

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 787794 IN THE
NAME OF JACKSON INTERNATIONAL TRADING COMPANY KURT D.
BRUHL GESELLSCHAFT m.b.H & Co. KG**

**AND IN THE MATTER OF APPLICATION NO. 16141 FOR REVOCATION
THEREOF BY THE ROYAL SHAKESPEARE COMPANY**

**REGISTERED PROPRIETOR'S APPEAL TO AN APPOINTED PERSON
FROM THE DECISION OF MR OLIVER MORRIS DATED 26 OCTOBER 2011**

DECISION

Introduction

1. This is an appeal brought pursuant to section 76 of the Trade Marks Act 1994 (“**the Act**”) by the registered proprietor of International Registration no. 787794 for the word mark ROYAL SHAKESPEARE (“**the Mark**”) against a decision that its protection in the United Kingdom should be revoked on the grounds of non-use under section 46(1)(a) and/or 46(1)(b) of the Act. In a decision dated 26 October 2011, the Registrar’s hearing officer, Oliver Morris, held that there had been no genuine use of the Mark during the relevant five year periods and dismissed the registered proprietor’s claim that there had been proper reasons for such non-use. He ruled that protection in the UK for the Mark should be revoked with effect from 15 September 2008.¹
2. The Appellant and registered proprietor (“**Jackson**”) is an Austrian company that claims to be in both the fashion business and the drinks business. The Respondent and applicant for revocation is the well-known Royal Shakespeare Company of Stratford-upon-Avon (“**RSC**”).
3. Pending the outcome of this appeal, the Mark is protected in respect of:

Class 32: Beers, including low-alcohol and non-alcoholic beers; fruit drinks, fruit juices and isotonic drinks.

However, at the appeal hearing it was conceded that Jackson had “given up on everything apart from beer”.

¹ The first instance decision is found at BL O-369-11.

4. I heard the appeal on 17 December 2012. Jackson was represented by Bruce Marsh of Boulton Wade Tennant and RSC was represented by Counsel, Simon Malynicz, instructed by Boulton Wade Tennant. The same representatives had appeared at the first instance hearing before the hearing officer.
5. There was no disagreement as to the correct approach to an appeal of this nature. It is a review rather than a rehearing. As recently summarised by Floyd J in *Galileo International Technology, LLC v European Union* [2011] EWHC 35 (Ch), I should be reluctant to interfere in the absence of an error of principle. I should interfere if I consider that the hearing officer's decision is clearly wrong, for example if I consider that he has drawn inferences which cannot properly be drawn, or has otherwise reached an unreasonable conclusion. But I should not interfere if his decision is one which he was properly entitled to reach on the material before him

Grounds of Appeal

6. By the time of the hearing, Jackson's grounds of appeal boiled down to the following two:
 - (1) in finding non-use, the hearing officer wrongly held that certain letters exhibited in Jackson's evidence did not constitute "advertisements" and/or did not highlight the availability of the relevant product to the trade; and
 - (2) if the hearing officer was correct in his finding of non-use, he had wrongly failed to give proper consideration to the unique nature of the industry concerned and to the particular logistical difficulties experienced by Jackson when seeking a business partner or licensee, which together were sufficient to amount to proper reasons for non-use.

Applicable Law

7. The relevant parts of section 46 of the Act provide as follows:

"46.(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;

(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: [subject to a proviso that is not relevant to this case]

(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.”

8. These provisions implemented articles 10, 12(1) and 13 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, insofar as those articles relate to revocation (including partial revocation) for non-use. Equivalent provisions are now found in the same article numbers of Directive 2008/95/EC of 22 October 2008 (“**the Directive**”). They correspond to articles 15, 51(1)(a) and 51(2) of Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trade mark (codified version) (“**the Regulation**”).

9. For these purposes, an International Registration protected in the United Kingdom is to be treated as if it were a trade mark registered under the Act, and may be challenged on the same basis, pursuant to section 3 of the Trade Marks (International Registration) Order 2008 (SI 2008/2206).

10. The burden of proof applicable in cases brought under section 46 is set out in section 100 of the Act as follows:

“100. 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.”

