

O-453-15

TRADE MARKS ACT 1994

**TRADE MARK REGISTRATIONS 1301335 & 2199945
IN THE NAME OF MICHELE AND SANDRO VECCHIATO**

AND

**APPLICATIONS 500207/8 & 500367/8
BY ACCOLADE WINES AUSTRALIA LIMITED
FOR THE MARKS TO BE REVOKED FOR NON-USE**

Background and pleadings

1. This is a decision on four applications by Accolade Wines Australia Limited (“the applicant”) to revoke trade mark registration Nos. 1301335 and 2199945 for non-use.

2. Trade mark 1301335 consists of the words THOMAS HARDY’S ALE. This mark was entered in the register on 15th September 1989. The mark is registered for ‘ale’.

3. Trade mark 2199945 consists of the words THOMAS HARDY. This mark was entered in the register on 12th November 1999. The mark is registered for ‘beer, ale, stout, porter, lager and shandy’.

4. Michele and Sandro Vecchiato have been the registered proprietors (“the proprietors”) of the trade marks since 19th July 2012. Prior to this date the marks were registered in the name of Phoenix Imports, Inc., a Florida based company. And prior to 23rd December 2009, the marks were registered in the name of Phoenix Imports Limited which (despite the trading designation ‘limited’) appears to have been another US company incorporated in Maryland.

5. The first two applications to revoke the trade marks for non-use were filed on 6 November 2013. These applications are made under s.46(1)(b) of the Trade Marks Act 1994. They are based on alleged non-use of the marks in the period 30th September 2008 to 29th September 2013 (“the first period”). Revocation is requested with effect from 30th September 2013.

6. The second two applications to revoke the trade marks for non-use were filed on 14th April 2014. These applications are also made under s.46(1)(b) of the Trade Marks Act 1994. They are based on alleged non-use of the marks in the period 10th April 2009 to 9th April 2014 (“the second period”). Revocation is requested with effect from 10th April 2014.

7. The proprietors filed counterstatements denying the applicant’s claims. I note, in particular, that the proprietors claimed that:

- The proprietors and their predecessors in title made genuine use of the marks in the first and second periods.
- The counterstatements made on 13th January 2014 in response to the first two applications stated that *“although the products are not currently produced in the UK, the registered proprietor has made significant preparatory steps towards bringing the trade mark back into use”*.

8. Both sides seek an award of costs.

The facts

9. The proprietors' evidence takes the form of two witness statements by Sandro Vecchiato, two statements by Sarah Talland, and one each from Adrian Tierney-Jones and Peter Brown.

10. Ms Talland is a trade mark attorney at Wildbore and Gibbons, which represents the proprietors in these proceedings. The purpose of Ms Talland's evidence is to show: (1) that the proprietor's acquired the trade marks and the associated goodwill from Phoenix Imports Inc. on 19th July 2012 for the consideration of £1, and (2) that on 10th September 2012 the proprietors granted an Italian company called Interbrau S.p.a. an exclusive licence to use the marks in the EU.

11. Mr Tierney-Jones and Mr Brown specialise in writing about beers. They explain that Thomas Hardy's Ale was first brewed in the 1960s by a brewing company called Eldridge Pope. Eldridge Pope stopped brewing the beer and it was later brewed under contract by a Devon Brewery called O'Hanlon's. Thomas Hardy' Ale was an unusual beer because it was much stronger than normal ales and was made to improve with age. Both these witnesses say that they still have some of the original beers. Mr Tierney-Jones says that whilst Thomas Hardy' Ale was being brewed it was popular, especially in the USA, to arrange 'vertical tastings' of different vintages of the beer. Both witnesses attest to the fact that the beer won several awards and retains a reputation amongst aficionados of ales.

12. Mr Vecchiato's first statement is dated 12 February 2014. It is mainly intended to show that a previous proprietor of the marks made genuine use of the marks in 2008/9. Exhibit SV1 to Mr Vecchiato's first statement consist of a copy of an email covering a 'sales summary'. The email is from Liz O'Hanlon at O'Hanlon's Brewery to someone at mythbird@aol.com¹. The email records that "*Waitrose is (was) the best performing outlet for THA in the UK*". However, the sales recorded in the summary were disappointing and the writer expected the product to be culled from the sales list after the supermarket's next range review. The writer put the poor sales figures down to the high unit cost of the beer.

