

O-451-15

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATIONS 2307360 & 2275969
IN THE NAME OF ORIGIN WINE LIMITED
OF THE FOLLOWING TRADE MARKS IN CLASS 33:**

**ORIGIN
&
ORIGINS**

AND

**APPLICATIONS TO REVOKE ON GROUNDS OF NON-USE (NOs. 500525/6)
BY WHITE AND MACKAY LIMITED**

Background and pleadings

1. The trade marks **ORIGIN** (registration 2307360) and **ORIGINS** (registration 2275969) are owned by Origin Wines Limited (“the proprietor”). Although the specifications are worded slightly differently, they are, essentially, both registered for the following goods in class 33: “alcoholic beverages” and “wines”. Registration 2275969 excludes “beer” from its specification, 2307360 does not. However, as beer does not fall in class 33, this exclusion has no impact. Registration 2307360 was filed on 6 August 2002 and registered on 4 April 2003; registration 2275969 was filed on 23 July 2001 and registered on 28 December 2001.

2. Revocation of the marks is sought by White and Mackay Limited (“the applicant”) on the grounds of non-use. It claims, under section 46(1)(a) of the Trade Marks Act 1994 (“the Act”), non-use in the five year period following the respective dates on which the marks were registered. It also alleges non-use under section 46(1)(b) of the Act in three separate periods: 1 August 2006 to 31 July 2011, 20 June 2007 to 19 June 2012 and 5 February 2008 to 4 February 2013. No claim to non-use is made in respect of the term “wine/s” in the respective registrations.

3. The proprietor filed counterstatements. It claims that the marks have been used, at least in the last five years. In this regard, the proprietor highlighted the provisions of section 46(3) of the Act; I will return to this later.

4. The proprietor is represented by Stobbs, the applicant by Murgitroyd & Co. The cases were consolidated. Both sides filed evidence, the applicant also filed written submissions. A hearing took place before me on 31 July 2015; Mr Stobbs (of Stobbs) represented the proprietor and Ms McKay & Ms Bashir (of Murgitroyd & Co) represented the applicant. I record that Ms McKay asked for the hearing to be re-scheduled due to problems that were being experienced with the video link. Put simply, Ms McKay (who was linking from Scotland) could only hear what was going on due to troubles with the video (but not the audio) part of the link. I declined her request. I could see no prejudice to the applicant and I could fully hear the submissions of Ms McKay (and later Ms Bashir).

5. It should be noted that the use that has been made is made in respect of the mark ORIGIN not ORIGINS. This was accepted by Mr Stobbs at the hearing, however, he argued that the use of the former would save the latter on account of the variant mark provisions contained in section 46(2) of the Act. I will, therefore, firstly consider whether the ORIGIN mark should be (partially) revoked. If it is then the same applies to ORIGINS. If, however, the revocation does not succeed, I will then consider if the use of ORIGIN can also save the ORIGINS mark.

Legislation and case-law

6. The provisions relating to revocation are contained in section 46 of the Act, the relevant parts of which read:

“46.-(1) The registration of a trade mark may be revoked on any of the following grounds –

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c)

(d)

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

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

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

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

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

7. Section 100 is also relevant; this 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.”

8. 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]”

9 Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

Use in the relevant periods and the application of section 46(3)

10. I firstly note that the most recent period of alleged non-use ended on 4 February 2013. The evidence filed by the proprietor relates to two separate types of use, one for (licensed) use in relation to gin, the other for use (by the proprietor) in relation to whisky. As will be seen in the evidence that I will come on to, neither uses commenced until after the end of the latest period of alleged non-use. In many cases that would be the end of matters, with the relevant trade mark being revoked (or in this case partially revoked). However, the proprietor indicated in its counterstatement that it wished to rely on the provisions of section 46(3) of the Act, which reads:

“The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.”