11. The Court of Justice of the European Union (“CJEU”) has given guidance as to the correct interpretation of aspects of section 46, and in particular the meaning of “genuine use”, in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01, [2003] ETMR 85 (ECJ), *La Mer Technology Inc v Laboratoires Goemar SA*, Case C-259/02, [2004] FSR 38 (ECJ), and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-495/07, [2009] ETMR 28. I summarised the principles in an earlier decision, BL O-371-09 *SANT AMBROEUS*, at paragraph 42. The hearing officer reproduced this summary and neither side contended that he was wrong to do so. I will not repeat it here, but will mention relevant points as they arise when considering the specific grounds of appeal below.

Ground 1: incorrect characterisation of exhibits

12. Since Jackson's main attack is on the hearing officer's characterisation of exhibits 2, 3 and 4 to the witness statement of Mr K.D.Bruhl, Jackson's chairman, I reproduce his findings and comments about those exhibits below. This gives rise to a small difficulty in that these exhibits are the subject of an order for confidentiality made by the Registrar on 29 September 2010, which means that the specific description of each of them was redacted from the public version of the first instance decision and will have to be redacted from this decision also. However, the confidentiality order did not extend to the summary of the exhibits given in Mr Bruhl's witness statement, which means that I can quote from that without the need for redaction. It will therefore help if I quote first from his witness statement, as follows:

"6. The Company has been actively engaged in the attempt to use and keep available for use its ROYAL SHAKESPEARE mark in the UK since at least as early as 1997, as evidenced at least by the Coexistence Agreement between the Company and Forte Limited and Forte (UK) Limited, which is attached as **Exhibit 1**.

7. **Exhibit 2** consists of a letter to Mr Clarke of The Hook Norton Brewery Co Ltd, requesting assistance with the brewing and distribution of the ROYAL SHAKESPEARE product under licence in the UK. This letter constitutes an example of genuine use of the mark in the context of use on a business paper, which is trade mark use by extension of section 10(4)(d) of the Trade marks Act 1994.

8. **Exhibit 3** consists of letters to Mr Riddiford of Brewer Design Consultants and Mr Shah of Exposure requesting assistance with the design of the intended label for the ROYAL SHAKESPEARE product, an example of which is attached to the letters. It can be seen from the further letter to Mr Riddiford that a response was received.

9. **Exhibit 4** consists of correspondence with Mr Fraser of Fraser Management Ltd following an approach from the Company very similar to the letter to Mr Clarke of The Hook Norton Brewery Co Ltd (Exhibit 2). From this subsequent correspondence it can be perceived that:

- a. The Company already has a complete conceptualisation of the ROYAL SHAKESPEARE product and all that is required is a UK brewer and distributor; and
- b. The difficulty in obtaining a brewing and distribution contact under licence is the small number of available brewers which can carry out the specialised work over and above their own commitments. Indeed, the third party specialist in the industry, Fraser Management, was only able to suggest one contact which turned out to be unsuitable for the Company.

10. Due to the nature and set up of the Company, it is based in Austria and has a broad spectrum of business areas, the only effective method of conducting a successful business in the UK market for the ROYAL SHAKESPEARE product is by a third party brewing and distribution licence agreement. This is considered commonplace in the brewing industry, particularly for companies based overseas."

13. The hearing officer set out slightly fuller details of each of exhibits 2, 3 and 4 at paragraph 13 of the decision, as follows:²

[REDACTED]

[REDACTED]

[REDACTED]

14. The hearing officer then set out his findings on the question of genuine use, as follows:

“HAS THERE BEEN GENUINE USE OF THE MARK?”

15) Mr Malynicz argued that the type of use shown was not genuine use in the sense described by the case-law (as identified earlier). He was keen to highlight that simply because a form of use may not be sham or token (simply to preserve the registration) does not mean that it qualifies as genuine use; I agree with this submission. The evidence must be assessed to decide whether the type and nature of use shown meets the tests I have outlined above. To that extent, it is clear from the evidence that no sales of any product have been made under the ROYAL SHAKESPEARE mark. Nor have there been published any advertisements, in the traditional sense, for any goods to be sold under the mark. I use the words “traditional sense”, because, at the hearing, Mr Marsh argued that the trade mark had been advertised (in a general sense) to people in the trade (such as the Hook Norton Brewery). It is true that advertising may constitute genuine use, in *Ansul* it was stated that:

² The quote that follows is to be redacted from the public version of this decision.

“...Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns...”

