

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK
REGISTRATION **m** 1259243 OF THE MARK **ZIPPO**
IN THE NAME OF DDM/ITALIA SpA

AND

IN THE MATTER OF AN APPLICATION FOR
REVOCATION AND AN APPLICATION FOR
A DECLARATION OF INVALIDITY **m** 8551
BY ZIPPO MANUFACTURING COMPANY

TRADE MARKS ACT 1994

IN THE MATTER of trade mark
registration **m** 1259243 in the
name of DDM/Italia SpA

5 and

IN THE MATTER of an application for
revocation and an application for
a declaration of invalidity **m** 8551
by Zippo Manufacturing Company

10 DECISION

The trade mark **ZIPPO** (**m** 1259243) is registered in Class 18 in respect of:

“Bags and cases, all included in Class 18, trunks (luggage) and pocket wallets, all
made of leather or of imitation leather; umbrellas and parasols.”

15 The registration stands in the name of DDM/Italia SpA and is registered with effect from
30 January 1986.

By an application dated 27 June 1995, the Zippo Manufacturing Company applied for
revocation of this registration under section 46(1)(b) of the Act and also a declaration of
invalidation of the registration under section 47(2)(a).

20 In relation to the application for invalidation, the applicant claims that the mark was registered
in breach of sections 5(2) and 5(3) of the Trade Marks Act 1994. The application refers to
thirteen registrations for the mark **ZIPPO** in the name of the applicant, although only the
following three predate the registration in suit:

<u>No</u>	<u>Mark</u>	<u>Class</u>	<u>Year</u>	<u>Goods</u>
575041	ZIPPO	34	1937	Pyrophoric lighters; all included in class 34.
25 751970	ZIPPO	4	1956	Fuel for pyrophoric lighters and wicks for such lighters.
751971	ZIPPO	34	1956	Pyrophoric lighters and parts thereof included in Class 34.

In relation to the application for revocation, the applicant claims that the mark has not been
used by, or with the consent of, the registered proprietor for an uninterrupted period of five
years.

The registered proprietor filed a counterstatement defending the registration against both the revocation and invalidation actions. As required by rule 31(3), the registered proprietor also filed evidence of use of the mark; I shall review this evidence below.

The registered proprietor requested an award of costs in their favour.

5 In addition to the registered proprietor's evidence under rule 31(3), both sides also filed evidence under rule 13 following which a hearing was held on 23 September 1998. At the hearing, the applicant for revocation was represented by Mr Daniel Alexander of Counsel instructed by Mathys & Squire. The registered proprietor was represented by Mr Iain Purvis of Counsel instructed by Fry Heath & Spence.

10 Registered Proprietor's Evidence - Rule 31(3)

This consists of two statutory declarations, the first by Bharat Vora dated 10 October 1995, and the second by Peter William Murray Heath dated 11 October 1995.

15 Mr Vora is a Director of a company called Alami International Limited, retailers of goods including bags and cases. He states that during the previous five years his company received leather bags and cases from DDM/Italia SpA (the registered proprietor) under the trade mark ZIPPO. He says that his company resold these goods in the United Kingdom. Exhibited to Mr Vora's declaration in support of his statement is a copy of an invoice dated 28 July 1993. The ZIPPO mark is clearly shown in the top right-hand corner of the invoice.

20 Mr Heath is a registered trade mark agent with the firm Fry Heath & Spence who represent the registered proprietor in these proceedings. The purpose of Mr Heath's declaration is to exhibit a set of six (6) invoices dated between May 1990 and July 1993. Mr Heath states that the invoices relate to various goods despatched from the registered proprietor to various purchasers in the United Kingdom. He says that:

25 "At least the great majority of the goods listed in those invoices fall within the scope of the Specification of Goods, or are goods of a like description of those of the Specification of Goods of Registration m 1259243."

Mr Heath concludes by pointing out that each of the invoices bears the ZIPPO trade mark.

Applicant's Evidence

30 The evidence filed on behalf of the applicant for revocation/invalidation comprises statutory declarations by James A Baldo, Margaret Louise Benady, Muriel Woodcock and Gillian Helen Smaggasgale. There is a further declaration by Ms Smaggasgale which was later filed in reply to the registered proprietor's evidence.

