

O-420-15

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO 2416552 IN THE NAME OF VAUX BEERS LIMITED

AND IN THE MATTER OF APPLICATION NO 84422 BY VSES PROJECTS LIMITED FOR REVOCATION FOR NON-USE

AND IN THE MATTER OF TRADE MARK APPLICATION NO 2621892 BY VSES PROJECTS LIMITED

AND IN THE MATTER OF OPPOSITION NO 104133 BY VAUX BEERS LIMITED

DECISION

Introduction

1. This is an appeal from the decision of Mr Allan James, acting for the Registrar, dated 17 July 2014, (O-312-14), in which he:
 - (1) Allowed the application number 84422 by VSES Projects Limited (“*VSES*”) for revocation of Trade Mark Registration No. 2416552 for non-use;
 - (2) Revoked Trade Mark Registration No. 2416552 in the name of Vaux Beers Limited (“*Beers*”) with effect from 26 August 2011; and
 - (3) Rejected Opposition No. 104133 brought by Vaux against Trade Mark Application No. 2621892.
2. On 14 March 2006 an application for registration under No. 2416552 was made for the trade mark VAUX. The registration procedure was completed on 25 August 2006 and the mark registered in respect of ‘*Beer, ale, stout and porter, all included in class 32*’.
3. On 22 May 2012 VSES applied under section 46(1) of the Trade Marks Act 1994 (“*the Act*”) for the VAUX trade mark No. 2416552 to be revoked for non-use. It was alleged by VSES that:
 - (1) The mark had not been put to genuine use in the period 26 August 2006 to 25 August 2011 and should therefore be revoked with effect from 26 August 2011; alternatively

O-420-15

- (2) The mark had not been put to genuine use in the five year period between 22 May 2007 and 21 May 2012 and should therefore be revoked with effect from 22 May 2012.
4. On 23 May 2012 VSES filed application No. 2621892 to register the mark VAUX in class 32 for:

Beers; ales; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages.

The application was published in the Trade Marks Journal 6954 on 24 August 2012.
5. On 24 August 2012 Beers filed a counterstatement in the revocation proceedings defending its trade mark registration No. 2416552 on the basis that:

‘As the definition of genuine use is relatively wide and may be open to interpretation, defences will be provided both to demonstrate genuine use, and on the grounds of genuine reasons for non-use . . . ’
6. On 29 September 2013 Beers filed a notice of opposition to application No. 2621892. The Grounds of Opposition were under sections 5(2) and 5(3) of the Act on the basis of the earlier mark trade mark registration No. 2416552 i.e. the mark the subject of the application for non-use. The section 5(3) ground was based in part on a claim the VSES’s use of VAUX would take unfair advantage of the reputation of VAUX beers in the North East of England going back to 1805.
7. On 23 October 2013 VSES filed a counterstatement to Beer’s notice of opposition. The counterstatement invoked section 6A of the Act and required Beers to show that there have been genuine use of trade mark registration No. 2416552 in the five year period ending on the date of publication of application No. 2621892 i.e. 25 August 2007 to 24 August 2012.
8. The revocation and opposition proceedings were subsequently consolidated.
9. Both parties filed evidence. VSES filed a witness statement from Ian James Byworth, who is a trade mark attorney working for Urquhart-Dykes & Lord, who represents VSES in these proceedings. Beers evidence was in the form of three witness statements (and written observations) from Hassan Webb, who is a director of Vaux Beers Limited.
10. A hearing took place on 23 June 2014 at which VSES was represented by Mr Ian Byworth of Urquhart-Dykes & Lord. Beers was not represented.

The Hearing Officer's Decision

11. Having summarised the evidence at paragraphs 9 to 11 of his Decision, the Hearing Officer first considered the application by VSES to revoke trade mark registration No. 2416552.
12. The Hearing Officer set out the relevant sections of the Act (paragraphs 13 and 14) before setting out the guidance as to the legal approach to the issue of non-use summarised by Arnold J. in Stichting BDO v. BDO Unibank, Inc. [2013] FSR 35 at paragraph [51].
13. Having, in my view correctly identified the relevant law, the Hearing Officer turned to consider first whether there was evidence of genuine use.

16. It is convenient to start by examining whether the evidence shows genuine use of the mark in the period 26 August 2006 to 25 August 2011.

