

O-301-05

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 961804  
IN THE NAME OF KARSTADT QUELLE AKTIENGESELLSCHAFT  
OF THE TRADE MARK:**



**IN CLASS 9**

**AND THE APPLICATION FOR REVOCATION THERETO  
UNDER NO 81595  
BY CRAIG JAMESON BAILLIE, STEPHEN LAMBERT  
AND DUALGLO LIMITED**

## **Trade Marks Act 1994**

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in the name of Karstadt Quelle Aktiengesellschaft  
of the trade mark:**



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by Craig Jameson Baillie, Stephen Lambert and DualGlo Limited**

### **BACKGROUND**

1) On 26 January 2004 Craig Jameson Baillie, Stephen Lambert and DualGlo Limited, whom I will refer to collectively as DualGlo, filed an application for revocation of trade mark registration no 961804. The trade mark was registered on 17 November 1977 for the following goods:

*record players, tape recorders, sound amplifiers, radio receiving apparatus, loudspeakers and fitted cabinets containing loudspeakers, and tuners for use with all the aforesaid goods, but not including metal framed fitted cabinets for loudspeakers.*

The above goods are in class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The trade mark was advertised before acceptance under section 18(1) proviso of the Trade Marks Act 1938 ie it proceeded to advertisement on the basis of evidence of use.

It currently stands in the name of Karstadt Quelle Aktiengesellschaft, which I will refer to as Karstadt.

2) DualGlo states that the trade mark is substantially the word DUAL in graphical form. It claims that the trade mark has not been used in the United Kingdom in respect of the goods in the specification. Consequently, the registration should be revoked as per section 46(1)(a) of the Trade Marks Act 1994 (the Act). At the hearing Dr Spencer drew back from this position and stated that DualGlo was willing to accept a specification limited to:

*combined tape and radio players; fitted cabinets containing loudspeakers.*

3) Karstadt filed a counterstatement. Karstadt denies that the trade mark is substantially dual in graphical form. Karstadt claims that the trade mark has been used on goods covered by the registration prior to and in the period of five years to 4 November 2003 and continues to be so used. It states that the trade mark has been and continues to be applied to a wide range of class 9 goods, being those covered by the registration. Karstadt states that the goods sold under the trade mark include turntables, DVD home cinema systems, DVD players, CD/cassette and radio players, CD players and spare parts. It states that there are no reasons to revoke the registration either in whole or in part.

4) Karstadt seeks the dismissal of the application and an award of costs.

5) Both sides filed evidence.

6) A hearing was held on 2 November 2005. Karstadt was represented by Mr Hinchliffe of counsel, instructed by William A Shepherd & Son Limited. DualGlo was represented by Dr Spencer of Bromhead Johnson.

## **EVIDENCE**

### **Evidence of Karstadt**

#### **Witness statement of Ray Nugent**

7) Mr Nugent is managing director of Schneider UK Limited, which I will refer to as Schneider. Mr Nugent has thirty years of experience in the electronics industry, for twenty years he managed his own chain of specialist electronic retail shops.

8) Mr Nugent states that he has been aware of the Dual trade mark since 1972 and he considers that it was and continues to be a well-known trade mark associated with electronic goods.

9) On 5 August 1995 Schneider was appointed as agent by Schneider Rundfunkwerke AG, a German company. Mr Nugent states that prior to this he “understands” that Schneider Rundfunkwerke AG had an exclusive distribution agreement with a company called Ram Projects Limited which generated turnover of some £10 million from sales of products bearing the trade mark; being televisions, video tape recorders, turntables and audio products. Mr Nugent states that Schneider Rundfunkwerke AG was the parent company of Dual GmbH, which was the proprietor of the trade mark registration. As agent from 1995 Schneider’s rôle was to take orders for turntables and parts and fittings for turntables bearing the trade mark from customers and potential customers; products were then supplied directly to the customers by Schneider Rundfunkwerke AG. In July 1994 Karstadt purchased the registration from Dual GmbH. Sales consisted of turntables and parts and fittings therefor from the date of the appointment of Schneider as agent until June 2002. Sales were made to Richer Sounds Plc, which specialises in a range of electronic goods and who, as of March 2004, had 48 retail outlets throughout the United

Kingdom. Further sales were made to BBG Distribution Limited, a company in existence since 1992, which imports and sells products to retail customers, including many prominent independent specialist retailers.

