

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO 1082541 IN THE NAME OF
GUCCIO GUCCI SPA

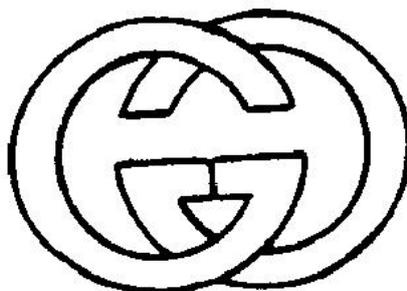
AND

APPLICATION FOR REVOCATION THERTO UNDER NO 84452 BY GERRY WEBER
INTERNATIONAL AG

DECISION

INTRODUCTION

1. In *La Mer Technology v. Laboratoire Groemar*, the Court of Appeal emphasised the importance of dotting the i's and crossing the t's in the evidence of use in proceedings where a mark is challenged on the grounds of non-use. This case emphasises the importance not just of doing that but also of doing so in the first round of evidence and not relying on the possibility of being able to bolster inadequate evidence of use at a later stage of the proceedings.
2. Guccio Gucci SPA ("the proprietor") is responsible for one of the world's leading fashion brands. For many years it has (or, more strictly, since this is in issue in the case, it has claimed to have) used a logo mark consisting of interlocking capital G's in relation to a wide range of goods including leather and fashion items and, more recently, perfumes. This mark is as follows.



3. Followers of fashion are perhaps likely to think of that mark as a well-known Gucci logo. The proprietor obtained a registration of that mark (number 1082541) in the United Kingdom covering a range of goods in classes 3, 14, 18 and 25. Among them are goods which many would normally associate with the GUCCI brand such as handbags and certain items of clothing. It is unnecessary for the purpose of this decision to set them out in detail at this stage.
4. On 15 June 2012, Gerry Weber International AG (“the applicant”) filed an application for revocation of the mark on the grounds of non-use. The application was made (it is said) without warning and was advanced in relation to all of the goods for which the proprietor had the registration, including handbags and other fashion articles. This application was, at first blush, perhaps a surprising one, since it amounted to saying that one of the world’s leading fashion and accessories companies had not used one of its key logo marks, which it describes as iconic, on any significant scale or in good faith in the United Kingdom at any time for *any* of the wide range of goods for which it was registered in the previous 5 years. There is, of course, no question of the applicant’s entitlement to make such an application: anyone can do so whenever they wish after the relevant period of registration has elapsed, including without warning, and an applicant can then stand back and say, subject to a costs risk: “now you prove your use – or lose your mark”. A trade mark may be acquired without proof of use: it is an inherent part of the trade mark system that, when the registration of a mark is challenged for non-use, the proprietor must devote appropriate attention to its defence - or it will be lost.
5. In this case, as a result of a less than effective approach at defending the application for revocation, the proprietor’s evidence of use was found seriously wanting in respect of the majority of goods in the decision of the Hearing Officer, dated 5 November 2013, from which this appeal is brought. The proprietor was refused permission to adduce further evidence to bolster its initial filing in an interim decision dated 17 July 2013, from which it tried to appeal but was refused permission to do so. The Hearing Officer took all of these decisions on the papers.
6. The consequence was that the proprietor’s logo mark was revoked for almost all of the goods. The mark was, however, allowed to remain for “non-medicated toilet

preparations” and “perfumes” in class 3, on the basis that the evidence of use was held to be sufficient to support such a registration.

THE APPEAL AND THE APPLICATION TO ADDUCE FURTHER EVIDENCE

7. The proprietor appeals from that substantive decision, from the decision to refuse to admit further evidence and the refusal of permission to appeal the latter decision. The applicant cross-appeals and says that the Hearing Officer was too generous in even allowing the mark to stand for the limited goods in class 3.
8. Having considered the original evidence filed and the application to adduce further evidence, I formed the clear view that the Hearing Officer was amply justified in reaching the decision she did. Because of the overall decision I have reached on this appeal, I will give my reasons for so holding relatively briefly later in this decision.
9. In my judgment, at the heart of this case lies the question of whether a further application to adduce further evidence, this time on appeal, should be allowed. The proprietor contends that this evidence makes good all or at least the majority of the defects in the earlier evidence and that it should be admitted, having regard to (or perhaps despite) the *Ladd v. Marshall* principles. Against that, the applicant argues that, although this proposed new evidence may be better than the proprietor’s first attempt, it is not determinative and that for a range of reasons (principally a strict application of the *Ladd v. Marshall* approach) it should not be admitted. Both parties accept, with varying degrees of enthusiasm, that the appropriate course, should this late evidence be admitted, would be for the case to be remitted to the Hearing Officer so that any substantive decision on the revised evidence could be fully considered by the primary decision maker of fact.
10. The application to adduce new evidence on appeal is crucial because, having considered the submissions, oral and written, in my judgment, there is no serious prospect of the proprietor showing that the Hearing Officer erred at all (still less to the relatively high standard required in an appeal of this kind) in her substantive decision on the basis of the evidence before her or that her procedural decision to refuse to admit further evidence was wrong or lay outwith the generous discretion afforded to a Hearing Officer with respect to procedural decisions of this kind. Counsel for the proprietor realistically recognised that this application was important and, in the oral submissions at the hearing, the point on permission to

adduce fresh evidence on appeal was at the forefront, with relatively limited challenge made to the main decision.