17. Beers relies on the purchase of eight domain names including the word 'vaux' on 19 February 2008. However, the ownership of a domain name cannot, by itself, create or maintain a market for goods. Therefore this did not constitute genuine use of the mark.

18. Secondly, Beers relies on the evidence showing that a search on vauxales.com on 3 February 2011 would have returned a web page with links to other web sites. However, that only shows that vauxales.com was in use as an internet address. The mark VAUX did not appear on the web page. Further, it is implicit from Mr Webb's claim that a fully functioning website was in operation by June 2012 that the web page identified as existing in February 2011 was not part of a fully functioning website promoting VAUX beers.

19. I conclude that there was no genuine use of the mark in the period 26 August 2006 and 25 August 2011.

20. The next issue is whether there was any genuine use in the period 26 August 2011 and the date of the application for revocation on 22 May 2012. If there was then section 46(3) applies:

"...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

O-420-15

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.”

21. Within this period, Beers relies on its approach to four contract brewers on 21 May 2012. However, there is no evidence that this involved any use of the mark VAUX.

22. Beers also relies on the commissioning of a marketing strategy shortly after 20 May 2012. However, there is no evidence that this was commissioned before 22 May 2012, or that it involved any use of the mark VAUX. It clearly did not involve any public facing use of the mark.

23. In relation to the use of the VAUX mark on the website of vauales in early June 2012, Mr Byworth drew my attention to my own decision in *Healey Sports Cars Switzerland Limited v Jensen Cars Limited* and the subsequent judgment of the High Court in which Mr Henry Carr Q.C., sitting as a Deputy Judge, stated that:

“13. In my judgment, acts which were not done merely to preserve the rights conferred by the registration may nonetheless be insufficient to constitute use within the meaning of section 46(1)(a). This is clear from the requirement to take all relevant facts and circumstances into account. It is also clear from [37] of *Ansul*, which the Hearing Officer cited at [31] of his Decision:

“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.””

And:

“26. I agree with the Hearing Officer that the question of whether goods are “about to be marketed” is to be decided in the context of the economic sector concerned, and that some goods will take longer to develop than others. I also agree that the press release and website, which were published a few days before expiry of the five year period and enabled no more than initial interest in a future development to be registered, did not show that the goods were about to be marketed.”

24. Mr Byworth submitted that the use of VAUX on the website in this case, as in *Healey*, was not use in relation to any goods that existed at that time for sale. Further, again like in

O-420-15

Healey, the web page did not contain enough information about VAUX beers to enable anyone to register a serious interest in buying them. I see the strength of those points, particularly given Mr Webb's evidence that the "fully functioning" website had a "place an order" function, and yet no sales of VAUX beer had occurred by 24 August 2012, over 2 months later.

However, the website in question was not commissioned until 11 June 2012. This was after the application for revocation had been filed. It is not therefore necessary to decide whether the use of VAUX on the website amounted to genuine use for the purposes of assessing the application for revocation. I find that there was no genuine use of the mark in the period between 26 August 2011 and the date of the application for revocation on 22 May 2012. Thus s.46(3) does not apply.

14. The Hearing Officer then turned to consider whether Beers had proper reasons for non-use.

15. In order to understand the reasons relied upon by Beers it is necessary to make a preliminary observation. As set out in paragraph 9 of the Decision (and it is understood that this is common ground):

. . . Vaux Breweries was a major brewer based in Sunderland. The company had produced beers under the name VAUX for 170 years before the (still profitable) brewery was shut down in 1999.

16. Beers relied upon three reasons for the non-use of the mark VAUX:

- (1) The difficulty and delay in obtaining recipes for the original VAUX beers meant that it was not possible to introduce a commercially successful beer under that brand until the recipe was found by Beers in 2012;
- (2) The adverse publicity surrounding the closure of the original brewery meant that it was not possible to successfully launch a new beer under the mark VAUX; and
- (3) The tragic death of Mr Webb's uncle incapacitated him to some extent between May 2008 and January 2012 and as Mr Webb is the moving force behind Beers this prevented earlier use of the mark VAUX.