13. The associated sales summary shows that Waitrose bought 720 bottles of Thomas Hardy's Ale between 7th January 2008 and 31st March 2009. 432 bottles were purchased between 8th October 2008 and 31st March 2009, i.e. during the first period of alleged non-use. None of the sales fell within the second period of alleged non-use.

14. Exhibits SV2 and SV3 to the first statement of Mr Vecchiato show that O'Hanlon's Brewing Co. invoiced Phoenix Imports for 1404 cases of Thomas Hardy's

¹ It is not clear who this is.

Ale on 25th September 2008, i.e. just prior to the start of the first period of alleged non-use. The products appear to have been received by Phoenix Imports on 17th October 2008, i.e. within the first period of alleged non-use. However, Phoenix Imports either was, or was a company associated with, the proprietor of the mark at this point in time. Further, O'Hanlon's brewed the beer for the proprietor under contract. Therefore, this use of the marks by O'Hanlon's in relation to beers exported to the proprietor's business in the USA appears to be internal use within the proprietor's business.

15. Mr Vecchiato's second statement dated 11 March 2015 deals with the proprietors' efforts to re-launch THOMAS HARDY'S ALE. Mr Vecchiato explains that THOMAS HARDY'S ALE is twice the strength of most ales at 12% a.b.v. and is intended to improve with age. The period of fermentation and maturation was twice as long as normal ale and the ale continued to improve for another year after bottling. This meant that there was only one bottling per year and the finished product came to be referred to by the vintage of its production. The special characteristics of the ale helped to maintain its reputation among a niche section of the beer-drinking public despite gaps in production. The proprietors therefore purchased the brand in 2012 with the intention of re-launching the ale. Interbrau S.p.a. was appointed as exclusive licensee for this purpose. Mr Vecchiato states that the re-launch activities include developing and purchasing bottles and labels, as well as promotional activities relating to the impending re-launch.

16. Exhibit SV7 includes copies of:

- A quotation and an invoice dated 2nd November 2012 from an Italian company called Nuova Jolly to Interbrau S.p.a. for the purchase of 550 A4 'Thomas Hardy' cards, which Mr Vecchiato says were 'promotional sheets'.
- An invoice dated 8th January 2014 from a UK company called Beatson Clark Ltd to Interbrau S.p.a. for the purchase of 2890 bottles. Not surprisingly, as the goods purchased were just bottles, there was no use of THOMAS HARDY'S ALE on the invoice.
- An invoice dated 16th January 2014 from an Italian company called Logo Scatolificio Veneto to Interbrau S.p.a. for the purchase of branded boxes for Thomas Hardy ale (described as "TH" on the invoice").
- An email dated 17th January 2014 from another Italian company to Interbrau S.p.a. confirming an order for a customised punch to provide a wax seal on bottles.

- An invoice dated 21 January 2014 from another Italian company to Interbrau S.p.a. relating to the purchase of 2400 packages for individual beer bottles.
- An invoice dated 14th February 2014 from an Austrian company to Interbrau S.p.a. for the purchase of 6000 labels for “HARDY’S ALE”.

17. Mr Vecchiato states that although some of these activities took place outside the UK “the overall intention has been to bring THOMAS HARDY’S ALE back to the UK market”.

18. Exhibit SV8 comprises documents in Italian dated 17th and 18th September 2013 which Mr Vecchiato says are “*manufacture reports*” referring to the first two ‘crushes’ of Thomas Hardy’s Ale at the Birrificio Antoniano brewery in Padua, Italy. The reports were prepared by a British technical consultant called Alex Bell and a laboratory technician called Eva Candido. The reports are in Italian. I note that the letters “T.H.” appear at the top of these documents, which might stand for ‘Thomas Hardy’. However, three apparently different types of beers are listed, one of which is “*Pils bohemian floor*”. This description does not tally with Mr Vecchiato’s description of Thomas Hardy’s Ale as English ale. However, the other two (“*pale Ale U.K.*” and “*Crystal U.K.*”) could conceivably be the product described in Mr Vecchiato’s evidence, or it is possible that tests were being carried out to see if a suitable beer could be produced by using a mixture of ingredients for different types of beers. Mr Vecchiato himself throws no light on the significance of the letters “T.H.” on these documents or how, if they stand for ‘Thomas Hardy’, this corresponds to the three beers listed.