11. The applicant made its applications for revocation on 1 August 2014. Therefore, in order to rely on the provisions of section 46(3), the use relied upon by the proprietor must have commenced between 5 February 2013 (the day after the expiry of the most recent alleged period of non-use) and 31 July 2014 (the day before the application(s) for revocation were made. Section 46(3) relates to “..use as is referred to in [section 46(1)(b)]” which, in itself, is a reference to genuine use; it follows, therefore, that the use that is commenced in the period 5 February 2013 to 31 July 2014 must qualify as genuine use.

12. Section 46(3) contains a proviso which, in certain circumstances, can result in use being disregarded. However, this only applies if the use was commenced or resumed within the three month period before the applications to revoke were made. In these proceedings, that would be the three month period beginning on 1 May 2014. As will be seen from the evidence, what use has commenced does not fall within this category, and, consequently, none of the use shall be disregarded on account of the proviso.

Evidential issues

13. Before coming onto the details of the actual use made, I will deal with two evidential issues that were raised by the applicant.

14. The proprietor's main witness is one of its directors, Mr Yves Fontannaz. He explains that the proprietor is the UK "sales arm" of the larger Origin Wine Group which was formed in South Africa in 2002. Ms Jacqueline McKay (a trade mark attorney) is the applicant's only witness. She notes that the [relevant] definition of the word "arm" is of a branch or division of an organisation and that "sales" relates to the activity or profession of selling (supporting definitions are provided in her Exhibit JMK1). A written submission was provided alongside Ms McKay's evidence, the point being made was that because the proprietor is identified as a "sales arm" then this can only be taken to be a retail operation. I struggle to see what relevance this has. Whether genuine use has been made will depend on the evidence presented. In any event, the choice of wording used by Mr Fontannaz simply indicates that the proprietor is the UK part of a wider operation.

15. Mr Fontannaz states in his evidence that the proprietor's trade mark registrations were assigned to it by First Quench Retailing Limited with an effective date of 21 December 2009. Exhibit YF2 consists of a print from the IPO website showing historical events (including a note of the assignment's recordal) for registration 2307360. Ms McKay provides (in Exhibit JMK2) evidence showing that First Quench Retailing Limited entered administration on 29 October 2009, prior to the assignment of the trade marks to the proprietor. A written submission was made highlighting that no evidence of the actual assignment had been provided and, furthermore, the assignor went into administration prior to the claimed assignment taking place. In reply, Mr Fontannaz provided a further witness statement to which was exhibited a copy of the deed of assignment relating to the two registrations at issue. Given the evidence Mr Fontannaz has provided, no issue with regard to the assignment arises.

Use in relation to gin

16. The proprietor's use in relation to gin is not made by itself, but, instead, by a licensee. The relevant parts of Mr Fontannez's evidence can be summarised as:

- i) On 19 December 2013 the proprietor entered into a license agreement with Atom Supplies Limited (also trading as Master of Malt) ("Atom").
- ii) The agreement (exclusively) licenses the use of the ORIGIN mark in relation to gin.

- iii) This use is claimed to have begun on 29 June 2012, however, this cannot have been the licensed use as this is before the licence agreement started, nor is there anything to suggest that any earlier use was with the consent of the proprietor.
- iv) Exhibit YF11 contains website prints (from Atom's website) showing various gin products. They come from various countries. To illustrate, the first is headed "Origin – Arezzo Italy" with a description reading "Origin is a cold-distilled juniper-only gin....", the second is "Origin – Meppel, The Netherland" with a description reading "The "Origin" range of London Dry Gins is a unique proposition for the discerning gin-lover. Each one is distilled using juniper produced from one single location...".
- v) The branding on each gin product is similar, as illustrated below. The print is said to depict a standard 70cl bottle. The print provided is not of the best quality:
- vi) Exhibit YF12 is a further website print of an "Origin [gin] tasting set".
- vii) Exhibit YF13 contains a schedule of sales made between 20 December 2013 and 22 August 2014. However, what is more pertinent is a table provided by Mr Fontannaz because it relates to the UK only. I have extracted the following information:
- 1 March 2014 – 31 May 2014: Sales equivalent to 117 70cl bottles, 87.7% of which were made in the UK.
 - 1 June 2014 – 31 August 2014: Sales equivalent to 242 70cl bottles, 79.0% of which were made in the UK.
 - 1 September 2014 – 3 November 2014: Sales equivalent to 599 70cl bottles, 51.6% of which were made in the UK.

