

O-451-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2652113
BY NIKE INTERNATIONAL LTD
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 25:**

JUMPMAN

AND

**OPPOSITION THERETO (NO. 400331)
BY INTERMAR SIMANTO NAHMIAS**

The background and the pleadings

1. The trade mark **JUMPMAN** was filed as a Community Trade mark (“CTM”) on 12 September 2007 by Nike International Ltd (“the applicant”). It was subsequently converted into a UK application and allocated the number 2652113. It was accepted and then published for opposition purposes in the Trade Marks Journal on 1 March 2013 in respect of the following class 25 goods:

Clothing, footwear, headgear; including apparel, namely, pants, shorts, shirts, t-shirts, pullovers, sweat shirts, sweat pants, underwear, sports bras, dresses, skirts, sweaters, jackets, socks, caps, hats, visors, sweatbands, gloves, belts, hosiery, arm bands, coats, vests, jerseys, wind-resistant jackets.

2. Intermar Simanto Nahmias (“the opponent”) opposes the registration of the mark. The opponent is the proprietor of CTM 2752145 for the mark **JUMP** which was filed on 25 June 2002 and entered on the register on 2 February 2006 in respect of footwear and socks in class 25. The opponent relies on its trade mark as the basis for a ground of opposition under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). Given its date of filing, the opponent’s mark qualifies as an earlier mark in accordance with section 6 of the Act. However, given that the earlier mark completed its registration process (the date of entry in the register) more than five years before the publication of the applicant’s mark, the use conditions apply to it as per section 6A of the Act. To this effect, the opponent made a statement that its mark has been used in relation to “footwear”.

3. The applicant filed a counterstatement denying the ground of opposition. It put the opponent to proof of use. Both sides filed evidence. A hearing then took place before me on 11 September 2014 at which the applicant was represented by Mr Benet Brandreth, of Counsel, instructed by Charles Russell LLP; the opponent was represented by Mr Philip Harris of Rouse IP Limited.

The evidence

4. Both sides evidence focuses on the use made of the earlier mark. I will summarise what this consists of in the relevant part of this decision. The opponent’s evidence comes from Mr Philip Harris (its trade mark attorney), Mr Mark Nahmias (its General Director) and Mr Mladen Ivanov (the Managing Director of one of the opponent’s main customers – or at least its main relevant customer). The applicant’s evidence comes from Ms Catherine Richardson (its solicitor).

The proof of use provisions

Legislation and leading-case-law

5. There is no dispute that that the earlier mark must meet the use conditions if it is to be relied on in these proceedings. The use conditions are set out in section 6A of the Act as follows:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

6. Section 100 is also relevant, it reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

7. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine

commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

8. The earlier mark is a CTM, therefore, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EC (now known as the EU). In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (“*ONEL*”) the CJEU stated:

“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 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).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

9. Regarding the territorial scope of the use, the CJEU went on to state:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a

substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)."

The relevant period

10. According to section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five period ending on the date of publication of the applied for mark, so, in these proceedings, **the relevant period is 2 March 2008 to 1 March 2013.**

Opponent's evidence

Mr Harris' evidence

11. Mr Harris' evidence is largely based upon information and materials provided to him by Ms Erin Goktan (the opponent's trade mark attorney in Turkey) which, in turn, was provided to her by Mr Nahmias. Mr Harris' evidence is, therefore, largely hearsay, indeed, second hand hearsay. This must be borne in mind in terms of the weight that should be accorded to it. To the extent that it consists of self-standing statements, its weight is extremely limited. However, much of it is either corroborated by Mr Nahmias or, alternatively, consists of documentary materials which, consequently, have more weight.

12. Mr Harris' exhibits a pair of what I would call trainers, together with their packaging (a shoe box, a carrier bag and two labels). The trainers carry the word JUMP on its front in fairly plain text, in signature form (on the side) and as a logo (on the tongue). There is also what I will call the JUMP chevron logo on the reverse of the tongue and on the insole. The shoe box depicts the JUMP chevron logo in a number of positions as well as the word used as part of a web address. There is also a label on the box which carries the text "JUMP NAME" and "JUMP CODE" followed by a sub-brand (DANIAN) and product number (4754). There are two labels (one carries care instructions, the other pricing details (79.00 TL)) which feature the JUMP chevron logo and the web address. The JUMP chevron logo and web address also feature on the carrier bag. The trainers were sent to Mr Harris in October 2013 by Genmar IC VE Dis Tic AS ("Genmar"), who Mr Harris has been informed is a subsidiary of the opponent.