19. Exhibit SV9 comprises images of two bottles of THOMAS HARDY’S ALE, which Mr Vecchiato says were brewed in January 2014 and bottled in March 2014. I note that the labels carry the words “*Preview Edition*”. The bottles are numbered. Oddly, the first bottle is numbered ‘00000’ (the second is numbered 01010).

20. Exhibit SV10 comprises two invoices dated 29th May 2014 (i.e. after the end of the second period of alleged non-use) from Interbrau S.p.a. to two companies based in London and Leeds called Meantime Brewing Company and AVC Vertical Drinks, respectively. The invoices are for Thomas Hardy’s Ale. The invoice addressed to the Leeds business is for 180 bottles at a total cost of 693 (presumably euros). The invoice addressed to the London business is for 120 bottles at a total cost of 452 (again, presumably, euros). Oddly, the price per bottle is shown as 46.20 in both the invoices, which seems very high and does not tally with the other figures.

21. It will be apparent from this summary that none of the above evidence shows use of THOMAS HARDY or THOMAS HARDY’S ALE in the UK in the second period of alleged non-use.

22. Exhibits SV4 and SV5 comprise copies of articles that appeared in ‘1001 Beers you must taste before you die’, ‘The Oxford Companion to Beer’, and an entry from the ‘The Good Beer Guide 2010’. All three pieces are about Thomas Hardy’s Ale. It is not clear when the first article (written by Mr Tierney-Jones) was published (he does not mention it in his own witness statement). The second article was published sometime in, or after, 2011 (it mentions that a search was on for new brewer in early 2011). The entry in the Good Beer Guide is obviously from 2010. It notes that production of THOMAS HARDY’S ALE by O’Hanlon’s ceased in June 2009.

23. At least the last two of these articles therefore included use of the mark THOMAS HARDY’S ALE within the first and second periods. However, there is nothing to suggest that these uses of the mark were (or needed to be) made with the consent of the proprietor of the mark at the time.

24. Exhibit SV2 to Mr Vecchiato’s second witness statement is made up of pages from the website thomahardysale.org.uk. It is not clear who operates this website, but there is no claim that it is operated by, or on behalf of, the proprietors or their predecessors in business. The pages contain posts by people in the UK and elsewhere mostly wishing to buy or sell second hand old vintages of THOMAS HARDY’S ALE. There is no claim that any of these offers for sale took place with the consent of the proprietors or their predecessors in business. The purpose of this evidence therefore appears to be to show that the mark retained goodwill in the UK up until 2014.

25. In my view, the proprietors’ best case for showing actual use of the marks in the second relevant period, with its consent and in the UK, rests on exhibits SV1, SV3 and SV6 to the second witness statement of Mr Vecchiato. The first of these consists of a copy of a page from the website thomahardysale.com entitled “*The grounds for a comeback: Thomas Hardy’s Ale*”. The page appears to contain links to further pages. The links are called “*the Ale*”, “*the story*”, “*feelings*”, “*gallery*”, “*museum*”, and “*contacts*”. These pages are not in evidence. The page that is in evidence contains a short article posted on 27th March 2013 (i.e. within the first and second periods). The article describes the ups and downs of the beer in question and the writer’s sadness that it is no longer in production. The article concludes with:

“And then, all of a sudden, we had the chance of bringing this fantastic beer back to life, an opportunity that we really couldn’t miss. As they say, a once in a lifetime’s chance. Thomas Hardy’s Ale is our chance and we have taken it without a second thought. With love, with respect, the desire and willingness to return Thomas Hardy’s to its passionate admirers, as it always has been. A large family to which we have always belonged to, belong to and will always belong to.”

Mr Vecchiato states that the website in question is operated by Brew Invest S.p.a., “an Italian company connected with” the proprietors.

26. There are two ‘posts’ in evidence from this website. The first post, dated 28th March 2013, is from someone called ‘Josh’ who was enthusiastic about the return of the beer and said that he hoped that it “*makes it to Canada*”. The second post, dated 18th November 2013, is from ‘Kevin’. Kevin enquired how progress was coming. The reply, dated the same day, stated that “*we are testing raw materials*” and that “*Thomas Hardy’s Ale will be available in the first half of 2014*”.