10) In June 2002 Schneider entered into an exclusive licence with Karstadt to have manufactured and sell “class 9 goods” under the trade mark in the United Kingdom and elsewhere. Schneider commenced sales of a range of electronic goods, being hi-fi goods, in 2003 and made plans to sell a wider range of goods in the course of 2003. By May 2003 Schneider received its first orders for the class 9 goods itemised in paragraphs 13 and 14 from the Asda Group. Mr Nugent states that class 9 goods bearing the trade mark are currently available in 256 Asda stores throughout the United Kingdom. Exhibited at RN1 is a list showing the locations in which Asda stores are currently (April 2004) selling goods bearing the trade mark.

11) Mr Nugent states that from 1 January 1999 to December 2002, the following number of products were sold to BBG Distribution Ltd and Richer Sounds Plc:

<b>Product</b>	<b>Number of products</b>	<b>Net sales value (£)</b>
Turntables	955	56,134.50
Spare parts	199	805.78

For the period 1 January 1999 to December 2002 value of sales of turntables was as follows:

1999	£32,000.00
2000	Nil
2001	£21,332.28
2002	£2,802.27
<b>Total</b>	<b>56,134.55*</b>

(\*In the period June 2001 to January 2002 the net sales value of spare parts amounted to £805.78.)

12) Exhibited at RN2 are copies of invoices to Richer Sounds Plc and BBG Distribution Ltd. These cover the period from 6 January 1999 to 11 January 2002. The invoices are for 955 turntables in total and 54 styli. Two of the invoices are to Richer Sounds Plc, for 6 January and 30 July 1999, the rest are to BBG Distribution Ltd. Only the two invoices to Richer Sounds Plc refer to Dual (in upper case).

13) Mr Nugent gives the following details of purchase orders for goods from Asda Stores:

#### **DUAL 5 DISC HOME CINEMA SYSTEM**

<b>Date</b>	<b>Net Value of Sales (£)</b>
31.12.03	144,145.43

### DUAL D3056 PERSONAL CD PLAYER

Date	Net Value of Sales (£)
17.09.03	44,375.80
17.09.03	29,073.80
17.09.03	73,449.60
19.11.03	129,087.00
30.11.03	206,577.00
<b>Total</b>	<b>482,563.20</b>

### DUAL 2 CHANNEL DVD PLAYER

Date	Net Value of Sales (£)
01.10.03	213,348.00
27.10.03	106,674.00
28.10.03	106,674.00
26.11.03	213,348.00
27.11.03	320,022.00
27.11.03	213,348.00
27.11.03	213,348.00
27.11.03	106,674.00
27.11.03	320,022.00
20.01.04	106,674.00
01.02.04	106,674.00
01.02.04	106,674.00
17.02.04	106,674.00
09.03.04	106,674.00
<b>Total</b>	<b>2,346,828.00</b>

### DUAL MINI CD SYSTEM (MP200)

Date	Net Value of Sales (£)
07.08.03	80,492.64
18.08.03	4,666.24
18.08.03	57,212.16
25.09.03	123,756.80
27.10.03	185,635.20
25.11.03	185,635.20
26.11.03	61,878.40
30.11.03	123,756.80
<b>Total</b>	<b>823,033.44</b>

### DUAL MP200 MIDI SYSTEM

Date	Net Value of Sales (£)
04.12.03	45,027.50
19.12.03	45,027.50
<b>Total</b>	<b>90,055.00</b>

### DUAL RCD 12 PERSONAL CD PLAYER

Date	Net Value of Sales (£)
27.10.03	97,356.00
28.10.03	23,940.00
15.11.03	20,748.00
15.11.03	20,748.00
17.11.03	100,548.00
22.03.04	110,124.00
31.03.04	11,172.00
<b>Total</b>	<b>384,636.00</b>

