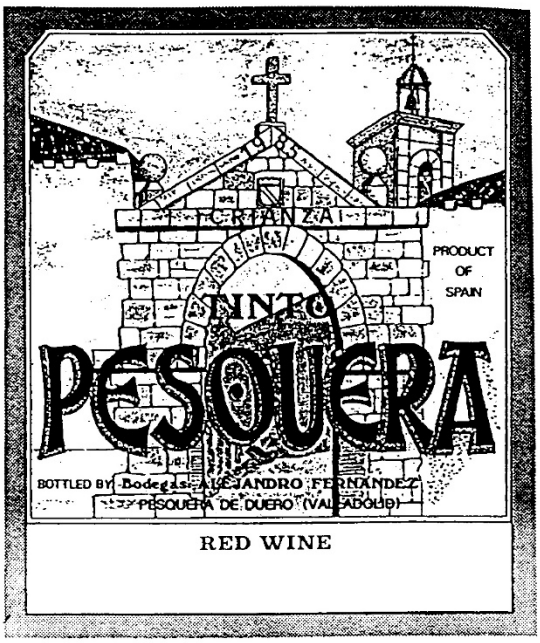
O/185/21

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00001343672

IN THE NAME OF D ALEJANDRO FERNANDEZ PEREZ

FOR THE FOLLOWING TRADE MARK:



IN CLASS 33

AND

AN APPLICATION FOR REVOCATION

UNDER NO. 503104

BY ALEJANDRO FERNANDEZ TINTO PESQUERA, S.L.

BACKGROUND AND PLEADINGS

1. The trade mark shown on the cover page of this decision ("the Contested Mark") stands registered in the name of D Alejandro Fernandez Perez ("the proprietor"). The application for the Contested Mark was filed on 6 May 1988 and registered on 14 December 1990. The Contested Mark stands registered for the following goods:

Class 33 Red wine included in Class 33.

2. On 26 March 2020, Alejandro Fernandez Tinto Pesquera, S.L. ("the applicant") sought revocation of the Contested Mark on the grounds of non-use. Under section 46(1)(a) the applicant claims non-use in the five-year period following the date on which the mark was registered, i.e. 15 December 1990 to 14 December 1995. The applicant requests an effective date of revocation of 15 December 1995. Under section 46(1)(b) the applicant claims non-use in respect of the Contested Mark for the period between 26 March 2015 and 25 March 2020, claiming an effective date of revocation of 26 March 2020.

3. The proprietor filed a counterstatement defending its registration for all goods for which the Contested Mark is registered, on the basis that it has been used during the relevant period by a licensee.

4. Only the proprietor filed evidence in chief. The applicant filed written submissions. A hearing took place before me on 24 February 2021, by video conference. The applicant was represented by Ms Alaina Newnes of Counsel, instructed by Mathys & Squire LLP. The proprietor was represented by Mr David Birchall of Venner Shipley LLP. Both parties filed skeleton arguments in advance of the hearing.

EVIDENCE

5. The proprietor filed evidence in the form of the witness statements of Alejandro Fernandez Perez dated 7 November 2019, David Birchall dated 5 October 2020 and Amadeo Barba dated 17 September 2019. Mr Perez is, as noted above, the proprietor of the Contested Mark and Mr Birchall is his representative in these proceedings. Mr

Barba has provided a certified translation of Mr Perez's statement. When I refer to the witness statement and exhibits of Mr Perez, I will use the reference numbers used in his statement for ease of reference. However, I will be referring to the English translation of these documents set out within Exhibit 2 to Mr Barba's statement.

6. The applicant filed written submissions during the evidence rounds dated 14 December 2020.

7. Whilst I do not propose to summarise the evidence and submissions here, I have taken them into consideration and will refer to them below where necessary.

PRELIMINARY ISSUES

Evidence filed

8. Firstly, I note that the applicant filed criticisms of the proprietor's evidence during the evidence rounds. The proprietor did not file any evidence in reply. Mr Birchall confirmed at the hearing that the reason the proprietor is not able to answer these criticisms is because the applicant, as its licensee, holds the relevant information and has not provided this to the proprietor. I will deal with this point specifically below.