- viii) Exhibits YF14-YF16 detail some awards won by Atom for the gin products, two in 2014, one in 2013.

17. In reply to some criticisms made by the applicant, reply evidence was provided by Mr Joel Kelly, General Counsel of the licensee, Atom. He provides a copy of the "Trade Mark License and Settlement Agreement". It is between Atom on the one hand, and the proprietor and Dolce Co Invest Inc ("Dolce") on the other. The nature of the relationship between Dolce and the proprietor is not clear. It was signed in December 2013, the specific date is not clear. A second document provided by Mr Kelly lists sales made in the UK by Atom. Some of the data mirrors the data provided by Mr Fontannaz. However, additional data distinguishes between "Pre-Licence sales", which include sales between January and February 2014 and licensed sales. On the face of it, this is difficult to rationalise because pre-licence sales were made after the agreement was signed. I will return to this point. I also note that the agreement indicates that any sales made by Atom prior to the licensed use were unauthorised by the proprietor and, therefore, would have constituted infringements of the trade marks.

When did the licensed use begin?

18. There is a dispute as to when the licensed use began. Both of the proprietor's witnesses have stated that the licence agreement was entered into in December 2013. However, as noted earlier, the table provided by Mr Kelly differentiates between pre and post licensed use and, on the face of it, some pre-licence use took place after the agreement was signed. The table appears to show that the licensed use began in March 2014. Mr Stobbs submitted that as both witnesses had stated that the agreement was entered into in December 2013 this means that use from then should be taken into account. In terms of the discrepancy in the table, Mr Stobbs asked me to infer that this could be the result of something like accounting period issues. However, Ms Bashir highlighted that the agreement defines its "effective date" as:

"..the date on which the condition precedent as set out in the clause 4 below has been fulfilled by the Licensee or waived by the Licensors, despite the signature date."

19. Clause 4 contains a requirement that the "...agreement shall be of no force and effect until..." the licensee pays the costs associated with the drafting of the agreement.

20. The proprietor's own witness has provided a table of pre and post licence sales. On the face of the agreement, the effective date is not necessarily the signature date. The commentary of the proprietor's witnesses as to the date of entering into the agreement is probably nothing more than an indication of when the agreement was signed, not necessarily when it came into effect. The most consistent way to read the evidence is that despite the agreement being signed in December 2013, clause 4 was not met until later. I agree with Ms Bashir that the licensed use can only be taken to have begun in March 2014, not December 2013.

The amount of sales

21. There is also a dispute about the amount of licensed sales. In the table provided by Mr Kelly, there are columns (amongst others) for: “total sales”, “total sales in 70cl equivalents” and “Royalty due to Origin Wine Limited/Dolce Co Invest Inc (70cl bottles)”. The third of these columns (the royalty due column) is populated with 6 for quarter 1 (1 March 2014 to 31 May 2014) and 13 for quarter 2 (1 June 2014 to 31 August 2014). The first quarter falls within the section 46(3) period as does the first two months of the next quarter. Ms Bashir submitted that the figures in this column should be taken to represent the licensed sales that had been made. I do not agree with this submission. This third column represents what the licensee had to give the licensor as a result of the sales it had made. It is not the number of sales made. The figures in this third column are roughly 5% of the figures in the equivalent sales column. This is no surprise given that Clause 7.1 of the agreement stipulates that a 5% royalty is to be given over. That the royalty is to be paid in actual bottles of gin may be unusual, but that, as Mr Stobbs submitted, is not relevant.

22. The most relevant columns, therefore, are the first two columns mentioned above. In terms of what this actually represents, and taking into account the other data provided in evidence, the following information gives a rough approximation of the relevant post-licence sales that took place before the applications for revocation were made:

Quarter 1 – 8, 211cl of product sold, equivalent to 117.3 70cl bottles. 87.7% of sales were in the UK.

Quarter 2 (first two months only) - 11, 300cl of product sold, equivalent to 161 70cl bottles. 80% of sales were in the UK.