### DUAL HEADPHONES AND ACCESSORIES

Date	Net Value of Sales (£)
20.10.03	50,355.90
20.10.03	50,355.90
20.10.03	102,375.45
21.11.03	2,034.00
17.12.03	6,508.80
17.12.03	1,627.20
06.02.04	4,554.00
06.02.04	4,554.00
17.02.04	5,695.20
17.02.04	5,695.20
17.02.04	6,773.22
26.02.04	8,152.98
27.02.04	10,881.90
<b>Total</b>	<b>259,563.75</b>

### DUAL ML904

Date	Net Value of Sales (£)
14.08.03	99,496.80
25.09.03	149,245.29
19.11.03	99,496.89
27.11.03	99,496.80
30.11.03	99,469.80

17.03.04	103,989.60
<b>Total</b>	<b>651,195.18</b>

14) Mr Nugent states that since Schneider's appointment as licensee the following numbers of products have been sold:

<b>Product</b>	<b>No of Products</b>	<b>Net Value of Sales (£)</b>
DVD home cinema systems	1,102	113,715.38
DVD players	68,888	2,130,016.96
CD/cassette/radio players	22,470	482,563.20
CD players	30,257	1,065,625.44
<b>Total</b>	<b>122,717</b>	<b>3,791,920.98</b>

The sales were made as follows:

<b>Year</b>	<b>Product</b>	<b>Net Value of Sales (£)</b>	<b>Total Net Sales (£) for All Products</b>
2003	DVD players	213,348.00	1,761,536.64
	CD/cassette/radio players	482,563.20	
	CD players	1,065,625.44	
To February 2004	DVD home cinema systems	113,715.38	2,030,384.34
	DVD players	1,916,668.96	
<b>Total</b>			<b>3,791,920.98</b>

15) Exhibited at RN3 are copies of order schedules from Asda Stores Limited and copy invoices from Schneider to Asda Stores Limited, exhibited at RN4 are photographs of the packaging of products, including products on display at an Asda store in Manchester, a copy of the Schneider catalogue; copies of articles from "Hi-Fi Choice" and "hi fi world".

16) All of the order schedules refer to Dual in title case, where the copy invoices refer to Dual it is sometimes in title case and sometimes in upper case. The pictures show use of the trade mark on the packaging as registered with the additions of ® to the upper right of the word Dual and the wording "80 years of innovation" in small type beneath the word. The trade mark is enclosed by a white border. Various packaging also shows pictures of the goods. The trade mark as registered can be seen on the following goods that are illustrated: speakers and an amplifier (being parts of a home cinema system), a combined CD/radio/cassette player, a CD/cassette radio micro system (appearing on the main unit and the speakers) and a DVD player (use in relation to DVD players is not germane to this case). One of the photographs from the Manchester Asda shop also show the actual micro system on display (showing the use of Dual as registered on the loudspeakers and the main unit). There is also use on the packaging of Dual in lower case. The Schneider catalogue shows use of the trade mark as registered as well as with the additions of ® to the upper right of the word Dual and the wording "80 years of innovation".

17) The “hi fi world” article was published in May 2002 and reviews a particular Dual turntable whilst referring to various other turntables. The review relates not to a turntable that was available new but second hand. It states that the particular turntable came onto the market in 1987. The article begins with the following:

“It’s hard to overstate the grip that the Dual brand had on Britain’s 1980s hi-fi scene – the company had worked its way deep into the fabric of British audiophile life.”

Dual is used in upper and title case in that article. There is a picture of a turntable in the article but it is not possible, owing to the quality of the reproduction, to identify any branding. There is use of Dual in title case throughout the “HI-FI Choice” article from May 1998. The article includes the following:

“This probably explains why Dual’s CS 750-1 flagship model, an update on a design that went on sale in 1991, has never quite won the credibility battle. But now, after a six month lay-off while Dual appointed a new distributor, it’s back, and a niche for it might just have opened up.”