13. Mr Harris also exhibits what is described as page 10 of the opponent's 2013 Bulgarian language catalogue (the rest of the catalogue is exhibited by Mr Nahmias) showing four pairs of trainers, the second of which is said to be the trainers as exhibited above. The product and colour codes match. Only the signature form of JUMP is visible on the photograph in the catalogue.

14. Exhibit PWH4 of Mr Harris' witness statement contains a number of invoices which are separately referred to in a spreadsheet in Mr Nahmias' evidence. The invoices are dated between 2011 and 2013. Catalogue¹ pages corresponding to the products sold in the invoice are provided so that they may be cross-referenced. In addition to trainers, the pages show boots, sandals, flip flops and other types of ladies shoes. The invoices do not use the word JUMP. Neither do most of the products in the catalogues (the signature version is sometimes seen) but the product pages do (at the top of the page).

¹ It is not explicitly stated if the pages are from the same catalogue as per paragraph 13 or whether they are different catalogues. In any event, there is nothing to suggest that if they are different (and earlier) catalogues, that they are Bulgarian (or other EU language) catalogues.

15. Mr Harris states (relying on the hearsay chain mentioned earlier) that advertising expenditure in Bulgaria was \$10,000 in 2012. I place little weight on this given its hearsay nature and, in any event, is not explained what this sum of money was spent upon. He states that the opponent's Bulgarian distributors began to dedicate display areas in their retail outlets as of March 2012; this was apparently in the Bulgarian towns of Plodiv and Varna. Mr Harris' final exhibit contains what are said to be the front pages of the opponent's catalogues from 2005, 2007, 2011 and 2012 which he has been told were provided to the customers referred to in Mr Nahmias' exhibit MN5 (which I will come on to). There is nothing to suggest that these are Bulgarian (or other EU) language catalogues – it would be counterintuitive in the face of the evidence as a whole that believe that they are. The pages dated 2012 and 2011 carry the JUMP chevron logo, the 2007 page carries the word JUMP in fairly plain lettering, and what I assume (by a process of elimination) is the 2005 page, which carries the word JUMP, albeit with a different logo on its left hand side.

Mr Nahmias' evidence

16. Mr Nahmias' evidence is from his own knowledge or from the opponent's records. He states that the mark has been used in the EU in respect of footwear. By way of background, he explains that the opponent first used the trade mark JUMP in Turkey (which, of course, is not an EU Member State) in 1989. It first registered the mark in 1992 and it has obtained a number of registrations internationally over the years. Exhibit MN1 provides details of such registrations, including some in Belarus, the EU, Spain, Switzerland, Montenegro, Kazakhstan, Russia, Ukraine and China.

17. Mr Nahmias states that the opponent has been exporting its goods from Turkey since 2001. In terms of exports to EU Member States he explains:

“We have been exporting to EU member states since 2005 (to Germany, Finland and Spain in 2005, Bulgaria in 2007, 2012 and 2013). At this time, the principal, but not the only market for my Company's footwear in the European Union is Bulgaria since we use Bulgaria as our export base in EU. Since April 2007, we have exported 52,954 pairs of shoes bearing the JUMP mark to Bulgaria to be sold in Bulgaria and other EU countries.”

18. Exhibit MN2 consists of what Mr Nahmias states is a 2013 Bulgarian language catalogue, first published in January of that year. It is explained that the opponent no longer has any earlier catalogues, but it is claimed that the reference numbers and the appearance of the JUMP mark on products would have been the same. Various types of footwear are depicted. Again, not all of the products carry any form of JUMP mark (or at least none that I can see), but the front cover of the catalogue clearly indicates that it is for JUMP (chevron logo) products.

