

O-011-09

TRADE MARKS ACT 1994

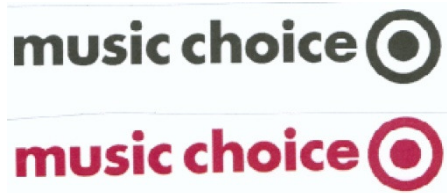
**IN THE MATTER OF CONSOLIDATED APPLICATION NOs 82789 & 82790
BY TARGET BRANDS, INC
FOR REVOCATION OF REGISTRATION NOs: 2250155 & 2250189
STANDING IN THE NAME OF MUSIC CHOICE LIMITED**

BACKGROUND

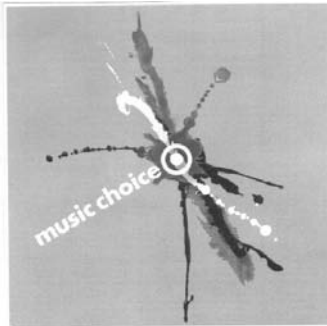
1) Registration Nos: 2250155 and 2250189 are for the following trade marks which stand registered in the name of Music Choice Limited:

No. 2250155

A series of two trade marks, for the second of which the colours red and white are claimed as an element.



No. 2250189



2) Both trade marks were applied for on 25 October 2000 and the registration procedure for both was completed on 31 August 2001. Both trade marks are registered for the following goods and services:

Class 9 - Radio, television, video, and telephone and personal digital application apparatus; apparatus for receiving, processing, recording and/or reproducing audio, data, video, audio-visual and telephonic signals; audio, data and video recordings; pre-recorded films, compact discs, tapes; parts and fittings for all the aforesaid goods; downloadable publications and digital music; downloadable publications and digital music provided from the Internet and MP3 Internet web sites.

Class 38 - Radio, television, video, audio and data broadcasting and transmissions; communications by telephone; subscription broadcasting and transmission; transmission and broadcasting of audio, audio-visual, data, music and entertainment programmes; delivery of digital music by telecommunications.

Class 41 - Production of radio, data and audio-visual programmes; audio, data and visual entertainment services; music and entertainment programme services; providing digital music from the Internet and from MP3 Internet websites; operating chat rooms; provision of data, information and advice relating to music, musical events and entertainment; rental, hire and leasing of audio and audio-visual signal receiving, processing, recording and/or reproducing apparatus, radios, televisions and MP3 players.

3) On 8 March 2007, Target Brands, Inc applied for revocation of these registrations under the provisions of sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”). The five year periods in which non-use is claimed are the five year period following the completion of the registration procedure (with revocation sought from 1 September 2006), and/or the five year period prior to the date of the filing of the applications for revocation (with revocation sought from 8 March 2007).

4) The revocation actions are directed at all of the goods and services mentioned above with the exception of the following:

Class 9 – Downloadable digital music; downloadable digital music provided from the internet and MP3 internet web sites.

Class 38 – Televisual transmission and broadcasting of music; delivery of digital music by telecommunications.

Class 41 – Providing digital music from the internet and from MP3 internet web sites.

5) The Applicant explains that their investigations did not uncover any present or past use of the trade marks in the United Kingdom in relation to any goods and services other than those mentioned above.

6) On 20 June 2007, the Registered Proprietor filed counterstatements in which they say (in relation to No. 2250155):

“5. (a) It is admitted that the Registered Proprietor made no relevant use of the trade mark forming the subject of [the registration] in relation to the following goods and services presently appearing in the specification thereof:

(i) Radio, television, video and telephone apparatus in Class 9;

(ii) Apparatus for receiving, processing, recording and/or reproducing video, audio-visual and telephonic signals in Class 9;

(iii) Operating Chat Rooms in Class 41;

(iv) Rental hire and leasing of audio and audiovisual signal receiving processing recording and/or reproducing apparatus, radios televisions and MP3 Players in Class 41.”

Insofar as No. 2250189 is concerned, the Proprietor admits that the trade mark has not been used on the goods and services shown at (i) to (iv) above; they also admit that in addition this trade mark has not been used in relation to:

“(iii) Personal digital application apparatus and Apparatus for receiving processing, recording and/or reproducing audio data in Class 9;

(iv) Audio, data and video recordings and Pre-recorded films, compact discs and tapes in Class 9;

(v) Parts and fittings for the aforesaid goods in Class 9.”

7) Applying the comments at paragraphs (3) and (4) above to the specifications registered, leaves the following goods and services in dispute:

No. 2250155 – the words music choice and the bulls-eye device

Class 9 - Personal digital application apparatus; apparatus for receiving, processing, recording and/or reproducing audio and data signals; audio, data and video recordings; pre-recorded films, compact discs, tapes; parts and fittings for all the aforesaid goods; downloadable publications; downloadable publications provided from the Internet and MP3 Internet web sites.

