

**O/543/20**

IN THE MATTER OF TRADE MARK REGISTRATION NO. 2646389 IN THE NAME  
OF STEPHEN MURPHY FOR THE TRADE MARK JAMES ARTHUR  
AND AN APPLICATION FOR REVOCATION THERETO ON GROUNDS OF NON-  
USE UNDER NO. 502237 BY JAMES GRANT GROUP LIMITED

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**DECISION**

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**INTRODUCTION**

1. This is an appeal by the proprietor, Mr. Stephen Murphy (“the Appellant”), against the decision of the hearing officer dated 16th January 2020 whereby she revoked for non-use the registration for the trade mark JAMES ARTHUR registered in classes 9, 16, 25 and 41 (“the Trade Mark”). The Respondent is James Grant Group Limited which represents a well-known singer, songwriter, and 2012 X-Factor winner, James Arthur.
2. Revocation was ordered pursuant to section 46 of the Trade Marks Act 1994 (“the Act”) on the grounds that during the relevant period the mark had 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 were no proper reasons for non use. Section 100 of the Act provides that “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 issue in the case was therefore whether that had been proved.
3. There was no dispute that there had not been any use of the Trade Mark in respect of goods or services within the Registration in classes 9, 16 and 41 and there was no claim of proper reason for non-use for them. The case and the decision focussed on whether

the mark JAMES ARTHUR had genuinely been used in the UK, during the relevant period (in this case 6 September 2013 to 5 September 2018) in relation to goods in class 25 and, specifically “caps and t-shirts” as claimed by Mr. Murphy.

## **THE DECISION**

4. The hearing officer considered the slim evidence from Mr Murphy (a witness statement dated 3rd April 2019 with exhibits SM1 to SM5) and following the hearing a second witness statement dated 23rd November 2019 and exhibits SM6 to SM18. Shortly before the hearing, Mr. Murphy also filed an email from Ms Leanne Partridge dated 5th October 2019 who it was said was assisting Mr Murphy with sales and the hearing officer admitted these documents into evidence following further submissions. The Respondent did not file evidence.
5. The hearing officer’s decision reviewed the Appellant’s evidence, set out the law and reviewed the relevant authorities in a way which is not criticised by the Appellant. As to the law she correctly directed herself by reference to the relevant principles set out by Arnold J, as he then was, in *Walton (Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch)). As to the evidence, the hearing officer summarised the Appellants’ evidence and submissions at [7]-[14] of the Decision. She found that the evidence showed the following:
  - (i) Ms Partridge had sold t-shirts and baseball caps on behalf of Mr Murphy through her e-bay account during the relevant periods.
  - (ii) The mark, as registered, was used in relation to the goods which have been sold.
  - (iii) Over the relevant periods, approximately 50-60 items were sold in total by Ms Partridge although it was not clear what proportion of that figure related to baseball caps or to t-shirts.
  - (iv) The individual sales highlighted in Mr Murphy's evidence were examples of the 50-60 items that were sold over the relevant periods.
  - (v) There was nothing before her to suggest that there had been any more sales.
  - (vi) The total sales over the relevant period could not have amounted to more than a few hundred pounds worth
  - (vii) The sales had been 'arm's length' commercial sales.

- (viii) There was no evidence of marketing or promotion of the registered mark, beyond listings of t-shirts and baseball caps on ebay.
  - (ix) There was no evidence of any use in relation to any goods and services other than t-shirts and baseball caps.
6. She also held that the sales had been sporadic and concluded, on the basis of all of the evidence taken as a whole, that there had been no real commercial exploitation of the mark on the market for any of the relevant goods, sufficient to create or preserve a share in the relevant market.
  7. Although the Respondent has described the hearing officer's evaluation of the evidence as generous to the Appellant, particularly since it relied on material of questionable admissibility estimating the level of sales in a way which put them as higher than other evidence, it did not suggest that she had erred in her summary as such. There was no dispute between the parties that, on any view, the Appellant's sales had been very small – in the initial material put forward in some years it was 1-3 items. Indeed, that the sales were very small was admitted by the Appellant.
  8. The hearing officer went on to consider whether this activity amounted to genuine use sufficient to support continued registration. She summarised her findings at [24] as follows:

*“24) In the case before me, I accept that the use is neither sham nor token. However, the mere fact that there have been real commercial sales is, as the case law above indicates, not enough to establish genuine use. I bear in mind that there is no de minimis level which Mr Murphy must overcome and that there is also no requirement for the use to be quantitatively significant. However, the clothing and headgear market is enormous, and the level of sales shown by Mr Murphy is very small indeed and those sales which have been shown are sporadic in nature. The relevant market is also not a specialist or niche one; it relates to everyday consumer items. Mr Murphy's position is also not helped by the fact that there appears to have been no advertising or marketing of the goods. As Mr Bartlett pointed out, the goods have merely been passively listed on ebay waiting for buyers to purchase them rather than being “pushed” to consumers through any form of active advertising or marketing. Taking all the evidence, submissions and case law into account, I find that there has been no real commercial exploitation of the mark on the market for any of the relevant goods (or services), sufficient to create or preserve a share in the relevant market. The trade mark registration will therefore be revoked.”*

9. In reaching that conclusion, the hearing officer reminded herself, in particular, of two examples of statements (or applications of statements) of law to the effect that proven commercial use was not automatically be treated as sufficient for the purposes of the non-use provisions of the Act. First, the reference in *Walton to Reber Holding GmbH & Co KG v OHIM*, Case C-141/13, 17 July 2014, that “It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use”. Second, *Memory Opticians Ltd’s Application*, BL O/528/15, where Professor Ruth Annand, sitting as the Appointed Person, upheld the hearing officer’s decision to revoke the mark STRADA on the grounds that it had not been put to genuine use within the requisite 5-year period. In that case, there had been sales of goods bearing the mark, but these were very low in volume (circa 40 pairs of spectacles per year). All the sales were from local branches of an optician. There was no advertising of goods under the mark and the evidence indicated that they were only displayed in store on occasions. This level of use was held to be insufficient to create or maintain market under the mark. Consequently, it was not genuine use.

#### **GROUNDS OF APPEAL**

10. I turn to the Appellant’s grounds of appeal and his criticisms of the decision which are analysed under three main heads.
11. First, that the hearing officer wrongly failed to take adequately into account that the Appellant is a struggling musician for whom the sale of merchandise is only a side line. He submitted that a musician like him should not be held to the same requirements of level of use as a corporate undertaking whose principal business was in selling goods of the kind in question. He argues that doing so fails to afford equal trade mark protection to large and small businesses and risks smaller traders being deprived of their rights: this was a situation of a “little man” being prejudiced in comparison.
12. The Appellant, who appeared in person, argued this point with some passion. With some help from the tribunal he formulated a coherent point that, under the law, allowances had to be made for the specific circumstances of a business. However, I was not persuaded by the argument overall for a number of reasons. In particular, in my view the law does cater properly for this kind of situation and there comes a point when

use is so small and the efforts to make use of the mark are so minimal that use will not be treated as proven.

13. In this case, there was no solid evidence of the Appellant having engaged in significant activity as a performing or recording artist using the stage name James Arthur prior to the date of registration of the mark or since, although he said that music was his life and that James Arthur had been his stage name for more than 30 years. There was no sufficiently solid evidence to show that he had any established – or even contemplated - business in selling merchandise ancillary to such a music business prior to registration, which trade he was seeking to protect by the registration in question. Had that been the case, one might have expected him to have been selling JAMES ARTHUR branded merchandise for a considerable period before the trade mark was applied for in 2012.
14. On his evidence, the earliest sales of such products took place in 2013, after the mark was registered and well after the time at which the musician managed by the Respondent (whose real name as opposed to just stage name is James Arthur) had become a successful X-Factor winner. The Appellant has stated that the registration was applied for as a response to a fear that the by then potentially (or actually) more famous James Arthur might affect his rights. However, at that point, the Appellant was not trading in any of the goods the subject of the registration.
15. While the Appellant is right to say that trade mark law should protect small traders as much as large, it does do so, even if applied in the way that the hearing officer did. In particular, where there is a good explanation for why sales are very small in circumstances where a trader has undertaken real efforts to create or maintain a market under the mark, the fact that he or she has not succeeded in doing so will not be fatal to maintaining registration. Trade marks are, however, designed to protect a real and substantial existing or future business. A registered proprietor who is given wide rights by registration can reasonably be expected to engage or have engaged in sufficiently solid activity in order to justify the continued existence of such rights or for there to be a sufficiently solid explanation for why that has not been possible.
16. The case law both in the EU courts and in the UK therefore recognises that there are situations in which the evidence of actual sales is so thin and the evidence of serious

