

O-118-07

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2140997
IN THE NAME OF**

DALE MILL ESSENTIAL OILS LIMITED

OF THE TRADE MARK:

**TEASERS
TEASERS COSMETICS**

IN CLASS 3

AND

**THE APPLICATION FOR REVOCATION
BY REASON OF NON-USE
UNDER NO 81961
BY**

UNILEVER PLC

Trade Marks Act 1994

**IN THE MATTER OF Registration No 2140997
by DALE MILL ESSENTIAL OILS LIMITED
of the trade mark:
TEASERS
TEASERS COSMETICS**

in Class 3

**and the application for Revocation
by reason of non-use thereto
under no 81961
by UNILEVER PLC**

BACKGROUND

1. Trade Mark No. 2140997 is registered for a series of two word marks, TEASERS and TEASERS COSMETICS, in respect of the following goods

Cosmetics; perfumery and perfumery products; essential oils; fragrances and fragrant preparations; potpourri; incense; massage oils; essential balms; toiletries.

The above goods are all in class 3 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 registration process was completed on 14 August 1998.

2. The registration currently stands in the name of James Alan Trainor of Shore Hall, Higher Shore Road, Littleborough, Lancashire, OL15 9LW, United Kingdom, hereafter referred to as Trainor, to whom it was assigned on 29 April 2005. The previous registered proprietor was Dale Mill Essential Oils Limited of Holmes Mill, Holmes Street, Rochdale, OL12 6AQ, United Kingdom, hereafter referred to as DMEOL. Mr Trainor was a director of DMEOL.

3. On 7 December 2004, Unilever PLC of Port Sunlight, Merseyside, Wirral, CH62 4ZD, United Kingdom, hereafter referred to as Unilever, filed an application to revoke this registration under both section 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994, hereafter referred to as the Act. The applicant asked the registered proprietor to prove that the registered trade mark has been used or that there are proper reasons for non-use under both grounds. For the purposes of the Section 46(1)(b) ground the applicant refers to an uninterrupted period of five years non-use prior to 7 December 2004. The period covered by the Section 46(1)(a) ground is an uninterrupted period of five years non-use following the completion of registration on 14 August 1998. Unilever sought removal of the mark in its entirety and is also seeking an award of costs in its favour.

4. On 11 March 2005, the then registered proprietor, DMEOL filed a counterstatement denying that the registered trademark had not been put to genuine use under section 46(1)(a) or section 46(1)(b). Evidence to show use of the trade mark was also provided (Witness statement of James Alan Trainor and associated exhibits JAT1-10). Dismissal of the application for revocation, maintenance of the registration on the register and an award of costs were sought by DMEOL.

5. Both sides filed evidence. Unilever filed evidence in chief under Rule 31A(1) (Witness Statement of Elizabeth Evans and associated exhibits LE1 & LE2) on 2 August 2005. DMEOL filed evidence under Rule 31A(3) (Second Witness statement of James Alan Trainor and associated exhibits JAT11-17) on 14 March 2006. Unilever filed evidence in reply under Rule 31A(5) (Witness Statement of Mark John Hickey) on 14 June 2006. All references to rules or to a specific rule are to the Trade Marks Rules 2000 as amended.

6. Unilever requested a hearing on 20 September 2006. The case was heard before me on 29 November 2006. The Applicant, Unilever, was represented by Mr Thomas Hinchcliffe of Counsel, instructed by Murgitroyd & Co. The registered proprietor, formerly DMEOL, currently James Alan Trainor, was represented by Mr James L Sanderson of Sanderson & Co., Trade Mark Attorneys.

PLEADINGS/GROUNDS

7. At the Hearing, Mr Hinchcliffe stated that he was arguing his case on the basis of section 46(1)(b) and that if he cannot succeed on this then he will not succeed on the section 46(1)(a) ground.

Relevant Dates

8. There was some confusion as to the exact dates that were relevant to the ground under Section 46(1)(b) which was clarified quickly by reference to the records of the Trade Mark Registry. The application to revoke the registered trade mark was received in the Patent Office on 7 December 2004. Thus the relevant period for consideration of use is 7 December 1999 to 6 December 2004.

EVIDENCE

Evidence of Use - Registered Proprietor

9. This comprises the First Witness Statement of James Alan Trainor and its associated exhibits JAT1 to JAT10 which accompanied the notice of defence and counterstatement dated 11 March 2005. Although Mr Trainor is the current registered proprietor of the trademark, he has only been so since 29 April 2005. At the start of the relevant five year period for section s46(1)(b), the registered proprietor was DMEOL. Mr Trainor was a director of DMEOL from 1991 until the company went into administration on 13 September 2001.

10. Mr Trainor describes, in paragraphs 2-6 of his statement, the commercial history of the registered trade mark and its use by a number of companies which ultimately led to it being assigned to Mr Trainor. Mr Trainor states that he has been a director in all these companies. These companies and the dates they were in operation are summarised in Table 1 below. The abbreviated names for the companies listed in column 2 (in parentheses) of this table will be used to identify the companies hereafter.

Table 1: Companies selling goods using the registered trade mark TEASERS in the relevant five year period 7 December 1999 to 6 December 2004. The terms in brackets are used to refer to these companies throughout the text of this decision

	Company name	Date from	Date to	Reason for change
1	Dale Mill Essential Oils Ltd (DMEOL)	pre 7/12/1999	13/9/2001	DMEOL went into administration & Assets sold to DMEL
2	Dale Mill Essentials Ltd (DMEL)	23/10/2001	23/8/2002	DMEL went into liquidation. UHFL purchased trading name. Mr Trainor obtained trade mark as security for loan by him to UHFL. Mr Trainor gave UHFL an 'informal licence' to use the trade mark
3	Unique Home Fragrances Ltd (UHFL)	23/8/2002	May 2004	HAL is given an 'informal licence' by Mr Trainor on the same terms as UHFL
4	Home Aroma Limited t/a (trading as) Dale Mill Home Fragrances, (HAL)	May 2004	Post 6/12/2004	Preparations made for sale of goods on e-Bay

11. Mr Trainor states that he was a director of Dale Mill Essential Limited (DMEL) which purchased all the assets of DMEOL. Exhibit JAT1 is a letter dated 21 December 2004 to Mr Trainor signed by a Mr Phil Duffy of Kroll Limited. It was received from Mr Duffy in response to an enquiry from Mr Trainor. It confirms that Kroll were the administrators for DMEOL in 2001 and that DMEOLs "trademarks were sold to Dale Mill Essentials Limited, a company controlled by yourself (i.e., Mr Trainor) on 23 October 2001". I note that no purchase or sale price was mentioned, or that no trade mark registration numbers or names were mentioned in this letter.

12. DMEL was in business only for a short period (approximately 10 months) from 23 October 2001 until Summer 2002 when it went into liquidation. The liquidation of DMEL was handled by Milner Boardman & Partners who sold the trading name of

DMEL for £200 to Unique Home Fragrance Limited (UHFL) on 23 August 2002. Mr Trainor states that he was a Director of Unique Home Fragrance Limited when this purchase took place. Exhibit JAT2 is a copy of an invoice from the liquidators to UHFL confirming this transaction. I note that the copy of this invoice has been provided by Mr Gary Corbett, ex-liquidator of Milner Boardman & Partners at the request of Mr Trainor in October 2004.