19. Exhibit MN3 consists of photographs of a shop in the Paradise Mall in Sofia (the capital city of Bulgaria). It shows an area dedicated to JUMP products, indicated by the JUMP chevron logo on walls near the products. This particular shop opened on 1 April 2013 (one month after the relevant period) but Mr Nahmias states that this is representative of other outlets owned by the opponent's customers in Bulgaria who have been selling JUMP products "since we first started exporting to Bulgaria in November 2011"). I will come back to this statement later because it appears to be at odds with Mr Nahmias' earlier statement that the opponent has been exporting to Bulgaria since 2007. The displays are said to have been in the same form from March 2012 to date. Mr Nahmias gives no indication of how many outlets had such displays.

20. Exhibit MN4 consists of two invoices (dated 19 September 2012 and 12 February 2014 respectively) to a Bulgarian company called Runners Ltd. Mr Nahmias attaches to the invoice catalogue² product pages for the invoiced goods – they all appear to be trainers, some with high-tops.

21. Mr Nahmias completes his evidence by referring to sales figures. He gives two headline figures, but as the first contains sales from before the relevant period and the second contains sales from after the relevant period, I will go through his accompanying sales data exhibit (MN5) in detail, reminding myself that the relevant period is 2 March 2008 to 1 March 2013; I extrapolate the following:

Pre-relevant period

- i) 2005: Six export sales (by the opponent or its subsidiary Genmar) to a total of four businesses in Germany, Finland, Spain and Greece. The sales are for a total of just over 53K pairs of footwear.
- ii) 2007: A single export sale (by the opponent) to a business in Bulgaria (Royal Sport) of 802 pairs of footwear.

During the relevant period

- iii) 2011: A single export sale (by Genmar) to a business called Runners Ltd in Bulgaria of 670 pairs of footwear.
- iv) 2012: 10 export sales (by the opponent or Genmar) to Runners and Runners Ltd in Bulgaria (who I assume is the same company and will refer to hereafter as "Runners") of a total of around 47.5k pairs of footwear.

² It is not explicitly stated if the pages are from the same catalogue as per paragraph 18 or whether they are different catalogues. In any event, there is nothing to suggest that if they are different (and earlier) catalogues, that they are Bulgarian (or other EU language) catalogues

- v) 2013: One export (by the opponent) to Runners of a total of 7008 pairs of footwear.

Post-relevant period

- vi) 2013: 10 further export sales (by the opponent or Genmar) to Runners of a total number of 38.5k pairs of footwear.

22. In view of the above, the export sales made (by the opponent/Genmar combined) during the relevant period are all to the same business in Bulgaria and amount to just over 55k pairs of footwear. From the further information provided in the exhibit, the value of such sales was around \$476k.

Applicant's evidence

Ms Richardson's evidence

23. Much of Ms Richardson's evidence is simply a critique of the opponent's evidence, but there is also some factual evidence within her statement. The main points are that:

- The sales figures include pre/post relevant period sales.
- Contextualized against the EU market for footwear, the sales are "minuscule". A report from Euromonitor about the EU footwear market is provided. I do not consider it necessary to detail this, it is self-evident that the relevant market is extremely large.
- Sales have only been made in Bulgaria, a country bordering the opponent's home market of Turkey. Population figures for Bulgaria are given and it is stated that this equates to just 1.5% of the EU.
- Sales have been infrequent, with no sales in 2008, 2009 and 2010, limited sales in 2011 with a larger number of sales in 2012, but then still only ten consignments.
- Sales have been made to just one customer, Runners. Ms Richardson made enquires with this customer using the number given on its website from which the following information was gleaned from an unspecified female who took the call: Runners only have stores in Bulgaria; JUMP footwear is expensive so is not sold in all Runners' stores; the footwear is sold in the Mall Paradise in Sofia but the person was not sure of any others – there might (but she was not sure) be a store in Varna that sells them; Runners are the only entity in Bulgaria selling JUMP footwear, they do not ship to countries outside Bulgaria.

