

O/480/17

TRADE MARKS ACT 1994

APPLICATIONS 501124, 501125, 501426 AND 501427

BY BRANDCONCERN BV

TO REVOKE TRADE MARKS 2107935 AND 2234922

IN THE NAME OF SCOOTERS INDIA LIMITED

FOR NON-USE

Background and pleadings

1. This is the third round in a series of applications by Brandconcern BV (“Brandconcern”) to revoke Scooters India Limited’s (“SIL”) LAMBRETTA trade marks for non-use. The number of marks at issue and the range of goods they cover has reduced as a result of the previous applications. The two trade marks covered by the current applications are 2107935 and 2134922. The former mark is registered for:

Clothing, all for leisure wear, but not including underwear; socks and shoes.

The other mark is registered for:

Clothing, all for leisurewear or sportswear; shirts; but not including underwear; scarves, socks and shoes.

2. Trade mark 2107935 was entered in the register on 12th May 2000. Trade mark 2134922 was entered in the register on 21st September 2001.

3. Revocation applications 501124 and 501125 were filed on 1st February 2016. The applications are made under s.46(1)(b) of the Act. They identify the relevant 5 year period of non-use as 27th January 2011 to 26th January 2016. Revocation is requested to take effect as from 27th January 2016.

4. I note that the applications included statements that *“Any and all use [of the mark] has been performed by a third party not connected to the Registrant.”*

5. Revocation applications 501426 and 501427 were filed on 4th November 2011. These applications identified a later 5 year period of non-use and sought revocation with effect from 3rd November 2016.

6. SIL filed counterstatements denying the grounds for revocation.

7. The four applications to revoke trade marks 2107935 and 2134922 were consolidated.

8. Brandconcern filed yet another two applications to revoke the trade marks for non-use on 4th May 2017. These applications identified a still later 5 year period of non-use and requested revocation with effect from 4th April 2017. These applications have not been defended. SIL has indicated that it accepts that the trade marks will therefore be revoked for non-use. However, SIL has not conceded that the marks should be revoked with effect from the dates sought in the earlier consolidated proceedings. Brandconcern maintains its applications for the marks to be revoked from the earlier dates. Consequently, the consolidated revocation applications must still be decided in order to determine the effective date of revocation of trade marks 2107935 and 2134922.

Representation

9. SIL is represented by Boulton Wade Tennant. Brandconcern is represented by Wood IP Limited. A hearing took place on 28th September 2017. Brandconcern was represented by Mr Aaron Wood. SIL decided not to take part in the hearing. The hearing took place by telephone and lasted less than one hour.

The law

10. Section 46(1) of the Act (so far as relevant) states that:

“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) -

(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) -

(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.”

11. 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.”

The relevant period for assessing non-use

12. For reasons that will become clear, it is only necessary to determine the question of whether there was genuine use of LAMBRETTA in the UK in the period 27th January 2011 to 26th January 2016 (“the relevant period”).

The evidence

13. SIL's evidence consists of two witness statements by Ashok Mishra, SIL's Deputy Manager (Legal), with 21 exhibits consisting of around 800 pages of evidence. This far exceeded the 300 page 'trigger point' set out in Tribunal Practice Notice 1/2015 after which evidence is assessed for relevancy and proportionality before it is admitted. On examination I found that much of SIL's evidence consisted of a regurgitation of evidence filed, and decisions made, in previous proceedings. A significant chunk of it was irrelevant to, or unnecessary for, the current proceedings. On the other hand, Brandconcern had seen it all before and should have been in a position to quickly assess what was new and relevant. I therefore decided not to take issue with the volume of SIL's evidence on this occasion.

14. Brandconcern's evidence consists of witness statements by Steven Wilch, Ranchhod Vaja and Anna Perry. Mr Wilch was the Finance Director of Fine White Line Limited ("FWL") between January 2008 and November 2010. During this period FWL held a licence from SIL to use LAMBRETTA. Since September 2009 Mr Wilch has also been an officer of Lambretta Licensing Limited ("Licensing"). The evidence indicates that this company acquired a licence to use LAMBRETTA from Brandconcern in October 2010. Mr Vaja is an accountant. Prior to November 2010 he worked for FWL. Since then he has worked for Licensing. His role is to deal with royalty payments. He appears to have had a similar role whilst at FWL. Ms Perry works for Wood IP. She provides some evidence from internet searches going to the identity of the users of the LAMBRETTA mark.