13. Mr Trainor then states that:

“I took ownership of the trade marks as security against a sizeable loan from myself to UHFL (Unique Home Fragrance Limited). UHFL continued to use the marks under a free licence on a rolling monthly agreement.”

Exhibit JAT3 is a letter dated 26 August 2006, i.e., 3 days after Milner Boardman & Partners sold the trading name to UHFL, it is unsigned. It is addressed from UHFL to Mr Trainor and comprises the following text:

‘Trade marks/names purchased from Milner Boardman & Partners
ex Dale Mill Essential Limited Oils Ltd

£200.00

Payment taken from Directors loan account

All Trade Marks/Names are available for use by Unique Home Fragrance Ltd
Freely on a rolling agreement until cancelled’

Mr Trainor describes JAT3 as “an invoice from UHFL, confirming the sale of the marks, and the informal licence agreement”.

14. Mr Trainor then explains that UHFL ceased trading in May 2004 and the informal licence agreement also ceased at that time. He then states that

“The present company, Home Aroma Limited t/a Dale Mill Home Fragrance (“HAL”), was incorporated in May 2004, and continues to use the Registration under a similar licence agreement (to that of UHFL)”.

However, Mr Trainor does not provide any explanation regarding his relationship with the present company Home Aroma Limited or how they obtained “a similar licence agreement” to Unique Home Fragrance Ltd.

15. The remaining exhibits provided by Mr Trainor are directed towards demonstrating use of the registered trade mark within the relevant five year period. Exhibits JAT4 and JAT5 relate to the production and printing of labels for bottles containing nail polish. Copies of correspondence between Speedharrow Labels Limited and DMEOL are provided including invoices for printed labels and letters concerning proofs for labels for bottles of nail varnish. JAT4 includes 2 examples of printed adhesive backed labels for nail polish bottles and a photocopy of a sheet showing 14 other such labels. Each label has the word TEASERS in a cursive lower case script in conjunction with a device which acts to underline the word and the

overall appearance of the word and device is slightly curved. The device appears as a slightly curved line which tapers from one end to the other in a manner reminiscent of an eyelash or of the brush used to apply nail varnish. This is not the same format as the registered trade mark which is TEASERS in plain text. In paragraph 9 of his witness statement, Mr Trainor asserts that:

“I know that these labels were used up until the end of 1999. That is to say labels such as these were used on bottles of nail varnish sold in the United Kingdom, both within the period of five years following the date of completion of the registration procedure, and within the period of five years preceding the filing of the Application for Revocation.”

A printout included in Exhibit JAT5 entitled ‘Dale Mill Essential Oils Limited - Nominal Ledger Reports - Transaction History’ for ‘Account : 4013 Nail Varnish Sales’ shows sales of ‘Teasers Nail varnish’ on 2 October 1997 and sales of ‘nail varnish tray’ or ‘..... trays’ from 19 September 1997 to 7 October 1997. All this material is dated between 31 July 1997 and 18 March 1998 and thus occurs before the relevant five year period.

15. Exhibit JAT6 shows 6 invoices for goods sold in the period 28-30 July 1999. Exhibit JAT7 comprises 7 invoices for goods sold between 13-21 March 2000 as well as two related delivery notes. The sales referred to in JAT7 all occur within the relevant 5 year period, while those in JAT6 fall just before it. Combinations of whole and abbreviated words are used to describe the items being sold in both sets of invoices. Table 2 below lists those goods that refer specifically to TEASER or TEASERS that fall within the relevant period. These goods are referred to as ‘Aqua bombs’. Mr Trainor indicates at paragraph 11 of his first witness statement that these ‘aqua bombs’ are also known as ‘bath bombs’. The final word in 3 of the invoice entries is TEASER and I deduce this is being used as a shortened form of TEASERS so that the description of the goods remains on a single line. The same product code (BB003) is used to identify goods referred to as TEASER and TEASERS. These invoices show that DMEOL had customers in Belgium and Malta as well as in various parts of the UK (i.e., Norfolk, Yorkshire, Renfrewshire, Oxfordshire and Lancashire).

Table 2: Products identified by the word TEASER or TEASERS on Invoices in Exhibit JAT7 and sold in the relevant five year period 7 December 1999 to 6 December 2004.

	Description	Invoice	Stock Code	Unit Price (£)	Value (£)	Date
1	AQUA BOMB TRAY FRAGRANT TEASER	15090	BB003/W	11.52	46.08	13/3/00
	“	15108	BB003/W	8.40	2688.00	14/3/00
	“	15166	BB003	14.40	28.80	20/3/00
2	FRAGRANT TEASERS TRAY - CASE	15117	BB003/CW	43.20	216.00	15/3/00
	“	15181	BB003/CW	46.08	92.16	21/3/00
3	TEASERS AQUA BOMB TRAYS - CASE	15151	BB001/CW	43.20	43.20	17/3/00
4	AQUA BOMB TRIO TEASERS	15166	BBT001	1.99	47.76	20/3/00

	“	15169	BBT001/W	1.50	144.00	20/3/00
--	---	-------	----------	------	--------	---------

16. Exhibits JAT8-JAT10 concern sales of goods by Home Aroma Limited (HAL) on the internet using the e-Bay on-line trading portal. Exhibit JAT8 comprises an Account Status printout for the account in the name of 'Home_Aroma'. It consists of a list of items and the fees being charged by e-Bay to make them available for sale through its web-site. Seven individual items are listed and each item attracts 3 fees i.e., a listing designer fee, a gallery fee, and an insertion fee. Exhibit JAT9 shows printouts from the e-Bay account of HAL showing what items bearing the TEASERS trade mark have received bids, what bids have been successful and the number of these items sold in the period 4-24 November 2004. Single examples of 5 of the 7 different products listed on e-Bay have been sold. This is summarised in Table 3 below. These transactions occurred within the relevant five year period.

Table 3: Products bearing the TEASERS trade mark sold on e-Bay by Home Aroma Limited (HAL) during the period 4-14 November 2004.

Product	Unit Size	Quantity Sold	Value (£)
TEASERS Aroma Potions (also identified as Liquid Potpourri)	400 ml Bottle	1	1.04
TEASERS Ash Tray Potpourri (Liquid)	400 ml Bottle	1	0.99
TEASERS Spray Mist Room Spray	n/a	0	-
TEASERS highly concentrated Home Fragrance Oil	10 ml Bottle	1	0.99
TEASERS Botanical Potpourri	100 gram Bag	0	-
TEASERS Essential Oil - 100% Pure Lavender	10 ml Bottle	1	0.99
TEASERS Essential Oil - 100% Pure Tea Tree Oil	10 ml Bottle	1	0.99

17. Exhibit JAT10 describes similar activity on e-Bay for the period 28 January 2005 to 13 February 2005. A number of additional products bearing the TEASERS mark were offered for sale in this period. However, these dates fall outside the relevant five year period.