Bad faith

9. In its Form TM8, the proprietor stated that the application for revocation had been made in bad faith. These allegations do, of course, form the basis of the proprietor's request for off-scale costs, which I will return to below. However, at the hearing, I asked Mr Birchall to clarify what other relevance these submissions had to the present application and what action he was requesting of the Registrar in this regard, if any. Mr Birchall confirmed that the issue went to the matter of costs and submitted that he simply sought to draw to my attention that the application had been made in bad faith.

10. No request has been made by the proprietor to strike out these proceedings on the basis that they are an abuse of process. In the absence of any such request, I can

see no relevance of the bad faith allegations to these proceedings, over and above the costs point which I will deal with below.

DECISION

11. Section 46 of the Act states:

> "(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 had been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
> >
> > […]
>
> (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."

12. 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."

13. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to 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 Bundervsvereinigung 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 Merken 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]."

14. Proven use of a mark which fails to establish that "the commercial exploitation of the mark is real" because the use would not 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" is not, therefore, genuine use.

15. The proprietor explains that he began producing wine in 1976 and that he subsequently incorporated the applicant company in 1990. He and his wife were shareholders of the company and he was appointed as a director. The proprietor states that in 1991 he granted a licence to the applicant to use the Contested Mark. The proprietor states that a second licence was granted to the applicant in 2006 to use the Contested Mark both in Spain and abroad for the initial period of one year. A copy of this licence has been provided.[1] The Licence confirms that it is between Mr Perez, his wife and a third party acting on behalf of the applicant company. It states:

> "A) The exclusive licence refers to the use of the TRADEMARKS for the bottling of red wines from the area covered by the Designation of Origin Riberia del Duero and duly qualified by the Control Board, complying in all cases with the Regulations of the Control Board, and only for the wine that is bottled by order and exclusively for Mr Alejandro Fernandez Perez.
>
> B) It is granted for the entire national territory as well as abroad.
>
> C) The duration of this contract shall be ONE YEAR, starting from today, and may be extended for periods of the same duration, without limit of periods, except if Mr Alejandro Fernandez Perez decides to terminate it, in which case he shall notify the entity "ALEJANDRO FERNANDEZ TINTO PERSQUERA S.L.", in a reliable manner, before the end of each period, of his decision to terminate this contract.
>
> […]

[1] Exhibit AFP4

E) This concession is made free of charge, and is valued for tax purposes only, each of the Trademarks in TWENTY EUROS."

16. I note that it is extremely unusual that the licence is described as being "free of charge". To my mind, this raises questions as to the validity of the licence given the lack of consideration. However, for the purposes of this decision, I will proceed on the basis that it is a valid licence and that there is a commercial relationship between the parties.

17. Although the licence was originally granted for a period of one year only, Mr Perez confirms that it was "extended each year with the last extension granted until 2018".[2] One of the trade marks covered by the licence agreement is described as Spanish registration no. 1,532,237 which appears as:

This is the same as the Contested Mark, with the exception that it does not include the wording "Product of Spain", "Red Wine" and "bottled by" details. Given that these words are entirely descriptive, I consider this to be an acceptable variant of the earlier mark as per *Nirvana*.[3]

18. Mr Perez confirms that he was removed from the applicant's administration in July 2018 and, consequently, he no longer has access to records regarding the applicant's sales under the Contested Mark. However, he states that "between 1991 and

[2] Witness statement of Mr Perez, para. 10 and Exhibit AFP7
[3] *Nirvana Trade Mark*, BL O/262/06

November 2018, the Company was selling red wine to the UK bearing the Trade Mark with my consent under the Licence Agreement".[4]

19. Mr Birchall gives evidence regarding the results of internet searches that he has undertaken. At the hearing, Ms Newnes made submissions at the hearing regarding whether the marks shown in these exhibits should be treated as acceptable variants or not. For the purposes of this decision, I will proceed on the basis that they are. In particular, I note as follows:

a) An article dated 20 August 2015 from the website of a wine commentator refers to "Pesquera, Ribera del Duero" and the proprietor by name;[5]

b) An article from tanners-wines.co.uk dated 3 November 2015 which quotes a review from *The Sunday Express* dated 25 October 2015 for "Pesquera Tinto Crianza";[6]

c) A copy of the same article from *The Sunday Express* displays the Contested Mark on a bottle of wine (albeit the image is extremely small) and notes that the wine is available to purchase from Tanners.[7]

d) A print out from Amazon UK shows a bottle of "Bodegas Alejandro Fernandez Tinto Pesquera" displaying an acceptable variant of the Contested Mark.[8] The page itself is undated, although it records that the wine has been available to purchase since 6 December 2015. Only one review has been left, which is dated 5 February 2018.