11. It might be thought that, having been refused to permit fresh evidence at first instance in a decision that was well within the bounds of the Hearing Officer's discretion, an attempt to adduce fresh evidence on appeal would be even more hopeless. Ordinarily, that would be the case. But this case is somewhat unusual: the Hearing Officer rejected the application to adduce further evidence mainly on the ground that she was "far from satisfied" that the proprietor's new evidence at that stage was material. That was unsurprising since the proprietor's then representative provided no detail at all of what that evidence was proposed to contain, nor any draft of it. There was no basis upon which the Hearing Officer could have exercised her discretion to admit further evidence at an earlier stage. The Hearing Officer was also not satisfied that the evidence could not have been provided earlier and pointed out, again with justification, that parties should make their complete evidential case when they file evidence in chief and not assume that there will be a second chance to make good the deficiencies in the first set by filing further evidence. The importance of this has also been emphasised by the Registrar on whose behalf written submissions were also adduced on this appeal. I will consider in greater detail below the impact of that point on the application to admit further evidence on appeal, with which I deal first.

THE APPLICATION TO ADMIT FURTHER EVIDENCE ON APPEAL

12. The application to adduce further evidence on appeal was made initially as part of the Notice of Appeal to the Appointed Person (see Section C) on 3 December 2013 and the evidence which it was desired to adduce was provided on 11 March 2014, well before the hearing. The evidence consists of a further statement of Mr Volpi (in addition to the statement which was before the Hearing Officer) containing (a) considerably greater detail about the use of the mark with respect to various of the categories of goods in the specification, in certain cases backed with further documentary material including specific sales records which are said to show sales in the UK during the relevant period (b) an explanation for why the evidence was not initially adduced which was, in essence, that the proprietor had been advised by its previous solicitors that it would be able to supplement its initial evidence later and was surprised when it was refused permission to do so.

The letter dated 11 March 2014 also limited the categories of goods in respect of which the registration was to be maintained, removing goods such as whips and walking sticks and a number of other goods for which there was no evidence of use.

PRINCIPLES AND THE *LADD V. MARSHALL* FACTORS

13. There was no dispute as to the relevant principles governing the admission of fresh evidence on appeal in cases of this kind. They were summarised by the Court of Appeal in *EI Du Pont De Nemours & Company v S.T. Dupont* [2003] EWCA Civ 1368 as follows:

100. In *Hunt-Wesson Inc.'s Trade Mark Application* [1996] 1 R.P.C. 233, Laddie J on an appeal under section 18 of the 1938 Act considered an application to file further evidence on the appeal. All the evidence sought to be introduced could have been obtained well before the hearing by the Registrar. It was accepted that the application would be extremely difficult to pursue if *Ladd v. Marshall* principles applied. Laddie J considered earlier authority relating to trade mark appeals which taken as a whole did not disclose a uniform approach. The court was not concerned with private litigation between two parties. An opposition to the registration of a trade mark might determine whether or not a new statutory monopoly, affecting all traders in the country, was to be created. It was probable that, if the evidence was excluded, and the opponent, as a result, lost, he would be able to return again in separate proceedings to seek rectification of the register. Allowing the evidence in might avoid further proceedings. Further, the hearing before the High Court was a rehearing. He considered that the appropriate course was to look at all the circumstances, including those factors set out in *Ladd v. Marshall* and to decide whether on the particular facts the undoubted power of the court to admit fresh evidence should be exercised in favour of doing so. He then set out eight factors which were likely to be relevant. Some of these are akin to those in *Ladd v. Marshall*. Others are of particular relevance to the registration of trade marks. Laddie J was thus articulating a somewhat relaxed approach in trade mark appeals to the question of admitting fresh evidence. I accept that the question should be judged, as in all cases, by reference to the nature of the issues in the proceedings.