The figures for quarter 2 are based on two thirds of the total for that quarter. The figure may, in fact, be higher because the table of sales provided by Mr Fontannez show a slightly greater number of individual sales in the first two months than in the third.

Use with consent

23. At the hearing, Ms Bashir argued that the use that had been made did not qualify as use with consent. Her argument stemmed from the fact that the licence agreement obliges Atom to comply with certain requirements and that there was no evidence to show that Atom had in fact met those requirements. It was, therefore, argued that the use may be outside of the agreement which, in turn, meant that the use was unauthorized. The two requirements specifically identified in the applicant’s skeleton argument are detailed in the following clauses:

“6.1.1 In the form of ORIGIN™, reasonable stylisation being permitted.

6.1.2 together with the display of the following wording anywhere on the labels, products of other material on which the Licensed Trade Mark appears: “The ORIGIN trade mark is used under license from Origin Wine Limited and Dolce Co.. Invest Inc.””

24. The first problem with Ms Bashir's submission is that it does not necessarily follow that a breach of a licence agreement results in non-consensual use. In *Copad SA v Christian Dior* (Case C-59/08) the CJEU considered whether the use of a mark contrary to the terms of a licence could be held to be use of the mark without the proprietor's consent, and, therefore, infringing use. The operative part of the court's judgment is set out below:

"1. Article 8(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, as amended by the Agreement on the European Economic Area of 2 May 1992, is to be interpreted as meaning that the proprietor of a trade mark can invoke the rights conferred by that trade mark against a licensee who contravenes a provision in a licence agreement prohibiting, on grounds of the trade mark's prestige, sales to discount stores of goods such as the ones at issue in the main proceedings, provided it has been established that that contravention, by reason of the situation prevailing in the case in the main proceedings, damages the allure and prestigious image which bestows on those goods an aura of luxury.

2. Article 7(1) of Directive 89/104, as amended by the Agreement on the European Economic Area, is to be interpreted as meaning that a licensee who puts goods bearing a trade mark on the market in disregard of a provision in a licence agreement does so without the consent of the proprietor of the trade mark where it is established that the provision in question is included in those listed in Article 8(2) of that Directive.

3. Where a licensee puts luxury goods on the market in contravention of a provision in a licence agreement but must nevertheless be considered to have done so with the consent of the proprietor of the trade mark, the proprietor of the trade mark can rely on such a provision to oppose a resale of those goods on the basis of Article 7(2) of Directive 89/104, as amended by the Agreement on the European Economic Area, only if it can be established that, taking into account the particular circumstances of the case, such resale damages the reputation of the trade mark."

25. As can be seen from this judgment, not every breach of a licence means that the mark was not used with the proprietor's consent. Only contravention of one or more of the provisions set out in article 8(2) of the Directive results in a licensee's use being deemed to be without the proprietor's consent, and therefore actionable. Article 8(2) covers breaches of a) the duration of the licence, b) the form of the mark, c) the scope of the licensed goods or services, d) the territory of the licence, and e) the quality of goods or services provided in the licence. The clauses which are said to have been breached relate, effectively, to the absence of "TM" after the mark and the absence of wording highlighting that the use is under a licence. Neither falls within the provisions of Article 8(2). The closest is the absence of "TM", but this does not impact upon the form of the mark. The form of the mark is ORIGIN and this is what is being used.

26. The second problem with Ms Bashir's submission is that no real challenge was made to the use before the hearing. I take the view that if the applicant wished to put

forward an argument that the use was not in accordance with the licence then it ought to have given the proprietor an opportunity to show that it was. Representatives of both the licensor and the licensee have attested to licensed use. Tables have been provided of licensed use and royalties paid. I consider the use made to be use with the consent of the proprietor.