Evidence in Chief - Applicant

18. This comprises the witness statement of Elizabeth Evans and its two associated exhibits LE1 and LE2. Ms Evans is a solicitor employed by Unilever. Much of her witness statement is submission directed towards identifying deficiencies in the evidence provided by Mr Trainor and it has been noted accordingly.

19. Exhibit LE1 is an extract from the Trade marks register which shows that the only recorded assignment of the trade mark TEASERS is that from DMEOL to James Alan Trainor personally which was actioned on 17 May 2005. Although the assignment

date is shown as 26 August 2002, the effective date of this assignment is 29 April 2005, the date when the assignment request was made to the Trade Mark Registry. Exhibit LE2 is an extract from the UK Companies House database which shows that DMEOL was dissolved as a company on 15 June 2004. Ms Evans points out that there is no record of any assignment from DMEOL to any of the other companies mentioned by Mr Trainor in his statement, i.e., – DMEL, UHFL or HAL.

Further Evidence – Registered Proprietor

20. This comprises the second witness statement of James Allan Trainor and its associated exhibits (JAT11 – JAT17). Exhibit JAT11 comprises a large number of invoices for goods sold by DMEOL in the period 30 November 1998 to 3 December 1999. However none of the descriptions used for the goods listed in these invoices refer to TEASER or TEASERS in the same way as the descriptions used for the goods on the invoices exhibited at JAT6 and JAT7. Also these sales took place before the relevant period, admittedly only 1 week before hand. Mr Trainor asserts in paragraph 7 of his second witness statement:

“Of the goods shown, all those being lip balms, nail varnishes or Aqua Bombs were sold bearing the mark TEASERS. My companies have never sold any of these types of product unless carrying the name TEASERS”

21. Exhibit JAT12 shows 3 invoices for goods sold by DMEOL in the period 14-28 February 2000 and 3 invoices for goods sold by DMEL in the period 23-29 May 2002. However, these invoices also make no reference to the name TEASER or TEASERS in the description of the goods. Mr Trainor also asserts in relation to JAT12 that all the products identified as Aqua Bomb, nail varnish or Lip Balm were sold bearing the trade mark TEASERS.

22. Exhibit JAT13 is provided to show that HAL has the user ID Home_Aroma for trading on e-Bay. April Trainor of Holmes Mill, Holmes Street Rochdale OL12 6AQ is identified as the registered name and address for HAL. April Trainor is the spouse of Mr Trainor. HAL trades from the same address from which DMEOL, DMEL and UHFL all traded.

23. Photocopies of promotional materials used by HAL are provided in Exhibit JAT14. Each one is a single A4 page comprising one or more pictures portraying a range of products in bottles and bags bearing the TEASERS mark. The word TEASERS is shown in a different form and font to that used for the nail varnish labels (see Exhibit JAT4), it is a plain black cursive script without any device element. The address printed on these promotional pages is for HAL but the email address refers to www.dalemill.co.uk and each page is headed ‘dalemillhomefragrance’. Two of the previous companies of which Mr Trainor was director also used Dale Mill in their title, DMEOL and DMEL (see Table 1 above). However, while Mr Trainor asserts that they have been used by HAL since May 2004, none of the pages are dated and no details are provided about how and when they were used.

24. The final page of Exhibit JAT14 comprises 2 photographs of a jar of Lip balm – a top view and a side view. The label on the cover of this jar clearly shows the mark TEASERS in the cursive format used on the labels for nail varnish shown in exhibit

JAT4. The label on the side of the jar includes the words ‘Teasers Cosmetics’ above the expression “DMEOL LTD OL12 6AQ”. The latter appears to be an abbreviation for Dale Mill Essential Oils Limited combined with the post code OL12 6AQ of the address from where the company was operating. As mentioned above, this is also the same address from where the other companies have operated. However, while I can conclude from the above that DMEOL had produced a lip balm bearing the trade mark TEASERS and that such lip balm was available for sale up to the time DMEOL entered administration in September 2001, there is no way for me to determine if this is the same product as that referred to in the invoices exhibited with JAT6, JAT7, JAT11 or JAT12.

25. A copy of an invoice and despatch note sent by Roma International, a glass & plastic cosmetic packaging company to DMEOL for nail varnish bottles and corresponding caps is provided as Exhibit JAT15. It is dated 10 March 2000 and so it falls within the relevant five year period.

26. Copies of invoices from Speedharrow Labels Ltd to DMEOL for labels for different types of TEASERS nail polish are provided in JAT16. A photocopy of the proofs for these labels is also provided. I note that the numbers of the four invoices dated 11/9/97 (nos. 22887, 22888, 22889, 22890) are consecutive to three of those provided in Exhibit JAT5 (nos. 22884, 22885, 22886).

27. The final Exhibit JAT17 is a second printout entitled ‘Dale Mill Essential Oils - Nominal Ledger Reports – Transaction History’ for ‘Account : 4013 Nail Varnish Sales’ which shows records of sales of nail varnish in the period 06/10/97 to 29/11/97; 02/03/98 to 31/07/98; 04/11/98 to 30/11/98; 04/02/99 to 27/04/99. I note that for the sales recorded on 11/06/98 (see page 81 of printout) and 23/7/98 (see page 83), it is possible to deduce the colour of the nail varnish sold by referring to the copies of labels for nail varnish provided with Exhibit JAT4. For example, CIND is Cindy, CLAU is Claudia; ENVY is Envy; ANTI is Antique Gold, AME is Amethyst; DUSK is Dusky; EMER is Emerald; GOL is Golden Glo. However, all of these dates fall before the relevant five year period for Section 46(1)(b) – i.e. they occur before 7 December 1999. This printout also contains some pages for another account, i.e., 4007: Lip Balm, which lists sales of Lip Balm in the periods 02/08/99 to 25/10/99; 10/11/99 to 03/12/99; 14/02/00 to 28/02/00; 26/06/00 to 28/06/00; and 23/04/02 to 29/05/02. However, as there is no mention of the registered trademark on these pages, I am unable to establish a link between this material and that related to Lip Balm in Exhibit JAT14.

Further Evidence – Applicant

28. This comprises the witness statement of John Hickey, a trade mark attorney employed by Murgitroyd & Company, who represent the registered proprietor. All of his witness statement is submission directed towards identifying deficiencies in the evidence-in-reply provided by Mr Trainor (exhibits JAT11-17) and it has been noted accordingly.

DECISION

The Law

29. Section 46(1)(b) reads:

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

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

(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.”

30. Section 100 of the Act is also relevant and 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."

Guiding Principles

31. These can be found in the ECJ’s judgment in *Ansul BV and Ajax Brandbeveiliging BV (Minimax)* [2003] RPC 40. I will record the relevant paragraphs in full:

“36. “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that “genuine use” of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. 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. Such use may be either by the trade mark proprietor or, as envisaged in Art.10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.”

32. In the *Police* case [2004] RPC 35, the Appointed Person took the view that the *Ansul* decision did not limit the factors to be taken into account in establishing whether use was genuine only to the three areas specifically mentioned. It stated that all facts and circumstances relevant to establishing whether there had been real commercial exploitation should be included, and that the size of a proprietor’s undertaking may be relevant.