- Mr Harris' reference to the 2005/7/11/12 catalogues being provided to the customers identified in Mr Nahmias' exhibit MN5 means that they must have gone only to Runners [in the relevant period]. Even if they had been distributed to all the customers identified in the exhibit, including the pre-relevant period customers, this equates to only five. Of those, Ms Richardson conducted a Google search and found no relevant results other than for Royal Sport, a further Bulgarian company which she suggests (but provides no evidence) has links to Runners.
- The 2013 Bulgarian catalogue would, given its language, have only been distributed there.
- The product sample and packaging provided by Mr Harris is priced at 79 TL which Ms Richardson understands to be Turkish Lira, therefore, the product is intended for the Turkish market. Ms Richardson states that despite Mr Nahmias stating that this is typical of the product, no evidence has been provided showing that the JUMP branded product exhibited, or at all, was ever distributed or sold anywhere in the EU other than Bulgaria during the relevant period.
- The photograph of the shop depicted in Mr Nahmias' evidence was taken after the relevant period and there is no evidence of the number, names, location or signage used elsewhere.

24. At Exhibit CMR4 Ms Richardson provides an "in use" report dated 18 July 2012 from Cerberus Investigation Limited. This was commissioned during the course of a previous dispute between the parties. Put simply, it found use of JUMP shoes/trainers in Bulgaria but no other EU Member States. In submission Mr Harris noted that this report contained evidence of a Bulgarian JUMP website, however, as there is no evidence as to website access statistics or, indeed, what goods were being sold or promoted on it, this does not take matters much further forward.

Opponent's reply evidence

25. The opponent filed two witness statements in reply. The first is a further statement from Mr Nahmias, from which I note the following:

- That the out-of-relevant-period sales data was filed to show the complete picture of use and that it is genuine, ongoing, with repeat EU sales.
- That the opponent sells its footwear in Bulgaria in "co-operation" with Runners and that its products have been sold in designated "Jump shoe corners" since the first exports to Bulgaria in 2011 and in addition to the Mall Paradise in Sofia, it is selling JUMP shoes in Plovdiv, Varna and Bourgas.

- Bulgaria is used as an export base in the EU and the opponent is continuously looking to expand sales in the EU. He states that exports to Greece and Romania will take place in due course.
- Pictures of trainers and casual shoes are provided which are said to be for sale in Bulgaria in the same type of packaging provided by Mr Harris.

26. The second witness statement comes from Mr Mladen Ivanov, managing director of Runners³. I note the following:

- He has no knowledge of the phone call Ms Richardson made, but he confirms that JUMP branded footwear has been available in its shops since November 2011. He provides pictures in Exhibit SD1 of its shops in Sofia and Varna. The JUMP chevron logo is prominently displayed alongside racks of footwear (mainly trainers, but also some boots and other types of footwear as I identified earlier).
- Exhibit SD2 contains further material showing the JUMP mark in use which Mr Ivanov says is from within the relevant period. The JUMP chevron logo is mainly used.
- Exhibit SD3 contains photographs of footwear taken at Runner's stores showing the JUMP chevron logo in close proximity. Some of the footwear has the JUMP signature on them.
- Exhibit SD4 contains an invoice to a "Romanian distribution partner" of Runners. It is dated 6 April 2012 and is for just over 170 pairs of footwear. This is to show that the goods are distributed outside of Bulgaria.

The opponent's corrected evidence

27. Shortly before the hearing Mr Nahmias provided a further witness statement correcting some of the sales data he gave in his earlier evidence. He does not correct the table he exhibits, merely the calculation of some of the headline figures given in his statement. The applicant was not concerned with this evidence being admitted, but Mr Brandreth submitted that the need to correct the evidence demonstrated its lack of reliability, particularly bearing in mind that it was apparent (from his correcting witness statement) that Mr Nahmias' earlier evidence had been prepared by his trade mark attorneys.

28. Mr Brandreth had three separate concerns with the opponent's case in relation to genuine use. The first concern was over the probative value of the evidence, containing, it was claimed, a number of inconsistencies, inaccuracies,

³ In a second witness statement Mr Ivanov confirmed, at my direction, his command of the English language.

vagueness and hearsay. This, it was argued, made it difficult for much, if anything, to be taken from the evidence as it was lacking solid, objective evidence from which findings could be made. The second concern was whether, even taking the evidence at its highest, the use represented genuine use in the EU. The third point tied, to an extent, to the first and second, in that due to the lack of clarity in the evidence it was not clear as to the exact product range sold which makes it even more difficult to answer the genuine use question and, if there has been genuine use, in relation to what.