The descriptive use point

27. In her witness statement, Ms McKay states that a number of spirit producers use the word ORIGIN descriptively or in conjunction with a dominant mark. She states that a number of these are shown on Atom's website. Exhibit JMK4 contains a website print. It shows a number of products which use the word ORIGIN. There are numerous examples of Atom's licensed use as described above. In addition, there is "Isle of Jura Origin 10 Years Old" (which I understand is the applicant's product), "Highland Park Dark Origins", "Laphroig Cairdeas Origin" and four versions of "Benromach Origins" (2005/2003/1999/1999). The submission made by Ms Bashir is that the use made by the proprietor is not use in a trade mark sense. She submitted that the word ORIGIN is purely being used as a reference to the origin of the gin that is being offered for sale.

28. The rationale for having provisions to revoke trade marks is based upon the desire that trade mark registers should not be clogged with unused marks, so as to reduce the number of conflicts with other marks. It is, effectively, a use it or lose it policy. However, by way of the guidance in *Ansul*, the CJEU has extended such a policy to use it (as a trade mark) or lose it. It is, though, important to bear in mind, that this is not an assessment of the inherent or factual capacity of the mark to distinguish. There are separate grounds for attacking a mark on the basis that it is descriptive or that it is a term commonly used in the relevant field or that it has become, since registration, generic or deceptive; these issues are not issues for me. In terms of how this is to be considered in these proceedings, I come to the view that whilst the perception of the average consumer (as to whether they perceive the proprietor's use of the word ORIGIN as a trade mark) is not completely irrelevant, neither is it decisive, otherwise, the issue of inherent or factual distinctiveness may override the precise assessment to be made. In view of this, I believe the correct test is whether the nature of the use put forward is capable of being taken by the average consumer as a trade origin indicating sign – as it suggests in *Ansul*, whether the nature of the use is consistent with the essential function of a trade mark.

29. I also note that this is the second recent occasion where the parties here have locked horns. The first was in an opposition brought against the applicant's trade mark consisting of the word JURA ORIGIN. The proprietor opposed on the basis of its ORIGIN/S mark (proof of use having been accepted on wine). The opposition was successful at first instance, but was overturned on appeal (*Whyte & MacKay Ltd v Origin Wine UK Ltd and Dolce Co Invest Inc*). Mr Justice Arnold dealt with the appeal, where he stated:

"28. In my judgment there is an error of principle in the hearing officer's approach. The root problem with his analysis is that he failed at the outset to consider how the average consumer would understand the word ORIGIN in the context of the relevant goods. For this purpose, it makes no difference

whether one is considering the Respondents' goods (wine in the case of the Word Mark) or the Appellant's goods (Scotch whisky and whisky-based liqueurs). Either way, in my judgment the average consumer would understand the word ORIGIN as referring to the origin of the goods, whether their geographical origin or their trade origin. This would be true in relation to most goods and services, but it is particularly true of both wine and Scotch whisky, where geographical origin is both an important factor in quality and frequently intimately associated with trade origin. It follows that the word ORIGIN is inherently descriptive, or at least non-distinctive, for the goods in issue. As counsel for the Appellant rightly conceded, *Formula One* establishes that, since its validity has not been challenged, the Word Mark must nevertheless be deemed to have the minimum degree of distinctive character for it to be validly registered; but no more than that"

and

"It follows from my previous conclusions that it is necessary for me to re-assess the likelihood of confusion. Other than the points discussed above, neither side challenged the hearing officer's assessments. Accordingly, taking the Respondents' case based on the Word Mark first, the factors to be taken into account may be summarised as follows:

- i) the average consumer is the adult public at large, the selection process is predominantly, but not exclusively, visual and the average consumer would pay a reasonable level of attention;
- ii) there is a low degree of similarity between the respective goods;
- iii) the Word Mark has the minimum degree of distinctive character for it to be validly registered;
- iv) the word ORIGIN in the Jura Mark is identical to the Word Mark, but as discussed above it does not play an independent distinctive role in the Jura Mark and is of low distinctiveness; and
- v) the word JURA has no counterpart in the Word Mark and is distinctive."