27. Exhibit SV3 to Mr Vecchiato’s second statement consists of historical pages from three websites. The first, dated 19th February 2013, is from the website protzonbeer.co.uk. It recounts the history of Thomas Hardy’s Ale and notes that the rights to produce the beer have been bought by Brew Invest in Italy. It records that:

“The march towards production continues apace, and the brewers are currently looking into the optimum location for this special product”.

28. The article also refers to the creation of the website thomahardysale.com “*where it will tell the story of Thomas Hardy’s Ale and give regular updates on the work in the process of bringing Thomas Hardy’s Ale back to life.*” The article notes that the site will take the form of a blog and will therefore be a useful interactive communication tool between the site’s owners and users of the site “*with the common dream of allowing future generations the pleasure of drinking a Thomas Hardy’s Ale*”.

29. A very similar article appeared on the website beerguild.co.uk on 20th February 2014.

30. The third article, dated 1st September 2013, is from the website beertoday.co.uk. It states that the author (Darren) had emailed Brew Invest in August 2012 asking where the new THOMAS HARDY’S ALE would be produced. No response was forthcoming until the date of the article. The author records that a reply had been received that day indicating that Brew Invest had bought the rights to the mark but had yet to find a brewer. It is apparent from the date that ‘Darren’ emailed Brew Invest (August 2012) that his email enquiry was not in response to the creation of the website thomahardysale.com in 2013 mentioned in the paragraphs above.

31. Exhibit SV6 consists of an email dated 30th September 2013 from Nigel Baker of livingbeer.com Ltd (i.e. a UK business) to info@thomahardysale.com. The email states that Mr Baker’s business had previously stocked THOMAS HARDY’S ALE and asked for information about its future availability and trade prices. There is no evidence of any reply to this email.

32. The applicant filed observations on the proprietors' evidence, but no evidence of its own. The arguments of the parties are covered below (to the extent that I consider it necessary to do so).

Representation

33. A hearing was held on 27th August 2015 at which the applicant's counsel was Ms Charlotte Scott, instructed by Norton Rose Fulbright LLP, and the proprietors' counsel was Mr Jonathan Moss, instructed by Wildbore and Gibbons.

The law

34. Section 46 of the Act states that:

“(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) –

(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.”

35. Section 100 is also relevant, which 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.”

36. The parties were content to adopt the following summary of the case law by Arnold J. in *Stichting BDO v BDO Unibank, Inc.*²

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or 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].

² [2013] EWHC 418 (Ch)

(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]".

37. I would add to this summary that although minimal use may qualify as genuine use the CJEU stated in *Reber Holding GmbH & Co. KG v OHIM*³, 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 use of the mark qualifies as genuine use.

Genuine use in the first period

38. There is no dispute that Phoenix Imports' UK contract brewer sold over 400 bottles of THOMAS HARDY'S ALE to Waitrose between 8th October 2008 and 31st March 2009 (i.e. at the beginning of the first period). There is no suggestion that these were sham sales, just to preserve the trade marks. Rather the applicant's argument is that as these sales were limited to just the first 6 months of the first period, were very low in volume, and that within a very large UK market for beers they were insufficient to be appropriate in the economic sector concerned for preserving or creating market share for the relevant goods. Consequently, the use did not amount to genuine use. In this connection, Ms Scott drew my attention to the judgment of the General Court in *Nazeen Investments Ltd v OHIM*⁴ in which the

³ Case C-141/13 P at paragraph 32 of the judgment

⁴ Case T-250/13

court held that test sales of 12 pallets of 15552 bottles of bottled water were insufficient to establish genuine use of a Community trade mark in the mass market for those goods within the EU.

39. Mr Moss pointed out that the proprietor's goods were ales (as opposed to beers) and there was no evidence as to the size of the UK market for ales.

40. I do not attach much weight to this point. Firstly, the proprietor's own evidence includes descriptions of its goods as beers. Secondly, although it is true that there is no evidence as to the size of the UK market for beers (or ales to the extent that they are any different) it is obvious that 432 bottles is going to make up only a tiny proportion of that market. It does not matter whether it is 0.0001% or 0.0002%.

