

BL O-515-19

TRADE MARKS ACT 1994

IN THE MATTER OF:

AGILE IP LLP's APPLICATION NO. 502438

TO REVOKE ON THE GROUNDS OF NON-USE

TRADE MARK REGISTRATION NO.

2648032

OF THE MARK:

Paltech

OWNED BY

**TRINITY PARTNERS
LIMITED**

Background

1. These proceedings concern the trade mark **Paltech** which was filed on 9 January 2013 and entered in the register on 19 April 2013. The trade mark, which is registered in class 5 in respect of “Ingredients for manufacturing foodstuffs for animals” stands in the name of Trinity Partners Limited (“the proprietor”).

2. On 21 January 2019, Agile IP LLP (“the applicant”) applied for the full revocation of the trade mark, relying upon sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”). Under section 46(1)(a), “the relevant period” is 20 April 2013 to 19 April 2018 (with revocation sought from 20 April 2018) and, under section 46(1)(b), the relevant period is 21 January 2014 to 20 January 2019 (with revocation sought from 21 January 2019). In its application, the applicant states:

“To the best of our knowledge the proprietor has not used the [trade mark being attacked] in the UK between the period [claimed under section 46(1)(b) of the Act].”

3. The proprietor filed a counterstatement (together with evidence) in which it stated:

“The registered Trademark has been and is used on products offered by Trinity Partners Limited which contain the word 'Paltech' in the product name since 2011 and up to the present day. The current list of such products comprises of (but is not limited to); Paltech 5B, Paltech 5X, Paltech BA, Paltech 6Y.”

And:

“I hereby oppose the Application for Revocation for Non-Use, because the Trademark has been in use during the period 21/1/14 to 20/1/19.

Our registered trademark 'Paltech' is used as the name of one our company's main product ranges, which are offered as palatability-boosters for pet foods. As such, we sell four individual 'Paltech' products, of varying formulations, to a number of petfood manufacturers, namely Paltech 5B, Paltech 5X, Paltech BA

and Paltech 6Y. We have branded packaging, technical and promotional literature, and can also show copy invoices and sales reports as evidence that we sell to numerous customers. Our accounts system shows that we sold over 948 tonnes of various Paltech products in the 5 year period referenced above.”

4. Only the proprietor filed evidence. Neither party asked to be heard nor did they elect to file written submissions in lieu.

Legislation and leading case-law relating to revocation

5. The pertinent legislation is contained in section 46 of the Act, the relevant parts of which read:

“(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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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.”

Section 100 is also relevant; it reads:

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

6. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) (28 June 2018), Arnold J. summarised the case-law on genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not

genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

The proprietor’s evidence

7. This consists of a witness statement from Christopher Hammond who is the proprietor’s Managing Director, a position he has held since 2017. Prior to this, Mr Hammond explains he was, from 2008, the proprietor’s sole director. He confirms that the facts in his statement come from his personal knowledge and company records.

8. Mr Hammond states that the Paltech trade mark was first used by the proprietor in the UK in 2011, adding that it has been used for the goods for which it is registered. In support, he provides the following exhibits:

CH1 – consists of what Mr Hammond describes as “a designer’s proof of our 20kg Paltech 5X paper sack, supplied to the proprietor in October 2015” and which was used “as the template for the production of [the proprietor’s] packaging for this product.” The page provided contains references to the proprietor and to Paltech (in the formats shown below):



Paltech 5X
*A complementary pet food
for dogs and cats*

CH2 - consists of what Mr Hammond describes as “a picture of a finished pallet of Paltech 5X, ready for despatch to the customer.” I note that the packaging bears the Paltech trade mark in the formats shown above. Mr Hammond adds:

“The pallet label has some smaller text which is difficult to read, hence the wording of some of it is reproduced next to the image on the page and signed by myself as genuine. It shows that the Date of Manufacture was 12/12/2017 and also shows that the packaging depicted in Exhibit CH1 was used.”

CH3 - consists of what Mr Hammond describes as a “stock sample of an adhesive bag label for Paltech 5X... used prior to the advent of the bag design of Exhibit CH1 for all sales of Paltech 5X from around 2013 to late 2015...”. Paltech 5X in the second of the formats shown above and which is described as “A complementary feed for pets” appears prominently on the label as does a reference to the proprietor.