33. Further guidance on the scale and frequency of use can be found in the *La Mer Technology Inc* case. This is the decision of a resumed appeal hearing following a reference to the ECJ on various questions relating to the meaning of “genuine use”. In his decision, reported at [2005] F.S.R. 29, Blackburne J stated:

“31. Whether in any given case the proven use amounts to genuine use (“whether the commercial exploitation of the mark is real” as paragraph 38 of *Ansul* puts it) will depend on all of the facts and circumstances relevant to establishing such a state of affairs, including the characteristics of the market concerned and of the products or services in question, and the frequency or regularity of use of the mark. Even minimal use will be sufficient if, in the market concerned, the proven use is considered sufficient to preserve or create a market share for the goods or services protected by it. Thus, the sale or offering for sale (in, say, a trade magazine) of a single exceedingly costly and highly unusual item carrying the mark in a specialised market, for example a very large and complex piece of earth-moving equipment, may very well be considered by itself to be sufficient in the market for such equipment to preserve or create a market share for items of that kind which carry the mark whereas the sale of a low priced everyday product in a widespread market, for example a single jar of face cream bearing the mark or the exposure for sale of, say, half a dozen such jars for sale on a shop shelf, would almost certainly not be. It would be irrelevant to this conclusion that, in the latter example, the purpose of the proprietor of the mark (or of some third-party acting with the proprietor’s consent) when offering the jar of cream for sale was to create a share in the market for face cream sold in jars bearing the mark.”

34. Mr Justice Blackburne referred back to the decision of Jacob J in the earlier part of the appeal:

“15. Jacob J himself ventured an answer to those questions. At (paragraph) 29 of his judgment ([2002] FSR 51) he said this:

“...I take the view that provided there is nothing artificial about a transaction under a mark, then it will amount to “genuine” use. There is no lower limit of “negligible”. However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely “colourable” or “token”, that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further enquire whether that advertisement was really directed at customers here. ...

Nor do I think that the absence of a *de minimis* rule significantly affects the policy behind the legislation. Yes, marks must be used within the relevant period, but there seems no reason to make a trader who has actually made some small, but proper, use of his mark, lose it. Only if his use is in essence a pretence at trade should he do so. And of course, if he has only made limited use of his mark it is likely that the use will be only for a limited part of his specification of services. If he has a wider

specification, that can and should be cut back to just those goods for which he has made use ..."

Validity of Assignment

35. Before considering the issue of use of the registered trade mark, I will turn first to consider the point raised by Mr Hinchcliffe regarding the effectiveness or otherwise of the assignments and/or licences described by Mr Trainor in his evidence.

36. Section 24 of the Act describes how a registered trade mark may be assigned. It states:

“**24.** - (1) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property. It is so transmissible either in connection with the goodwill of a business or independently.

(2) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply-

(a) in relation to some but not all of the goods or services for which the trade mark is registered, or

(b) in relation to use of the trade mark in a particular manner or a particular locality.

(3) An assignment of a registered trade mark, or an assent relating to a registered trade mark, is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative.

Except in Scotland, this requirement may be satisfied in a case where the assignor or personal representative is a body corporate by the affixing of its seal.

(4) The above provisions apply to assignment by way of security as in relation to any other assignment.

(5) A registered trade mark may be the subject of a charge (in Scotland, security) in the same way as other personal or moveable property.

(6) Nothing in this Act shall be construed as affecting the assignment or other transmission of an unregistered trade mark as part of the goodwill of a business.”

37. Registration of a transaction such as an assignment is not required under the Act, it is not compulsory. Registered proprietors may do so if they want but they are not required to notify or to update the register if they assign the mark in full or in part. Section 25 of the Act describes the effect of registration of transactions affecting trade marks, such as an assignment or a licence. It is up to the proprietor to apply to enter

such transactions on the Trade Marks Register in order to gain the rights referred to in Section 25(3) and 25(4) of the Act.

38. In the period 7 December 1999 to 6 December 2004, Mr Trainor explains (see paragraphs 2-6 of his first witness statement and Table 1 above) that there were 4 entities selling goods under the TEASERS trade mark – DMEOL, DMEL, UHFL and HAL. He is able to provide information on these entities and the relationship between them because he was a director of all these companies.

39. DMEOL, the registered proprietor of the TEASERS and TEASERS COSMETICS mark at the start of the relevant five year period (7th December 1999), continued trading until it went into administration on 13th September 2001. Mr Trainor became the registered proprietor of this mark following its assignment from DMEOL. Although this assignment was dated retrospectively to 26 August 2002, it is effective only from 29 April 2005 the date that it was entered on the Trade Marks Register. Mr Hinchcliffe states that he was unable to determine any other assignment, licence agreement or other such transaction in relation to the registered mark. By this I conclude that he was unable to find any such record on the Trade Marks Register.

40. Mr Hinchcliffe submits that after DMEOL went into administration, on 13 September 2001, Mr Trainor was no longer a director of this company and could not make any decisions regarding the use or disposal of the assets of DMEOL. There is no evidence, in his view, that the assignment from DMEOL to DMEL was an effective one and thus the trade mark remained as the property of DMEOL from 13 September 2001 until 29 April 2005 when the registered trade mark was assigned to Mr Trainor. As, DMEOL was in administration from 13 September 2001 and was then dissolved as a company on 15 June 2004 (see extract from Companies House database, Exhibit LE2), Mr Trainor had no authority to give consent on behalf of the proprietor or to consent to use of the mark by any of his other companies, such as DMEL, UHFL or HAL. Mr Hinchcliffe contends that there is a break in the ownership or consent from the proprietor to use the trademark once DMEOL entered administration. The effect of this is that Mr Trainor would not be able to rely on any evidence of use of the registered trade mark provided after the 13 September 2001.

41. Turning now to what information there is in the evidence regarding the transfer of the mark from DMEOL to DMEL to UHFL to HAL. Exhibit JAT1 contains a letter to Mr Trainor signed by Mr Phil Duffy, of Kroll Limited, dated 21 December 2004, which confirms that:

“the Company’s [i.e., DMEOLs] trade marks were sold to Dale Mill Essentials Limited, a company controlled by yourself [i.e., Mr Trainor], on 23 October 2001.”

While this letter was not issued at the time that the actual sale took place and was issued in reply to an enquiry from Mr Trainor, it does confirm that the sale took place. As DMEOL owned the TEASERS and TEASERS COSMETICS trade marks at that date, it is reasonable to conclude that the sale to DMEL included those. The sale was carried out by the administrators, Kroll Ltd, whose primary task it was to gain what value they could from the assets of the company on behalf of its creditors. They were

the party with the authority to sell the assets of DMEOL, not Mr Trainor. The letter from Mr Duffy confirms that the sale to DMEL took place.