101. In *Club Europe Trade Mark*, there was an application to adduce fresh evidence in a trade mark appeal under the 1938 Act. Sir Richard Scott V.-C. heard the appeal after the introduction of the Civil Procedure Rules, but when RSC Orders 55 and 59 remained in Schedule 1 to the Rules and before Part 52, which replaced them, was in force. He referred to section 18(8) of the 1938 Act. He contrasted the terms of Order 55 rule 7(2) with the more restrictive terms of Order 59 rule 10(2). He referred to and quoted from Laddie J's decision in *Hunt-Wesson*. He said that, in distinguishing *Ladd v. Marshall*, Laddie J might have added that the admission of additional evidence in that

case was governed by Order 59 rule 10(2), whereas in appeals under the 1938 Act the admission of additional evidence was governed by the much less restrictive language of Order 55 rule 7(2). He considered that Laddie J's check list of matters to be taken into account was useful. He then said at page 338:

"I agree that the restrictive principles expressed in *Ladd v. Marshall* do not apply where the question is whether on a trade mark appeal to which Order 55 r. 7(2) applies new evidence should be admitted. I agree also that the matters referred to by Laddie J are those that in most cases will be the important ones. I would caution, however, against any attempt to confine the statutory discretion within a straight jacket. The discretion under Order 55 r. 7(2) should, now, be exercised in accordance with the overriding objective and, in particular, the concept of proportionality, set out in Part 1 of the Civil Procedure Rules."

102. Part 52 of the Civil Procedure Rules has now been introduced, assimilating and modifying RSC Orders 55 and 59. The power to admit fresh evidence is in rule 52.11(2), which applies to all appeals within Part 52 including, for the reasons which I have indicated, trade mark appeals under both the 1938 and the 1994 Acts. The principles should be the same whatever the nature of the appeal, although their application may vary depending on the nature of the appeal. They are those described by Hale LJ in *Hertfordshire Investments Limited v. Bubb* to which I have already referred. Her analysis included reference to the judgment of Morritt LJ in *Banks v. Cox* (17th July 2000) in which he had concluded that "the principles [applicable before the introduction of Part 52] remain the same but the Court is freed from the straight-jacket of so-called rules". Sir Richard Scott had used the same expression in the *Club Europe* case, and this, in my view, indicates a smooth transition for trade mark appeals from RSC Order 55 to Part 52.11(2).

103. Pumfrey J considered the question of admitting fresh evidence in a trade mark appeal under the 1994 Act in *Wunderkind Trade Mark* [2002] R.P.C. 45. He concluded that proceedings before the Registrar of Trade Marks were intended closely to resemble proceedings in court and there was nothing in the nature of the tribunal which required appeals from the Registry to be treated in any special way. He considered that the introduction of CPR Part 52 had changed the position so that what was formerly a rehearing is now a review. For reasons which I have indicated, this is in my view a change of terminology, not substance. I agree, however, with Pumfrey J that trade mark appeals should not be treated differently from other appeals. As to admitting fresh evidence, Pumfrey J considered that the introduction of Part 52 had changed the law in a significant manner and that what Laddie J had said in *Hunt-Wesson* had been overtaken by the adoption of rule 52.11. Sir Richard Scott's decision in *Club Europe* does not appear to have been drawn to Pumfrey J's attention. However that may be, Pumfrey J in my view correctly summarised the position in paragraph 57 of his judgment, where he said:

"There is no doubt that in a trade mark appeal other factors outside the *Ladd v. Marshall* criteria may well be relevant. Thus in my judgment it is legitimate to take into account such factors as those enumerated by

Laddie J in *Hunt-Wesson*, provided always that it is remembered that the factors set out in *Ladd v. Marshall* are basic to the exercise of the discretion to admit fresh evidence and that those factors have peculiar weight when considering whether or not the overriding objective is to be furthered."

104. This passage, in my view, properly recognises that the same principles apply in trade mark appeals as in any other appeal to which Part 52 applies; but that the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter.

(See also the summary by Mr Justice Arnold in *Omega Engineering Incorporated v Omega SA (Omega AG) (Omega Ltd)* [2010] EWHC 1211).

14. The *Ladd v. Marshall* factors are basic to the exercise of the discretion. It is plain in this case that the first *Ladd v. Marshall* factor (that the new evidence could not have been obtained with reasonable diligence for use at first instance) is not satisfied. Counsel for the applicants contends, with considerable justification, that this should be the end of the matter and that none of the other factors are so compelling as to outweigh this point; all the more so since this is a second application to admit further evidence, the first having been rejected by the Hearing Officer.
15. He also contends, again rightly, that there is a public interest in the finality of proceedings and, if parties do not do a sufficient job with their evidence in the first round, that is too bad: the rules are clear that this should be done, they are well known and there was no proper excuse for not complying with them.
16. Counsel for the proprietor on the other hand contends that it is necessary to look at the circumstances more broadly, in the light of *Du Pont*. In particular, she draws attention to the following points.
17. First, while it is accepted that the evidence could have been obtained earlier, the proprietor submits that this is a case in which the proprietor was advised that it was not necessary to do so and that it would be possible to supplement the evidence at a later stage. One of the factors to be taken into account in the overall assessment is not simply whether the evidence could have been adduced earlier but why that was not done and that, in this case, such was not the proprietor's fault but a misunderstanding on the part of its legal advisers as to when such evidence had to be complete.