41. However, I attach more weight to Mr Moss's further submission that the sales shown are part of a long established trade under the mark. This is to be contrasted with the facts in *Nazeen Investments* where there were test sales under a new mark. I agree with Mr Moss that it is easier to accept that on-going sales of beers to a leading UK supermarket represents a more serious attempt to maintain an already established UK market under a trade mark than test sales of 12 pallets of mass market goods under a new Community trade mark within the much larger EU market.

42. Taking all these factors into account, I find that the use relied on by the proprietors is sufficient to constitute genuine use of THOMAS HARDY'S ALE in the first period.

43. Having regard to s.46(2) of the Act and the nature of the goods at issue (ales), I do not think that there can be any serious question that use of THOMAS HARDY'S ALE is also sufficient to constitute use of THOMAS HARDY.

44. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*⁵, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law around framing a fair specification in these circumstances as follows:

"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."

45. I find that a fair specification which reflects the use made of trade mark 1301335 is 'ales'. Having rejected Mr Moss's attempt to distinguish between ales and beers, I

⁵ BL O/345/10. This appears to me to be consistent with the later judgment of the Court of Appeal in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220

will not do the same thing. In my view, the goods covered by these descriptions overlap to such an extent that it would be pernicky to try and draw a line between them. I therefore find that a fair specification for trade mark 2199945 is 'ales, beers'. There is no use of the mark in relation to stout, porter, lager or shandy, so the trade mark must be revoked to this extent.

Genuine use in the second period

46. It is common ground that there were no sales under the marks in the second period. Further, some of the proprietors' evidence of use during the period is actually evidence of residual goodwill under the mark THOMAS HARDY'S ALE. Whilst this might be relevant as background to the proprietors' efforts to re-enter the UK market under the marks, evidence of continuing goodwill is no substitute for evidence of actual use of the marks⁶.

47. It should be evident from my analysis of the facts why I consider that the only arguable use of the marks in the UK within the second period, with the consent of the proprietors, is the use of the mark THOMAS HARDY'S ALE on the website thomashardysale.com. Although this website appears to have been operated by Brew Invest S.p.a., there is no dispute that the mark was used on that website with the consent of the proprietors.

48. It is not entirely clear when the website was created, but the first article posted on it is dated 27th March 2013. This is within the first and second periods. The site was clearly still operating on 18th November 2013 when a person called 'Kevin' posted a question asking whether there was any progress in re-introducing THOMAS HARDY'S ALE. The reply, dated the same day, stated that "*we are testing raw materials*" and that "*Thomas Hardy's Ale will be available in the first half of 2014*". Other than this, the website provided no indication about when the product would be re-introduced, or where.

49. As regards the website use, in joined cases *Pammer v Reederei Karl Schlüter GmbH & Co. KG and Hotel Alpenhof GesmbH v Heller*⁷ the CJEU was asked for an interpretation of Article 15(1)(c) of Council Regulation 44/2001/EC of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ("the Brussels I Regulation"), and in particular the requirement that "*the contract has been concluded with a person who pursues commercial or professional activities in the member state of the consumer's domicile or, by any means, directs such activities to that member state*". The CJEU interpreted the national court as asking, in essence, "*on the basis of what criteria a trader whose activity is presented on its website or on that of an intermediary can be considered to*

⁶ See, for example, the judgment of Floyd J. (as he then was) in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), at paragraph 12.

⁷ C-585/08 and C-144/09

be 'directing' its activity to the Member State of the consumer's domicile ..., and second, whether the fact that those sites can be consulted on the internet is sufficient for that activity to be regarded as such".

50. The court held that it was not sufficient for this purpose that a website was accessible from the consumer's Member State. Rather, *"the trader must have manifested its intention to establish commercial relations with consumers from one or more other Member States, including that of the consumer's domicile"*. In making this assessment national courts had to evaluate *"all clear expressions of the intention to solicit the custom of that state's customers"*. Such a clear expression could include actual mention of the fact that it is offering its services or goods *"in one or more Member States designated by name"* or payments to *"the operator of a search engine in order to facilitate access to the trader's site by consumers domiciled in various member states"*.