35 Mr Baldo sets out the history of his company which was founded in 1932 on the invention of a wind-proof lighter. Since 1932 the company has grown such that it now holds a unique position on the world stage. As the company grew, it began to diversify into other products, eg. knives, pens and smokers' accessories. As part of what Mr Baldo describes as an "accessorization program", his company introduced leather pouches for its lighters in

July 1989. He refers to the introduction of these pouches as “a natural extension of this accessorization process.”

Referring to trade mark **m** 1259243, Mr Baldo says that he was aware that the application to register this mark was advertised for opposition purposes on 6 May 1987, but that his company decided not to oppose the application after taking advice from their UK trade mark agents. He goes on to give the following three reasons why his company decided not to oppose:

“These reasons include: (a) that in 1987 my company did not have a registration in the United Kingdom in Class 18 nor a reputation in the United Kingdom for leather goods and thus we did not have any of the ordinary grounds for opposition; (b) that we would be able to found an action for passing off on the grounds that our mark was a famous mark in the event that DDM/Italia commenced use of our trade mark; and (c) that we had no reason to believe that DDM/Italia intended to use the mark in the United Kingdom.”

Ms Benady’s declaration is dated 17 April 1996. Ms Benady is the Managing Director of W A Ingram Associates Limited, the exclusive UK distributor for the Zippo Manufacturing Company since 1960. Ms Benady states that her company initially supplied lighters under the trade mark ZIPPO, but that as the Zippo Manufacturing Company’s range expanded, her company also expanded to deal in the same range of goods and accessories. She says that leather pouches for lighters became part of her company’s range in about September 1989.

Ms Benady gives the following figures for the sale of goods under the trade mark ZIPPO in respect of the years 1970 to 1995. (Sales figures for the years 1960 to 1969 were lost during a flood in 1988.)

Year	£	Year	£
1970/71	24,400	1983/84	583,000
1971/72	24,600	1984/85	569,900
1972/73	33,600	1985/86	674,100
1973/74	55,200	1986/87	839,800
1974/75	95,700	1987/88	1,184,80
1975/76	108,700	1988/89	1,827,00
1976/77	143,600	1989/90	2,642,00
1977/78	153,500	1990/91	3,498,50
1978/79	197,300	1991/92	3,918,40
1979/80	210,000	1992/93	3,210,10
1980/81	291,600	1993/94	3,177,30
1981/82	330,700	1994/95	4,102,30
1982/83	491,200		

Turning to advertising, Ingrams have advertised lighters under the trade mark ZIPPO since 1971. Ms Benady exhibits (MLB 3) the following figures relating to her company's advertising expenditure in relation to goods sold under the trade mark ZIPPO for the period 1989 to 1995:

5	Year	£
	1989/90	38,000
	1990/91	52,700
	1991/92	45,700
	1992/93	68,000
10	1993/94	59,000
	1994/95	96,000

Until 1990, the advertising was limited to trade press and Armed Forces Publications. However, since 1990 advertising has been extended to the consumer press. Publications in which advertisements have appeared include:

15 **Trade Publications:**

Retail Newsagent, CTN, Convenience Store, Forecourt Trader, Retail Jeweller.

Business Gift/Promotional Publications:

Promotions News, Ideas, Incentive Today

Armed Forces Publications:

20 Navy News, Soldier, RAF Airmail

Consumer Publications:

History Today, Military Illustrated, Flypast, Radio Times, National Trust Magazine, Sunday Mirror Magazine, Sunday Times Magazine

25 Ms Benady explains that Zippo Manufacturing Company provide Ingrams with an advertising allowance of up to 5% of the value of the purchases they make from them per annum. She concludes by saying that in her opinion "the trade mark ZIPPO has a unique association with Zippo Manufacturing Company and that use of the word ZIPPO by any other party in the UK would be likely to deceive or cause confusion."

30 Gillian Smaggasgale's declaration, dated 17 April 1996, exhibits details of the UK trade marks registered in the name of Zippo Manufacturing Company. She also refers to an investigation into the use of the registered proprietor's mark which she initiated and which was conducted by Muriel Woodcock. Ms Smaggasgale also carried out trade mark searches which she describes. The results of these searches were not relied upon at the hearing before me, and in the event they are not relevant to my decision; consequently I need not review them here.