Class 38 – Radio, television, video, audio and data broadcasting and transmissions; communications by telephone; subscription broadcasting and transmission; transmission and broadcasting of audio, audio-visual, data, music and entertainment programmes.

Class 41 - Production of radio, data and audio-visual programmes; audio, data and visual entertainment services; music and entertainment programme services; provision of data, information and advice relating to music, musical events and entertainment.

No. 2250189 – the words music choice, the bulls-eye & paintsplash devices

Class 9 - Downloadable publications; downloadable publications provided from the Internet and MP3 Internet web sites.

The services which remain in classes 38 and 41 are the same as No. 2250155

8) Only the Proprietor filed evidence; both parties seek an award of costs. The matter came to be heard on 19 November 2008. At the hearing the Proprietor was represented by Mr Philip Roberts of Counsel instructed by Rosenblatt solicitors, and the Applicant by Mr Peter Houlihan of F J Cleveland.

REGISTERED PROPRIETOR'S EVIDENCE

9) This consisted of two witness statements, dated 20 June 2007 & 5 October 2007, by Mary Margaret Daly, a Director and the Chief Executive Officer of the registered proprietor who has been a full-time employee since 1995. She confirms that she is authorised to speak on the proprietor's behalf, adding that the information in her witness statements is either within her own knowledge or comes from documents under the proprietor's control.

10) As I mentioned above, only the Proprietor has filed evidence in these proceedings. That being the case, I intend to approach the evidence on the basis indicated by Richard Arnold Q.C. acting as the Appointed Person in *Extreme Trade Mark* (O/161/07) when he said:

"Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

11) Ms Daly begins by providing an overview of the proprietors' business. She explains the proprietor is one of the UK's longest established digital audio music service producer and broadcaster, and one of the first UK companies to develop the concept of branded digital audio music entertainment services (which she refers to as the Audio Services) which are transmitted to subscribers via closed cable re-transmission networks. They have, she adds, built up a successful core business model from selling the Audio Services on a business to business basis to satellite and cable television networks in the UK and Europe.

12) In 1995 the proprietor launched its service in the UK to subscribers of the Telewest cable network, and then to BSkyB subscribers (to whom the service continues to be offered) in 1998. Ms Daly explains that the proprietor was able to use the encryption facility offered by the set top box to develop a new type of Audio Service which provides the subscriber with the ability to select one continuous music stream from a list of themed channels. These channels are produced by a team of full time specialist music programmers, and the signal for these channels is delivered to the platform head end for encryption, multiplexing and onward delivery to residential subscribers in the UK.

13) Ms Daly states that the Audio Services are sold by the proprietor to platform distributors either as part of a basic tier of encrypted channels which each subscriber receives in return for a basic monthly subscription, or as a premium service which subscribers are able to purchase for an additional monthly payment. She further explains that a key distinguishing feature of the proprietor's Audio Services is that non-stop music services are provided free of any interruptions, adding that a subscriber who accesses the Audio Service is also able to view a static graphic which provides information about the channel being accessed, the current track being played together with other data about competitions, event, ring-tones etc. In the past four years (i.e. prior to the date of her witness statement which is 20 June 2007), Ms Daly explains that the proprietor has expanded its UK music business into other related spheres such as broadband internet, music downloads and ring tones.

14) Ms Daly states that in 1999 the proprietor engaged brand specialists Lambie Nairn to develop new versions of its branding comprising, the bulls-eye device, the words Music Choice and the paintsplash device. This re-branding was undertaken in preparation for the FTSE flotation of the proprietor's business in October 2000. The paintsplash device was, she explains, used from 1999 to the end of 2002 to market the proprietor's business to potential investors, to the City and to advertisers, and was also used during this period on the consumer facing graphic which appeared on-screen whenever a UK based subscriber of BSkyB accessed the Audio Services. From the end of 2002 the paintsplash device was used less in relation to consumer facing services, but has since then been used by the proprietor in its UK business.

15) The revenue from the proprietor's UK business in the period 8 March 2002 to 30 August 2006 was as follows:

Year	Revenue £(m)
2002	3,805,691
2003	3,373,964
2004	3,072,909
2005	3,026,096
2006	2,971,689

16) From 2003 to June 2006, the proprietor spent in excess of £500k per year on the marketing and promotion of its channels as broadcast over satellite to BSkyB subscribers, and from July 2006 to June 2008 in the order of £375k per year was spent.

Evidence filed under Rule 31(3) in relation to Registration No. 2250155

17) Ms Daly explains that the trade mark has been used by the proprietor in relation to the Audio Services as distributed to all residential UK subscribers to the DTH Satellite broadcast service operated by BSkyB Limited, adding that OFCOM figures for residential subscribers to the BSkyB service were as follows:

- Q2 2003 – 6,718,000;
- Q1 2004 – 6,956,000;
- Q1 2005 – 7,262,000;
- Q1 2006 – 7,666,000.