51. Finally, the court concluded:

"The following matters, the list of which is not exhaustive, are capable of constituting evidence from which it may be concluded that the trader's activity is directed to the Member State of the consumer's domicile, namely the international nature of the activity, mention of itineraries from other Member States for going to the place where the trader is established, use of a language or a currency other than the language or currency generally used in the Member State in which the trader is established with the possibility of making and confirming the reservation in that other language, mention of telephone numbers with an international code, outlay of expenditure on an internet referencing service in order to facilitate access to the trader's site or that of its intermediary by consumers domiciled in other Member States, use of a top-level domain name other than that of the Member State in which the trader is established, and mention of an international clientele composed of customers domiciled in various Member States. It is for the national courts to ascertain whether such evidence exists."

52. The CJEU adopted a broadly similar approach in *L'Oreal v eBay*⁸ when asked whether goods bearing a trade mark and offered for sale on an online marketplace were being offered for sale in a particular territory.

53. The .com domain identifier is not necessarily an indication that the thomashardysale.com website was directed at the UK market. In this connection, I note that one of the two posts shown on that website is from someone in Canada. It is not clear whether the second person (Kevin) was located. Further, it appears from the evidence that when production ceased in 2009, THOMAS HARDY'S ALE had a larger market in the USA than it did in the UK⁹. In this context the use of English on

⁸ Case C-324/09, at paragraphs 63 to 66 of the judgment.

⁹ See paragraph 14 above.

the website is a relatively neutral indicator as to the location of the intended public. Further, as no goods were offered for sale on the website there was no indication of currency. Further still, there is no evidence that the proprietors took any active steps to bring the existence of the website to the attention of the UK public and there is no evidence of visitor figures showing that people from the UK visited the website.

54. On the other hand, Mr Vecchiato's unchallenged evidence is that it was the proprietors' intention to re-introduce the product to the UK market. Further, the interest in the website shown by those operating the UK based websites protzonbeer.co.uk and beerguild.co.uk, and from Nigel Baker, a potential stockist of the product, indicates that the thomashardysale.com website was perceived by them as being at least partly directed at the UK public. On balance, I am therefore prepared to accept that the website use was targeted, at least in some part, at the UK public. If I am right about that, the use of the mark on the website therefore constitutes use of the mark in the UK.

55. The key issue in assessing whether this use of THOMAS HARDY'S ALE on the website amounts to genuine use of the marks is then whether the use meets the criteria established by the CJEU in its paragraphs 37 and 38 of its judgment in *Ansul* where the court stated that:

"37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark." (emphasis added)."

56. I remind myself that where there are no actual customers what is required is external use of the mark in the nature of "*preparations by the undertaking to secure*

customers”, not merely preparations to use the mark¹⁰. The use of the mark on the website must also be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.”

57. Ms Scott relied on my decision in *Healey Sports Cars Switzerland v Jensen Cars Ltd*, which was upheld on appeal to the High Court¹¹, as support for her submission that the use of the mark on the website was too remote from any actual sale of goods under the mark to constitute genuine use of it in the first or second periods. In this connection she pointed out that:

- As in *Healey*, there were no relevant goods in existence when the website was created.
- There were therefore no goods that were “about to be marketed”.
- Also as in *Healey*, there were no prices on the website and no means of placing an order for the goods.
- Further, only two people posted responses, one of which was in Canada.
- The email enquiry dated 30th September 2013 from Nigel Baker, a potential UK stockist of the product, appears to have gone unanswered.
- The true nature of the thomashardysale.com website was as set out in the article on beerguild.co.uk, where it was described as a blog about future events.
- The UK sales that appear to have occurred after the end of the second period are very small in number and, despite the proprietor having filed evidence dated over a year later there is no evidence of any further sales.

58. Ms Scott submitted that the facts in this case were therefore comparable with those in *Royal Shakespeare Trade Mark*¹² where it was held that preparations to commence use of a trade mark for beers by seeking out a UK licensee/contract brewer did not constitute genuine use of the mark.