16) Furthermore, it is also clear that the end-user (the beer consuming public) does not necessarily need to have encountered the mark on the marketplace because the use could be with the trade (sales to importers for example). However, having carefully considered the letters, they do not seem to me to be of the sort to qualify as genuine use. They are not advertisements. They are not even highlighting the availability of a product to people in the trade. At best, all they do is highlight the availability of a trade mark that may be licensed. The letters seek business partners etc, but there is no product. Without a business partner then it is clear that Jackson cannot put the mark to genuine use on the market. The potential business partner will not view such use as genuine use consistent with the essential function of a trade mark. It is not creating or preserving an outlet for the goods. An idea is being touted. Even though Jackson may have a concept, this is not enough, in my view, to constitute genuine use. The fact that some labelling has been produced showing the mark on a can of beer does not assist. This is being shown to demonstrate the concept. It does not, however, change the nature of the letters and the status of the trade mark in the market. Mr Marsh attempted to draw an analogy with pre-launch publicity and marketing; this is not a good analogy for the reasons given. There has been no launch. There is still, as far as the evidence goes, no business partner. There is still no genuine use.

17) The attempt to get a business partner is said in Jackson’s submissions to constitute genuine use. It adds that it would not be commercially acceptable to try to enter into such arrangements without having an existing trade mark. That may be so, but that does not equate to genuine use having been made simply by way of attempts to secure a business partner. **My finding is that there has been no genuine use of the trade mark.**”

15. Mr Marsh sought to persuade me that the hearing officer had incorrectly taken too narrow a view of what constitutes “advertising” by deeming it to be limited to publications in the media and the like, whereas it should be held to include the promotion and marketing of the availability or potential availability of a product. In his submission, a letter of introduction or letter of intent or enquiry to a potential supplier or licensee ought to qualify as “advertising” in this sense. He also focused on the hearing officer’s criticism that the letters were “not even highlighting the availability of a product to people in the trade” and stressed the fact that each of the recipients of the letters concerned should be regarded as being “the trade” or advisers to “the trade”.

16. It appears to me that the hearing officer was not questioning the status of the recipients of the letters as participants in the trade. His difficulty was in seeing the letters as “highlighting the availability of a product”, in the context of having to decide whether the letters were evidence of Jackson conducting real commercial exploitation of the Mark on the market for the relevant goods or services in a way that is aimed at maintaining or creating an outlet for those goods or a share in that market, as required by the decisions in *Ansul* at [37]-[38] and *Silberquelle* at [18].

17. I agree with the hearing officer that the letters are not examples of real commercial exploitation of the Mark on the market for beer, but were what I would call “pre-preparatory” steps exploring the possibility of creating a beer to which the Mark could be applied. As Mr Malynicz argued, this does not amount to “preparations ... to secure customers” and could not be seen as advertisements for an existing product. Jackson was touting an idea for using the Mark; it was not advertising an existing product available on, or ready to be put on, the market. While Jackson might have hoped to create an outlet for such a product, it had not yet got to that stage; and there was no evidence as to any responses to the letters which would have taken the proprietor any further in that direction.
18. In oral submission, Mr Marsh suggested that the hearing officer should have set out more detail in relation to each of the letters in issue (exhibits 2, 3 and 4). In my view this criticism is unfair. He did in fact describe each of the letters individually (as reproduced above) so there is no doubt that he considered the content of each of them. I suspect that he was reluctant to go into too much detail in his decision, given the confidentiality order imposed at Jackson’s request, while trying to make his reasons understandable to any reader of the redacted version of the decision. In my view, none of the letters indicated that Jackson was at a more advanced stage of preparation for using the Mark than the others, and therefore it was quite appropriate for the hearing officer to deal with them as a group when considering whether any or all of them amounted to genuine use within the meaning of section 46. They did not – either individually or collectively.

Ground 2: Proper reasons for non-use

19. The hearing officer carefully went through a number of authorities relevant to the interpretation of the phrase “proper reasons for non-use” as used in section 46, in particular, the judgment of the CJEU in *Haupt v Lidl, Stiftung & Co KG* Case C-246/05 at [54]:

“It follows that only obstacles having a sufficient direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as ‘proper reasons for non-use’ that mark.”

and that in *Il Ponte Finanziaria SpA v OHIM* Case C-243/06P [2008] ETMR 13 at [102]:

“the concept of “proper reasons”... refers essentially to circumstances unconnected with the proprietor of the trade mark which prevent him from using the mark...”