17. With regard to the first reason the Hearing Officer having set out the legal approach to this issue as identified by the CJEU in Case C-246/05 Armin Häupl v. Lidl Stiftung & Co. KG said:

O-420-15

27. Mr Webb relies on *Magic Ball* as authority for the proposition that technical or development problems connected with the sale of a specific product may constitute a proper reason for non-use. Mr Byworth submitted that the decision to use the mark only for beers corresponding to the original recipes for VAUX beers was a decision of the proprietor of the mark and therefore not independent of the will of the proprietor.

28. I note that when in May 2012 Mr Webb appears to have commissioned 1500 beers from a contract brewer in order to “test the market” for VAUX beers, he ordered beers made according to the brewer’s generic recipe. If he had thought that only beers made according to the original Vaux Breweries recipes would find a market under VAUX there would not have been any point in testing the market with a beer brewed to a generic recipe. I conclude that Mr Webb believed that a beer brewed to a generic recipe might be able to find a market under the mark VAUX, or at least that it was not commercially pointless to use the mark in relation to such beers. It was not therefore “impossible or unreasonable” to use the mark in relation to a beer brewed other than to an original recipe. The absence of an original recipe was not therefore a commercial factor that was “independent of the will of the proprietor” and it was not a proper reason for non-use.

29. I would add that if I had taken a contrary view on this point, I would have needed more persuasion than is apparent from Beer’s evidence that Beers had been actively searching for the recipe during the relevant five year period. This is particularly so in circumstances where:

- The book in which the recipe was found in 2012 appears to have been available throughout the 5 year period 2006-2011, and
- The book was purchased only after Beers found out about VSES’s commercial interest in the mark.

If it had been relevant, it would have been particularly important to show that real and sustained efforts were made to find to the original recipes in order to establish that the absence of those recipes had “a direct relationship with a trade mark which [made] its use impossible or unreasonable”.

18. With regard to the second reason the Hearing Officer found:

30. I find that the second reason advanced for non-use lacks credibility. On the one hand Beers says that VSES’s application to register VAUX should be refused because it would take

O-420-15

unfair advantage of the reputation of VAUX beers (which given that Beers itself has not used the mark, must mean the reputation of the mark as a result of its use in relation to the beers of the original Vaux brewery), whilst on the other hand it says that the reputation is so caustic that no one could launch a new beer under the VAUX name during the relevant five year period. I accept Mr Byworth's submission that whatever ill feeling might exist in Sunderland is directed at those who closed the original brewery, not at the VAUX mark. I see no merit in this reason for non-use.

19. With regard to the third reason the Hearing Officer found:

The third reason is almost as weak as the second. I have no doubt that the tragic death of Mr Webb's uncle in 2008 had a profound effect on him and caused him and his family a great deal of grief. However, he was able to continue working throughout the period 2008 to 2012 so it plainly did not incapacitate him. Further, whilst one might accept that the death of a close relative could adversely affect commercial activity for a limited period of time, this is not a proper reason for non-use of the mark by Beers over a period in excess of 3 years.

20. On the basis of his findings noted above the Hearing Officer allowed the application No. 84422 for revocation for non-use of trade mark registration No. 2416552 with effect from 26 August 2011.
21. This inevitably resulted in Opposition No. 104133 to trade mark application No. 2621892 being dismissed. No consideration was therefore given to proof of use of the mark required under Section 6A of the Act i.e. for the time period 25 August 2007 to 24 August 2012 to the extent that it was different from the time period under consideration in the revocation proceedings.

The appeal

22. Beers appealed to the Appointed Person under section 76 of the Trade Marks Act 1994. The Grounds of Appeal contend in substance that:
- (1) There were fundamental errors in the way in which the evidence was described by the Hearing Officer;
 - (2) Evidence which should have been taken into account had not been taken into account or not correctly interpreted;