18. Second, the proprietor did in fact obtain further evidence or at least indicated that it wished to do so, to the extent of making a special application to adduce it at an earlier stage. So, it is said, the proprietor was trying to put further evidence before the tribunal and that it was the Hearing Officer's decision which meant that it was not done. It is submitted that the proprietor was not sitting on its hands and the evidence was not in fact immediately to hand in a presentable form: work had to be done in collating and marshalling it. So it is said that, while some criticism can be directed at the proprietor, it is modest in the circumstances.
19. Third, it is submitted that the evidence is, at least in some respects, determinative in that it is so clear, in the light of it, that there has been use for at least some of the goods in issue that the evidence would have not just an important influence on the case but a decisive one (see the second *Ladd v. Marshall* factor). It is submitted that, with this evidence, the outcome of the case would have been completely different, since it would have established use to the same or even greater extent for a larger category of goods as that which was established with respect to the limited class 3 goods for which the mark was permitted to remain. Attention is particularly drawn to the detailed material showing UK sales figures broken down in the proper way, sample invoices, advertisements and other marketing material which, at least *prima facie*, presents a completely different picture to that put before the Hearing Officer.
20. Fourth, it is said that there would be no prejudice to the applicant were the evidence to be adduced that could not be compensated in costs and that the delay in resolution was relatively unimportant in the context of the continuation of the wider trade mark dispute between the parties *inter alia* at OHIM.
21. Fifth, the proprietor argues that the overall justice and fairness of the case favours admission of this new evidence, having regard *inter alia* to the significant adverse impact on the proprietor of losing the registration of one of its key logo marks for a wide range of its most important products, which is of utility in dealing with counterfeit products (a notorious problem in this industry and which it is in the public interest should not be made harder to tackle).
22. Sixth, it is said that although there would be further proceedings, in the sense of a continuation of the existing ones, other potential proceedings concerning the proprietor's further filing of "replacement" trade marks might be avoided or limited if the existing mark can be preserved.

23. The proprietor relied on a number of other sub-points in written and oral submissions but I have sufficiently summarised the thrust of its arguments above.

Discussion

24. It is not in dispute that this evidence could have been obtained earlier and could have been adduced earlier. That factor tells strongly against its admission.

25. Moreover, as the applicant points out, the proprietor is a large and well-resourced company with a turnover in the billions of Euros. It is not a good excuse for such an undertaking to say that its intellectual property team was small or pressed in being able to get the evidence together in time, even though that evidence was in fact in the possession of the undertaking all along.

26. These are compelling points and they were advanced with skill and moderation on behalf of the applicant. I have therefore come close in the course of argument to rejecting the application to adduce further evidence, having regard to these points. However, the *Ladd v. Marshall* factors are not to be regarded as a straight-jacket or individually determinative and it is necessary to look at the position more broadly.

27. When that is done, a somewhat different picture emerges.

28. First, it is not seriously in dispute that the reason the evidence was so poor previously was that the proprietor thought, on the basis of advice from its then solicitors, that it would be able to fill any gaps with later filed evidence and indeed attempted to do so, albeit in a way that was not best calculated to lead to a favourable decision from the Registrar (see below).

29. Second, in my judgment this evidence is highly material. Although the applicant did not accept that it was determinative in respect of any of the kinds of goods, there was no dispute at the hearing that, at least, it made the contention that there had not been use for particularly important kinds of the proprietor's goods, such as handbags, during the relevant period much harder to sustain. Outstanding issues may remain, for example whether the use was merely "internal", although it seems to me that even this potential objection to this evidence is unlikely to be well founded at least for a number of the kinds of goods. So, this is, at least in part, not marginal bolstering evidence: this is material which, on any view, is likely to make a critical difference to this case.

30. This point is to my mind of considerable importance in the decision to adduce it in this case. As noted above, the Hearing Officer's refusal to admit further evidence on appeal was primarily based on the fact that she could not see what difference it would make. Had she been faced with a properly formulated application with evidence in draft or in the form in which the evidence has been provided for the present application, it is possible (and I believe likely) that her decision would have been different and the evidence or similar evidence would have been admitted.
31. Third, I take into account the other points summarised above, including the importance of the mark. The proprietor contends that there would be significant prejudice were it to lose its mark and the priority rights that it gives. The proprietor has, as a precaution, applied for and been granted further registrations covering somewhat similar ground but these have a later date and it is said by the applicant that these may be vulnerable on other grounds including prior rights and possibly bad faith. There is therefore potentially real prejudice to the proprietor in losing the mark for the relevant goods as well as the prospect of further litigation about replacement marks.
32. Fourth, there is no suggestion that there is any prejudice to the applicant that cannot be compensated by an award of costs. There will be some delay in the final resolution of these proceedings but it is not suggested that this is anything that causes particular prejudice, especially since there are parallel OHIM proceedings which are continuing.
33. Having regard to these points and the approach required by the *DuPont* case I conclude that, in the unusual circumstances of this case, on balance, discretion should be exercised to admit this evidence on appeal but that such should only be done on strict terms as to costs as to which see below.
34. In my judgment it would be inappropriate for me to make an evaluation of this evidence beyond the observations I have made above and that the issue of whether this evidence is sufficient to prove use in respect of the various individual kinds of goods should be for the Registrar in the first instance.