What can be taken from the evidence?

29. Mr Brandreth spent some time picking through the various aspects of the opponent's evidence, highlighting what he considered to be contradictory statements and/or inaccuracies. He highlighted examples of what he considered to be vagueness and, also, the aspects of Mr Harris' evidence that consisted of hearsay (second hand hearsay). He felt, as whole, there was an absence of solid, objective evidence of use. He referred to the decision of Mr Daniel Alexander QC (sitting as the Appointed Person) in *PLYMOUTH LIFE CENTRE* (BL O-236-13), when in paragraph 22 he stated:

“.....it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more, so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

30. I also note the decision in *Catwalk* BL O/404/13 where Mr Hobbs QC (also sitting as the Appointed Person) also stated in his paragraph 22:

“When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use. As to which 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; 28 May 2013).”

31. Mr Harris felt that the evidence taken as a whole was sufficient to demonstrate that the mark, as a matter of fact, had been put to use. He dealt with the inconsistencies where possible and argued that the various witnesses corroborated, to a large extent, the evidence that had been given. I begin my assessment by touching on some of Mr Brandreth’s primary criticisms.

Use with end-consumers

32. The point here is that there is no direct evidence of sales to the end consumer, evidence which Mr Brandreth submitted must be very easy to obtain. However, as Mr Harris pointed out, this is not a prerequisite for genuine use as sales to intermediaries also count. In any event, the references the witnesses have made to the shop(s) in Bulgaria selling JUMP footwear (more on which I will say later) during the relevant period means that it is a fair inference that sales to end-consumers have taken place; in fact, I struggle to see how an opposite conclusion could be made. This is supported by the existence of repeat orders. Whilst it would be better to have known exactly what the level of sales were to end consumers in the EU in the relevant period, the absence of such information is not fatal.

Inconsistencies with dates and figures

33. Mr Brandreth highlighted the lack of care that had been put into the evidence as it contains pre-relevant period use and also statements about activities which commenced after the dispute arose between the parties. I am not concerned with this point. It is sometimes useful to see the full picture in order to ascertain the genuineness (or otherwise) of what has occurred during the relevant period. Mr Nahmias provided a detailed breakdown of sales in Exhibit NM5 from which it was easily possible to extrapolate the relevant information.

34. As I noted earlier, Mr Nahmias referred on the one hand to exports to Bulgaria beginning in 2011 despite his earlier evidence that exports to Bulgaria had taken place in 2007. However, Mr Harris pointed out that the 2011 reference was made in the context of the opponent itself, whereas the 2007 Bulgarian export was made by its subsidiary, Genmar. I agree that, literally speaking, there is no inconsistency. I am less convinced that this literal distinction is what Mr Nahmias had in mind, but I do not think that this seriously undermines his evidence, the position is clear as to exports to Bulgaria and when they took place (as per the sales data exhibit).

35. There was also an inconsistency in one of Mr Nahmias’ headline sales figures as they did not match, when added up, the detailed breakdown provided in Exhibit MN5. As stated earlier, a corrective witness statement was filed to

remedy this. A mistake clearly occurred, but not one, in my view, which undermines the reliability of other aspects of the evidence, particularly given the existence of the detailed breakdown of sales provided in Exhibit MN5 on which I will make my findings of fact. There is also a claimed inconsistency whereby one statement for total EU sales is smaller than a later claimed figure; this, though, can be explained away on the same basis as the previous paragraph, a difference in what is being counted, the opponent's sales as opposed to the combined sales of the opponent and its subsidiary.