O-420-15

- (3) Evidence that should not have been taken into account on the basis that it related to facts and matters outside the relevant time period had been taken into account; and
 - (4) In the circumstances the relevant principles of law (including in particular the standard of proof being on the balance of probabilities) had not been correctly applied to the facts of the case.
23. No Respondent's Notice was filed.
 24. Prior to the hearing of the Appeal Mr Hassan Webb on behalf of Beers filed a 28 page skeleton of argument containing detailed submissions on the appeal and Mr Ian Byworth of Urquhart-Dykes & Lord filed a concise 3 page skeleton on behalf of VSES.
 25. At the hearing Mr Webb made submissions on behalf of Beers and VSES was represented by Mr Byworth.
 26. With regard to the written submissions filed by Mr Webb on behalf of Beers there are two preliminary points: (1) Appendix B to those submissions contained what was said to exhibit HW1 to the witness statement of Hassan Webb dated 28 December 2012 and which contained without prejudice material; and (2) Appendix C appeared to contain new material in the form of emails.
 27. At the hearing before me it was confirmed by Mr Webb that: (1) the contents of Annex B had been contained in the evidence as originally filed in the proceedings but which had been excluded by a decision on behalf of the Registrar, as far as contents of this exhibit, was concerned on the basis that it contained without prejudice material; and (2) the contents of Appendix C had not been before the Hearing Officer. On this basis I indicated at the hearing that I would not take the contents of either Appendix B or C into account in making my decision on this Appeal and I have not done so.

Standard of review

28. The appeal is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
29. More recently in Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

O-420-15

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 , 2423:

‘Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.’

51. Where the appeal is (or involves) an appeal against a finding of fact, the role of an appeal court is as stated by Lord Mance in *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23, [2007] 1 WLR 1325 at [46] approving a passage from the judgment of Clarke LJ. in *Assicurazioni Generali SpA v Arab Insurance Group* [2003] 1 WLR 577 , 580–581 as follows:

‘14. The approach of the court to any particular case will depend upon the nature of the issues kind of case determined by the judge. This has been recognised recently in, for example, *Todd v Adams & Chope (trading as Trelawney Fishing Co)* [2002] 2 Lloyd's Rep 293 and *Bessant v South Cone Inc* [2002] EWCA Civ 763 . In some cases the trial judge will have reached conclusions of primary fact based almost entirely upon the view which he formed of the oral evidence of the witnesses. In most cases, however, the position is more complex. In many such cases the judge will have reached his conclusions of primary fact as a result partly of the view he formed of the oral evidence and partly from an analysis of the documents. In other such cases, the judge will have made findings of primary fact based entirely or almost entirely on the documents. Some findings of primary fact will be the result of direct

O-420-15

evidence, whereas others will depend upon inference from direct evidence of such facts.

15. In appeals against conclusions of primary fact the approach of an appellate court will depend upon the weight to be attached to the findings of the judge and that weight will depend upon the extent to which, as the trial judge, the judge has an advantage over the appellate court; the greater that advantage the more reluctant the appellate court should be to interfere. As I see it, that was the approach of the Court of Appeal on a 'rehearing' under the RSC and should be its approach on a 'review' under the CPR 1998.

16. Some conclusions of fact are, however, not conclusions of primary fact of the kind to which I have just referred. They involve an assessment of a number of different factors which have to be weighed against each other. This is sometimes called an evaluation of the facts and is often a matter of degree upon which different judges can legitimately differ. Such cases may be closely analogous to the exercise of a discretion and, in my opinion, appellate courts should approach them in a similar way.'

30. This approach was reiterated by the Court of Appeal in Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115]. Moreover in paragraph [115] Lewison LJ said:

115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: see *Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

O-420-15

31. Moreover it is also necessary to have in mind that the Registrar is a specialist tribunal, and therefore as noted by Arnold J. in at Shanks v. Unilever plc [2014] RPC 29 paragraph [28]:

. . . the warning given by Baroness Hale of Richmond in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49, [2008] 1 AC 678 at [30], which was approved by Sir John Dyson SCJ giving the judgment of the Supreme Court in *MA (Somalia) v Secretary of State for the Home Department* [2007] UKSC 49, [2011] 2 All ER 65 at [43], is apposite in this context:

“... This is an expert tribunal charged with administering a complex area of law in challenging circumstances. To paraphrase a view I have expressed about such expert tribunals in another context, the ordinary courts should approach appeals from them with an appropriate degree of caution; it is probable that in understanding and applying the law in their specialised field the tribunal will have got it right: see *Cooke v Secretary of State for Social Security* [2002] 3 All ER 279, para.16. They and they alone are the judges of the facts. It is not enough that their decision on those facts may seem harsh to people who have not heard and read the evidence and arguments which they have heard and read. Their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts or expressed themselves differently ... ”