There is a picture of the CS 750-1 turntable but again the quality of the reproduction does not allow any branding to be seen. A final article from “Hi-Fi Choice” is a review of the Dual CS 455-1 turntable. The article was printed on 2 March 2004; however this relates to the date of downloading from the “Hi-Fi Choice” website rather than the date of the article. There is reference to Dual in title case throughout the article.

### **Witness statement of Volker Müller**

18) Mr Müller has been associated with Karstadt and its group of companies since 1977, with a period away between 1996 and 2001. Mr Müller states that Karstadt is one of the biggest retailers of goods in Europe; it sells through its stores, by mail order and via the Internet. Exhibited at VM1 is a copy of the Karstadt annual report for 2003. In the report there is no mention of Dual and no mention of the United Kingdom.

19) Mr Müller states that Karstadt purchased the trade mark in July 1994. The registration was purchased from Dual GmbH, a company “linked” with Schneider Rundfunkwerke AG. As part of the sales agreement Schneider Rundfunkwerke AG was given a contractual right to apply the trade mark to analogue record players. Schneider Rundfunkwerke AG was also given the right to apply the trade mark to goods for sale in the United Kingdom and other countries but subject to a right for Karstadt to terminate those arrangements. These arrangements were subsequently terminated by Karstadt with effect from 31 December 1996.

20) Mr Müller states that on or around 1994 Karstadt (via its contractual arrangements with Schneider Rundfunkwerke AG) made sales of class 9 products in the United Kingdom, being principally turntables. Sales of products for the period 1993 – 2001 amounted to 11,247,456.66 Deutsche marks, based on the rates as of 26 April 2004, this



converts to £3,821,108. Mr Müller states that Schneider UK Limited was appointed as exclusive licensee in respect of the trade mark in June 2002 for hi-fi equipment.

21) Mr Müller goes on to give sales figures for Germany and exhibits marketing literature, at VM2, all of which is in German.

### **Second witness statement of Ray Nugent**

22) Mr Nugent states that his first statement deals with the sale of turntables in the United Kingdom. He states that these turntables are record players of the type that play vinyl records. Mr Nugent again exhibits an article from “Hi-Fi Choice”. He refers to the use of the term record player in the article. The relevant part of the article reads:

“There’s a certain hassle-free charm about the way this automatic record player goes about its task. It is a neat, compact and good looking unit that gets on with its task simply and without fuss, but the sound quality does fall short of the standards achieved elsewhere by simpler, manually operated record players.”

In the rest of the article the writer refers to turntables.

### **Witness statement of Michael David Spencer**

23) Dr Spencer is the trade mark agent acting for the applicants for revocation. A copy of the counterstatement of Karstadt in relation to an application for invalidation against the trade mark is exhibited at MDS1. Dr Spencer points out the claim in paragraph 3 of the counterstatement:

“In the alternative and without prejudice to paragraph 2 of this counter-statement, it is denied that the Mark is substantially the word *dual* as alleged in paragraph 1 of the Invalidity statement. The Mark is represented in a distinctive and stylised script. The appearance of the Mark consists of a white mark on a distinctive black oblong background, reversing the usual colour scheme of a black mark on a white background with no border.”

The rest of Dr Spencer’s statement is submission and not evidence of fact. It is necessary to note, however, that Dr Spencer states the following:

“The Applicants therefore submit the Trade Mark registration No. 961,804 should be revoked with respect to Record Players in accordance with section 46(1)(A) of the 1994 Trade Marks Act.”

### **Second witness statement of Michael David Spencer**

24) Dr Spencer exhibits at MDS1 various material:

- A Google search for the term turntable. 367,000 hits are recorded. Exhibited are the Google summaries of the first 10 hits.
- Pages from the Internet relating to British Turntable, a company that produces retail display turntables and vehicle turntables.
- An Internet printout from Dictionary.com in relation to the term record player. A definition of this term is given:

“n: machine in which rotating records cause a stylus to vibrate and the vibrations are amplified acoustically or electronically [syn: phonograph]”

- An Internet printout from Thesaurus.com in relation to the term record player. The following is given:

“Definition: machine for playing record albums  
Synonyms: audio sound system, gramophone, hi-fi, high-fidelity system, phonograph, sound system, stereo, stereo set, Victrola.”