30. Whilst noting the above judgment, I do not consider it to be particularly pertinent in the present proceedings. Firstly, Mr Justice Arnold's comments would only bind on points of law not any factual findings (although the latter has persuasive value). Secondly, he was dealing with issues of confusion not revocation. Thirdly, and perhaps most importantly, he was not considering the use of the word ORIGIN that is before the tribunal now. In terms of the actual use made, the word ORIGIN is not being used in a purely descriptive sense. It is the main word on the relevant label and the word is used in ways which are indicative of trade mark use as opposed to descriptive use. For example, there are references to the Origin range of gin. The use is clearly capable of being taken as trade mark use. I therefore reject Ms Bashir's submission on this point.

Genuine use or not?

31. Even though I have disagreed with Ms Bashir's submission as to the level of use made, it must still be observed that the level of use is quite low. The frequency is also short. It is true that the exhibits (such as website prints showing the mark in use) provided by the proprietor are not dated in the relevant period. However, the context of the evidence is that this is representative of the use made and attested to. The question is whether genuine use has commenced in the period identified earlier. I come to the view that the factors combine to suggest that the question should be answered in the affirmative. I find that genuine use has commenced in the section 46(3) period in relation to gin.

Use in relation to whisky

32. In relation to whisky, the following emerges from Mr Fontannaz's evidence:

- i) At a trade fair in Germany in March 2012 Mr Fontannaz had a discussion with one of the proprietor's Canadian suppliers about the possibility of the proprietor beginning its own Canadian whisky brand.
- ii) In July 2012 Mr Fontannaz travelled to Canada to have discussions with potential suppliers and to learn about the whisky market. His travel itinerary is provided in Exhibit YH3.
- iii) The new whisky brand was then developed. Reference is made to "exhibitions at trade fairs and other forms of advertising", but the first external use of the new whisky brand was in an article in Harpers Wine & Spirits (a trade publication) dated 17 May 2013. The article is about the 2013 London International Wine Fair and what the proprietor (and others) are to exhibit. The articles refers to the proprietor's wine products, but also that:

"Origin will also be showing its first spirits brand. The five-year-old Origin Canadian whisky (RRP £25"). Matured for five years in small casks, and with modern packaging, Origin hopes it will offer consumers a lighter whisky style and refreshing alternative to the more smoky notes of Scotch whisky."

A picture of the product is provided:

- iv) The whisky was then exhibited at the London International Wine Fair (20-22 May 2013). A photograph of the product exhibited is provided in exhibit YF5 which is consistent with the above picture.
- v) Exhibit YF6 contains an invoice from Kruger to Origin Wine (UK) for what is described as the first 12 units of whisky purchased by the proprietor. It is for 12 75ml bottles, the invoiced price being \$120. The invoice is dated 28 May 2013.
- vi) The whisky brand was also exhibited at a trade fair in France between 16 and 20 June 2013.
- vii) A consignment of the whisky was sold to Arlington Vintners Int Ltd (based in Surrey). The invoice is provided in Exhibit YF8 (and duplicated in YF9). It is dated 27 May 2013. It is for 6 bottles (75cl) with a value of £105. The product is identified as "Origin Canadian Whisky".
- viii) Another invoice is provided in YF10 this time to Valley Vineyards Limited. It is dated 27 July 2013. It is for "origin whisky" and is for "12 x 70cl" bottles. The monetary values are listed as "0".

33. In Ms McKay's evidence an exhibit (JMK3) is provided showing that the relevant European Directive relating to the sale of spirits in the EU states that it is not legal to sell spirits in the UK in 750ml bottles. The accompanying submission is that even if the proprietor's evidence was accepted then the goods could not have been for the UK market.

34. The first thing I note is that in the earlier dispute between the parties in the *JURA ORIGIN* case, the Hearing Officer at first instance was provided with the whisky evidence but nevertheless found that genuine use had been made in relation to wine only. That decision is not binding upon me, not least because such use was after the relevant period, as it is here, but the major difference in assessment is that there is no section 46(3) equivalent in the context of proof of use provisions.