Conclusion on application to admit further evidence

35. I therefore remit the case to the Hearing Officer for fresh determination of the question of revocation in the light of this evidence provided that the conditions below as to costs are fulfilled.

Registrar's submissions

36. The Registrar does not make any submissions on whether the evidence should be admitted on appeal. He contends that the extended *Ladd v. Marshall* criteria apply and says that that if the Appointed Person decides that the additional evidence is so material that this outweighs the fact that the evidence could have been filed earlier, this should be reflected in costs. I agree with this and deal with the issue of costs below.

37. The conclusion I have reached is in accordance with the submissions of the Registrar in that, in my judgement, this evidence is highly material and at least in certain respects, without pre-judging the issue, likely to be decisive. I have noted above that there is no prejudice in its admission which cannot be compensated in costs.

THE MAIN DECISION

38. In the light of the decision to remit, it is unnecessary to deal with the other aspects of this appeal at length.

39. As noted above, there is no basis for interfering with the Hearing Officer's main decision. She was, in my judgment, plainly right that the evidence originally provided to prove use was inadequate for the reasons she gave. The following illustration suffices to show why.

40. The proprietor is one of the world's most well-known sellers of, *inter alia*, leather goods. The class 18 registration in this case covers the following goods:

“Handbags, pocket wallets, shoulder bags, holdalls, travelling bags, toilet bags, briefcases, umbrellas, attaché cases, document cases, whips, walking sticks; pouches, cases all included in Class 18; purses (not of precious metal or coated therewith); key fobs, card cases, holders for paper tissues, passport cases, all made of leather.”

41. Mr Volpi's evidence about this class, which might be thought to be of key importance to the proprietor's business, covers just two paragraphs and 1 exhibit. Those paragraphs are as follows:

“19. I refer to EXHIBIT 7 which is a copy of the various look books showing use of the mark in relation to bags and other Class 18 goods.

20. The sales of Class 18 products featuring the mark from 1996 to July 2012 are as follows [there follows a table simply setting out compendious sales in given years (e.g. Year 2011 - Turnover in £ sterling 1.914.418)].”

42. The “look books” referred in the exhibit and which were said to be available in stores in the United Kingdom to do not relate to the relevant period of non use. It is fair to say that there is a tiny amount of additional evidence relating to handbags in the latter part of his witness statement where, in paragraph 28, he says: “examples of advertising campaigns are shown at EXHIBIT 8 which is an extract from the UK edition of Vogue (April 1982)” showing the mark prominently on a handbag.

43. Any tribunal assessing this evidence would be bound to conclude, especially given the nature of the proprietor in question, the alleged importance of the mark and the fact that the proprietor was represented by legal advisors of repute that a diligent and careful search had been made for relevant documents proving use and this was the best that could be found.

44. That impression would be re-inforced by two further points: (i) first, the submission on behalf the proprietor, when an application was made to adduce further evidence, to the effect that only limited further evidence was to be adduced and (ii) the fact that the proprietor was content to have the matter decided on the papers.

45. Indeed, had the proprietor set out to give the impression that the mark had not been used in the relevant period in relation to the relevant goods in the United Kingdom and that its thin evidence was submitted as a try-on in the hope that the Hearing Officer would not notice, the proprietor's submissions could hardly have done a better job. In the event, the Hearing Officer did notice. She pointed out the following in para. [41] of the main decision:

“However:

- (i) a combination of turnover figures about which there is no statement that they relate to UK sales, and
- (ii) no breakdown at all as to the types of goods, and
- (iii) no invoices at all, and
- (iv) no indication as to number of goods (of any type) sold, and
- (v) no packaging and no advertisements other than one from 1981, and
- (vi) a loose collection of pages, many undated, showing a very scant range of goods,

does not present me with a picture of genuine use when I put the pieces together.”

46. She was amply justified in her view. This was an inevitable finding in relation to the majority of the goods in respect of which use was sought to be proved on the hopeless evidence provided. It should not be thought, in using that description, that I am necessarily criticising the legal team (previous external or internal) of the proprietor for this. It must be emphasised that the primary responsibility for actually providing evidence of use, when that is challenged, does not lie on the legal advisors. At best, they can assemble the material provided by those in the business. It is generally less desirable for evidence of use to be given by lawyers (internal or external) without a very clear indication of where the evidence comes from. It is not good enough simply to say that a turnover figure is obtained from the books and records of the company, where a compendious figure is given for a wide range of goods in a class. This can be illustrated by this case. Mr Volpi’s initial evidence refers to “the sales of Class 18 products”. That list includes whips and walking sticks. It is not now suggested that there was any use of the mark in relation to whips or walking sticks during the relevant period. The original statement of Mr Volpi was therefore potentially misleading (possibly through no fault of his own since that form of wording may have been suggested to him) in suggesting that there had been use across the scope of Class 3 goods. It should not have been submitted in that form.