Muriel Woodcock's declaration is also dated 17 April 1996. Ms Woodcock is a Trade Marks Manager at Mathys & Squire. Her evidence relates to the investigation that she conducted on behalf of her colleague Ms Smaggasgale. Ms Woodcock says:

5 "On or about 16th March 1995 I visited Selfridges, Debenhams, D.H.Evans,
John Lewis, Dickens & Jones and Liberty's and in each store I visited the
leather goods departments, including small leather goods and looked at the
labels on the various leather items and on any swing tags attached to the
items. I did not find any leather goods labelled with the trade mark ZIPPO. I
10 spoke to an assistant in each store and asked if ZIPPO leather goods were
sold. On each occasion the answer was negative."

Ms Smaggasgale's second declaration was filed in reply to the registered proprietor's evidence and is almost entirely concerned with submissions in relation to the evidence that had already been filed. Although I have read the declaration and bear in mind the points mentioned, I see no need to summarise them in detail here.

15 Registered Proprietor's Main Evidence

The registered proprietor filed a further six statutory declarations in support of the registration. These include one declaration, dated 11 September 1996, by Mr Ivano Lovison, Managing Director of DDM/Italia SpA and five supporting declarations by David C Smith, Vicki Burt, Bharat Vora, Michael Philip Downing and Gavin Scott.

20 Mr Lovison says that his company sold ZIPPO products into the United Kingdom in the
fourteen years prior to July 1995. He exhibits copies of invoices to various UK companies.
Each invoice is marked with a representation of a ZIPPO swing tag in the corner. Mr Lovison
also exhibits an extract from his company's sales brochure showing photographs of the
products (bags of various descriptions) and the corresponding product codes. Many of the
25 photographs are regrettably somewhat indistinct, but it is possible to see the ZIPPO mark on
some of the goods and correlate the different styles with the product codes shown on the
invoices.

30 Mr Lovison says that the ZIPPO branded goods are a high quality product which sell for a
corresponding price. Therefore, he concedes, the turnover in the goods is not large. He gives
the following turnover figures (in Lire) for goods marked with the ZIPPO Trade Mark and
sold into the UK market during the relevant period:

	1982/83	13.149.000
	1984/85	24.275.800
	1986/87	24.495.400
35	1988/89	35.944.036
	1990/91	10.988.000
	1992/93	8.436.400
	1994/95	15.069.800

The total value in Lire of this turnover is therefore 132.358.436. Mr Lovison translates this into a total of £55, 334.00 turnover (Sterling) during the relevant period.

5 Finally, Mr Lovison states that his company does not sell cigarette lighters or any other form of pyrophoric lighters. Neither do they sell lighter fuel. He does not know of any other manufacturers in his field who do sell such goods; neither does he regard pyrophoric lighters or lighter fuel as being similar goods to the bags and wallets etc. that his company produces and sells.

10 Most of the supporting declarations are made by representatives of companies that import the registered proprietor's goods into the UK for resale. David C Smith is a partner in the firm Extras, based in Leeds. Vicki Burt is the proprietor of Bo-Bo Belts in Cornwall. Bharat Vora is a Director of London-based Alami International Ltd, and Gavin Scott from Glasgow is the proprietor of the firm Gavin Crawford. These all confirm that they have bought quantities of leather bags and/or leather wallets from DDM/Italia SpA at various times throughout the relevant period of five years during which non-use is alleged. Furthermore, they each state
15 that the goods were marked with the trade mark ZIPPO. The amounts involved (ranging from £2,000 to £4,000) are not great.

20 Michael Philip Downing is a Chartered Patent Attorney employed by Fry Heath & Spence. His declaration explains how he came to be involved in these proceedings and includes a number of submissions in relation to the applicant's evidence which I need not review in detail here.

That concludes my review of the evidence and I turn to the grounds upon which the requests for invalidation and revocation are based.

Invalidation

25 The application for a declaration of invalidation is based upon section 47(2)(a) which is drafted in the following terms:

47. (1)

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain,

30 unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

35 At the outset of the hearing, Mr Alexander accepted that section 5(3) was not available to him as a ground of invalidation in these proceedings because paragraph 18(2) of schedule 3 to the Trade Marks Act 1994 specifically precludes any such objection to the validity of the registration of an existing registered mark. Consequently I need only consider whether trade mark **m** 1259243 was registered in breach of section 5(2). It has never been suggested that

the marks concerned are anything other than identical, and therefore the relevant part of section 5(2) is subsection (a), which reads:

5. (1)

(2) A trade mark shall not be registered if because-

5 (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected,

(b)