32. It is necessary to bear these principles in mind on this appeal.

Decision

33. The first point to make clear on this appeal is that Mr Webb, on behalf of Beers, has not suggested that the Hearing Officer had not correctly identified the relevant law that he needed to apply to the issues to be determined in the present proceedings. In my view it was correct for Beers to take that position. Instead the gravamen of the complaint on this appeal is that the Hearing Officer has incorrectly applied the right test to the materials before him.
34. The points taken on appeal it seem to me fall conveniently into three categories:
- (1) The assessment of whether there had been genuine use within the relevant periods identified;

O-420-15

- (2) The applicability of the proviso under section 46(3) of the Act; and
 - (3) The assessment of whether there were proper reasons for non-use.
35. There are a number of preliminary observations that are pertinent to the appeal brought by Beers. With regard to the issue of use it was accepted by Mr Webb on behalf of Beers that: (1) up until 25 August 2012, i.e. after the application for revocation on the ground of non-use, Beers had not sold any goods under the mark VAUX; and (2) the website at the domain name www.vauxales.co.uk was not launched until 11 June 2012. Both these dates being after the application for revocation on 22 May 2012.
36. In addition at the hearing of the appeal before me it was confirmed by Mr Webb on behalf of Beers that: (1) prior to 22 May 2012 there was no product available and no product referred to on any website; and (2) that Beers had not purchased any of the goodwill in relation to the mark VAUX from the brewery that had previously carried on business over many years under various marks including the mark VAUX.
37. Finally, it is to be noted that Mr Webb is a director of Beers and therefore has at all times been in a position to provide relevant evidence on all the issues that were to be determined by the Hearing Officer.

Genuine use

38. With regard to the first category as stated by Geoffrey Hobbs QC sitting as the Appointed Person in Furnitureland Trade Mark (O-128-14) at paragraphs [4] to [5] said as follows:

4. For the overall purpose of deciding whether there had been ‘genuine use’ of the trade mark, it was necessary for the Registrar to be satisfied that the evidence adduced by FV showed use of the nature and quality envisaged by the case law summarised at paragraphs [28] and [29] of the Judgment of the CJEU in Case C-149/11 *Leno Merken BV v. Hagelkruis Beheer BV* [2012] ECR I-0000; [2013] ETMR 16; in the following terms:

28. The Court has already - in the judgments in *Ansul* and *Sunrider v. OHIM* and the order in *La Mer Technology* - interpreted the concept of ‘genuine use’ in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29. It follows from that line of authority that there is ‘genuine use’ of a trade mark where the mark is used in

O-420-15

accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v. OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

As confirmed by the CJEU in Case C-40/01 *Ansul BV v. Ajax Brandbeveiliging BV* [2003] ECR I-2439 at paragraph [37]:

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.

5. It was incumbent upon FV under Section 100 of the 1994 Act to adduce evidence which showed that the registration of its mark in relation to goods and services of the kind itemised in paragraph 2 above had been supported by use in commerce of corresponding breadth during the relevant 5 year period. In order to determine the extent (if any) to which the protection conferred by registration of the trade mark could legitimately be retained, the Registrar needed to form a view as to what the evidence did and just as importantly what it did not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods and services of the kind in issue. The evidence fell to be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addressed the actuality of use: see paragraphs [17] to [19] and [24] to [30] of the Decision of Mr. Daniel Alexander QC sitting as the Appointed Person in *PLYMOUTH LIFE CENTRE Trade Mark* BL O-236-13; [2013] RPC 34.

39. At the centre of Beer’s claim to have used the trade mark VAUX was:

O-420-15

- (1) The purchase on 19 February 2008 of eight domain names vauxales.co.uk, vausales.com, vauxbeers.co.uk, vauxbeers.com, vauxbitter.co.uk, vauxbitter.com, vauxbreweries.co.uk and vauxbreweries.com;
- (2) The screen grab from the web archive 'Waybackmachine' which showed a landing page at www.vauxales.com as it existed on 3 February 2011;
- (3) The research conducted by Beers and contact with a number of contract brewers between 18 May and 21 May 2012; and
- (4) The commissioning of a marketing strategy shortly after 20 May 2012.