APPLICATION TO ADDUCE FUTHER EVIDENCE BEFORE THE HEARING OFFICER

47. In the light of my decision above it is also not necessary to address the appeal from the decision to refuse to admit the evidence below at length. Again, it suffices to say that, in my view the Hearing Officer was entirely right to refuse permission to adduce further evidence for the reasons that she gave. That decision was well within the bounds of her discretion.
48. The proprietor contends that the Hearing Officer should have had greater regard to the fact that the reason the application was made was because of a reasonable belief on the part of the proprietor's previous legal advisors that it would be possible to adduce further evidence, regardless of whether the applicant served evidence in answer.
49. The application to adduce further evidence before the Hearing Officer was, in some respects, remarkable. The application was made pursuant to Rule 38(8) of the Trade Mark Rules 2008 which gives the Hearing Officer a power to admit further evidence¹. By the time the application came to be made, the proprietor must have been (or should have been) aware that its evidence was seriously deficient. Despite this, in its application to the Hearing Officer, it did not even provide a draft of the evidence it proposed to adduce nor even the most rudimentary information about why the proposed evidence was likely to be material. In so far as any indication was provided as to its proposed contents, it was said that there were sales figures and examples of a very similar mark in use which "consolidated" and "clarified" the evidence in chief. The Hearing Officer said that the applicant was "understandably cautious about revealing possible gaps in her client's evidence in chief". In my view while that is, as the Hearing Officer said, understandable, it is wrong. If a party comes to a Hearing Officer with an application to adduce further evidence because there are, or may be, gaps in the earlier evidence, it is important that it is candid about this and explains in detail how the proposed new evidence will fill them.
50. It is only in exceptional cases that an application could even be entertained where a draft of the evidence is not supplied or without a detailed explanation of what the evidence will contain and why it is material. It is impossible for a Hearing Officer to apply the relevant criteria to admission of such evidence (which are, in essence, (i) materiality, (ii) justice and fairness in subjecting the opposite party to

¹It provides that the registrar "may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit".

the burden of dealing with it and (iii) prejudice: *Lappet Manufacturing Co Lt v. Yosif Abdulrahman Al-Bassam Trading Establishment O/467/02*) unless he or she is clearly told in detail what the evidence is going to consist of.

51. In my view, in the absence of information of that kind, a Hearing Officer would ordinarily be justified in rejecting such an application, without more.

Registrar's submissions on the application before the Hearing Officer to admit further evidence

52. In my judgment, the Registrar is therefore clearly right to say, in the written submissions on his behalf, that the onus lay on the proprietor to satisfy the Hearing Officer that the additional evidence would be material.

53. The Registrar, again with justification, criticises the proprietor's previous representative for being (in his words) "cagey" in expressing a reluctance to provide detail of the proposed evidence. The Registrar is also amply justified in saying that there had been no effort to show that the evidence was material. Indeed, the proprietor was inviting the Hearing Officer to give it a blank cheque to file whatever further evidence it wanted, material or not, and leave it to the Hearing Officer to disregard the immaterial. No application to adduce further evidence should be presented on that basis. If the evidence is not before the tribunal (which in a case of this kind it should preferably be, when the application is made), at the very lowest there should be a clear and detailed summary of what it is proposed to contain, from whom it will be adduced and a clear and detailed statement of its precise materiality. The original application to adduce further evidence did not approach that requirement.

54. I note here that the application to adduce fresh evidence on appeal is completely different in character to that made below. Not only is the evidence actually completed and in final form, there is a clear and detailed explanation of the rationale of all parts of it and how it is material to each aspect of the case. That this is so can be seen from the fact that, at least in certain respects, the applicant had only very limited answer to it at the hearing.

The importance of the first round of evidence

55. The Registrar has submitted that a party should complete all of its evidence to the required standard in the first round and should not rely on being able to file further

evidence at a later stage. That is plainly correct and is the effect of Rule 38 Trade Marks Rule 2008.