Inconsistencies with regard to the "JUMP corners"

36. The "JUMP corners" are the dedicated areas of the shops of Runners in which the products are sold to the end-consumer. There is a question as to the date on which these were introduced. Mr Harris' hearsay evidence is that they were introduced in March 2012. The inconsistency referred to in Mr Brandreth's skeleton relates to a comment in the witness statement of Ms Nahmias who states that sales have been made through these JUMP corners since the first imports in 2011, but what Mr Brandreth did not highlight is that Mr Nahmias went on to say that the displays were in the same form [as per exhibited photographs] from March 2012. Thus, although it could have been put better, the evidence of Mr Nahmias is consistent with Mr Harris. This, of course, is logical given that Mr Harris' evidence is hearsay, the initial source being Ms Nahmias himself. However, there is an inconsistency with the evidence of Mr Ivanov who states "JUMP branded shoes are available in dedicated sections of our shops since at least November 2011" and he then refers to photographs which show the layout of the dedicated JUMP areas. Whilst it could be said that Mr Ivanov's evidence is to be preferred on the basis that he is more likely to know exactly what was going on in the stores of the company for which he works, the inconsistency does raise a doubt in mind as to the exact date of which JUMP corners were first introduced. Given the totality of the evidence, I feel it is safe to assume that they were introduced by March 2012 at the latest, but I do not consider it appropriate to hold that they were introduced earlier than that.

37. There is also a point regarding the number of stores in which the goods were sold. In his first witness statement Mr Nahmias refers to the shop in Sofia, but this did not open until after the relevant period. He refers to "other outlets" but provides no more detail than that. In his second witness statement he states that in addition to its store in Sofia, Runners "is selling JUMP branded shoes in its shops in Plodiv, Varna and Bourgas". However, he does not tie this statement to the relevant period. Mr Ivanov states that the dedicated areas have existed since November 2011 [although I have held above I can only accept that they existed from March 2012] in Sofia and Varna. Ms Richardson's evidence details the conversation with an unnamed employee who refers to sales in the Sofia store, and that there may be a shop in Varna, but she was not sure. It is clear that the shop in Sofia did not open until after the relevant date. So the only shop which any of the witnesses have explicitly stated sold JUMP shoes during the relevant

period was the one in Varna. I cannot accept that the shops in Plodiv or Bourgas were selling JUMP shoes because Mr Ivanov does not mention them at all and Mr Nahmias does not specifically tie them to the relevant period. Mr Harris does mention other shops but the hearsay nature of this statement leads to a lack of reliability.

Inconsistencies regarding sales to Romania

38. In his witness statement Mr Ivanov states that 170 pairs of footwear were sold to a business (which he describes as a distribution partner) in Romania. An accompanying invoice is provided dated 6 April 2012 to support this. The highlighted inconsistency is that Mr Nahmias states that the opponent will in due course export to Romania (and Greece) and refers to the business with which the opponent is negotiating – he does not mention that any sales have already been made. The point made is that Mr Nahmias would surely have known about the sales already made which, in turn, creates uncertainty. Whilst the argument is noted, I do not agree with it. I think it quite possible that Mr Nahmias was personally unaware of the shipment, a shipment for what is a very small quantity. If Mr Ivanov's evidence is to be disbelieved then it should have been challenged before the hearing, it was not, neither is his evidence incredible.

Invoices being cross-referenced to catalogue pages

39. Much was made of this at the hearing by Mr Brandreth. He had a number of issues including whether it was safe to use extracts from the 2013 catalogue to cross-reference items in invoices that were sold prior to 2013 and that the use of certain words and code numbers did not match the catalogues etc. I do not intend to go into every detailed point made. Whilst I accept that not all of the invoices can be expressly linked by reference to matching codes etc, the witnesses have stated that these are the products sold. This was not an aspect of the opponent's evidence that was subject to critique in the applicant's evidence. I accept the evidence that the invoices are for the type of footwear identified in the accompanying catalogue extracts.

Findings of fact

40. I have dealt with some of the individual criticisms made of the evidence. Mr Brandreth argued that in totality they combine to demonstrate evidence that it unreliable and fails to put forward solid, objective evidence of use. Whilst I accept that the evidence is not the most well-marshaled I have ever seen, I nevertheless consider that the following primary facts may be accepted:

- i) Prior to the relevant period (in 2005) 53k pairs of footwear were sold to a total of four businesses in Germany, Finland, Spain and Greece.