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

10 A substantial part of Mr Alexander's case under this head relied upon the Opinion of Advocate General Francis Jacobs in relation to an Article 177 reference currently being considered by the Court of Justice of the European Communities. For convenience, I shall refer to the case as the *Canon v Pathé* case¹. Advocate General Jacobs summed up his advice to the Court in the following words found at paragraph 52 of the Opinion:

15 Conclusion

52. Accordingly, the question referred by the Bundesgerichtshof should in my opinion be answered as follows:

20 In the assessment of the similarity of goods or services covered by two marks within the meaning of Article 4(1)(b) of Directive 89/104 to approximate the laws of the Member States relating to trade marks, account may be taken of the distinctive character, in particular the reputation, of the earlier mark in deciding whether there is sufficient similarity to give rise to a likelihood of confusion. However, there will only be a likelihood of confusion within the meaning of that provision if it is likely that the public will be confused into thinking that there is some sort of trade connection between the suppliers of
25 the goods or services in question.

Mr Alexander submitted that the practical effect of the Advocate General's Opinion was to modify the 'traditional' approach followed by Mr Justice Jacob in the *TREAT* case², such that I should now have regard to the reputation of his client's mark when deciding whether or not the respective goods at issue are similar. Mr Purvis reminded me that the Advocate General's
30 Opinion was merely an opinion, and that the Registrar was not bound by the Opinion, as he is bound by the judgment of Jacob J in *TREAT*. Mr Alexander countered that it was extremely unusual for the European Court not to follow the opinion, and that even if the Registrar was not strictly bound by the Opinion, he should nonetheless regard it as a persuasive authority inasmuch as the European Court was more than likely to confirm the Opinion.

35 In the result, and despite the spirited manner in which Mr Alexander presented his case on this point, I have concluded that the Registrar is bound by the *TREAT* decision and not by the Opinion of the Advocate General in *Canon v Pathé*. To the extent that the *Canon v Pathé* Opinion addresses issues that are not specifically addressed in *TREAT* (or other decisions of

¹Canon Kabushiki Kaisha v Pathé Communications Corporation [1998] ETMR 366

²British Sugar PLC v James Robertson & Sons Ltd [1996] RPC 281

British or European Courts for that matter) it may indeed be appropriate for the Registrar to regard the Opinion as persuasive. But that is not the position here. The two approaches clearly conflict. At page 294 and line 20 of *TREAT*, Jacob J says in relation to the test for similar goods under section 10(2)(a):

5 “... British Sugar seek to elide the questions of confusion and similarity. Their skeleton
argument contends that there is “use in relation to a product so similar to a dessert sauce that
there exists a likelihood of confusion because the product may or will be used for identical
purposes.” I do not think it is legitimate to elide the question in this way. The sub-section does
not merely ask “will there be confusion?”: it asks “is there similarity of goods?”, if so, “is
10 there a likelihood of confusion?” The point is important. For if one elides the two questions
then a “strong” mark would get protection for a greater range of goods than a “weak” mark.
For instance “Kodak” for socks or bicycles might well cause confusion, yet these goods are
plainly dissimilar from films or cameras. I think the question of similarity of goods is wholly
independent of the particular mark the subject of registration or the defendant’s sign.”
15 My emphasis

Bearing in mind that section 10(2)(a) is drafted in very similar terms to section 5(2)(a), the above passage in *TREAT*, and in particular the sentence I have underlined, leaves me in no doubt that I must determine the question of similarity of goods without having regard to the reputation or distinctiveness of the applicant’s mark.

20 Both Counsel addressed me on the subject of the reputation of the applicant’s mark. In the
event I have not needed to determine the extent of the applicant’s reputation in the mark
ZIPPO. I will simply state here that if it had been necessary for me to express a view, I would
have had to consider what the position was at the material date (ie 30 January 1986, the
25 registration date of trade mark **m** 1259243). As the applicant’s lighters were not advertised
to the general public until some years later (1990), it is unlikely that my decision would have
favoured the applicant on this point.

Mr Alexander maintained that, even without the assistance of *Canon v Pathé*, I should still
find that the goods in question are similar according to the ‘traditional approach’ as set down
in *TREAT*. Cigarette lighters and bags could, he argued, both be described as ‘fashion
30 accessories’. He went on to suggest that it is not uncommon for these kinds of goods to carry
another person’s trade mark and that consequently the public, upon seeing the ZIPPO mark on
bags and wallets, would assume a connection with the lighter manufacturer that, even if it did
not imply a common source, went well beyond the concept of non-origin association. To this
extent he described the goods as ‘merchandising’ items.