efforts being made to make sales virtually non-existent that, taken as a whole, it does not appear that a person has been using the trade mark to assist the sales. In such cases, it can appear that a trader may be hoping that sales might prove sufficient to avoid revocation of the mark. A tribunal in applying the provisions of the Act must look at the whole of the evidence and the efforts made by a trader, not just a tiny number of sales over a lengthy period. That is what the hearing officer did.

17. In connection with this point, the Appellant contends that it would be unfair for a much larger trader or music corporation to be able to acquire rights which may affect his activities. However, this case is not about the rights which may or may not be exercised or acquired by the Respondent but is about the rights which may be maintained by the Appellant on the basis of current case law which I am bound to apply. The Respondent pointed out that if there are legitimate defences/claims based on prior use, those might be invoked by the Applicant to ensure that the unfairness about which he is concerned would not result so as adversely to affect his abilities to perform or trade as a musician, albeit that the Respondent made no admissions that these would necessarily apply.
18. It must also be remembered that unfairness in this area potentially works in both directions. It is also unfair for a person who has not made any real efforts to trade in articles in question under a given mark to be able to maintain rights which are potentially of broad, nationwide, effect against other legitimate traders. If the standard of use is set too low, it would put such a person into a position where they could use the registered trade mark rights in question purely negatively, possibly even illegitimately to try to block the legitimate trade of third parties or even, sometimes, try to extract unreasonable payment for the right to engage in such trade by selling the mark or seeking licence fees. There is no evidence of that having been done or attempted in this case but it means that a tribunal is entitled to scrutinise evidence of use with care to satisfy itself that such has been adequately proven. That is especially the case in a situation in which the quality of the evidence is, as here, weak.
19. Second, the Appellant contends that since the hearing officer found that the e-Bay sales were neither sham nor token, were at arms-length and that the mark as registered was used in relation to those goods, it was not open to the hearing officer to find that there was no genuine use and to revoke the registration.

20. I do not accept that argument either. As the case law cited by the hearing officer indicates, it is possible for a finding to be made of very small sales and for those sales not to be sham or token but for such nonetheless not to be regarded as a matter of the standards required by the law as having involved real commercial exploitation of the mark on the market for any of the relevant goods, sufficient to create or preserve a share in the relevant market. That is because the mere fact of some isolated sales under the mark does not in law automatically translate into proof of sufficient use.
21. In addition to the case law referred to above, *Abanka dd v Abanca Corporación SA* [2017] EWHC 2428 (Ch), [2018] Bus LR 612 which was approved in *Walton*, emphasised the importance of showing some steps taken by the proprietor to develop the market for its products (see paragraphs [91] and [102] referring to the need to show serious efforts to develop the market and that very limited use may itself be evidence that the proprietor has not taken steps to develop the market for the goods in question). In this case, there was no evidence that this had been done in any meaningful way
22. Third, the Appellant says that the hearing officer was inconsistent in finding that “numbers do not matter and then imply[ing] they do”. This is a different way of formulating the second argument discussed above. The answer to it is that genuine use is not exclusively about numbers but numbers are some indication of the extent to which use is to be regarded as satisfying the legal test. Where there have been substantial sales in a relevant period, the tribunal will readily conclude that real efforts have been made to develop the market. Sales may be evidence of that. However, in a case where there have been almost no sales over a 5 year period, a proprietor may have to do more than point to that tiny number alone to show that, despite the small number, real efforts have been made to develop the market. This is a situation in which on the evidence, there were sales in some whole years of just a handful of articles.
23. That kind of analysis is particularly important where a normal market for the articles in question would be expected to be much more substantial. The relevant market for these goods, as the hearing officer said, is not a specialist or niche one – they are articles of clothing where more would be expected. It is, in my view, clear that the hearing officer was entitled to take the view that no serious efforts were made by the Appellant to