56. The Registrar says that it is important that a party puts its best case up front – with the emphasis both on “best case” (properly backed with credible exhibits, invoices, advertisements and so on) and “up front” (that is to say in the first round of evidence). Again, he is right. If a party does not do so, it runs a serious risk of having a potentially valuable trade mark right revoked, even where that mark may well have been widely used, simply as a result of procedural error. It is particularly important for undertakings which rely on brands and trade marks which are instruments against counterfeiting and other infringement to bear this in mind. The rule is not just “use it or lose it” but (the less catchy, if more reliable) “use it - and file the best evidence first time round - or lose it”.
57. That is a message which has not perhaps penetrated completely enough. I do not cast blame here and note that, only last year, as the Appointed Person, I referred to old Rule 31 in the *Plymouth Life Centre* case, in discussing an earlier case decided under the old rules on a different point, without referring to the fact that Rule 38 provides for a different more up front regime. The guidance given by the Registrar might also usefully re-emphasise this point somewhat more.
58. In a case of this kind, thought of being able to rely on the Hearing Officer or an appellate tribunal acceding to a request to permit a defect in the first round of evidence which could have been got right first time to be remedied should be banished from procedural thinking, regardless of the slightly more flexible *Du Pont* criteria. Ordinarily, they would not do so, especially where the materiality of the evidence was in doubt and, as noted, I have come fairly close to rejecting the application to adduce further evidence on appeal. Whatever the position in other countries, approaching proceeding in this way is a high risk strategy in United Kingdom Registry proceedings.
59. It is, however, implicit in the Registrar’s submissions that, in a case where the further evidence sought to be adduced under Rule 38(8) is material, good grounds have been shown for admission of it and the party seeking to adduce it has co-operated fully with the Registrar in explaining why that its so, further evidence may, in some cases, be admitted even though it could have been adduced earlier.
60. If, for example, an application to adduce fresh evidence before the Hearing Officer is made at a comparatively early stage of proceedings, perhaps to address a

specific criticism made by the other side or a point identified as weak and there is unlikely to be any significant prejudice or adverse cost consequences, a Hearing Officer might well exercise the discretion favourably, upon being satisfied that the proposed evidence is actually material. On the other hand, if a party makes an application to adduce some evidence in the future without providing a draft and without explaining in detail what it goes to or how it will assist, a Hearing Officer would be well-justified in refusing it.

No duty to provide clarification

61. The proprietor also faintly suggested that it was part of the Hearing Officer's duty to seek clarification of the proprietor's evidence. Like the Registrar, I find such a submission, which was not pressed at the hearing, wholly untenable. It is no part of the Registrar's function to pre-evaluate the evidence and raise issues with a proprietor about its evidence of use. The burden lies, and lies wholly, on the proprietor to get it right. That is clear from the terms of the Trade Marks Act (s.100) and the rules made under it.

Conclusion on other aspects of the appeal

62. For the above reasons, I dismiss the other appeals against the Hearing Officer's decisions.

CROSS-APPEAL

63. The applicant cross-appeals, contending that the Hearing Officer ought not to have permitted the mark to remain registered for any goods other than "perfumes" and that it was wrong to permit the specification to include additionally "non-medicated toilet preparations", which potentially covers a wide range of goods of which use had not been proved.

64. The principles are not in serious doubt. The tribunal must first determine in respect of what goods use has been proved and then consider what specification would properly and reasonably reflect such use. Ultimately, there was no serious dispute that a specification to "perfumes" would be appropriate as a starting point but the real issue was whether, having found that there was only use in relation to

perfumes, a wider category of goods “non-medicated toilet preparations” would be permissible. It was submitted on behalf of the applicant that, having found more limited use, it would be wrong in principle ever to permit the wider category. I am not satisfied that this is correct. If one considers an example of a specification of goods as follows “travelling bags”, “Gladstone bags made of leather” and use is only proved in relation to “Gladstone bags made of leather”, it does not seem to be to follow that a specification for “travelling bags would be impermissible, simply because it contained travelling bags which were not Gladstone bags or travelling bags not made of leather. The real question is not whether a narrow specification would suffice, but whether the wider specification is justifiable and makes more sense.

65. That depends to some degree on the nature of the wider specification. If it contains a broad range of diverse goods which may, for example, be supplied for different purposes and through different trade channels and it is clear that use has only been in relation to a small sub-set, it would be wrong to permit a specification to the whole wider class on the basis of proof of use of the smaller sub-set.
66. In this case, the Hearing Officer specifically referred at para. [37] of the decision to the evidence of use of the mark in relation to perfumes and Gucci Guilty Body Lotion and concluded that a fair specification was “non-medicated toilet preparations; perfumes”. I think there is force in the applicant’s argument that the specification should have been limited still further to “body lotion, perfume”. That specification would accord with the perceptions of the average consumer of the goods or services concerned (see *Euro Gida Sanayi Ve Ticaret Limited v. Gima (UK) Limited*, Mr Geoffrey Hobbs QC, Appointed Person, cited by the Hearing Officer at para. [31]). To that extent, I consider that the applicant’s cross appeal is in principle merited in part.
67. However, among the evidence proposed to be adduced is further material going to the class 3 goods. Accordingly, I will not formally allow this appeal and, here and now, decide to the contrary but hold that this is a matter which should also be reconsidered by the Hearing Officer upon remission. It may be that the further evidence will lead to the original category of goods proving justified.
68. Similarly, there seems little point in reconsidering the additional point on the scope of class 3 that the proprietor raises and which, prima facie, is not attractive.