- An Internet printout from Dictionary.com in relation to the term turntable. The following two sets of definitions are given:

“1. a. The circular horizontal rotating platform of a phonograph on which the record is placed.  
b. A phonograph exclusive of amplifying circuitry and speakers.  
2. A circular horizontal rotating platform equipped with a railway track, used for turning locomotives, as in a roundhouse.  
3. A rotating platform or disk, such as a lazy Susan.”

“1: a circular horizontal platform that rotates a phonograph record while it is being played 2: a revolving tray placed on a dining table [syn: lazy Susan] 3: a rotatable platform with a track; used to turn locomotives and cars”.

- A Google search for the term record player. 917,000 hits are recorded. Exhibited are the Google summaries of the first 10 hits.
- An Internet hit for the term record player, which gives a history and definition of the term.
- A review of the Pro-Ject Debut from Hi-Fi Choice website. The review uses the terms record player and turntable in relation to the product.
- Pages downloaded from Richer Sounds website showing various turntables, including the Project Debut 3.

## DECISION

25) Section 46 of the Act reads as follows:

“(1) The registration of a trade mark may be revoked on any of the following grounds—

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes 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) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that—

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(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.”

Consideration has to be taken, also, of section 100 of the Act which states:

“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.”

Consequent upon section 100 the onus is upon the registered proprietor to prove that it has made genuine use of the trade mark in suit, or that there are proper reasons for non-use.

### **The Asda use**

26) I intend to deal with the use of the trade mark in two parts: the Asda use and the non-Asda use. Different issues arise in relation to these two uses, which arise in different periods and in relation to different goods. Dr Spencer submitted that the use shown on various packaging of the word Dual enclosed by a square outlined in white with the ® symbol and with the wording “80 years of experience” was not use of the trade mark as registered or use that did not alter the distinctive character of the trade mark. As I have indicated in paragraph 16 there is evidence of use of the trade mark as registered for speakers and an amplifier (being parts of a home cinema system), a combined CD/radio/cassette player and a CD/cassette radio micro system (appearing on the main unit and the speakers). So such goods are outside of the debate in relation to the nature of the use of the trade mark.

27) In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. In that case Lord Walker stated:

“40 These points are uncontroversial, not to say pedestrian, but they do to my mind help to show what is the right approach to the language of s.46(2) of the Act, which is at the heart of the first appeal:

“... 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.”

(This language is word for word the same as the English language version of Art.10.2(a) of the Directive.)

41 The word "elements" can be used, and often is used, to refer to the basics or essentials of a matter. However it can hardly have that meaning in s.46(2), since a basic or essential difference in the form in which a trade mark is used would be very likely to alter its distinctive character. In s.46(2) "elements" must have a weaker sense (of "features" or even, as Mr Bloch came close to submitting, "details").

42 The deputy judge touched on this and some related points in paras [18-22] of his judgment. He stated that the elements of a mark must be assessed separately. He also stated (or at least implied) that only some of the elements might contribute to the distinctive character of the mark. He pointed out that the inquiry was as to whether the mark's distinctive character was altered (not substantially altered).

43 I have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who:

"normally perceives a mark as a whole and does not proceed to analyse its various details."

The quotations are from para.[26] of the judgment of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance."

