

O-336-06

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 81717 BY  
TECHWOOD INTERNATIONAL LTD FOR REVOCATION  
OF REGISTRATION NO 2161781 STANDING IN THE  
NAME OF JOHN BLACKBURN**

## TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 81717 by  
Techwood International Ltd for revocation of  
Registration No 2161781 standing in the name  
of John Blackburn**

### BACKGROUND

1. Trade Mark No 2161781 is registered in respect of the following specification of goods:

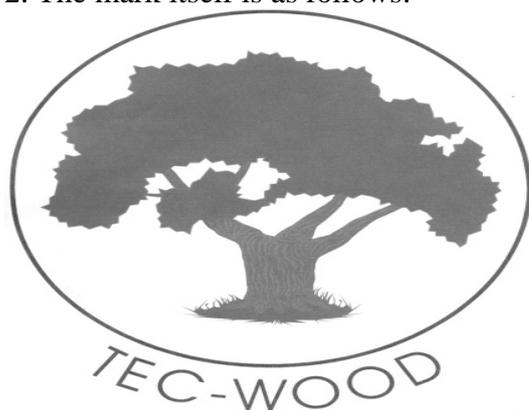
**Class 19**

Building materials (non-metallic)

**Class 20**

Furniture, chairs, seats, counters (tables), trestles, shelves, screens, picture frames, stair rods, window fittings, chopping blocks, crates, pallets.

2. The mark itself is as follows:



3. It was applied for on 21 March 1998. The registration process was completed on 23 April 1999.

4. On 30 April 2004 Tech-Wood International Limited applied for revocation of this registration claiming that it had not been put into genuine use by the proprietor or with his consent in the UK in relation to the goods covered by the registration for an uninterrupted period of five years prior to the filing of the application for revocation, and there are no proper reasons for non-use. Revocation is, thus, sought under Section 46(1)(b).

5. The registered proprietor filed a counterstatement part of which indicates that:

“The use of the Trade Mark has been genuine and commensurate with the activities of a start-up company that is developing a product line and a brand name. The use of the Trade Mark has increased as the company has

progressed the development of its business idea and we have become increasingly confident about our first product line.

2. Alan Cupples and myself are Directors of a start up company – Environmental Technology (Europe) Ltd. That company has exclusive use of the Trade Mark.

3. Environmental Technology (Europe) Ltd has access to an innovative synthetic wood material. The company has set about exploiting the unique qualities of the material in order to develop a product which is superior to what is already in the market place. The company has undertaken conceptual work and market research, developed a prototype, introduced modifications to the design, organised a testing programme and performed some discrete market testing. Alan Cupples and I have also [text blanked out] . The company is now on the brink of introducing the product to the market.”

6. I should say at this point that regrettably the Registry was informed in November 2005 that Mr Blackburn, the registered proprietor, had died. The identity of the new proprietor has not yet been notified. The proceedings have, however, continued and a hearing was scheduled for 7 November 2006. In the event Hargreaves Elsworth, the attorneys representing the registered proprietor, indicated that they were withdrawing their request for a hearing. Frank B Dehn, the attorneys representing the applicant confirmed that they too were content for a decision to be taken from the papers including the written submissions that they had filed under cover of their of 18 August 2006. Acting on behalf of the registrar I give this decision.

### **Registered proprietor’s evidence**

7. Mr John Blackburn filed evidence in the form of a witness statement dated 4 August 2004. He was a Director of Environmental Technology (Europe) Ltd. It emerges from the counterstatement and the exhibits accompanying his witness statement that this is the corporate vehicle behind the TEC-WOOD project. I reproduce the substance of his witness statement below (it will be apparent that paragraphs 3, 5 and 6 contain incomplete information):

“2. The trade mark *TEC-WOOD* was first used in the United Kingdom in November 1998 by Robson Laidler, Accountants, who on behalf of the founder members of the company produced the first Business Plan.