- ii) Prior to the relevant period (in 2007) 802 pairs of footwear were sold to a single business in Bulgaria.
- iii) During the relevant period, 55k pairs of footwear (with an approximate value of \$476k) were sold to a Bulgarian company called Runners.
- iv) The trade mark JUMP was used in relation to the goods sold.
- v) The primary form of footwear sold were trainers, but some other casual shoes were also sold.
- vi) The sales in the relevant period were made over the course of the last 16 months of the five year period.
- vii) Runners sold the JUMP products it purchased to end-consumers through its shop in Varna, Bulgaria. The shop had an area dedicated to JUMP footwear from March 2012 (one year before the end of the relevant period) displaying JUMP signage. It is not clear what proportion of the goods it obtained from the opponent were sold to end-users. But given that repeat orders were made, it is reasonable to infer that a good proportion of stock was sold.
- viii) Runners sold 170 pairs of the footwear it purchased to a Romanian company in April 2012. What the Romanian company did with them is not clear.
- ix) Sales to Runners continued after the relevant period, so too would have Runners' sales through its shops, but in more Bulgarian towns.
- x) The opponent produced a Bulgarian language catalogue for its JUMP footwear products in early 2013, three months before the end of the relevant period. There is no evidence as to its circulation.
- xi) Earlier catalogues may have been distributed to the opponent's customers (at best, those the opponent supplied directly) but there is no evidence that these were in Bulgarian (or any other EU language).

Has there been genuine use in the EU?

41. This, I think, is the real nub of these proceedings. Based on the above findings of fact, it is clear that the opponent's JUMP footwear products have, literally speaking, been sold in the EU given that Bulgaria is in the EU. The sales, amounting to 55k pairs in the relevant period, do not strike me as a business that is operating on a sham or token level in the sense of merely attempting to preserve the registration. However, it does not follow that all non-sham/token use (in the sense I have described) qualifies as genuine use. Mr Brandreth referred to

the judgment of Mr Henry Carr QC (sitting as a Deputy High Court Judge) in the *Healy* case (2014 EWHC 24 (Pat)) which supports that view:

“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.”

42. Mr Harris considered that the use shown was non-sham commercial use. I accept that, but, again, this is not, in and of itself, the answer. In Case C-141/13 *P Reber Holding GmbH & Co. KG v OHIM, Wedl & Hofmann GmbH* the CJEU stated:

“31 As a first stage, in paragraphs 33 and 37 of the judgment under appeal, the General Court held – having regard to the evidence produced by the appellant – that the actual commercial use of the earlier trade mark ‘Walzertraum’ was undisputed and that there was a certain degree of continuity in its use.

32 However, contrary to the view taken by the appellant, the assessment of the genuine use of an earlier trade mark cannot be limited to the mere finding of a use of the trade mark in the course of trade, since it must also be a genuine use within the meaning of the wording of Article 43(2) of Regulation No 40/94. Furthermore, classification of the use of a trade mark as ‘genuine’ likewise depends on the characteristics of the goods or service concerned on the corresponding market (*Ansul*, EU:C:2003:145, paragraph 39). Accordingly, not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question.”

43. Mr Harris argued that the *Reber* case had not altered the state of the law and that the context of use in those proceedings was much smaller than the context of use in the present proceedings. He referred to the decision of Ms Amanda Michaels (sitting as the Appointed Person) in *100% Capri* (BL O/357/14) where she stated:

“19. Since then, and indeed since the hearing of the appeal, the CJEU has delivered its judgment in Case C-141/13, *Reber Holding GmbH & Co KG v OHIM*, 17 July 2014. In that case, an application for a CTM was opposed by the proprietor of a national mark which was put to proof of use of the mark. The evidence showed that the earlier mark had been used in relation to hand-made chocolates which had been sold only in one café in a small town in Germany. Sales of some 40-60 kg of chocolates per annum were shown, but given the overall size of the German market for confectionery and the lack of geographical spread of sales, the CJEU upheld the General Court’s finding that there had been no genuine use of

the German mark. On the facts of the case, it might be thought that the CJEU had approved the application by the General Court of a stricter test of genuine use than in the earlier jurisprudence, and in particular *La Mer*, in which the CJEU had held that there was no 'quantitative threshold' to pass. However, in *Reber* the CJEU referred at [29] to that earlier jurisprudence, including *Ansul* and *La Mer*, and the need to consider all the circumstances of the case, and so it does not seem to me that the Court intended to diverge from its established approach to the assessment of genuine use."

