I hereby order Castle View International Holdings Limited to pay Facilicom Bedrijfsdiensten BV the sum of £1000.

Filing the application and statement of grounds	£300
Official fee for the above	£200
Filing evidence	£100
Preparing and filing written submissions	£400
<b>Total</b>	<b>£1000</b>

26. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15 day of December 2008**

**Oliver Morris  
For the Registrar  
The Comptroller-General**