28) On the packaging in question the word Dual appears as in the registration, it also appears upon a background. As the registration was for letters in white it had to have a background for them to be seen. The ® symbol, the words "80 years of innovation" are separate from the word Dual. If they were not all within the square there could be no argument, in my view, that this was use in a form that did not alter the distinctive character of the trade mark. If the ® symbol alters the distinctive character of a trade mark then the ranks of registrations stand to be decimated. The wording beneath Dual indicates to me a simple, celebratory statement. I do not consider that it has any trade mark character and do not consider that it alters the distinctive character of the trade mark. There is also the square within which the trade mark appears on the packaging. Is this to be considered as part of the trade mark in use? The worst case for Karstadt is the cumulation of the various differences: the square, the use of the ® symbol and wording "80 years of innovation". Taking all these differences I do not consider that they alter the distinctive character of the trade mark as registered. The distinctive character lays in the word, its colour and the font and the added matter does not alter the distinctive character of the trade mark. Indeed, outside of a need to analyse the trade mark as registered and as used, I do not consider that the differences would register. I do not consider that the differences would have any impact upon the average consumer of the goods; who taking the nature of the goods would be a member of the public at large. An analysis that was against Karstadt would also be against the norms of trade: it is normal to use the ® symbol, it is normal to include puffs upon packaging, the most notable difference is the square and this is not very noticeable. The sum of the differences does, not in my view, alter the distinctive character of the trade mark as registered.

29) The invoices show sales of the following goods: PLL boomboxes<sup>1</sup>, 3 disc mini systems, micro systems, 5 channel DVD players, home cinema systems, 2 channel DVD players, personal CD players, headphones, TV aërials with booster, 5 disc DVD home

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<sup>1</sup> Wikipedia advises: "A boombox or boom box is a portable stereo system capable of playing radio stations or recorded music at relatively high volume. The synonym ghettoblaster or ghetto blaster is a term that can be considered insulting or complimentary depending on the context."

cinema system, 2 channel system DVD players, CD/radio/cassette players. Many of these goods can be tied into the pictures of products exhibited at RN4.

30) The amount of use is substantial. Taking into account the nature of the packaging and the use upon the actual goods, I have no doubt that the trade mark or a form that does not alter its distinctive character has been used on all these goods. The issue then lies in how these goods relate, or do not relate, to the specification. The use on turntables is put to one side at the moment as this is the non-Asda use.

31) Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

In *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32 Aldous LJ stated:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

32) Dr Spencer conceded that Karstadt has shown use for:

*combined tape and radio players; fitted cabinets containing loudspeakers.*

He did not consider that the evidence substantiated use of the trade mark in relation to any other goods. Dr Spencer submitted that the term *loudspeakers* relates to the speakers on their own with no cabinet or surround. In my experience the normal way of referring to loudspeakers in a cabinet supplied with audio/visual equipment is simply loudspeakers. I consider that is how the public would describe them and how the public would perceive them. It might be considered tautologous to retain *fitted cabinets containing loudspeakers* and *loudspeakers* within the specification but I consider that the latter term is the more natural term for the goods upon which the trade mark has been shown to be used.

33) Various goods upon which the trade mark has been used contain cassette players and radio receiving apparatus. However, these are not discrete items. Dr Spencer considered that the absence of evidence of use of the trade mark upon goods as discrete items was

fatal to Karstadt. The case is different here, in my view, to where various goods are sold together as a package but are still separate items eg the loudspeakers. The loudspeakers stand alone and bear the trade mark, I am not sure that one can get a more fundamental use of a trade mark than where it is upon the goods for which it is registered. Although the details are limited I consider that sound amplifiers are also shown standing alone. I cannot see one of the items illustrated in the home cinema system can be anything other than an amplifier both by design and by the necessity for an amplifier for the system to function. Again this item stands alone and bears the trade mark, surely classic trade mark use.

34) What does the term *radio receiving apparatus* cover? Does it cover, as is the position of Dr Spencer, only such apparatus that is discrete? Support for this position might be considered to be found towards the end of the specification which covers tuners in use with other goods. However, I consider it can be dangerous to read specifications in such a way; there is not an automatic internal logic within specifications. In this case the registration was on the basis of evidence of use, it might be considered that this evidence of use would say what was meant. The evidence in relation to this has not been adduced into the proceedings. Even if it had been I do not see that it would have greatly helped; the proprietor has rights in the specification as registered without reference to other matter. It can hardly be appropriate to advise the subsequent owner of the registration, Karstadt, that the trade mark it has purchased does not cover the goods because of what went on many years before at examination stage. The effect of specifications is also not set in stone. In *Reed Executive plc and Reed Solutions plc v Reed Business Information Ltd and Reed Elsevier (UK) Ltd, totaljobs.com Ltd* [2004] ETMR 56 Jacob LJ accepted that a specification could be taken to cover a variant of goods that came into existence after registration:

“48. So also for a word or phrase which changes its meaning over time. But that must in practice be very rare. Indeed I know no instance of it in any reported case. The ordinary case – and I think this is one – is where some new variant of an article or service comes into existence after registration. The issue then is whether that new article or service falls within the meaning of the existing specification. *Columbia Graphophone's TMs* (1932) 49 R.P.C. 621 is a good example of a new article falling within an old specification. The specification of goods of the mark under attack was "all goods in Class 8". Class 8 (of the old classification, bizarrely taken from the classification used for the Great Exhibition) quaintly read "philosophical instruments, scientific instruments and apparatus for useful purposes; instruments and apparatus for teaching". An application for partial rectification was made on the grounds of non-use. The excision sought was essentially for "cinematograph films, talking and silent" (my précis). The trade mark owner, a record company, sought to justify the non-user by saying that talkie films had only just become possible and that amounted to special circumstances. The argument failed and excision was ordered. There was an express excision from the specification of a kind of article (talkies) that did not exist at the time of registration.”



In the *Columbia Graphophone* case the Court of Appeal rectified registrations in relation to goods that did not exist at the time of registration, talking pictures; the registrar having found the registrations to be a bar to registration of the applicant's trade mark for the said talking pictures (or as the various goods in question were described at the time "cinematograph films being transparencies adapted for the purpose of producing the illusion of moving pictures with or without a sound track incorporated thereon".)

35) The micro systems, the mini systems, the portable CD/radio/cassettes are all *radio receiving apparatus* in that they receive radio signals. There is nothing in the specification that limits the goods to being discrete items and my interpretation of the term is that it covers any *radio receiving apparatus* whether that apparatus be part of other equipment or be stand alone.

36) Dr Spencer argued that there is no evidence that the various tape playing machines have a recording function and so there is no evidence of use of the trade mark upon tape recorders. Various of the goods shown include tape recorders, in the form of cassette players. Cassette players use tapes and in my experience are often referred to as tape recorders. A tape recorder, like a cassette player, normally has a dual function to record and to play back. Outside cassette players found in cars I have never come across a player that does not both play and record. The submission of Dr Spencer strikes me as fundamentally flawed as the term tape recorder is used not just for apparatus that records but also apparatus that plays back. I do not know of any tape recorders that do not play back; although there may be specialist ones that do not. I consider that Dr Spencer is splitting semantic hairs rather than dealing with the situation as required by the judgments in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* and *British Sugar Plc v James Robertson & Sons Ltd*. Various of the goods include cassette players or what might be called *tape recorders*. The logic I applied in relation to *radio receiving apparatus* drives me to a similar conclusion in relation to *tape recorders*. I do not consider that there is a requirement that the goods are sold as discrete items.

37) The final part of the specification covers *tuners for use with all the aforesaid goods* and there is clear use of tuners being used with *tape recorders, sound amplifiers, loudspeakers and fitted cabinets containing loudspeakers*; indeed this is the bulk of the use. *Tuners* are of course *radio receiving apparatus*.

38) It seems to me that the nature of the use shown by Karstadt also reflects the development in trade; where more multifunctional units are sold.

39) **I conclude that the registration should not be revoked in respect of *tape recorders, sound amplifiers, radio receiving apparatus, loudspeakers and fitted cabinets containing loudspeakers, and tuners for use with all the aforesaid goods.***

40) My findings should not be interpreted as meaning that a revocation action can be defended successfully automatically on the basis that the goods in the specification of the trade mark under attack form part or part and parcel of other goods. It will depend upon the facts of the case and the nature of the goods. In this case the goods are still clearly

identifiable within their combined form and the nature of the trade has developed such that it is a norm to have the goods in this combined form. The wording of the specification also allows a certain leeway. (Of course, certain of the goods have also been used in stand alone form eg loudspeakers.)