These uses were relied upon to support a claim to genuine use of the mark in the period 26 August 2006 to 25 August 2011 and in the period 26 August 2011 until the date of the application for revocation on 22 May 2012. The evidence of genuine use in the first period being relevant to the assessment that had to be made by the Hearing Officer under section 46(1) of the Act and the second period being relevant to the assessment that had to be made by the Hearing Officer under section 46(3) of the Act.

40. I shall deal first with the online issues identified in paragraph 39(1) and (2) above. In support of his contention that the Hearing Officer had incorrectly applied the law to the facts Mr Webb relied upon a document published by the International Trademark Association ("*INTA*") said to have been published in 2011 which contained an analysis of the approach to online use in different jurisdictions.
41. The first point to note is that this document is not in any way binding upon me. The second point is that in any event the guidance is entirely consistent with the findings made by the Hearing Officer when applying the law as he was bound to do.
42. It is quite clear that in order for there to be use of the requisite kind in the online context the use must be such as to maintain or create a market share for the goods i.e. the position is identical with that in the offline context. The maintenance or creation of a market share is the same as the '*commercial effect*' that it seems to me is being referred to in the guidance issued by INTA.
43. The Hearing Officer found, in my view entirely correctly, the mere ownership of a domain name cannot, without anything more, constitute genuine use of a mark in that it cannot be regarded as maintaining or creating a market share for goods. It has no relevant commercial effect.
44. With regard to the landing page at www.vauxales.com as it existed on 3 February 2011 again the mere existence of a landing page at a particular website cannot, in my view, without more constitute use. The landing page in the present case did not, other than in the web address, contain any reference to the mark VAUX. There was no

O-420-15

reference to any product or to any future product to be sold and supplied under the mark whether of the type specified in the registration or any other. As noted above this was confirmed by Mr Webb at the hearing before me. Instead, on the page there simply some links to other apparently unrelated websites. Again there is nothing on the landing page that can be regarded as use of a type to maintain or create a market for goods under the mark VAUX.

45. As the Hearing Officer himself stated that this state of affairs is, in effect, confirmed by the evidence put forward on behalf of Beers that it was not until 11 June 2011 that *'the final fully functional site was online'* that site being the site at www.vauxales.co.uk.
46. With regard to the four contract brewers referred to in paragraph 21 of the Decision the issue is quite short. Whilst Mr Webb is correct to say on behalf of Beers that on the evidence before the Hearing Officer an approach was made to only two of the four contract brewers the subject of research conducted by Beers; it is also correct, as confirmed by Mr Webb on behalf of Beers, that none of such contact involved any use of the mark VAUX. In the circumstances it does not seem to me that the incorrect reference to an approach to four rather than two of the contract brewers researched by Beers is a material error.
47. Finally, with regard to the commission of a marketing strategy there was simply no evidence that such had been commissioned before 22 May 2012 or that it involved any use of the mark VAUX. Given Mr Webb's involvement in Beers it would have been open to him to have filed such evidence had it been available. In my view the Hearing Officer was entitled to find as he did that this provided no evidence of any public facing use of the mark VAUX.
48. A further complaint that is made is that evidence filed on behalf of VSES was dated after 22 May 2012. This can be dealt with quite shortly. The material falls into two categories. The first category consists of documents which although downloaded from the internet in 2013 relate to matters that occurred prior to the relevant date, for example, the Wikipedia printout dealing with the history of the Vaux Brewery of Sunderland. The fact that the download was made after the relevant date is hardly surprising given that the download was to be exhibited in evidence in the consolidated proceedings. However that does not result in the facts which related to events prior to the 22 May 2012 as set out in such downloads being inadmissible.
49. The second category consists of a web extract of vauxales.co.uk printed on 29 November 2013. It is quite correct, as was maintained on behalf of Beers on this appeal that the only relevant evidence of use is from the period of time under consideration. However it is also correct that account may be taken of circumstances after the relevant period if such material makes it possible to better assess the extent to which the trade mark was used in that period and the real intentions of the

proprietor in that period: see Case C-259/02 La Mer Technology Inc v. Laboratoires Goemar SA. It was on that basis that the evidence of the website from 29 November 2013 was put forward on behalf of VSES. It was entitled to do so for that limited purpose. In any event, this point is not a material one as it is clear that none of this evidence formed any part of the Decision made by the Hearing Officer.