3. The goods/services on which the mark has been used, and the date of first use, are as follows:

Class 19 -  
Class 20 -

4. There is now produced and shown to me:-

Exhibit ETE1 *which are copies of letters of from [sic] four Business Technology Support organisations and one accountancy practice, all of whom know of determination to develop*

*TEC-WOOD as an integral part of the company's marketing and communication strategy.*

Exhibit ETE2 *which are copies of letters with accompanying and appropriate promotional material from myself and my co-Director, Alan Cupples of 278, Creynolds Lane, Monkspath, Solihull, B90 4ET. The letters were sent to four people who are known to Mr Cupplies or myself and whose views on the product idea were being sought.*

Exhibit ETE3 *which is a copy of the domain address – TEC-WOOD – which once developed will be an essential part of the company's marketing and communication strategy.*

Exhibit ETE4 *which is a copy of part of an application to the Innovation Action Fund for support in order to progress the product to the market.*

Exhibit ETE5 *which is a set of labels to be affixed to packaging when despatching raw material from supplier and, in future, when despatching product to customers and which illustrates the way in which the mark has been/is to be used to promote the goods.*

Exhibit ETE6 *which are copies of parts of letters with Test organisations and which illustrates that the mark has been used freely in relation to the product and product material.*

Exhibit ETE7 *which is an extract from a Business Plan produced by Robson Laidler in November 1998 and whilst not acted upon demonstrates the use of the mark shortly after its registration*

Exhibit ETE8 *which are copies of correspondence with Mr Dick van Dijk of Tec-Wood International over the use by that company of the word TECH-WOOD.*

Exhibit ETE9 *which are copies of literature available at the Tech-Wood International exhibition stand at the 2004 Interbuild exhibition.*

5. Sales of the Class 19 goods before the date of the application were as follows:-

Sales of the Class 20 goods before the date of the application were as follows:-

6. Amounts spent on promoting the goods/services in the three years before the date of the application were as follows:-
7. The mark has been used in correspondence in the following parts of the United Kingdom:-
 

*South of England      North East of England      West Midlands*
8. *I truly believe that the use of the Trade Mark has been genuine and commensurate with the activities of a start-up company that is developing a product line and a brand name. The use of the Trade Mark has increased as the company has progressed the development of its business idea and we have become increasingly confident about our first product line. All being well, the company expects to introduce the product to selected potential customers in the next two-three months."*

8. Certain parts of Mr Blackburn's evidence or more particularly the Exhibits thereto have been made the subject of a confidentiality order limiting disclosure of details of the proprietor's contact addresses, the technical properties of the product, funding and bank details, and testing programme to the applicant's legal advisers. I do not in any case need to refer to the confidential aspects of the material contained in the exhibits concerned.

**Applicant for revocation's evidence and registered proprietor's reply evidence.**

9. This consists of a short witness statement from Philip Dean Towler of Frank B Dehn, the applicant's professional representative in this matter. He exhibits a copy of an investigator's report that he commissioned from Carratu International Plc. The enquiries do not appear to shed much light on the issue before me but have drawn evidence in reply comments. I do not need to say any more about this material at this point.

**The law**

10. Section 46 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) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for

which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(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) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(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.”

11. Section 100 of the Act is also relevant and places the onus on a proprietor to show use when a challenge arises.

12. The leading authority from the ECJ in relation to what constitutes genuine use of a trade mark is *Ansul BV and Brandbeveiliging BV (Minimax)* [2003] RPC 40. I will record the relevant paragraphs in full:

- “36. “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.
37. It follows that “genuine use” of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.
38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.
39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

13. The requirement that a registered proprietor, when challenged, must show genuine use of his mark is consistent with the harmonisation Directive 89/104 of 21 December 1988 the eighth recital to which indicates that:

*“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;...*

The use must be “on the market” and with a view to creating or preserving an outlet for the goods or services in question. Accordingly, purely internal use is not sufficient to satisfy the genuine use requirement (paragraph 37 of *Ansul* above).

14. In this particular case there is no claim that there have been any sales of goods within the scope of the registration, that is to say either the synthetic wood product itself or goods made from this material. The issues that arise for consideration are whether the material exhibited to Mr Blackburn’s evidence constitutes internal use (which does not qualify as genuine use) or preparations for marketing goods (which do or at least may).

15. In this latter respect it is important to note that the ECJ recognised in *Ansul* that

“Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns”.

16. The European Court has thus accepted that there may come a point when a proprietor’s marketing plans may have reached a sufficiently advanced stage that it should be able to defend its registration against a non-use attack. The above passage suggests that advertising or promotion of goods or services may qualify in this respect even if those promotional activities have not yet been productive of actual sales. Advertising is offered as an example of a potentially qualifying activity but it is not suggested that it is the only means by which the process of securing customers can be achieved. It does, however, appear to be an underpinning requirement that the ‘early’ marketing activity must involve preparations by the undertaking to secure customers.