59. For his part, Mr Moss pointed to the steps that the proprietors had taken to re-introduce the product to the market, including:

¹⁰ The Directive and the Act distinguish between the two. Compare the meaning of use of the mark within s.46(1) and s.46(2) with preparations to (re)commence use of the mark in s.46(3)

¹¹ [2014] EWHC 24 (Pat)

¹² BL O/369/11 & BL O/009/13 (Ms Anna Carboni as Appointed Person on appeal)

- Appointing Interbrau S.p.a. in 2012 as exclusive licensee to use the marks in the EU.
- Arranging test productions of the product by September 2013.
- Ordering bottles, labels and packaging for the product in January and February 2014.
- Bottling a 'preview edition' of the product in March 2014.
- Selling ales under the mark to two UK undertakings in the UK at the end of May 2014 (around seven weeks after the end of the second period - and around 6 weeks after the second applications for revocation were filed).

According to Mr Moss, this was consistent with use of the mark in the second period and was "*preparations by the undertaking to secure customers*", including use of the mark on the website thomashardysale.com. The genuineness of the use of the mark in the second period was borne out by the UK sales that occurred shortly after the end of the period.

60. I agree with Mr Moss that events after the end of the second period are capable of shedding light on whether there was genuine use of the marks in the UK in that period. However, I am troubled by certain aspects of Mr Vecchiato's evidence of sales under the THOMAS HARDY'S ALE mark. Firstly, as I noted above, the unit cost of the beers shown on the invoices dated 29 May 2014 does not correspond with the sales volumes and the total prices. Secondly, one of the two UK undertakings concerned - Meantime Brewing Company – appears to be a producer of beers rather than a retailer. Thirdly, I am concerned about the reliability of another aspect of Mr Vecchiato's evidence, which appears to show that one of the numbered bottles of ale purportedly bottled in March 2014 as part of the 'preview edition' of the new product carried the number '00000'. That cannot be a real bottle number. It seems at odds with the whole idea of numbered bottles. I have therefore asked myself whether Mr Vecchiato's evidence of UK sales under the THOMAS HARDY'S ALE mark in May 2014 is simply incredible. I have decided that whilst the points made above are matters that could usefully have been put to Mr Vecchiato at the time when his evidence was filed, or later in cross examination, they are not sufficient reasons, either individually or collectively, to dismiss his evidence of UK sales as simply incredible. I therefore accept that two sales of beers to UK based businesses took place under the mark on 29th May 2014.

61. There is no evidence of any further sales under the mark by the time of Mr Vecchiato's second statement dated 11th March 2015, or subsequently. I accept Ms

Scott's submission that this raises a question as to whether the sales made under the mark in May 2014 were actually the start of a genuine re-launch of THOMAS HARDY'S ALE into the UK market or represent something more token in nature. I note that in Mr Tierney-Jones's statement of 24th March 2015 he says that he "*recently received*" a bottle of the new THOMAS HARDY'S ALE, but that he had not tried it. He does not say where or from whom he obtained the product. He does not claim to have bought it. Therefore, his evidence does not show that THOMAS HARDY'S ALE was available to be bought on the UK market in March 2015.

62. Much of Mr Vecchiato's evidence is relatively lacking in detail. As I noted above, his evidence of the two sales made in May 2014 does not explain how the two sales to UK businesses came about. Nor is it clear whether the undertakings concerned were retailers/importers likely to have sold on the goods in the UK market.

63. I accept Mr Vecchiato's evidence that the proprietors intended to re-enter the UK market under the mark, probably along with other markets. The contents of the thomashardysale.com website created around March 2013 are consistent with such a conclusion, as is the evidence that various beers were being tested at a brewery in Italy on 17th and 18th September 2013. However, the plans appear to have been moving forward at a relatively leisurely pace. The thomashardysale.com website created around March 2013 did not provide any indication as to where or when the product would be available again, or provide any means of registering an interest in purchasing the product. I accept Ms Scott's submission that the website was at this point in time merely a vehicle for a two way blog with potential customers about a re-launch of THOMAS HARDY'S ALE at some indefinite point in the future. This is consistent with the evidence that an email sent to the proprietors by beertoday.co.uk in August 2012 asking where the new THOMAS HARDY'S ALE would be produced received no response until 1st September 2013. And even then the response appears to have been that rights to the name had been bought, but that the new proprietors had yet to find a brewer. It is also consistent with the apparent absence of a reply to the email enquiry sent to the proprietors on 30th September 2013 by Nigel Baker, a potential UK stockist of the product.