The proviso under section 46(3) of the Act

50. With regard to what appears to be a point taken on behalf of Beers relating to the proviso under section 46(3) of the Act much was made on behalf of Beers of the Hearing Officer's description of certain correspondence identified as follows in paragraph 11 of the Decision:

Mr Webb says that he received a request from Mr Steve Smith, who is now a Director of VSES, to buy or licence the VAUX trade mark. He received a second letter from a trade mark attorney or solicitor acting on behalf of Mr Smith. Mr Webb says that he responded to these letters on 15 May 2012, indicating that the letters were sent to him some time prior to that.

51. It is said on behalf of Beers that this statement is not based on any supporting evidence. In paragraph 3 of Exhibit HW3 to the Witness Statement of Hassan Webb dated 24 February 2013 which consisted of a '*Letter of Supporting Legal Arguments of Hassan Webb . . . Director of Vaux Beers Limited*' and signed by Mr Webb it was stated that:

Where I refer to the party bringing this revocation action (per HW4) and in parallel pursuing an application to register (evidenced per HW5) the exact same "VAUX" word trade mark, I am referring to Steven Smith acting on his own behalf, of the same address supplied on his on his initial letter of inquiry to buy or use the Mark, or as Steven Smith operating as VSES Projects Limited on the second letter received from his trade mark attorney, operating from a different address. The second address, Dean Court, Newcastle is the address of a law firm, Quantum Law, of which he is a Director. Thus the party who initially requested if the Mark was available for purchase or use, and the party making this application are essentially one and the same. The legal entity VSES Projects Limited was set up on 18th May 2012 three days after my letter of response to the original letter of inquiry.

The paragraph of the Hearing Officer's Decision cross referred to this Exhibit and it seems to me that whilst it is correct to say that it is clear that the first letter from Mr Steve Smith i.e. '*the original letter of inquiry*' was sent prior to 15 May 2012 it is not clear when the second letter i.e. from the trade mark attorney was sent. Moreover,

given the date of incorporation of VSES it does not seem possible that such a letter was sent prior to 18 May 2012.

52. However, to the extent that the summary contained a small factual error it cannot be regarded as a material one. It is quite clear that the Hearing Officer did not make any finding that Beers was ‘*aware that the application [for revocation] might be made*’ such as to invoke the proviso under section 46(3), which would have resulted in certain evidence of use being disregarded. Rather he found having considered all the evidence before him that there was no evidence of genuine use by Beers of the mark VAUX at any point prior to the filing of the application for revocation on 22 May 2012 and on that basis section 46(3) of the Act did not apply.
53. For the reasons set out above I have not been persuaded that any error of principle has been identified as to the Hearing Officer’s approach to the issue of whether there had been genuine use of the mark by Beers and therefore the grounds of appeal relating to section 46(3) of the Act should be dismissed.

‘proper reasons for non-use’

54. Turning to the issue of ‘*proper reasons for non-use*’ this involved consideration of three different reasons. Beers appeal against the Hearing Officer’s findings in respect of each.
55. With regard to the concept of ‘*proper reasons for non-use*’ it is to be noted that the loss of protection by reason of non-use of a mark is properly to be regarded as the rule and not the exception. It is therefore incumbent upon the party who seeks to rely upon the exception provided by ‘*proper reasons*’ to establish the same.
56. In Case C-246/05 Armin Häupl v. Lidl Stiftung & Co KG the CJEU found at paragraph [55] that only ‘*obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceeding in the light of that guidance.*’
57. Again, it is not suggested on behalf of Beers that the Hearing Officer did not identify the correct legal approach in his Decision simply that he did not apply the test correctly to the facts before him.

The difficulty and delay in obtaining recipes for the original VAUX beers

58. It is said on behalf of Beers that the Hearing Officer was wrong to find that the difficulties relating to obtaining the recipes for the beer previously sold under the VAUX mark did not amount to proper reasons for non-use. I disagree. It seems to

me that each of the bases put forward by Beers demonstrated that it was not *'impossible or unreasonable'* for Beers to use the mark.