44. I do not disagree with Mr Harris' view that the law has not really changed, however, *Reber* is nevertheless a very good example of commercial use that was neither sham nor token, but nevertheless was not genuine; it is therefore a clarification of the earlier case-law. Neither do I disagree with Mr Harris' view that the level of use in *Reber* constitutes a smaller scale of use than in the present proceedings, however, again, that does not mean that the opponent's use is genuine. I must consider all the relevant circumstances relating to the use before the tribunal.

45. The question is whether the use is aimed at maintaining or creating an outlet for the goods or a share in the relevant market. The market in question is the footwear market in the EU. Although geographical spread is just one of the relevant circumstances, the EU perspective cannot be ignored. Otherwise, any use considered as genuine in a single Member State would always qualify as genuine use in the EU simply on account of the Member State being physically located in the EU. Such an approach would fail to recognise the "all relevant circumstances" approach. Mr Brandreth highlighted the judgment in *Onel*, particularly paragraph 54, which states:

"54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39)."

46. He argued that a limited geographical spread was a strong indicator of the use not being genuine. He felt that the only reason why the Court did not expressly say that use in a larger area than a national mark would be required to establish genuine use in the EU was to deal with the possibility that the market for some types of goods would be geographically limited within the EU. He argued that footwear was not a product whose market was in any way limited. I personally doubt that the Court would ever lay down such a prescriptive rule, but I nevertheless agree that the geographical spread of use, or in this case an

absence of it, is an important circumstance. This and other circumstances to bear in mind are that:

- i) The footwear market in the EU is manifestly huge and there are no special characteristics to it. These are consumer goods likely to be purchased reasonably frequently by all the population of the EU.
- ii) The quantum of sales is manifestly miniscule when compared to the size of the EU footwear market.
- iii) The sales lack regularity and frequency, all of them being made in the last 16 months of the relevant period.
- iv) The geographical spread is extremely limited, there is just one direct customer in Bulgaria and one indirect customer in Romania. The Bulgarian customer would have sold the footwear to end-users, but the evidence is that this is through just one shop in Varna.
- v) The sales to the Romanian customer are exceptionally limited and there is no evidence of sales to end-consumers being made.
- vi) The only catalogue in an EU language (Bulgarian) was produced in 2013 (three months before the end of the relevant period) – its level of circulation is not set out.

47. Mr Harris submitted that there is no *de minimus* level, no bar over which the opponent must leap once he has shown non-sham use. The use must, however, be considered genuine in accordance with the tests the Courts have laid down. I do not consider that the pre-relevant period use (even though it has greater geographical spread within the EU) is of much assistance in establishing genuine use in the EU because if was so long before the activities during the relevant period. Neither do I consider Mr Nahmias' reference to Bulgaria being used as an export base to be helpful, as this is simply not supported by the facts. I have considered whether the use in question is "warranted in the economic sector concerned as a means of maintaining or creating [EU] market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the [EU] market and the scale and frequency of use of the mark" (per *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27). **In my view, the very small scale, very geographically limited use shown, over just 16 months of the relevant 5 year period, is insufficient to constitute real commercial exploitation of the mark in the EU and therefore genuine use. The consequence of this is that the earlier mark cannot be relied upon in these proceedings and the opposition must, therefore, be dismissed.**

Costs

48. The applicant has succeeded and is entitled to a contribution towards its costs. My assessment is as follows:

Preparing a statement and considering the other side's statement - £300

Considering the opponent's evidence and filing evidence - £1000

Attending the hearing £600

Total - £1900

49. The above assessment does not award any costs associated with a case-management conference ("CMC") that took place before me during the course of the proceedings. I have borne it mind, but as the outcome on the various applications made at the CMC largely cancelled each other out, the costs in relation to this are roughly neutral.

50. I hereby order Intermar Simanto Nahmias to pay Nike International Limited the sum of £1900 within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 20th day of October 2014

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