15. By the time of the hearing there was no dispute that LAMBRETTA has been used in the UK during the relevant 5 year period in relation to the goods for which the mark is registered under 2107935 and 2134922. The use shown was by Lambretta Clothing Company Limited (in relation to clothing) and Blu-Fish Limited and JR Footwear Limited (in relation to footwear). It is common ground that all the use of LAMBRETTA in the UK was as a consequence of sub-licences originally granted by FWL. The sole issue in dispute is whether any of the use shown was with the consent of SIL under the licence granted to FWL. If the answer is that none of it was,

then the registrations should be revoked from 27th January 2016 as requested by Brandconcern.

16. In the light of this evaluation of the issues there is no need to go into the evidence except to the extent that it is necessary to do so in order to decide whether the use of LAMBRETTA in the UK by Lambretta Clothing Company Limited and others during the relevant period was with SIL's consent.

17. The licence SIL granted to FWL to use LAMBRETTA in territories including the UK in relation to, inter alia, clothing was dated 28th January 2005.¹ Further, there does not appear to be any dispute that the licence in favour of FWL was terminated by SIL on 3rd April 2012. Any sub-licences were therefore terminated at the same time. Therefore, any use of LAMBRETTA by sub-licensees of FWL after 3rd April 2012 was not under licence from SIL. There is no evidence that SIL consented to that use in any other way. The most that can be said is that SIL did not take any action to prevent such use. However, that plainly does not amount to consent. It follows that the only use of LAMBRETTA shown in the evidence that could have been made with the consent of SIL is use in the period 27th January 2011 to 3rd April 2012.

18. Mr Mishra provides evidence of royalty payments from FWL to SIL. However, the latest dates for these payments is June 2010. This sheds no light on the position post 27th January 2011. Mr Mishra's statements are dated in May 2016 and May 2017. I infer from the absence of evidence of more recent royalty payments that SIL was not in a position to say that royalty payments had been received from FWL as a result of sales of LAMBRETTA goods made during the relevant period.

19. The key points from Mr Wilch's evidence are as follows:

- FWL was a brand licensing company.
- SIL presented itself to FWL as the owner of the worldwide rights in LAMBRETTA.

¹ A copy of the licence is at Annex One to Mishra 1 (tab33A in the evidence)

- SIL had little or no interest in policing or defending its trade mark, or in the quality of goods sold under it.
- FWL therefore had to undertake and pay for the legal work to protect the brand, including the cost of defending previous revocation proceedings.
- In October 2010, FWL decided to cease operating as a licensee of SIL and the directors, including Mr Wilch, resigned.
- There was no licence arrangement between FWL and LLC. LLC never purported to have a licence from SIL.
- LLC acquired a licence dated 15th October 2010 from Lambretta Srl to use the LAMBRETТА mark in the UK in relation to clothing (Lambretta Srl being the owner of, inter alia, UK trade mark 2492069).
- LLC sought to sub-licence the LAMBRETТА mark to Lambretta Clothing Company Limited, but no formal licence was signed.
- Blu-Fish Limited was also notified that LLC was now licensing LAMBRETТА on behalf of Lambretta Srl.
- Lambretta Clothing Company Limited started making royalty payments to LLC in November 2010 and continued to do so until 2014, when a new sub-licensee took over in the UK.
- LLC never received any correspondence from SIL complaining about the use of LAMBRETТА after 3rd April 2012, and Mr Wilch is not aware of any such communications with LLC's sub-licensees either.

20. Mr Vaga provides copies of royalty payments that LLC received from 'Lambretta Clothing', Blu-Fish Limited and JR Footwear Limited from late 2010 to 2012.²

21. SIL filed no evidence in reply to that of Mr Wilch or Mr Vaga. Nor has it challenged the truth of their evidence in any other way.