64. It is noticeable that the plans to re-introduce products under THOMAS HARDY'S ALE appear to have moved up several gears towards the end of 2013 and at the beginning of 2014 after the applicant filed its applications for revocation for non-use on 6th November 2013. Shortly after that, on 18th November, the proprietors posted a reply to only the second post on the thomashardysale.com website stating that "*we are testing raw materials*" and that "*Thomas Hardy's Ale will be available in the first half of 2014*". Then between January and March 2014 the proprietors' licensee procured bottles, labels and packaging materials and brewed and bottled a 'preview edition' of the new THOMAS HARDY'S ALE. This product appears to have been different to the "*legendary*" English ale described in the evidence, not only because it appears to have brewed in Italy, but also because it was ready for sale within 2

months whereas the original product apparently took so long that there was only one bottling per vintage. Bottles of (probably the 'preview edition' of) the new THOMAS HARDY'S ALE were then sold to two UK undertakings shortly after the end of the second period.

65. I find that the acceleration in the steps taken to re-introduce the product, combined with the absence of evidence of any further sales after May 2014, probably means that the two sales in question were made just to defeat the pending applications for revocation. This does not mean that the use of the THOMAS HARDY'S ALE mark on the thomashardysale.com website from around March 2013 was sham use: that use may have reflected a genuine intention to reintroduce the mark in the UK at some point in the future. It does, however, mean that such use on the website was more remote from a real commercial re-launch of THOMAS HARDY'S ALE in the UK market than might appear from the evidence of sales under the mark in the UK in May 2014. In these circumstances I find that the proprietors have not shown that use of the THOMAS HARDY'S ALE mark on the website in question was an advertisement for products bearing the contested marks that were "*about to be marketed and for which preparations by the undertaking to secure customers [were] under way*" or that such use would be "*viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.*" Consequently, use of the THOMAS HARDY'S ALE mark on the website did not constitute genuine use of the contested marks in the UK during the second period.

66. I accept that this is a borderline case with some slight similarity to the facts in the recent case of *The Baba House*¹³ in which Mr Daniel Alexander QC, as the Appointed Person, accepted that use of the mark at issue in relation to a product – animated cartoons in class 9 – which did not exist at the time, nevertheless constituted genuine use of the registered mark. However, the goods in that case were commissioned goods, which are different in nature to beers. Further, there was detailed evidence that a pilot film had been produced by, or on behalf of, the proprietor and presented to the market on more than one occasion in an effort to secure customers. Mr Alexander held that it was a borderline case of genuine use of the mark for animated cartoons¹⁴ which fell on just the right side of the line (from the proprietor's perspective). The proprietor's detailed evidence about the use it had made of its mark and its efforts to secure customers during the relevant period was pivotal to the decision.

67. The proprietors' evidence of use of the mark to secure UK customers in this case is not as compelling (or as detailed) as the evidence in *The Baba House*. As Mr

¹³ Case BL O/049/15

¹⁴ He upheld the Hearing Officer's decision to revoke the registration for other goods.

Daniel Alexander Q.C. previously pointed out in *Awareness Limited v Plymouth City Council*¹⁵:

“22. The burden lies on the registered proprietor to prove use..... However, 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.”

68. It would have been straightforward for the proprietors to have provided more detail about the product testing that took place in September 2013 which showed that it related to a product that was reasonably close to production, rather than the skeletal and uninformative information that it actually provided. It should also have been straightforward for the proprietors to have provided sufficient information about the UK sales made under the mark in May 2014 from which it could be seen that these sales were part and parcel of the same commercial enterprise (if not necessarily the direct result of) the use of the mark THOMAS HARDY'S ALE during the relevant period on the website. The absence of sufficiently detailed evidence is one of the reasons why I have found that the proprietors' case falls on the wrong side of the line.

69. It follows that, subject to appeal, the marks will be revoked for non-use with effect from 10th April 2014.

Costs

70. Application 500207 to revoke trade mark 1301335 failed. Application 500208 to revoke trade mark 2199945 partly succeeded, but partly failed. Applications 500367/8 to revoke both marks from a later date wholly succeeded. The applicant has therefore been more successful than the proprietors and is entitled to a contribution towards its costs.

¹⁵ Case BL O/230/13

71. I order Michele and Sandro Vecchiato to pay Accolade Wines Australia Limited the sum of £750 towards the cost of these proceedings. This should be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 29th day of September 2015

**Allan James
For the Registrar**