42. Mr Hinchcliffe contends that this letter from Mr Duffy, exhibited as JAT1, does not meet the requirements of Section 24(3) of the Act. However, under Section 24 of the Act, it is not necessary for an assignment of a trade mark such as that from DMEOL to DMEL to be recorded on the register. In this case, recording the assignment to Mr Trainor was only necessary when a counterstatement was required in order to answer the request for revocation so that he could answer as the registered proprietor. A counterstatement in an opposition or revocation action must be made by the registered proprietor (see Rule 31). In other cases it may be necessary if the registered proprietor needs to avail of his rights under Section 25 of the Act.

43. Mr Hinchcliffe makes a similar criticism in relation to the transfer of the mark from DMEL to UHFL. DMEL went into liquidation in August 2002 and the liquidators Milner Boardman & Partners sold the trading name to UHFL for £200. This sale is confirmed in Exhibit JAT2, a letter from the liquidators in response to an enquiry from Mr Trainor which includes a copy of a paid invoice dated 23 August 2002 for £200. UHFL in turn was paid £200 by Mr Trainor for the trade marks and trade names that it had purchased from the liquidators. This is confirmed in Exhibit JAT3 by the invoice from UHFL to Mr Trainor for this amount dated 26 August 2002 indicating that £200 was taken from the Directors Account and that UHFL had a licence to use these trade marks and trade names. The final sentence of this invoice states:

“All Trade Marks/Names are available for use by Unique Home Fragrance Ltd Freely on a rolling monthly agreement until cancelled”

Although he was a director of DMEOL and DMEL and in effect had the ability to exercise control over the use of the registered trade mark by those companies, this is the first instance where Mr Trainor himself became owner of the trade mark. Although not recorded as the registered proprietor until 19 April 2005, he was the owner of the mark from 26 August 2002.

44. The situation regarding the transfer from UHFL to HAL is not so well supported. Mr Trainor states in his first witness statement at paragraph 5 merely that UHFL ceased trading in May 2004 and that the present company HAL was then incorporated and used the TEASERS and TEASERS COSMETICS mark under “a similar informal licence Agreement” as UHFL had. In his second witness statement, at paragraph 4, Mr Trainor states that the licence agreement between himself and UHFL and himself and HAL were informal in that “no formal written agreement existed”. He refers also in this paragraph to “difficulties in obtaining documentary evidence of the transfers or registration and associated goodwill from the various administrators/liquidators”. Despite, the various commercial ups and downs of his companies and it does appear, from the evidence, that HAL is operating at a much smaller scale than DMEOL did, Mr Trainor has provided evidence to support the various transfers from DMEOL to DMEL to UHFL. If he had evidence to support the transfer from UHFL to HAL, I am sure he would have provided it. I have no reason to doubt the truth of Mr Trainor’s statement in relation to the transfer from UHFL and HAL. Despite questioning the validity of these transfers, Mr Hinchcliffe and the applicant for revocation did not

provide anything specific, for example, through investigation or by way of disclosure, that would bring this or the other transfers into question.

45. In the commercial world inhabited by small companies such as DMEOL, DMEL UHFL and HAL the success and failure of companies is quite common. Companies are entering administration or being liquidated every day. These companies often only have 1 or 2 people and they are working on a daily basis to keep the business running. Spending time and money notifying the registry of assignments or licences, is not high on the list of things that must be done for such companies who often are short of time and money especially as they are not required by law to do. Such businesses often make agreements, assignments, licences etc amongst themselves which are not the precise, well worded documents that legal practitioners might like but are perfectly adequate in achieving the purpose for which they were designed. Mr Sanderson countered Mr Hinchcliffe's criticisms with the argument that while the assignment from DMEOL to DMEL and the subsequent assignments and licences are not "good and neat and tidy assignments and licences to record what in practice is occurring", the evidence provided by the registered proprietor "showing the various transactions is at the very least indicative of the position, but in actual fact, I would submit, in most cases does actually support the assignment." I agree with Mr Sanderson.

46. On balance, I am satisfied that Mr Trainor, in his two witness statements and in Exhibits JAT1-JAT3, does show that use of the TEASER and TEASERS COSMETICS mark was assigned from DMEOL to DMEL to UHFL to Mr Trainor who then licensed its use to UHFL and HAL. It is sufficiently clear I believe that Mr Trainor was a controlling mind over the use of the registered trade mark throughout its journey from DMEOL through to HAL. The various transactions were not recorded on the Trade Marks Register until there was a specific need or requirement to do so.

Use with consent of the Proprietor

47. In his submissions at the hearing, Mr Hinchcliffe contended that even if the assignments from DMEOL to DMEL to UHFL to HAL are deemed to be effective:

"there is not any evidence of any properly controlled consent such that use by third parties, pursuant to that consent, comprises genuine use on a section 46 [basis] because that use does not fulfil the essential function of the trade mark. The conclusion is that the only period that Mr. Trainor can rely upon is 8th December 1999 to 13th December 2001."

This latter date is a mistake, it should, I believe, be 13 September 2001, the date on which DMEOL went into administration. Mr Hinchcliffe argues that it is not just 'bare consent' that is required, it is consent subject to the control of the owner of the trade mark and in particular subject to the control of quality so that the origin of goods under the mark can be guaranteed and they can fulfil the essential function of the trade mark.

48. Lord Justice Jacob recently visited this issue of consent in *Mastercigars Direct Ltd and another v Corporacion Habanos SA* [2007] EWCA Civ 176. This was also a

case that concerns exhaustion of rights and, in this context, Jacob LJ examined the issue of what constitutes use with the consent of the proprietor. He states :

“23. The plain fact is that in *Davidoff* the ECJ rejected the French Government's submission that consent must always be express and has said there may be cases where one can conclude from the facts that consent was given. The real question is whether that is made out on the facts and circumstances of this case.

24. Before turning to these, however, I should mention an argument of law advanced by Mr Hobbs. It was to this effect: that it is sufficient if consent is given not by the actual owner of the trade mark right (in this case HSA) but by a party which is "legally or economically linked" to it. So, for example, if consent were given by one of a group of linked companies, that would do even if another member of the group were the actual right holder. His submission was founded on *Keurkoop v Nancy Kean* [1982] ECR 2853, [25] and *CNL-Sucal v Hag ("HAG 2")*, [1990] ECR I-3711, [12], *Pytheron v Jean Bourdon* [1997] ECR I-1729 [21] and most particularly *IHT v Ideal-Standard* [1994] ECR I-2789.

25. To explain the point in more detail it is necessary to summarise a little history. As I have outlined above, it was the Court which developed the "exhaustion" principle on the basis of Arts 30-36 of the Treaty during the 1970s and early 80s. As part of that development it ruled in *van Zuylen v HAG* [1974] ECR 731 that the free circulation rule applied where two unconnected parties put goods on the common market under the same trade mark if their right to the mark had a "common origin". In the case concerned, the ownership of the trade mark HAG in Benelux and Germany, once in the hands of a single enterprise, had become split as between two owners in different member states as a result of a confiscation of the Benelux mark during the war.

26. The "common origin" doctrine was actually an affront to common sense – it meant that there would be two different HAG brands on the market with quite different trade mark owners. The only link was the historical accident of a severance. The doctrine had no real foundation in the treaty and was much criticised. In due course, in *HAG II*, the Court recanted, limiting the free circulation rule to:

[12] ... a product which has been lawfully marketed in another Member State by the owner of the right himself, with his consent, or by a person economically or legally dependent on him.