However, the Hearing Officer may reconsider this as well, in the light of the new evidence.

69. Accordingly these are matters which may also be reconsidered in the light of the new evidence.

CONDITIONS FOR ADMISSION OF EVIDENCE AND COSTS

70. It will be evident from the above that, in effect, the proprietor is inviting completely fresh reconsideration of large parts of the case, in the light of the evidence on appeal.

71. Much of the proceedings so far have largely been a waste of costs. It is therefore clear that the evidence sought to be admitted on appeal (namely the Second Statement of Mr Volpi) should only be admitted upon strict terms as to costs.

72. The proprietor has not offered to pay the applicant's costs on an indemnity basis. However, I have the power to impose conditions for admission of the evidence which the proprietor can, of course, choose, if it wishes, to reject, but with the price of its mark remaining (in the main) revoked.

73. In my judgment, regardless of the underlying merits, the applicant's time and cost has been wasted – in that it now faces the prospect of reconsidering the application on different evidence. Conditions as to costs may reasonably be imposed for the admission of fresh evidence on appeal. In my judgment, the only basis upon which this evidence should be admitted on appeal is one in which the proprietor undertakes to pay a substantial part of the applicant's costs of these proceedings to date (having regard to the fact that the applicant was unsuccessful with respect to part of the class 3 goods and that I have allowed the evidence on appeal in principle). Taking account of the power of this tribunal to make orders as to costs off-scale in appropriate circumstances, I have the power to impose conditions as to the admission of evidence on appeal which require the payment of costs off-scale.

74. Moreover, it seems to me that in the light of the new evidence, it is fair to the Hearing Officer that she is given the fullest possible assistance in considering it, including attendance at a hearing, unless she considers it to be unnecessary.

Conditions

75. In my view, this situation requires terms for admission of the new evidence which are as follows:

- (1) If the proprietor wishes to have the evidence admitted, it shall pay 80% of the applicant's actual costs of these proceedings to date (including those of the hearing before me) in any event.
- (2) The proprietor shall indicate in writing to the applicant within 14 days whether it is prepared to pay those costs as a condition of admission of the evidence.
- (3) If the proprietor indicates that it is prepared to pay those costs, it shall pay them within 14 days of such indication.
- (4) Following such payment, the Registrar may commence the process of relisting this application before a Hearing Officer for re-consideration on the new evidence.

76. If there is any dispute about the reasonableness of the actual costs, the parties may refer the matter back to me for consideration on the papers. However, I would only expect that to be done if the costs sought were seriously disproportionate – which, given that there has been very limited work done on the applicant's side, seems unlikely. If the applicant indicates that it does not wish to have its costs paid, the evidence shall be admitted without such requirement.

Other directions

77. I further direct as follows with a view to encouraging sensible management of this dispute in the future and in the light of the submissions (including on confidentiality of parts of exhibits):

- (5) The Hearing Officer may additionally consider making an off-scale award in respect of costs in whole or in part if the parties respectively maintain or defend the application where it is or should have been plain that the further evidence sufficiently proves use or, conversely, that it is plain that the evidence is still insufficient to prove use with respect to given kinds of goods.
- (6) Unless the Hearing Officer dispenses with a hearing and the applicant indicates that such is not required, the proprietor's representatives are directed to attend before the Hearing Officer at a hearing (or video-hearing if more appropriate) to explain any points of detail in the new evidence and

answer any questions the Hearing Officer may have concerning the application, and the costs of any such attendance are to be borne by the proprietor in any event.

(7) The Hearing Officer may consider whether any confidentiality restrictions should be imposed with respect to any of the proposed evidence. Until that has been done and terms agreed or ordered, documents in respect of which confidentiality is sought to be preserved will not be made public.

78. If the proprietor is not content with any of those conditions for admission of the evidence, the appeals will be dismissed and I will invite further written submissions on the disposal of the cross-appeal and other consequential matters.

Concluding remarks

79. This case is exceptional and it should not be thought that, in general, appellate tribunals in trade mark matters will permit a party to remedy an evidential deficiency on whatever terms.

80. The central lesson from this case is that losing a mark through inadequate evidence of use can happen to anyone, even Gucci. It may therefore act as an encouragement to trade mark proprietors to get their evidence of use right and complete first time round.

DANIEL ALEXANDER QC

Appointed Person

1 October 2014

Representation

Anna Carboni, of and instructed by Redd for the proprietor (neither of whom were instructed in the proceedings below)

Michael Edenborough instructed by Harrisson Goddard Foote for the applicant for revocation