e) A printout from the website drinksandco.co.uk displays a bottle of red wine (described as out of stock) bearing an acceptable variant of the Contested

[4] Witness statement of Mr Perez, para. 15
[5] Exhibit DB2
[6] Exhibit DB5
[7] Exhibit DB6
[8] Exhibit DB8

Mark.[9] The page itself is undated, but it does list 5 customer reviews dated 2016 to 2017.

f) A printout from the website drinksandco.co.uk displays a bottle of red wine (described as out of stock) bearing an acceptable variant of the Contested Mark.[10] The page itself is undated, but it does list 5 customer reviews dated April 2015 to 2016 (one of which appears to be the same as one of the reviews listed for the previous print out).

g) Printouts from the Wayback Machine show that on 19 May 2015, "Bodegas Alejandro Fernandez Tinto Pesquera Crianza" wine was available for sale in some UK wine merchants specifically Tanners, Fine & Rare Wines, Roberson Wine, Slurp.co.uk, James Nicholson Wine Merchant, R&B Wines Ltd and Berry Bros & Rudd.[11]

h) A printout from the Wayback Machine showing a bottle of "Pesquera Red Reserva 2012" available for sale at vinoseleccion.co.uk on 1 September 2018.[12] However, I note that due to the size of the image it is difficult to determine whether this displays the earlier mark or an acceptable variant.

20. Clearly, there has, at the very least, been some coverage of the proprietor's products in the UK during the most recent relevant period. However, there are two key issues with this evidence. Firstly, as Ms Newnes submitted at the hearing, I have no evidence before me as to how these products came to be in the possession of these UK stockists. There is no evidence before me as to whether these were sales made with the proprietor's consent (either by virtue of there being sales made by its licensee or otherwise). Mr Birchall submitted that I should infer that they have been sold to these stockists by the applicant. In this regard, Mr Birchall submitted that a) how else could they be said to have got there? and b) given that the applicant has itself applied for an EUTM and has had the benefit of a licence to use the mark, surely it would have

[9] Exhibit DB10
[10] Exhibit DB11
[11] Exhibit DB14
[12] Exhibit DB16

taken issue with such use were it not sanctioned by the applicant. The answer to both of these questions is that I simply do not know. I have no evidence on the point and, in the absence of any further explanation or evidence, I am unable to make such an inference.

21. Secondly, even if I were to make such an inference, I have no evidence before me as to the extent of any such sales. I take Mr Birchall's point that some of these publications refer to national retailers who are unlikely to purchase only one or two bottles of a particular type of wine. However, it is still very difficult for me to assess the scale of any such use. Without such information, it is very difficult for me to conclude that the use amounted to real commercial exploitation of the mark on the market for the relevant goods. In this regard, it is the proprietor's case that such information would be held by the applicant, as its licensee. In its Form TM8, the proprietor stated:

> "The proprietor granted a licence to a third party to use the trade mark registration during the relevant period. The trade mark was used during the relevant period by that licensee."

22. In his witness statement, Mr Perez stated:

> "14. I am no longer Chairman of the [applicant] and, since I was removed from the [applicant's] administration in July 2018, I no longer have access to the [applicant's] records documenting its sale of red wine to the UK under the Trade Mark."

23. At the hearing, Mr Birchall went one step further in his submissions and claimed that the applicant had actively prevented the proprietor from accessing records by changing the locks and refusing to cooperate with requests for information. Unfortunately, I have been provided with no evidence to that effect. I note that at the hearing, Mr Birchall submitted that if the applicant had wanted to deny such allegations then it should have requested to cross-examine Mr Perez. However, as Ms Newnes noted, these allegations were not pleaded or set out in evidence prior to the hearing such that the applicant could have considered it necessary to request cross-examination. In this regard, I note that the fact that there has been no request for

cross-examination does not prevent a party from calling into question the evidence of a witness; being satisfied as to the facts made out by written evidence is a matter of judgment which involves weighing the evidence with other factors.[13] In any event, in this case, there is no evidence before me which sets out the applicant's alleged obstructions to the proprietor's obtaining evidence to enable me to make such an assessment.