59. In particular the Hearing Officer was entitled to find that the email sent by Mr Webb to Hambleton Ales in which he stated *'I would prefer to use one of your in-house generic recipes during this initial run to test the marketplace'* and which was exhibited to Mr Webb's statement dated 24 February 2013 *'to demonstrate genuine use'* confirmed that Beers did not consider that it was impossible or unreasonable to use the mark in relation to beer, ale, stout or porter not made to the recipe of the original Vaux products.
60. In addition, I consider that the Hearing Officer was correct in his assessment that, had it been relevant at all, he would have required more evidence that Beers had been actively searching for the recipe during the five year period.
61. In this regard it is alleged on the appeal that the two examples provided by the Hearing Officer in paragraph 29 of his Decision are incorrect. However, with respect to the book found in 2012 it is not disputed by Beers that the book was always available just that it had not been identified as containing the recipes at the relevant date. With regard to the state of knowledge of Beers at the time the book was purchased on 20 May 2012 whilst it was correct to say that as of that date it was not known that VSES had a commercial interest in the mark Beers was aware that a Mr Smith had a commercial interest in the mark. Further as stated by Mr Webb in paragraph 3 of Exhibit HW3 to the Witness Statement of Hassan Webb dated 24 February 2013 *'the party who initially requested if the Mark was available for purchase or use, and the party making this application are essentially one and the same'*. It seems to me therefore that the reference to VSES in this paragraph of the Decision as opposed to another third party who was *'essentially one and the same'* makes no material difference to the Decision.

The adverse publicity surrounding the closure of the original brewery

62. It is said on behalf of Beers that the adverse publicity surrounding the mark VAUX was such as to make it unreasonable for Beers to use the mark within the five year period. I do not accept that is the case for the reasons given by the Hearing Officer. It is quite clear from the materials and the submissions on behalf of Beers before me that the position taken by Beers on this issue is self-contradictory.
63. Further, this view is reinforced by the submissions made before me which indicated that Beers itself sought to rely upon the goodwill in the VAUX mark in support of its case despite the fact that, as confirmed by Mr Webb at the hearing of the appeal, that it had not acquired any such goodwill for itself from the original brewery and in circumstances where it had not prior to 22 May 2012 used the mark and could not therefore have acquired any reputation for itself.

64. Moreover, it seems to me that the Hearing Officer was also entitled to accept the submission made on behalf of VSES that whatever ill feeling might exist in Sunderland is directed at those who closed the original brewery and not at the VAUX mark.

The incapacity of Mr Webb

65. Finally, it is said that the tragic death of Mr Webb's uncle in 2008 had a profound effect on both Mr Webb and his family and that this constituted proper reasons for non-use. The Hearing Officer rejected the suggestion that this was a proper reason for non-use. I agree.
66. In the end the question is whether or not the five year rule should or should not be relaxed in the particular circumstances which are said to justify the relaxation. Whilst I am sure that the tragic death of Mr Webb's uncle had a profound effect on both Mr Webb and his family, I do not see why the five year rule should be relaxed where, even if commercial activity might have been affected for a certain period of time, it was not unreasonable to expect Beers to have used the mark in the relevant five year period. Nothing that has been submitted on behalf of Beers persuades me that the Hearing Officer was wrong to take that view.
67. In my view, the conclusion that the Hearing Officer came to with regard to the existence of, or in this case lack of, proper reasons for non-use are ones that he was entitled to reach on the materials before him and Beers have not persuaded me otherwise.

Conclusion

68. In the circumstances, it does not seem to me that Beers has identified any material error of principle in the Hearing Officer's analysis or that the Hearing Officer was plainly wrong. In the result I have decided that the Hearing Officer was entitled to make the findings that he did.
69. In the result the appeal fails.

O-420-15

70. Neither side has asked for any special order as to costs. Since the appeal has been dismissed, VSES is entitled to its costs. I order Vaux Beers Limited to pay a contribution towards VSES Projects Limited's costs of £1,200 within 14 days of the date of this decision, together with the £3,350 costs awarded by the Hearing Officer below. In respect of the second sum I direct that the £3,350 paid to the UK IPO to be held as security for costs pursuant to my order of 28 April 2015 be paid out to VSES Projects Limited.

Emma Himsworth Q.C.

Appointed Person

14 July 2015

Mr Hassan Webb, a director of Vaux Beers Limited, represented Vaux Beers Limited.

Mr Ian Byworth of Urquhart-Dykes & Lord represented VSES Projects Limited.

The Registrar was not represented at the hearing and took no part in the Appeal.