

O/462/20

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3,213,230 BY ONTRO LIMITED

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MARK BRYANT (O/192/20) DATED 26 MARCH 2020

DECISION ON APPLICATION
FOR A STAY

Introduction

1. On 16 February 2017, Ontro Limited applied to register the following trade mark in relation to certain goods and services in Classes 16, 35, 39, 41 and 43 (No 3,213,230):



2. The application was opposed by Delta Air Lines, Inc based on its earlier mark (EUTM: 8,149,941):



3. The earlier mark was registered on 7 October 2009. Ontro did not require Delta to prove that it had used the earlier mark despite the mark having been registered for more than five years (see Trade Marks Act 1994, s 6A).
4. On 26 March 2020, Mr Mark Bryant, for the Registrar, partially upheld the opposition in relation to some services and rejected the opposition in relation to some goods and other services. This decision is currently under appeal.
5. On 20 June 2020, Ontro applied to the European Union Intellectual Property Office (EUIPO) to revoke Delta's earlier mark on the grounds of non-use (see Regulation (EU) No 1001/2017 on the European Union trade mark, art 58(1)(a)). The periods of non-use

alleged were the five-year periods ending on 31 December 2019, 31 January 2020 and 1 March 2020.

6. Delta was due to file evidence that it had used its mark by 31 August 2020.
7. On 12 August 2020, Ontro made an application to stay the appeal pending the outcome of its EUIPO revocation application. On the same day, I gave a direction to both parties to file any written submissions on the application for a stay by 14 September 2020. This was to enable the parties to comment on the situation once it was clear whether Delta Air would be submitting evidence of use in the EUIPO proceedings.
8. Delta subsequently applied to the EUIPO and obtained an extension to the deadline for filing its evidence of use. The new deadline is 1 November 2020. For reasons that will become apparent it is not necessary for me to delay further the consideration of the stay application until after that date.

The application for a stay

9. Ontro's application is either for (a) a stay until after Delta has filed its evidence of use, or (b) a stay until the EUIPO has determined the application for revocation on the grounds of non-use. Its basic position is that if the earlier mark is revoked by the EUIPO it would have a material effect on the outcome of this appeal.
10. Delta's submission takes the polar opposite position: even if their earlier mark is revoked by the EUIPO it would have no effect on the current opposition as the mark would have been valid and in force on the relevant date (16 February 2017).

The effect of revocation

11. Revocation usually leads to the mark ceasing to have effect prospectively. The basic rule is set out in Regulation (EU) No 1001/2017 at Article 62(1):

The EU trade mark shall be deemed not to have had, as from the date of the application for revocation or of the counterclaim, the effects specified in this Regulation, to the extent that the rights of the proprietor have been revoked. An earlier date, on which one of the grounds for revocation occurred, may be fixed in the decision at the request of one of the parties.

12. The normal case, therefore, is that the trade mark ceases to have effect on the date upon which the application for revocation was made. The *EUIPO Guidelines*, Part D, [2.2.3] explain the approach where a party requests that revocation takes effect from an earlier date:

If an **earlier effective date of revocation** is requested pursuant to Article 62(1) EUTMR, this can only be granted — subject to the cancellation applicant proving a legitimate interest (see paragraph 1.3.1 above) — if no genuine use of the contested mark has been proved **both** within the 5-year period preceding the date of application for revocation **and** within the 5-year period preceding the earlier effective date requested. This follows from the wording of Article 62(1), second sentence, EUTMR, which provides that an earlier effective date for revocation may be set if the ground for revocation 'occurred' on that date. However, even if such an earlier effective date is requested, the EUTM proprietor's prime interest is to prove genuine use of the contested mark within the 5-year period immediately preceding the date of application for revocation. If genuine use of the contested EUTM within this period is proven, the contested mark cannot be revoked at all. Proof of genuine use of the contested mark within the 5-year

period preceding the requested earlier effective date may become relevant only if there is no proof of genuine use of the contested mark within the 5-year period immediately preceding the date of application for revocation.

13. Therefore, the dates of non-use pleaded by Ontro would (at the earliest) lead to the mark being revoked with effect from 31 December 2019. It would therefore remain in effect on 16 February 2017.

Stays and pending revocation proceedings

14. In the first ten years of practice under the Trades Marks Act 1994 where an earlier mark had not been used by an opponent, trade mark applicants could start revocation proceedings on the grounds of non-use so that the mark was no longer in force on the relevant date (and thereby nullify the opposition). This could lead to parallel opposition and revocation proceedings. However, this ceased to be necessary from 5 May 2004 when the Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004/946) came into force. These Regulations along with amendments to the Trade Marks Rules created a mechanism whereby an applicant could request the opponent to prove use of an earlier mark. Where such use could not be proved, the earlier mark could not be relied upon for the purposes of the opposition.
15. Before the change in the law in 2004, Ruth Annand, sitting as the Appointed Person, in *JCB (O/198/03)* refused to stay an appeal of an opposition decision where there were pending domestic revocation proceedings. In this case, Delta relied on her reasons for refusing the stay (set out in paragraph 21). However, the introduction of the proof of use requirements (also ending the need to bring revocation proceedings to nullify the effect of an earlier unused mark in opposition proceedings) has changed the landscape so much that her decision is now of only limited assistance.
16. In this case, what Ontro should have done if use was in issue was require the opponent to prove use by correctly completing Part 7 of Form TM8 (whether it also applied to the EUIPO to revoke the mark). If its failure to request proof of use was an error then that error was compounded further by not attempting to remedy the mistake until after the proceedings had been completed before the registrar (for example, Ontro could have applied to the registrar to amend its TM8 to require use to be proved; although I accept such an application may not have been granted).
17. Ontro says that when it applied for revocation in June 2020 it was before it knew that Delta was going to lodge an appeal from the Hearing Officer's decision. This may be the case, but I am not sure how this helps Ontro. The time to address the issues of non-use whether by proof of use or revocation was when the matter was before the registrar. As Ontro has been professionally represented I can only assume that not addressing it at that time was the result of a positive decision.
18. However, the greatest flaw in Ontro's application for a stay is that even if it succeeds before the EUIPO the revocation of the mark would have effect only from 31 December 2019 (at the earliest). There is no basis for Ontro's suggestion that any other date would be chosen. As set out in paragraph 12 above, it would be contrary to the EUIPO normal

practice to revoke the earlier mark from an earlier date without proving non-use during the five years preceding that earlier date (indeed, this largely reflects the approach in the United Kingdom: see *Omega SA v Omega Engineering Inc* [2003] EWHC 1334(Ch), [2003] FSR 49).

19. Thus, even if Ontro's current revocation application were entirely successful before the EUIPO, Delta could still rely on its earlier mark to oppose Ontro's trade mark application. Granting a stay would only delay matters and add further expense to the current proceedings without any accompanying benefit to either party. Accordingly, the application for a stay is denied.
20. Finally, I should conclude by saying that there is nothing preventing Ontro from re-filing a new application for its mark with the full range of goods and services if it is successful in its revocation application. It will have lost its priority date, but if this affects its ability to register the mark that detriment arises only because of the strategy Ontro chose and the decisions it made.
21. I will consider the costs arising from this application at the conclusion of the substantive appeal proceedings.

PHILLIP JOHNSON
THE APPOINTED PERSON
18 SEPTEMBER 2020