### **Relevant five year period**

17. The relevant period is 30 April 1999 to 29 April 2004.

### **DECISION**

18. Against that background I turn to the detail of the evidence filed by the registered proprietor in this case. The applicant’s written submissions in relation to that evidence make the following main points:-

- the use shown is internal and/or not directed at organisations that would be customers for the goods.
- the evidence suggests that the proprietor was still some way away from having a marketable product.
- there is little reference to the mark in the form in which it is registered. Only Exhibits ETE2 and 5 feature the mark.

- the evidence does not in any case cover the full range of goods for which the mark is registered.

19. Much of the evidence in this case comes from other businesses which have had dealings with Environmental Technology (Europe) Ltd during the course of the development of the product and the business idea. The project can be traced back to the business plan prepared by Robson Laidler in November 1998 (Exhibit ETE7). It is not clear what progress if any was made in the early years though a domain name was acquired in October 2000 (Exhibit ETE3).

20. An application to the Business Link Innovation Action Fund (Exhibit ETE4) for financial support was not made until October 2003. In further support of this Exhibit ETE1 contains a letter from Business Link addressed to Mr Blackburn confirming the contact that had taken place between them. This and the other letters of support (also in Exhibit ETE1) from RTC North, the North East Innovation Centre Co Ltd, entrust Regional Financial Services and UHY Torgersens (all business support organisations) carry dates in June or July 2004 after the commencement of this action. They appear to have been solicited for the purpose of these proceedings rather than being contemporaneous, spontaneously generated documents. As such they are of dubious evidential value not being in a form that complies with the requirements of Rule 55(1). The letters in this exhibit do not, in any case, deal with the marketing of goods to prospective customers.

21. Likewise the material at ETE6 consists of correspondence with a material testing organisation and the results of a performance test. I note that it is said to be in connection with a door. Again the exhibit does little more than confirm that the proprietor had a genuine intention to develop a marketable product and was taking appropriate preparatory steps. One might say that such activity is not 'internal' to the proprietor's own business. However, it falls well short of demonstrating that preparations had advanced to the point where customers were being sought.

22. Two other exhibits deal with the product(s) planned by Environmental Technology (Europe) Ltd. These are Exhibits ETE2 and 5. They are also the only exhibits that show the mark in the form in which it is registered, that is to say the words TEC-WOOD and accompanying tree logo. The other exhibits refer to TEC-WOOD without the tree device and do not in my view constitute use of the mark in the form in which it is registered or differing in an immaterial manner such as would bring the use within Section 46(2).

23. The letters in Exhibit ETE2 are said to have been sent to four people whose views on the product idea were being sought. The first letter is dated 23 October 2003 and is by way of a follow-up to meeting. It informs the recipient that Environmental Technology (Europe) Ltd is looking for an installer and seeks an expression of interest from the recipient. Reference is made to the fact that the recipient saw a prototype door at the North-East Innovation Centre. The third paragraph of the letter reads:

"I have to point out that development work is not yet complete and there have to be some further design modifications in order to improve the safety aspects of the door. It will therefore be well into the New Year before I can be more

definite about launch date etc. Will, you therefore please accept this letter more as one of intent and not of appointment. When we get a bit further down the line there will have to be a formal letter of appointment.”

24. The second letter is dated 24 October 2003 and passes product leaflets to a firm of architects. Again this contact appears to have come about from a meeting at the North East Innovation Centre. The writer, Mr Blackburn, advises that “We still have some way to go before introducing the door to the market ....”.

25. The third letter is dated 12 December 2003 and is to an individual who has, it would seem, offered to install one of the doors that is being developed by way of field testing.

26. The final letter is dated 12 January 2004 and is addressed to a firm of builders merchants who had indicated a willingness to display a door in their show room. The second paragraph of the letter reads:

“A prototype door is being assembled and tested and modified in a workshop in Gateshead near where my co-director lives. The door we will want to display won’t be ready until next year so I’ll be able to give you plenty of notice on the arrangements we’ll have to put in place at your Building Centre.”

The reference to ‘next year’ suggests that the prototype was not expected to be available until 2005.

27. There is no record that any of the individuals responded or that matters progressed beyond these initial-soundings letters.

28. Exhibit ETE5 consists of a sheet of stick-on labels showing the mark. The covering letter, dated 6 February 2004, is addressed to a firm of consultants. The remainder of the content of the brief letter refers to modifications to the tooling to strengthen slats. Mr Blackburn’s witness statement describes the labels as “to be affixed to packaging when despatching raw material from supplier and, in future, when despatching product to customers .....