20. Having set out the authorities, the hearing officer said:

“12) In terms of proper reasons for non-use, and taking the authorities in the round, it seems to me that proper reasons for non-use are not something to be accepted lightly. Having a reason for non-use, from the proprietor’s subjective point of

view, is not the same as having “proper” reasons which calls for, in my view, an objective test. The test for “proper” reasons relates to obstacles or impediments or other events causing serious disruption. I also note that the authorities differentiate between events that are independent of the will of the proprietor and events that are within its control.”

21. Applying the principles to the facts of the case, the hearing officer said the following:

“19... Not finding an appropriate brewing partner may be a reason for the mark not having been used, but it does not follow that this should constitute a proper reason. Jackson decided to seek protection for the mark in the UK. It was its choice to do so even though it had no capacity to produce beer itself. It was therefore its own doing that a licensing arrangement had to be in place before the mark could be commercially exploited. That it has had difficulty in doing so is of its doing. These are normal business decisions. They do not represent impediments or obstacles that have arisen from outside the will of Jackson. It has been highlighted that Fraser could only find one possible contract brewer, but that brewer was not appropriate. However, what investigations Jackson or Fraser have undertaken is not clear. This argument does not assist. However, even if the task had been a difficult one, this would still not be an appropriate obstacle. Jackson went in with its eyes open. That they have been unable to find a business partner should not, in these circumstances, immunize it from the requirement to genuinely use its trade mark. The “Englishness” of the required beer is, likewise, not relevant. This is another decision made by Jackson, it is not a relevant impediment or obstacle. Mr Marsh claimed at the hearing that the dispute between the parties has caused uncertainty and that this may have been another contributing factor. This is not only speculation, but also highly unlikely to ever be considered as a proper reason for non-use. **The claim to there being proper reasons for non-use is dismissed.**”

22. Mr Marsh submitted that Mr Bruhl’s evidence makes it clear that Jackson wanted to produce an “English” style of beer under the Mark. Such a beer would have to be produced within the UK and possibly England itself, and could not have been produced in Jackson’s home country of Austria, since it would then have been a mis-description to market it as “English”. He submitted that there are known difficulties in breaking into the UK brewing market and that the evidence showed that Jackson had attempted to do so, without success, during the relevant time period.
23. Jackson’s arguments come to no more than that the English brewing industry is a difficult one to get into, and that the hearing officer was insufficiently sympathetic to the difficulties encountered. It is hard to be sympathetic to this argument when no evidence was presented as to the follow-up to Jackson’s attempts to interest the Hook Norton Brewery and others. Quite the opposite, in fact. When Mr Fraser of Fraser Management Ltd identified a potential contract brewer, Jackson rejected the suggestion, stating without explanation: “we do not think this is the right contact for us”.
24. Appreciating that the difficulties identified only applied to the production of “English” beer and not to beer generally, which could have been produced in Austria or elsewhere and imported into the UK, at the hearing Mr Marsh offered to limit the

specification to “English beer” or “beer brewed within the United Kingdom”. I am afraid that this does not help him. Even in relation to English beer, or beer brewed in the UK, I agree with the hearing officer that the difficulties encountered by Jackson cannot be said to be circumstances “unconnected with the proprietor” or to “arise independently of the will of the proprietor” or otherwise to constitute “proper reasons” for non-use within the meaning of section 46. I can find no fault with his conclusion or the reasoning used to get there.

Conclusion

25. Accordingly, I uphold and fully endorse the hearing officer’s finding that there was no genuine use of the Mark during either of the two five year periods relied on by RSC and that there were no proper reasons for non-use. **Protection of the Mark in the UK is therefore revoked with effect from 15 September 2008.**

Costs

26. In the light of my decision, the hearing officer’s costs award stays in place: that Jackson must make a contribution of £1,700 to RSC’s first instance costs.

27. Bearing in mind the usual scale fees applicable to an appeal such as this, and the fact that RSC was represented by Counsel, I will also order Jackson to pay the additional sum of £1,000 as a contribution towards the costs of the appeal.

28. The full sum of £2,700 must be paid by Jackson to RSC within 14 days.



ANNA CARBONI

31 December 2012

The Appellant (the registered proprietor) was represented by Bruce Marsh of Wilson Gunn.

The Respondent (the applicant for revocation), was represented by Simon Malynicz of Counsel, instructed by Boulton Wade Tennant.