27. Following *HAG II*, *Ideal Standard*, another split mark case, reached the court. But this time the split had happened voluntarily. The German and French *Ideal Standard* trade marks were in wholly different hands as a result of the assignment of the French registration (I summarise). Could the German trade mark be asserted against French *Ideal Standard* goods imported into Germany? The Court said yes. It said:

[34] So, application of a national law which would give the trade-mark owner in the importing State the right to oppose the marketing of products which have been put into circulation in the exporting State by him or with his consent is precluded as contrary to Articles 30 and 36. This principle, known as the exhaustion of rights, applies where the owner of the trade mark in the importing State and the owner of the trade mark in the exporting State are the same or where, even if they are separate persons, they are economically linked. A number of situations are covered: products put into circulation by the same undertaking, by a licensee, by a parent company, by a subsidiary of the same group, or by an exclusive distributor.

...

[37] In the situations described above (paragraph 34) the function of the trade mark is in no way called in question by freedom to import. As was held in *HAG II*:

“For the trade mark to be able to fulfil [its] role, it must offer a guarantee that all goods bearing it have been produced under the control of a single undertaking which is accountable for their quality (paragraph 13).”

In all the cases mentioned, control was in the hands of a single body: the group of companies in the case of products put into circulation by a subsidiary; the manufacturer in the case of products marketed by the distributor; the licensor in the case of products marketed by a licensee. In the case of a licence, the licensor can control the quality of the licensee's products by including in the contract clauses requiring the licensee to comply with his instructions and giving him the possibility of verifying such compliance. The origin which the trade mark is intended to guarantee is the same: it is not defined by reference to the manufacturer but by reference to the point of control of manufacture.

[38] It must further be stressed that the decisive factor is the possibility of control over the quality of goods, not the actual exercise of that control. Accordingly a national law allowing the licensor to oppose importation of the licensee's products on grounds of poor quality would be precluded as contrary to Articles 30 and 36: if the licensor tolerates the manufacture of poor quality products, despite having contractual means of preventing it, he must bear the responsibility. Similarly if the manufacture of products is decentralised within a group of companies and the subsidiaries in each of the Member States manufacture products whose quality is geared to the particularities of each national market, a national law which enabled one subsidiary of the group to oppose the marketing in the territory of that State of products manufactured by an affiliated company on grounds of those quality differences would also be precluded. Articles 30 and 36 require the group to bear the consequences of its choice.

28. Basing himself particularly on this last paragraph, Mr Hobbs submitted that a trade mark owner will be taken to have given consent to EU-wide marketing if, having control over the quality of goods, he refrains from controlling what quality is achieved by a licensee or he allows marketing by a group connected company. In the course of argument two legal theories for this were discussed: the concept of agency law that a man is bound by the acts of his agent if he has clothed him with apparent authority to do the act concerned (what English lawyers call "ostensible authority") and that of vicarious liability – the legal technique for making A liable for a wrong committed by B (typically, for instance, where a company is made liable for a wrong committed by an employee acting in the course of his employment).

29. Either of these theories would do for Mr Hobbs' purpose, which is contained in a grandiose submission about the structure and nature of the Cuban economy starting with references to the Cuban constitution. I do not think I am oversimplifying the argument to summarise it as this: everything in Cuba is controlled by the State. So all the acts of HSA, and of the Casa, must be regarded as legally and economically linked. Hence if a Casa sells to a foreigner in Cuba knowing that he intends to re-sell in the EU consent must be taken to have been given by HSA, whether or not HSA consents or even knows of the transaction or the type of transaction.

30. I do not accept this argument. It is just too theoretical. The Court of Justice has identified the "point of control" as being what matters. I think one must focus on what is really happening, on actual knowledge and actual, practical control or the right of control by the trade mark owner.”

49. While the consent to allow goods onto the market in the EU, i.e. exhaustion of rights, is not the same as consent to put goods to genuine use in the context of Section 46(1), the above considerations are very helpful. It is necessary to determine (i) who or what is the point of control over the goods covered by the trade mark; (ii) what control is or could be exercised by the trade mark owner over the quality of the goods and (iii) the relationship between the registered proprietor and the point of control.

50. As I have indicated above, the sale of the assets of DMEOL, the then registered proprietor, to DMEL in December 2001 by the administrators was an appropriate transfer. This sale was controlled by the administrators and they sold it to whoever would buy it, in this case DMEL, a company where Mr Trainor was also a director. Thus DMEL is economically linked to DMEOL and it becomes the ‘point of control’. DMEL is the owner of all the former assets of DMEOL including the registered trade mark and so it can exercise control over use of the trade mark. UHFL succeeds DMEL and Mr Trainor in turn succeeds UHFL as point of control. All are economically linked to DMEOL. Mr Trainor was a director of DMEOL and DMEL and was a director and licensor of the registered trade mark to UHFL and HAL. This means that he was always in a position where he was capable of exercising control over the use of the trade mark and quality of the goods sold using this trade mark. He is not required to show that he exercised such control, it is sufficient that he is in a position where such control can be exercised. A director of a company is clearly in a position to exercise control over the direction of that company including the use made of its intellectual property.

Use of the registered trade mark

49. Under Section 46(1)(b) and Section 100 of the Act, the onus is on the registered proprietor to show what use was being made of the registered trade mark either directly or with his consent within the relevant five year period, in this instance, 7 December 1999 to 6 December 2004.

50. As mentioned in my summary of the evidence, much of the material provided by the registered proprietor falls outside the relevant period or does not show actual use of the registered trade mark. Of the remaining material, I will consider what form of the trade mark was used and then go on to consider the evidence of use in relation to bath bombs, then in relation to nail varnish and lip balm and finally in relation to potpourri, essential oils, and spray.

Form of the mark used

51. The registered trade mark is the simple word marks TEASERS or TEASERS COSMETICS. However, Exhibits JAT4, JAT9 and JAT14 show that two slightly different forms of this trade mark were used by the registered proprietor. These are shown below:



Exhibit JAT4



Exhibit JAT9 & JAT14

In the two original labels shown in Exhibit JAT3 the text appears golden in colour and always appears with the additional device element shown that serves to underline the word and highlights the overall curve of the whole word. This device element, it appears to me, brings to mind an eye lash and thus points to the use of the goods in the bottle. The examples of products shown in JAT9 and JAT14 use a similar but simpler cursive font for the word TEASERS that is black and does not have a device element.

52. I consider that use of the mark in either of these forms does not alter the distinctive character of the mark from the form in which it was registered. In deciding this I take account of the words of Walker LJ in *Bud and Budweiser Budbrau Trade Marks* [2003] R.P.C. 25 where he states:

“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?"