24. I am not persuaded by the proprietor's argument as to why it has not been able to produce more specific and detailed evidence of use. There are three reasons for this. Firstly, it is the responsibility of a registered proprietor of a trade mark to maintain records of use of its mark. This is reflected in section 100 of the Act, quoted above, which makes it clear that the burden is on the registered proprietor to prove use. Whether a licence has been granted or not, the burden of proving use remains on the registered proprietor. Consequently, I would expect a registered proprietor who has granted a licence to retain records of the use made by the licensee during the licence period for that very purpose. This might take the form of quantities of sales or royalties paid. I recognise that in this case, unusually, the licence is described as being "free of charge" and perhaps, therefore, it is unsurprising that no royalty records are available to the proprietor. Nonetheless, other records could have been retained to record the sales made under the licence.

25. Secondly, if the proprietor was indeed being obstructed from obtaining the evidence necessary to defend these proceedings then I would have expected this to have been particularised in the evidence. Further, I would have expected the proprietor to make an application to the Registrar for a disclosure order. The Registrar has the power to grant such orders under Rule 65 of the Trade Mark Rules 2008, which states:

> "65. The registrar shall have the powers of an official referee of the Supreme Court as regards –
>
> […]

[13] *Williams and Williams v Canaries Seaschool SLU (CLUB SAIL)* [2010] RPC 32

(b) the discovery and production of documents."

26. The proprietor has been professionally represented throughout these proceedings and no such application has been made. As Ms Newnes submitted at the hearing, it cannot possibly be correct that in entering into a licence agreement, the proprietor can be said to have discharged its burden of retaining documents and proving use.

27. Thirdly, the proprietor himself gives evidence that up until July 2018 he remained involved in the operation of the applicant company. That is some three years into the second relevant period. At the hearing, Ms Newnes noted that, despite this, the proprietor has not attempted to give narrative evidence of the activities of the applicant under the Contested Mark prior to his departure from the business. Mr Birchall submitted that, without the appropriate records, his client would have been unable to do so. I disagree. It seems perfectly reasonable to me to expect the proprietor to be able to give at least some detail of the applicant's activities during that period if he was involved in its administration up until July 2018. Perhaps he could have provided some information as to the operation of the business, approximately how many products were shipped to the UK each year and provide details about some well-established stockists. He has not done so. I note that the proprietor states that the applicant "was selling red wine to the UK" under the Licence prior to November 2018. However, he does not give any detail to enable me to assess the extent of any such use.

28. Ms Newnes directed me to the judgment of Mr Daniel Alexander QC, sitting as the Appointed Person, in *Awareness Limited v Plymouth City Council,* Case BL O/236/13, in which he stated:

> "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."

29. As set out above, the only evidence of actual sales within the relevant period are 10 reviews (9 from drinksandco.co.uk and 1 from amazon.co.uk). I recognise that there have been references to the proprietor's mark in publications and on websites, but I have no evidence before me to establish the scale of any such sales made to stockists. In any event, I have no evidence that these sales (whether to end users or the trade) could be said to originate from the registered proprietor (either by virtue of its licensee or otherwise). I do not consider the evidence to be sufficient to amount to the proprietor maintaining or creating a share in the market for the goods during the relevant periods.

30. I have taken into consideration Mr Birchall's submission that the evidence filed which is dated outside of the relevant periods should be taken into consideration. Use outside of the relevant period will, of course, be relevant for the purposes of section 46(3). However, in any event, I do not consider the evidence filed which is dated outside of the relevant periods to assist the proprietor. This is because it suffers from the same deficiencies as identified in relation to the evidence dated within the relevant periods. Consequently, I do not consider that this evidence takes the proprietor any further forward.

CONCLUSION

31. The Contested Mark is revoked for non-use in its entirety.

32. The effective date of revocation is 15 December 1995.

COSTS

33. As noted above, at the hearing, Mr Birchall described the present case as "vexatious" and made a request for off-scale costs in the event that his client was successful. As the proprietor has been unsuccessful, I need not consider this request any further. The applicant is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£1,800**, calculated as follows:

Preparing a notice and considering the proprietor's counterstatement	£250
Considering the proprietor's evidence and preparing written submissions	£500
Preparation for and attendance at hearing	£850
Official fee	£200
Total	**£1,800**

34. I therefore order D Alejandro Fernandez Perez to pay Alejandro Fernandez Tinto Pesquera, S.L. the sum of £1,800. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the appeal proceedings.

Dated this 22nd day of March 2021

S WILSON
For the Registrar