### **Non-Asda use**

41) This relates to the term *record players* in the specification. There is no indication that Kardstadt now use the trade mark upon such goods. However, as this is a revocation under section 46(1)(a) recent use is not a requirement. The thrust of Dr Spencer's evidence and his submissions is that Dual was used in relation to turntables and turntables are not *record players*. However, DualGlo's and Karstadt's evidence shows interchangeable use of the terms both in dictionary definitions and in articles from the hi-fi press. Dr Spencer pointed to one Google hit which states:

“...I define a ‘record player’ as a turntable with it’s (sic) own amplifier. At the back of most 3-speed 1960-1975 record players there’s a five-pin socket and...”

The actual web pages to which this hit relate have not been put in as evidence. I do not consider that the definition of one unknown person counters the evidence of the interchangeable nature of the term. The articles from the hi-fi press talk about the success of Dual turntables/record players in the past. There is no doubt that there has been a trade in such goods in the United Kingdom. However, the question is open as to whether the trade mark has been used in relation to them. There is not one piece of evidence to show use of the trade mark in relation to the goods. Mr Hinchliffe pressed the point that Mr Nugent in his evidence wrote about the use of the trade mark. If all that was necessary was a statement to the effect of use then one would almost be reverting to the 1938 Act position with the onus being upon an applicant to prove non-use. It also begs the question as to what a witness considers use of the trade mark and what others might consider use of the trade mark; it excludes this tribunal, for instance, from deciding if the use is use in the form registered or in a form that does not alter the distinctive character. It denies the applicant the ability to consider the nature of the use. As can be seen from the Asda use, DualGlo has contested that some of that use is use in a form that does not alter the distinctive character of the trade mark. I take into account the decision of Mr Hobbs QC, sitting as the appointed person, in *York Trailers Ltd* BL O/191/05. However, in that case the issue was as to whether the evidence of the registered proprietor was such that it established a defence; not whether there would be a successful defence. Mr Hinchliffe also argued that it would be unlikely that the use of the trade mark was different from that in the Asda use. In *Kabushiki Kaisha Fernandes v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-39/01 Court of First Instance at paragraph 47 held:

“In that regard it must be held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned.”

Mr Hinchliffe's submission is very much in the realms of probability or supposition; there is no solid and objective evidence of the nature of the use of the trade mark on *record players*. There is evidence of use of Dual and DUAL in relation to *record players*. The question then arises as to whether this use is use of the trade mark in a form that does not alter the distinctive character of the trade mark. The font that the word is in is, to my eye, not a common one; although it might be a standard one. The size of the lower case u and a are disproportionate to that of the capital D. The capital D itself has elements of a letter o to it. The nature of the word requires a dark background as the letters are in white, the white on black strikes me as quite noticeable. There is more to the trade mark than the simple reproduction of the letters. I consider that the stylisation of the trade mark, although not enormous, does strike the eye and that use of Dual in title or upper case does alter the distinctive character of the trade mark.

42) In the absence of evidence of use of the trade mark as registered for *record players*, the registration should be revoked for such goods.

43) I note that the sides have sparred as to what they have claimed about the trade mark in a related invalidity action. This has not affected my decision. DualGlo has not pleaded that the case is subject to estoppel by election (see *Job Trade Mark* [1993] FSR 118) and I do not consider that it would have been successful if it had so done. However, in this case Karstadt in its countstatements has denied that the trade mark is substantially dual in graphical form. This is consistent with my view but has not been determinative of it.

### **Conclusion**

44) The only goods to be revoked are *record players*. So the rest of the specification will stay intact. DualGlo has made no express pleading for a date of revocation earlier than the date of its application ie 26 January 2004. In these circumstances I see no reason that the registration should be revoked in respect at a date earlier than this and so the registration is revoked in respect of *record players* from 26 January 2004.

## **COSTS**

45) Karstadt having been largely successful in this action is entitled to a contribution towards its costs. I order Craig Jameson Baillie, Stephen Lambert and DualGlo Limited to pay Karstadt Quelle Aktiengesellschaft the sum of £1750. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 11th day of November 2005**

**David Landau  
For the Registrar  
the Comptroller-General**