35. At the hearing, Mr Stobbs confirmed that he was relying on the Harper's article, the subsequent attendance at the trade fair and the two invoices mentioned above (vii) and viii) above). He accepted that the use would have had little impact on the relevant market in terms of establishing a recognisable market share but, nevertheless, the use that had been made was use that was attempting to create a market share. Ms Bashir made a number of criticisms including that one did not know what prominence the whisky was given at the trade fair, that the first invoice related to bottles of a size that could not be sold in the UK so could not have been for the UK market, and that the second invoice had no monetary value. It was strongly submitted that the proprietor had failed to dot its i's and cross its t's when it came to the evidence it had presented to the tribunal. The reference to failing to dot one's i's and cross one's t's was made by Jacob J in *Laboratoire De La Mer* (2002) FSR 51 where he stated:

"9. In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye - to ensure that

use is actually proved - and for the goods or services of the mark in question. All the t's should be crossed and all the l's dotted"

36. The solidity and specificity of evidence was also commented upon by 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."

37. 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. Page"

38. Whilst Mr Fontannez has explained the background to the whisky brand and the steps taken leading up to its use (the discussions with potential suppliers and the trip to Canada), it would have been better had Mr Fontannez explained why the first invoice was in the size bottle it was and why the second invoice had no monetary value. Mr Stobbs speculated on what the supply could have been about, but without evidence, speculation is a dangerous game. Consequently, I cannot hold that the goods were subsequently placed in UK retail outlets or exported for sale elsewhere. I must bear in mind, though, that the supply of goods to UK intermediaries may count for the purposes of establishing genuine use (the end consumer in the UK is not the only relevant market to consider¹).

39. As to the trade fair in London, It would also have been better to have been put in an informed position as to the profile the brand was given at the trade fair, although, I agree with Mr Stobbs that that it would be wrong to conclude that it did not feature at

¹ See the judgment of the Court of Appeal in *La Mer* ([2006] F.S.R. 5)

all (Mr Fontannez has stated that it did feature). I agree with Ms Bashir that the questions that surround the invoices and the trade fair are something that must be taken into account in determining the genuineness of the use.

40. It is also noteworthy that despite some form of commercial use having taken place in May 2013, there does not appear to have been any further activity or any further sales beyond the two invoices that followed the trade fair. Evidence could have been filed up to 31 July 2014, over one year after the first use attested to. So one can only work on the basis that this was the extent of proprietor's activities in the UK. I consider it appropriate to bear in mind the absence of such subsequent activity in testing the genuineness (in the sense of being real commercial exploitation aimed at creating an outlet for the goods) of the use. Mr Stobbs suggested that the scale and length of use was not a particularly pertinent factor (although he made that submission when discussing gin and whether all or only some of the sales could be relied upon) as the question is simply about commencement of use. However, the question is about commencement of genuine use and my finding is that the use that did take place, whilst a form of commercial use (as it was in *Reber*) does not qualify as genuine use. The evidence does not persuade me that this was use consistent with the commencement of a real commercial exploitation aimed at creating a market share. It is not clear exactly what the use was aimed at, it may have just been an attempt to test the appetite for the brand with some people in the trade. Whatever it was, I am not satisfied that genuine use been established.

Fair specification

41. In relation to coming up with a fair specification to reflect the use made, I note that Mr Geoffrey Hobbs Q.C. (sitting as the Appointed Person), when deciding case *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* (BL O/345/10), stated:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

42. More recently, in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered; he said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J

(as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the

purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

43. The use shown is in relation to gin. Mr Stobbs argued that such use (although he was also counting use on whisky), together with the fact that no claim to non-use had been made in relation to wine (and is therefore accepted use) means that, as whole, the use will be characterised as alcoholic beverages at large. As a fall-back, he submitted that the use would be characterised as wine and spirits. Ms Bashir suggested that an appropriate specification (if I was against her on the primary genuine use submissions) should be to the exact goods.

44. Strictly speaking, the fact that wine was not subject to the revocation proceedings does not mean it should join the gin on the starting block for the assessment. I must look at the use presented (I have seen no use on wine) and decide how it should be characterised. Whilst wine can of course be retained in the specification, I will focus on the gin. I do not consider that alcoholic beverages at large should be retained as that is a significantly wider category. Neither do I think spirits is an appropriate category. The average consumer would describe the use as being on gin. It is a recognisable sub-category of sprits. The resulting specifications will be:

2307360 – Wines; gin
2275969 – Gins; wine

45. I should add that even if contrary to what I have said above and that wine should have joined gin on the starting block for the assessment, I would have come to the same view as the resulting specifications use recognisable indications of categories of the relevant goods.