29. The remaining exhibits to Mr Blackburn’s evidence relate to dealings with Tech-Wood International Ltd, the applicant for revocation but do not address the question of genuine use of the mark that is the subject of this action.

30. The remaining evidence filed in support of the registration is Mr Cupples’ witness statement. He does not supplement Mr Blackburn’s evidence in relation to use of the mark. I note that in response to the applicant’s investigation report he says:

“5. I am not surprised that the investigation commissioned on behalf of the applicant for revocation did not find evidence of Environmental Technology (Europe) Ltd’s product being sold, as at the time the report was made the company’s efforts were focussed entirely on product development. Nevertheless, the mark was used in trade during this development period.”

How the mark was used in trade (other than the contacts described in Mr Blackburn's evidence) is not explained.

31. I have little doubt that, taken in the round, the proprietor's evidence shows that there was an intention to develop a trade in a synthetic wood material or products made from such a material in particular a door. Clearly steps were taken to establish technical and financial support for the venture. However, as late as January 2004 a prototype door was still under development and subject to modification. I should also say at this point that there must be some doubt as to whether the specification of the registration covers doors. In construing specifications words are to be given their natural meaning *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] F.S.R. 267. Non-metallic doors are in Class 19 of the International Classification system but do not naturally fall within the term 'building materials'. The proprietor's Class 20 specification lists a number of individual items but not doors. The Class 20 specification also covers 'furniture' but that term is usually taken to cover moveable items. I am not persuaded that it would include doors.

32. The material in Exhibit ETE2 is in my view the high point of the proprietor's case. The correspondence in this exhibit shows the subject mark and the fact that contact was being made with a small number of individuals who had expressed an interest in the prototype door. However, it is equally clear that these soundings were exploratory in nature and that the proprietor had not moved beyond the product development stage.

33. I am far from convinced that, even on a generous reading of this limited evidence, it can be said that a product was 'about to be marketed' and that preparations were underway to secure customers.

34. The most that can be said is that the four recipients of the letters in ETE2 are external to the proprietor's own business and may be said to be trade contacts in the widest sense. On the basis of *Laboratoires Goemar SA and La Mer Technology Inc* [2005] FSR 5 it is clear that the retail or end user market is not the only relevant market (see paragraph 32 of Mummery LJ's judgment). That was a case where the evidence showed importation by a single importer but there was no evidence of onward sales to the relevant public.

35. The proprietor's position here is a long way from the sort of circumstances that narrowly resulted in success for the proprietor in *Laboratoires Goemar*. Accepting that the correspondence with third parties was at arms length, it nevertheless represented exploratory follow-up to meetings but without any indication that matters progressed further.

36. More importantly, it is not clear from the evidence that, by or even after the material date in these proceedings, the proprietor had a product which could be offered to the trade or potential customers. I do not consider that the circumstances described in the evidence represent the sort of near-market activity that the ECJ considered might constitute genuine use and should be capable of saving a mark from revocation.

37. Accordingly, I find that the proprietor has not shown genuine use of the mark. No claim has been made that there are proper reasons for non-use. The registration falls to be revoked in relation to all the goods for which it is registered.

38. In accordance with Section 46(6), revocation will take effect from the date of the application for revocation, that is to say 30 April 2004.

## **COSTS**

39. Hargreaves Elsworth's letter of 13 October 2006 withdrawing their request for a hearing concluded by saying:

“Had the revocation proceedings been suspended as requested ownership of the Registration would have been clear upon determination of the revocation proceedings. In view of the fact that ownership is not clear and that the applicant for revocation requested that conclusion of the revocation proceedings not be delayed until the issue of ownership was clear, it is submitted that the applicant for revocation should bear its own costs.”

40. The applicant's attorneys submit that, if successful, it should receive an award of costs in the normal way.

41. There is no clear indication as to when the ownership issue will be resolved. I infer that Mr Blackburn's executors have taken the decision to continue with the defence of the registration. The applicant for revocation is entitled to have the matter brought to a conclusion. I order the registered proprietor's estate to pay the applicant the sum of **£1500**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of the case if any appeal against this decision is unsuccessful.

**Dated this 27 day of November 2006**

**M REYNOLDS**  
**For the Registrar**  
**The Comptroller-General**