35 I therefore turn to the specific guidance given in *TREAT* as to the question of similarity of
goods. Jacob J says, at page 296 line 25:

40 “I think the sort of considerations the court must have in mind are similar to those arising under
the old Act in relation to goods of the same description. I do not say this because I believe there
is any intention to take over the conception directly. There plainly is not. But the purpose of the
conception in the old Act was to prevent marks from conflicting not only for their respective
actual goods but for a penumbra also. And the purpose of similar goods in the Directive and Act

is to provide protection and separation for a similar sort of penumbra. Thus I think the following factors must be relevant in considering whether there is or is not similarity:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- 5 (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- 10 (f) The extent to which the respective good or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act of industry, put the good or services in the same or different sectors.

15 This is rather an elaboration on the old judicial test for goods of the same description¹⁷. It seeks to take account of present day marketing methods. I do not see any reason in principle why, in some cases, goods should not be similar to services (a service of repair might well be similar to the goods repaired, for instance). I do not pretend that this list can provide other than general guidance. The fact is that the Directive and hence our Act have introduced an area of uncertainty
20 into the scope of registration which in many cases can only be resolved by litigation.”

Footnote reference

¹⁷ See per Romer J. in *Jellinek's Application* (1946) 63 R.P.C. at p.70, approved by the House of Lords in *DAIQUIRI RUM Trade Mark* (1969) R.P.C. 600 at page 620.

The goods in respect of which trade mark **m** 1259243 is registered are:

25 “Bags and cases, all included in Class 18, trunks (luggage) and pocket wallets, all made of leather or of imitation leather; umbrellas and parasols.”

The earlier registrations in the name of the applicant relate to pyrophoric lighters, as well as parts, fuel and wicks for such lighters.

30 Measured against the yardstick of the criteria in *TREAT*, the applicant's case falls short in several respects. To begin with, the applicant has not filed any evidence which might suggest that the goods in respect of which trade mark **m** 1259243 are similar to lighters and lighter fuel, or to be precise, that they would have been considered similar in 1986 when the registered proprietor applied to register trade mark **m** 1259243. For example, there is no evidence that manufacturers of cigarette lighters commonly manufacture or trade in bags,
35 cases or wallets etc.. On the contrary, the only evidence before me which bears directly on this point is that of Mr Lovison who says that his company does not sell cigarette lighters or lighter fuel. He also adds that he does not know of any other manufacturers in his field who do sell such goods.

40 But perhaps the biggest weakness in the applicant's case has its roots in the applicant's own evidence. At the beginning of the passage I have quoted from *TREAT* (starting at page 296

line 25) Jacob J says that “the sort of considerations the court must have in mind are similar to those arising under the old Act in relation to goods of the same description.” Yet Mr Baldo, in his evidence for the applicant, says that his company did not oppose the registration of trade mark **m** 1259243 in 1987 because:

5 “.... in 1987 my company did not have a registration in the United Kingdom in Class 18 nor a reputation in the United Kingdom for leather goods and thus we did not have any of the ordinary grounds for opposition;”

My emphasis

10 Mr Alexander submitted that I should not conclude from this statement that his client would have failed if opposition proceedings had been brought in 1987, if for no other reason than that Mr Baldo might have been incorrectly advised. In any event, he said, the Registrar was now required to consider the matter afresh. I believe Mr Purvis agreed with Mr Alexander on this point, but he nevertheless pointed out that this part of Mr Baldo’s declaration is the only evidence in these proceedings (from either side) which gives an indication of what the likely position was in relation to the similarity of these goods at the material date, ie. 30 January 15 1986. Clearly, if there was any reasonable likelihood that the goods of registration **m** 1259243 might have been considered to be goods of the same description as lighters and/or lighter fuel, the applicant (in these proceedings) would have opposed the registration of trade mark **m** 1259243 under section 12(1) of the Trade Marks Act 1938 (as amended) on the basis 20 of what were clearly earlier registrations for an identical mark. In all the circumstances I have reached the conclusion that the goods involved are **not** similar, and that therefore trade mark **m** 1259243 was not registered in breach of section 5(2). The application for a declaration of invalidity is refused accordingly.