develop the market for these products in the manner required by the law. As he said in his submissions to the hearing officer at the hearing below that it was not “a serious business thing with money invested” and that there wasn’t a serious attempt on market share. That is relevant in determining whether use was proved.

#### **Approach to hearing officer’s evaluation**

24. Finally, I bear in mind that the role of this appeal tribunal is not to rehear the case but to review the decision of the hearing officer to assess whether it has gone wrong in a material way. A determination of whether, taken as a whole, the activities of a trader amounted to use within the meaning of the Act involves considering the evidence in the round, giving appropriate weight to the range of factors summarised in *Walton*. Before overturning such a decision, it is necessary for this tribunal to be satisfied that there was a distinct and material error of principle or that the hearing officer was wrong (see *Reef Trade Mark* [2003] RPC 5; and *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671 at [78] to [81]).

#### **Conclusion on hearing officer’s evaluation of use**

25. Taken as a whole, I am not persuaded that the hearing officer fell into error. She was entitled to find that, on the evidence provided, use within the meaning of the Act had not been proved. If anything, she adopted a generous approach to admission of material submitted by the Appellant, of which some had questionable evidential status, to support the contention of use which other tribunals may reasonably have refused to take into account. So, even making allowances in his favour, use was not sufficiently proven.

#### **RESPONDENT’S NOTICE**

26. That conclusion makes it unnecessary to consider the respondent’s notice. The only additional ground advanced there which was pursued and which had some attraction was the point that the e-Bay listings and consequential sales were made by the Appellant solely for the purpose of attempting to maintain the continued registration of the trade Trade Mark. This amounts, in effect, to saying that the hearing officer was wrong to find that the use was not “token” and that she should have held that it was only done to preserve the rights conferred by the registration of the mark (see the summary of the law in *Walton*).

27. As to this, the Respondent drew attention to the very weak record-keeping of sales, the absence of any profit made by them and the Appellant's apparent indifference to the level of sales which, it was said, was not consistent with a serious business. It was submitted that this looked more like a listing on e-Bay only done in an attempt to preserve the Trade Mark. That, it was also said, was consistent with the fact that the mark was only applied for in 2012 at about the same time as the other James Arthur won the x-Factor and not used (in so far as it was) until 2013. However, given the conclusion I have reached above, it is not necessary to decide whether all of those facts taken together mean that the hearing officer should have separately decided that the use was token. However, the facts particularly relied on by the Respondent under this head and summarised in this paragraph support the hearing officer's overall conclusion that the very small sales as there had been did not amount to use sufficient to maintain the registration.

#### **OVERALL CONCLUSION**

28. For the reasons given, the grounds put forward by the Appellant do not justify overturning the hearing officer's decision. The appeal must be dismissed.

#### **COSTS**

29. Since the Respondent has succeeded on this appeal, it is entitled to its costs. The hearing officer awarded £600 in respect of preparation and attendance at the hearing below. The Respondent filed a substantial skeleton argument. The Appellant did not. However, given that the arguments on the appeal were similar to those made before the hearing officer, it would not be appropriate to make an award of costs greater than below in this respect. I therefore award the Respondent £600 in respect of the costs of this appeal. That is to be added to the £1200 awarded by the hearing officer. These are to be paid within 14 days.

DANIEL ALEXANDER QC  
APPOINTED PERSON

23 October 2020

**Representation**

The Appellant in person

Ian Bartlett of Beck Greener for The Respondent