CH4 - consists of what Mr Hammond describes as “a Product Data Sheet for 'Paltech 5B'...”. He explains that this is “the 15th version of this document, issued on 13/6/18...”. The following appears on the sheet as does a reference to the proprietor:

Paltech® 5B

(product code: 5171)

Natural meat-free palatability booster

CH5 - consists of what Mr Hammond explains is “the design for a promotional flyer for our 'Paltech 6Y', carried out whilst we were awaiting confirmation of the successful registration of our Trademark in 2013, hence the use of TM rather

than the later®.” The following appears on the flyer as does a reference to the proprietor:



The image shows a logo for 'Paltech 6Y'. The word 'Paltech' is in a large, bold, black font. Above it, '6Y' is written in a smaller, grey font. To the left of 'Paltech', the text 'Extra Cost? ...try' is written in a smaller, grey font.

Paltech 6Y is described as “a blend of natural yeast extracts produced and blended specifically for pet food applications”.

CH6-CH9 - consist of copy invoices on the proprietor’s letter headed paper the recipients of which have been redacted. The invoices are for orders of “Paltech 5X” (dated 21 April 2017 in the amount of £30,816), “Paltech 5B” (dated 7 September 2015 in the amount of £1815.60), “Paltech 6Y” (dated 24 February 2015 in the amount of £759) and “Paltech BA” (dated 13 October 2015 in the amount of £458.88), respectively.

CH10 - consists of what Mr Hammond describes as “a report from the Company accounting system showing sales of four 'Paltech' products during the 5 year period in question.” I note that in the period 21 January 2014 to 20 January 2019, sales of Paltech 5B, 5X, 6Y and BA amounted to in excess of £4.8m.

9. That concludes my summary of the evidence filed to the extent I consider it necessary.

Decision

10. I begin by reminding myself of the relevant periods in play in these proceedings (paragraph 2 above refers). If the proprietor has made genuine use of its trade in the second of these periods i.e. the 46(1)(b) period, that is, of course, sufficient to preserve its registration.

11. The proprietor's unchallenged evidence comes from Mr Hammond. Mr Hammond has held senior positions in the proprietor since 2008 and is, as a consequence, well placed to provide evidence on its behalf. He explains that the Paltech trade mark was first used by the proprietor in the UK in 2011 in relation to the goods for which it is registered.

12. His evidence shows that the proprietor has used its Paltech trade mark in a number of formats, including the format in which it stands registered i.e. Paltech. In use, however, the Paltech trade mark is, more often than not, accompanied by another component i.e. 5X, 5B, 6Y and BA. However, such use is acceptable for the reasons explained by the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one trade mark with, or as part of, another trade mark, in which the court found:

"31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added).

13. Mr Hammond further explains that in the section 46(1)(b) period mentioned above, goods sold under its Paltech trade mark amounted to in excess of £4.8m. Although neither sales figures for individual years during that period nor the size of the market in the UK for such goods has been provided, I am satisfied that given the type of goods sold under the Paltech trade mark (see below), sales of in excess of £4m in the five year period at issue ought to be regarded as sufficient to maintain or create a share in the market concerned.

14. As to the goods upon which the proprietor has used its Paltech trade mark, I remind myself that the proprietor's trade mark is registered in respect of: "Ingredients for manufacturing foodstuffs for animals." The evidence provided describes the goods as: "A complementary pet food for dogs and cats" and "A complementary feed for pets" (Paltech 5X), "Natural meat-free palatability booster" (Paltech 5B) and "a blend of natural yeast extracts produced and blended specifically for pet food applications" (Paltech 6Y). Taking those descriptions into account, I am satisfied that the proprietor's specification as registered fairly represents the goods upon which its Paltech trade mark has been used.

15. Having considered the proprietor's evidence as a totality, I am satisfied that it has, within the section 46(1)(b) period mentioned above, made genuine use of its Paltech trade mark in the UK in relation to the goods for which it stands registered. As a consequence of that conclusion, the application for revocation fails.

Conclusion

16. The application for revocation has failed and, subject to any successful appeal, the proprietor's trade mark will remain registered.

Costs

17. As the proprietor has been successful, it is, in principle, entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. In an official letter to the unrepresented proprietor dated 14 May 2019, the tribunal stated:

"If you intend to make a request for an award of costs you must complete and return the attached pro-forma and send a copy to the other party..."

If there is to be a "decision from the papers" this should be provided by 11 June 2019.

If the pro-forma is not completed and returned, costs, other than official fees arising from the action (excluding extensions of time), may not be awarded..."

18. As the proprietor did not respond to that invitation either by the deadline set or by the date of the issuing of this decision and as it has not incurred any official fees in the defence of its registration, I make no order as to costs.

Dated 3 September 2019

C J BOWEN

For the Registrar,

The Comptroller-General