Revocation

25 This ground of the proceedings is brought under Section 46(1)(b) of the Act. This section reads as follows (I have included subsection (a) as well because it explains the reference to “such use”):-

46.- (1) The registration of a trade mark may be revoked on any of the following grounds-

- 30 (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;

35 Section 100 of the Act is also relevant, as it explains where the overall burden of proof rests in relation to the question of use. It reads:

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.

Mr Alexander elaborated his case under section 46 along two separate lines. In relation to trunks (luggage), umbrellas and parasols he maintained that the registered proprietor had not shown any evidence of use whatsoever. In relation to bags, cases and pocket wallets, he submitted that the use shown in evidence by the registered proprietor was simply not sufficient to maintain the mark on the register.

Mr Purvis objected to this two-pronged attack against the registration, saying that the registered proprietor had set out to defend the registration against a charge that the mark had not been used for any of the goods for which it was registered. In his view, the applicant was now seeking to refine its case by narrowing the scope of its attack. He urged me to resist this subtle attempt to amend the pleadings at a very late stage. In particular he suggested that, had the registered proprietor known this in advance, he might have been able to bring forward evidence of use specifically in relation to the narrower range of goods. In the event that I were to find against him on this, Mr Purvis helpfully conceded that as matters stood, there was no evidence in these proceedings showing use of the mark in relation to trunks (luggage), umbrellas and parasols.

Whilst I am not entirely without sympathy for Mr Purvis on this point, I do not accept his objection. At the hearing I drew his attention to subsection (5) of section 46 which says:

(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.

At the same time I reminded Mr Purvis that Mr Alexander had not abandoned his case against bags, cases and pocket wallets; he had simply chosen to develop that part of his case in a different direction — a choice which I think was forced upon him by the evidence of use filed by the registered proprietor. Consequently I will consider the case against the registration in two parts, as presented by Mr Alexander.

In relation to trunks (luggage), umbrellas and parasols, Mr Purvis agreed that the registered proprietor had not filed any evidence showing use of the mark on these goods. I therefore find that grounds for revocation exist in respect of these goods. Notwithstanding this, Mr Purvis submitted that although section 46(5), when considered in isolation, does not give the Registrar discretion to maintain a mark on the register in respect of those goods or services in respect of which grounds for revocation exist, the provision is subject to the overarching discretion which the Registrar has by virtue of section 46(1). He argued that it would be a nonsense if there were discretion (by virtue of section 46(1)) to maintain a mark on the register which had not been used for any of the goods in the specification, but **no** discretion in a situation where the mark had not been used on ninety-five percent of the goods in the specification. I found this a persuasive argument. Nevertheless, I am not satisfied that it necessarily means that there is discretion in relation to section 46(5). The same argument could be used to show that the Registrar has no discretion under section 46(1).

The matter of discretion in relation to applications for revocation under section 46 was first considered by the Registrar in the *INVERMONT* case³. Although the hearing officer in that case decided that the Registrar **did** have discretion under section 46, I am aware that he did not have the benefit of submissions from Counsel on the point. In particular, he was not
5 addressed on the apparent anomaly that arises in connection with section 46(5), and neither did he consider the wording of section 46(5) in reaching his decision in relation to discretion. Following Mr Purvis' submissions in these proceedings, I think it is necessary for the Registrar to take a fresh look at the position.

Section 46(5) is clearly derived from Article 13 of the trade marks Directive⁴, which reads:

10 Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.

Article 13 stands alone, and is not subject to Article 12 which sets out the grounds on which a registration may be revoked. Thus Mr Purvis' argument that section 46(5) is subject to the
15 overarching discretion of section 46(1) begins to look untenable in view of the independent legal basis for section 46(5) in Article 13 of the Directive.

Moreover, common wording is used in Article 13 to deal with revocation and invalidation. In the *INVERMONT* case, the hearing officer accepted that there was no discretion in relation to invalidation, but could not see any reason to infer that the same should apply to revocation.
20 In my opinion, the common treatment of partial invalidation and partial revocation in Article 13 provides precisely such a reason. For these reasons I conclude that the Registrar does **not** have discretion under section 46 to maintain a mark on the register when grounds for revocation have been established, whether in relation to all, or some, of the goods for which it is registered. Such an interpretation also avoids the nonsensical outcome to which Mr Purvis
25 drew my attention at the hearing.