The registered mark is the word TEASERS. The two forms of the trade mark shown above are both clearly TEASERS word marks and changes in colour of the text or changes in the font used does not alter the mark in any distinctive manner. Both forms can be seen and understood as TEASERS marks. The additional inclusion of a device that suggests the use of the goods as in the label from Exhibit JAT4 also does not alter this distinctive character. I am supported in this view by the decision of Mr Allan James of the Registry in *New Covent Garden Soup Co, Case O/312/05*, a revocation case, where he commented, at paragraph 26, that:

"I do not think that it can be seriously argued that arranging the words into a roundel affects their distinctive character. It is possible for the addition of elements to alter the distinctive character of a mark. For example, I do not think that the mark JAMES has the same distinctive character as the mark JAMES & JOHNSON. But in this case I believe that the average consumer of soups would regard the words NEW COVENT GARDEN SOUP CO as having an independent distinctive role within the composite mark. These words have the same distinctive character when they are used as a part of the composite mark as they do when used alone. On that view of the matter, the use of the words as part of the composite mark shown above falls squarely within s46(2)".

The difference between the registered mark and the form of the mark as used in Exhibit JAT4 (which includes a device element) and in Exhibits JAT9 & JAT14 does not alter the independent distinctive role of the word TEASERS. Thus, as referred to in Section 46(2) of the Act, in my opinion use of the trade mark in these forms supports use of the registered mark for the purpose of Section 46(1)(b).

53. All the evidence provided shows that use has been made only of the word mark TEASERS. The only example where there is any reference to TEASERS COSMETICS is in Exhibit JAT14 where these words are typed in plain title case text on the label of the jar of lip balm. However, the top of this jar shows the word TEASERS in the cursive script which the registered proprietor used on the nail varnish labels (see Exhibit JAT4). I can find no example of TEASERS COSMETICS being used to identify goods specified in the registration.

Bath Bombs

54. Exhibit JAT7, summarised in Table 2 above, provides the one clear example of use of the registered trade mark TEASERS within the relevant period. It shows sales in the period 13 to 21 March 2000 of TEASERS or TEASER Aqua Bombs to 7 different customers, 5 in the UK, 1 in Malta and 1 in Belgium. These Aqua bombs were sold by the tray or by the case in the quantities and value shown in Table 2. A bath or ‘aqua’ bomb is a product which, when added to a bath, dissolves rapidly upon contact with water to provide a fragrant smell and/or foam, often with a rapid and fizzing action. From my examination of the evidence, I am satisfied that the descriptions and associated stock codes listed in these invoices (and summarised in Table 2 above) refer to the same product. All of these items have a stock code number beginning BB which I am consider is a shorthand for ‘bomb’ or ‘bath bomb’ (my underlining) and are referred to as either TEASERS or TEASER.

Nail Varnish and Lip Balm

55. The Evidence of use in relation to these products is not as clear cut as that in relation to bath bombs. There is evidence that preparations were being put in place to sell nail varnish during the relevant period. A large number and variety of labels for nail varnish bottles were purchased from Speedharrow labels by DMEOL as shown in the seven invoices provided in Exhibits JAT5 and JAT16. Although the latest date of these invoices is 11 September 1997, i.e. the purchase was made before the relevant period, it is reasonable to conclude that the quantities of labels purchased from Speedharrow were such that some were still likely to be in use within the relevant period. Mr Trainor confirms this in paragraph 9 of his first witness statement where he states that to his knowledge these labels were used until the end of 1999. Exhibit JAT15 shows that nail varnish bottles and caps were purchased from Roma International in March 2000. Labels such as those purchased from Speedharrow could only be for use with appropriate bottles such as those obtained from Roma International. Mr Trainor indicates, in paragraph 11 of his second witness statement, that these bottles were “subsequently filled and labelled with labels as shown in (Exhibit) JAT4”. From the ledger printouts in Exhibits JAT5 and JAT17 (see paragraph 15 and 27 above), it is clear that nail varnish using labels bearing the TEASERS mark were being sold in significant quantities in 1997 and 1998, i.e. in the period immediately before the relevant period. In order to continue such sales in the relevant period, it would be necessary to order bottles such as those from Roma.

56. The assertion made by Mr Trainor in paragraph 11 of his second witness statement, that:

“.... all nail varnish and lip balms and bath bombs, have only ever been sold under the mark TEASERS”

is not sufficient in itself. There must be evidence to substantiate it. As I have indicated above, I consider that on balance there is just enough evidence to show that preparations were being made to continue sales of nail varnish bearing the registered trade mark within the relevant period.

57. However, the same cannot be said in relation to lip balm. Although there are many references to sales of lip balm in Exhibits JAT6, JAT11, JAT12, none of these can be identified as using the registered trade mark in the same way that the bath bombs or nail varnish can be. Also many of these sales do not occur within the relevant five year period. There is no evidence showing that preparations were being made to sell lip balm in the relevant period, such as purchases of labels, bottles etc. Although Exhibit JAT14 provides a photocopy of two views of a jar labelled lip balm which also shows the mark TEASERS in the same format as that used on the labels for the nail varnish (see Exhibit JAT4), I am unable to establish when this product was available for sale or promotional activities. Mr Trainor, in paragraph 10 of his second witness statement, states that the abbreviation DMEO and postcode of DMEOLs address are visible on the label so confirming that all the lip balm sales mentioned do actually bear the registered mark. While this may well be an example of lip balm sold by DMEOL, I am unable to establish to my satisfaction that, on the balance of probability, this is the same product as that referred to simply as 'lip balm' in the invoices included in Exhibit JAT12 or in the ledger entries in Exhibit JAT17 (There are reference to four such sales within the relevant five year period in Exhibit JAT12, invoices number 14894, 14722, 14715 of DMEOL and the invoice dated 29 May 2002 of DMEL) .

58. The invoices in Exhibits JAT6, JAT7, JAT11 and JAT12 list a large number of different products sold by DMEOL which use a number of other names in addition to TEASERS or TEASER. These other house marks or product brand names include, for example, 'Les Fruits', 'Les Fleurs', 'Les Classiques', 'Summer Cocktails' in Exhibit JAT6; 'Highland', 'Ready Blend' in Exhibit JAT7; 'First Steps' in Exhibit JAT11 and 'Pennine' in Exhibit JAT12. Thus, it is not possible to make any deduction that the products referred to be a general name such as lip balm are sold bearing the TEASER or TEASERS mark because that is the mark used on all the DMEOL products.

Essential oils, Potpourri, Spray

59. There is evidence in Exhibit JAT7 to show that, within the relevant period, DMEOL sold product referred to as essential oil. However it is not possible to establish whether or not the Eucalyptus Essential Oil and/or the Cajeput Essential Oil sold on 13 March 2000 (see invoice 15090 of Exhibit JAT7) bore the registered trade mark TEASERS or TEASERS COSMETICS.

60. Exhibits JAT8 and JAT9 refer to the efforts made by HAL to sell a number of products bearing the TEASERS mark using the e-Bay internet auction site. Exhibit JAT8 shows that the HAL has paid the necessary fees for 7 individual entries to be listed on the e-Bay site. Each entry, as summarised in Table 3 above, refers to single product items bearing the registered TEASERS mark, for example, a single 10 ml bottle of TEASERS 100% Lavender Essential Oil. In the period 4-24 November 2004, five items only were sold, to 1 or 2 customers only. These sales amount to 2 different types of essential oil and 3 different types of potpourri. This is the only evidence to show that Essential Oil, Potpourri and Spray bearing the registered TEASERS mark were sold within the relevant five year period.