Decision on the substance

22. Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark.³ It is clear that the LAMBRETТА trade mark has

² See exhibits RCV1 to RCV4

been used in the UK during the relevant period in relation to clothing and footwear. However, the use after October 2010 appears to have taken place under a licence granted to LLC by Lambretta Srl (which is a related company to Brandconcern). Although LLC did not have a written licence agreement with the Lambretta Clothing Company Limited, Blu-Fish Limited or JR Footwear Limited, the fact that after October 2010 royalty payments were sent to LLC rather than FWL shows that during the relevant period, these companies regarded themselves as using the LAMBRETТА trade mark with the consent of LLC rather than FWL. I therefore find that none of the use of LAMBRETТА shown in the evidence during the relevant period was use of the mark with the consent of SIL.

23. It follows that SIL has not shown any genuine use of LAMBRETТА in the UK during the relevant period, either on its own account, or with its consent.

24. UK trade marks 2109735 and 2234922 must therefore be revoked for non-use under s.46(1)(b) of the Act.

25. It is clear that the conditions for revocation existed at 27th January 2016. Accordingly, the registrations of the marks will be revoked with effect from this date.

Costs

26. Mr Wood asks for off-scale costs on the basis that (1) SIL unfairly burdened Brandconcern by filing an excessive volume of evidence, much of which was irrelevant, and (2) Brandconcern acted unreasonably by failing to concede that the trade marks should be revoked with effect from 27th January 2016, at least after it had seen (and failed to reply to) the evidence of Mr Wilch and Mr Vaga.

27. SIL's representatives sent a letter saying that there should be no award of costs, even if Brandconcern succeeded at the hearing "*because these are not standalone cases, but have a wider context.*" I am not sure what that means. If it means that I should take account of the outcomes of earlier proceedings in deciding what costs to

³ *Ansul* CJEU, Case C-40/01 at [35] and [37]

award in these proceedings, then I reject that submission. If Brandconcern is entitled to an award of costs in this round of the fight between these parties it cannot be relevant who won the previous rounds, the costs of which were assessed when they were decided.

28. I also reject point (1) of Brandconcern's submissions. It is true that SIL filed an excessive volume of evidence, but most of the irrelevant evidence would have been very familiar to SIL. I do not accept that identifying and excluding the irrelevant material would have put SIL to much trouble.

29. I have more sympathy with point (2) of Brandconcern's submissions. Having seen the evidence of Mr Wilch and Mr Vaga it should have been obvious that SIL was not going to be able to take the benefit of any use of LAMBRETTA by the Lambretta Clothing Company Limited and the other UK sub-licensees after October 2010. Indeed, as SIL did not challenge or even respond to their evidence, I think this must have been apparent to SIL. Nevertheless, SIL did not concede the revocations.

30. SIL did suggest that in view of the latest and undefended applications for revocation no hearing was required in order to consider the consolidated revocation applications. On my instructions, the parties were sent the following communication by email on 18th September.

"The Hearing Officer has advised that provided (1) the applicant is not maintaining its request for revocation prior to 4th April 2017, or (2) the proprietor is no longer resisting revocation from the dates requested in consolidated revocations 501124, the hearing scheduled for 28th September is no longer necessary. However, if the applicant wants revocation backdated to an earlier date and the proprietor resists that, then a decision will be required. In that event, the hearing will proceed unless the applicant indicates that it is content for a decision from the papers. If a hearing goes ahead with only the applicant represented, it can take place by telephone."

31. Brandconcern indicated that it wanted revocation backdated to 27th January 2016 and still wished to be heard unless SIL conceded that matter. It was entitled to take this position.

32. SIL did not reply.

33. In these circumstances I gave Mr Wood 14 days in which to particularise Brandconcern's application for off-scale costs in relation to the hearing (which is the only thing that seems to have happened since Brandconcern filed its evidence).

34. SIL will have 14 days from receipt of Mr Wood's application to provide written comments on it.

35. I will then issue a final decision covering all matters. The period for appeal will run from the date of my final decision. This means that this decision has the status of a preliminary decision until the question of costs is determined.

Dated this 05th Day of October 2017

A James

**Allan James
For the registrar**