Use of the ORIGINS mark

46. Mr Stobbs accepted that no use had been made of the ORIGINS mark. However, he argued that the difference between ORIGIN and ORIGINS was so small that it should be considered as an acceptable form of use under section 46(2) of the Act. Ms Bashir argued to the contrary suggesting that the additional S made a real impact on the distinctiveness of the mark as registered. The Court of Appeal dealt with what I will describe as the use of a “variant mark” in *Bud/Budweiser Budbrau* [2003] RPC 25. Of relevance are the statements of Lord Walker of Gestingthorpe where he stated:

“43. ...The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry: ‘Bare ruin’d choirs, where late the sweet birds sang’

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of 'whose eyes? -registrar or ordinary consumer?' is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgement, to analyse the 'visual, aural and conceptual' qualities of a mark and make a 'global appreciation' of its likely impact on the average consumer, who: "Normally perceives a mark as a whole and does not proceed to analyse its various details." The quotations are from para [26] of the judgement of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance."

47. Also of relevance are the comments of Sir Martin Nourse; he stated at paragraph 12:

"Mr Bloch accepted that, in relation to a particular mark, it is possible, as Mr Salthouse put it, for the words to speak louder than the device. However, he said that it does not necessarily follow that the entire distinctive character of the mark lies in the words alone. That too is correct. But there is yet another possibility. A mark may have recognisable elements other than the words themselves which are nevertheless not significant enough to be part of its distinctive character; or to put it the other way round, the words have dominance which reduces to insignificance the other recognisable elements...."

48. There is also the test laid down by Mr Arnold QC (sitting as the Appointed Person) in *NIRVANA Trade Mark* (O/262/06) and in *REMUS trade mark* (O/061/08). In these cases Mr Arnold (as he then was) undertook a thorough analysis of the relevant case law, including judgments of the CJEU and the GC, and he then put forward the following questions, the answers to which will assist in determining whether a variant form of use represents an acceptable variant (the text is from *NIRVANA* but it is also adopted in *REMUS*):

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the subquestions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a) An affirmative answer to the second question does

not depend upon the average consumer not registering the differences at all....”

49. The mark used is ORIGIN. The registered mark is ORIGINS, the distinctiveness lying solely in that word, a word indicating the start or origin of something. The difference is in the additional S. I do not consider the difference to alter the distinctive character which remains as essentially the same. The form of use counts as an acceptable variant. That the variant form as used is itself a registered mark does not matter as was held in Case C-553/11 *Bernard Rintisch v Klaus Eder* where the CJEU stated:

“That purpose would be jeopardised if, in order to establish use of the registered trade mark, an additional condition had to be met, whereby the different form in which that mark is used should not itself have been registered as a trade mark. In fact, the registration of new forms of a trade mark makes it possible, where necessary, to anticipate changes that may occur in the trade mark’s image and thus to adapt it to the realities of a changing market.”

50. The same result applies to ORIGINS in these proceedings as it does to ORIGIN.

Outcome

51. Both registrations are partially revoked for their broad specifications with effect from 5 April 2008 (registration 2307360) and 29 December 2006 (registration 2275969). However, the registrations may remain registered for:

2307360 – Wines; gin

2275969 – Gin; wine

Costs

52. The applicant has succeeded in revoking the registrations for the broad terms as registered. The proprietor’s has, though, retained one item. It seems to me that the applicant has been the more successful party so is entitled to some form of costs award, albeit a reduced one given the partial nature of the success. My assessment is as follows:

Official fees x 2 - £400

Preparing statements and considering the other side’s statements - £150

Filing and considering evidence - £250

Attending the hearing - £200

Total - £1000

53. I therefore order Origin Wines Limited to pay White and Mackay Limited the sum of £1000. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 28TH day of September 2015

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