61. While it is clear from ANSUL that there is no threshold or numeric minimum level of sales required to show genuine use, it is the case that the commercial exploitation of the mark has to be real and capable “to maintain or create a share in the market for the goods or services protected by the mark” taking account of “the nature of the goods or services at issue, the characteristics of the market concerned and the scale and frequency of use of the mark.” I do not think that sales of 2 bottles of essential oil, 1 bag of potpourri and 2 bottles of liquid potpourri to 2 different customers is sufficient to establish a share in the market for such products. I am fortified in my view by the recent opinion (delivered 29 March 2007) of Advocate General Sharpston in ECJ case C-234/06P *Il Ponte Finanziaria v OHIM* where she states (bold text below is my emphasis):

“70. In that light, I do not think that the Court of First Instance can be criticised for having applied a standard of consistent presence on the Italian market during the relevant five-year period. It did not, as OHIM points out, impose a condition of uninterrupted use but rather followed the spirit of its previous case-law (Case T-39/01 *Kabushiki Kaisha Fernandes v OHIM* [2002] ECR II-5233, paragraph 36, and Case T-156/01 *Laboratorios RTB v OHIM* [2003] ECR II-2789, paragraph 35) to the effect that **there is no genuine use if the trade mark is not objectively present on the market in a manner that is effective, consistent over time and stable in terms of the configuration of the sign, so that it cannot be perceived by consumers as an indication of the origin of the goods or services in question.** Such an approach seems to me in no way inconsistent with the letter or spirit of those provisions of the Trade Mark Regulation which lay down a condition of *genuine* use *during* a period of five years, or with the case-law of the Court of Justice interpreting them.”

While continuous use during the relevant five year period is not required, sales of only one or two items is not sufficient to show genuine use in this instance because the goods concerned are low value. It is necessary to sell a high volume of such goods, cosmetics and fragrances, in order to create and sustain a presence in the market.

Nature of the market

62. Cosmetic and fragrance products such as those in this case are usually sold to the general public through outlets such as supermarkets, department stores or chemists. The consumer is predominately female and generally expects such outlets to provide a wide choice of colours, for example, of nail varnish, or flavours, for example, of essential oils or lip balm, so that some comparison or testing is possible, at least when first choosing such a product. Subsequent purchases may not involve as much care once the consumer has identified a brand, flavour or colour that they like. This, I believe, applies equally to purchases of potpourri and spray which are usually for use in the home or work place rather than for personal use.

63. To establish a share in the market for such products, a company has to compete in a crowded market place where there are many companies and a wide variation of products and price scales. Offering single cosmetic or fragrance products through e-Bay is not likely to create or establish a share in the market for such goods. The e-Bay internet auction site is not generally regarded as the place of choice to sell new retail products, it is still I believe most closely associated with the sale of second hand

or pre-owned items. If one is using the internet to establish a trading presence and create a market for one's goods, it is much more common to set up a website and sell product direct to the public.

64. Taking account of all of the above, on balance, I find that that the registered proprietor has made use of the registered mark TEASERS but not TEASERS COSMETICS. The evidence of use provided by Mr Trainor is sufficient to show use of the Mark TEASERS in relation to bath bombs and nail varnish but is not sufficient to show use in relation to lip balm, essential oil, potpourri or spray.

Partial revocation

65. In this situation, according to Section 46(5) of the Act, revocation shall relate only to those goods or services where grounds for revocation have been shown to exist. This has been made clear in the judgement of the Court of First instance in *Reckitt Benckiser (España) SL v OHIM*, Case T-126-03, where, having reviewed the relevant provisions in the Community Trade mark regulation 40/94, the court concluded that

“45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of ‘part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

66. While making the principles clear, the above CFI decision does not provide any detail on how to decide what is a suitable sub-category. However, following a detailed analysis of the relevant case-law, Mr Richard Arnold QC, sitting as the Appointed Person, in the NIRVANA case (BL number O/262/06, 18 September 2006) has provided a very useful summary of the approach to be adopted when deciding

what is a fair description of the goods for which genuine use has been shown. He states at paragraphs 58 and 59 of his decision:

“58. I derive the following propositions from the case law reviewed above:

(1) The tribunal’s first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

59. I would add a point which in my judgment is implicit in most of the decisions, although not explicit, which is that it is for the tribunal to frame a fair specification and not the parties. This is not to say, however, that the tribunal is either obliged or entitled to ignore considerations of procedural justice and efficiency: see the observations of Advocate General Sharpston in Case C-239/05 *BVBA Management, Training en Consultancy v Benelux-Merkenbureau* (unreported, 6 July 2006) at [62]-[68]. I shall return to this below.”

67. Turning to the case in hand, the trade mark TEASERS is registered for the following goods:

Cosmetics; perfumery and perfumery products; essential oils; fragrances and fragrant preparations; potpourri; incense; massage oils; essential balms; toiletries

Genuine use has not been shown in relation to potpourri; essential oils; lip balms or spray. As a result, I consider that there is no support for following terms in the specification:

perfumery and perfumery products; essential oils; fragrances and fragrant preparations; potpourri; incense; massage oils; essential balms;

This leaves cosmetics and toiletries. Cosmetics are products to improve appearance, primarily of the face. Toiletries are products primarily directed towards washing and dressing. I consider that these terms on their own are too broad to give a fair description of the use shown while taking account of the respective interests of the proprietor, other traders and the public with regard to the protection afforded by a registered trade mark. I consider that at best nail varnish is one example of a type of cosmetic and bath bombs are one example of a type of toiletry. This is not sufficient to justify retaining both terms in the specification.

68. None of the products for which use has been shown are products for the face. Nail varnish is used to enhance the appearance of the hands or feet. It belongs to a group of preparations all to do with nails such as nail varnish, nail strengthener, nail varnish remover and other such materials. A bath bomb is a preparation used when washing which may comprise a fragrance or essential balm. I consider that the following terms:

‘nail preparations; bath or bathing preparations’

provide a fair description of the use made while also taking account of the scope of protection afforded by a registered trade mark.

Conclusion

69. Taking into account all of the above, I find that, on balance, the registered proprietor has not been able to show genuine use of the registered trade mark for all of the goods covered by the registration during the five year period 7 December 1999 to 6 December 2004. He has only been able to show use for the following goods:

‘nail preparations; bath or bathing preparations’

and only in relation to the mark TEASERS. He has not shown use of the other mark in the series TEASERS COSMETICS.

70. The application by Unilever to revoke the registered trade mark on grounds of non-use under Section 46(1)(b) of the Act is successful in part. I am satisfied that the grounds for revocation existed from the date of application of the revocation, i.e., 7 December 2004.

Costs

71. As Unilever have succeeded to a significant degree in this revocation, they are entitled to a contribution towards their costs. I order Mr Trainor to pay Unilever the

sum of **£750**. 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 27th day of April 2007

**Dr Lawrence Cullen
For the Registrar,
the Comptroller-General**