The position with regard to bags, cases and pocket wallets is more complex. Ordinarily I would be required to consider in some depth the evidence filed before drawing any conclusions. However, both Counsel made helpful concessions which will simplify my task considerably. On behalf of the registered proprietor, Mr Purvis accepted that the use that has
30 been established in evidence in relation to bags, cases and pocket wallets is not great. For the applicant, Mr Alexander accepted that there had been some use and that such use as there had been was "not fake". Although he did not use the word 'genuine', I have interpreted Mr Alexander's precise words ('not fake') as having substantially that meaning.

Thus the only question which remains for me to decide can be distilled to this: does a small
35 amount of use suffice to maintain a mark on the register, when the genuineness of that use is not in doubt?

³INVERMONT Trade Mark [1997] RPC 125

⁴Council Directive m 89/104/EEC of 21st December 1988 to approximate the laws of the Member States relating to trade marks.

Mr Alexander submitted that the use must not only be genuine, but it must also be substantial as judged by commercial standards. Not surprisingly Mr Purvis disagreed, and he referred me to the following passage from the *BON MATIN* case⁵ where Mr Justice Whitford dealt with this very issue:

5 “The main argument on the appeal centred around the question as to the extent to which one must
consider the substantiality of the use. Various authorities can be cited, pointing in different
directions. I suppose in the interest of Mr. Morcom's clients perhaps one of the earliest and most
favourable approaches is that which is to be found in Official Ruling 61 R.P.C. which was
concerned with the question of a despatch to the United Kingdom of a sample of the product to be
10 sold under the registered trade which it was held might be regarded as a use of the trade mark in the
United Kingdom. I was not taken to the Official Ruling as such but it is to be found referred to in a
judgment which was given by Dr. R. G. Atkinson. then acting for the Registrar in *VAC-U-FLEX
Trade Mark* [19651 F.S.R. 176. There is no doubt that Dr. Atkinson did consider a number of
earlier authorities. To my mind what plainly emerges from the authorities is this, and Mr. Morcom
15 did not attempt to shirk the point, the substantiality of the use is undoubtedly a relevant factor to be
considered and at the end of the day one has got to consider every relevant factor. It must always be
remembered that what one is directed to by section 26 of the Act is the question as to whether there
has been bona fide use. Although the extent of the use is one factor which may be of significance,
some of those factors may lead to the conclusion that although the use could not in the commercial
20 sense be described as anything other than slight, nonetheless it may be appropriate to reach a
conclusion. in the light of the circumstances as a whole, that the use ought to be regarded as bona
fide.

My emphasis

This is of course a case that was decided under the old law where the requirement was for
bona fide use. Nevertheless I think it is accepted that the word ‘genuine’ as used in section 46
25 of the Trade Marks Act 1994 is not intended to have a material effect on practice in this area,
other than to clarify the position by reflecting in the statute what the previous language had
come to mean after decades of decided cases under the old law. In so doing it also follows the
construction found in the trade marks Directive.

Having regard to the judgment of Whitford J in *BON MATIN*, and in particular the words
30 (above) which I have underlined, I conclude that the substantiality (or degree) of use is one
factor that must be considered in deciding whether use of a mark is genuine. But where, as in
this case, it is established that a mark has been used, and the genuineness of such use is not in
question, detailed consideration of the substantiality of that use serves no purpose. I therefore
conclude that there has been genuine use of trade mark **m** 1259243 in relation to bags, cases
35 and pocket wallets and that there are no grounds for revocation in respect of these goods.

Subject to any appeal against this decision, and in accordance with section 46(5), the
specification of trade mark **m** 1259243 will be amended to:

“Bags and cases, all included in Class 18, and pocket wallets, all made of leather or of
imitation leather.”

⁵BON MATIN Trade Mark [1989] RPC pp543,4

Costs

5 The application for a declaration of invalidity has failed completely, and the application for
revocation has been only partially successful. In the circumstances, the registered proprietor is
entitled to a contribution towards the cost of defending the registration. I have considered
awarding a reduced amount of costs to take account of the goods in respect of which the
10 application to revoke has been successful, but in the circumstances of this case I have decided
against any reduction because I believe that the registration has been reduced primarily
because of the operation of section 46(5) and not because the applicant specifically set out to
reduce the width of the specification in this way. I therefore order the applicant to pay to the
registered proprietor the sum of **£635** as a contribution towards the cost of defending the
registration.

Dated this 1st day of October 1998

15 **Mr S J Probert**
Principal Hearing Officer
For the Registrar, the Comptroller-General