18) Exhibit MD1 consists of illustrative screen grabs from February 2004 (in which the words music choice and the bulls-eye device are shown in red) and March, April, May, June, July, August, October and November 2005 (in which the words music choice and the bulls eye device are shown in white). Exhibit MD2 consists of two pieces of business stationery on which the red version of the trade mark appears and which has been used by the proprietor since 2005.

19) Ms Daly explains that:

(a) from October 2003 the trade mark was used in relation to the Audio Services as distributed to all subscribers to the NTL Broadband Plus service (now re-branded as Virgin Media). Exhibit MD3 consists of a screen grab used on the ntlworld broadband plus service in 2005 in which the trade mark appears in white;

(b) from Summer 2005 the proprietor used the trade mark in relation to their proprietary download store on internet distribution platforms operated by Real Networks and NTL. Exhibit MD4 consists of a screen grab from the ntlworld broadband plus service which dates from 2005/2006 in which the trade mark appears in white;

(c) from May 2005 the trade mark was used in relation to a text messaging, data and ring tone service offered to subscribers of the BSkyB service in the UK. Exhibit MD5 consists of a screen grab used on the BSkyB service dating from 2005/2006 in which the trade mark appears in white;

(d) in 2004 the proprietor arranged for the manufacture of approximately 200 branded MP3 players which were used as prizes in competitions and promotions at, for example, the “Brits” Awards. Exhibit MD6 consist of three photographs of, inter alia, an MP3 player on which the trade mark appears in red;

(e) the trade mark has been used on press releases, newsletters, data and information which has been published and is available for download on the proprietor’s website at www.musicchoice.co.uk. Exhibit MD7 consists of three pages from the proprietor’s website. The first page refers to Press Releases for February and April 2006 and March and June 2007 (and which bear the words Music Choice but not the bulls-eye device), and an article dated 25 April 2006 entitled “Music Choice appoints EMAP Head Andrew Jeffries as Director of Music”, on the first page of which the trade mark appears in red;

(f) from May 2006 the trade mark has been used in relation to Music Choice branded linear video and video on demand services. Whilst these services have not as yet been launched to end users, the proprietor has been actively selling its video services on a business to business basis in the UK. Sales activities have included live demonstrations to customers and PowerPoint presentations to UK cable television networks, UK record labels and publishing rights holders. Exhibit MD8 consists of what appears to be hard copies of a PowerPoint and video presentation given by the Proprietor to NTL Telewest in July 2006 the title of which was: “Making music easy for ntl: Telewest”. The trade mark appears in white on the majority of the pages provided;

(g) during late 2006 the proprietor arranged for the manufacture of approximately 250 DVDs. Exhibit DM9 consist of two pages, one relating to a merchandise case and the other a computer mouse; also included is a DVD entitled Video Presentation. On the merchandise case the trade mark appears in black, on the documentation which accompanied the computer mouse it appears in white, and on the computer mouse itself and the DVD it appears in red.

Evidence filed under Rule 31(A)(4) in relation to Registration No. 2250155

20) Ms Daly points to the following as evidence of use of the trade mark on the disputed goods and services in the relevant periods:

(a) in 2001 the proprietor produced and sent to its platform subscribers (such as SKY) a Style Pack comprising a CD-ROM containing downloadable graphics of the trade mark for use in promotion and direct marketing to consumers, together with an insert booklet containing hard copies of the digital graphics contained on the CD-ROM; the Style Pack has been in continuous use since that time. Exhibit MD-1 consists of photographs of the packaging in which the CD-ROM was supplied together with (what I take to be) hard copies of the CD-ROM's content. The trade mark can be seen in white on the packaging of the CD-ROM and in different colours in a number of the pages provided. I note that the penultimate page shows the trade mark in white on two CDs entitled "Baila!" and "Global Youth";

(b) exhibit MD-2 consists of a booklet provided to customers and consumers from 2001 onwards in which the trade mark appears on the front page in white and throughout the document in white and in red. Although not in English the exhibit provided is, explains Ms Daly, a translation of an identical English original which was used in the UK;

(c) exhibit MD-3 consists of a screenshot of the live service provided to NTL/Virgin customers on which the trade mark appears in black;

(d) exhibit MD-4 consists of a case in which the MP3 players mentioned above were packaged, on which the trade mark appears in black;

(e) exhibit MD-5 consists of a screen shot from the website www.musicchoice.co.uk in which the trade mark appears in white. Ms Daly explains that the trade mark has appeared on their website since December 2003 and that the site has an average of 40,000 visitors per month. She adds that UK residents and businesses have been able to view Annual and Interim Reports on their computer and to download them if they so wished. Exhibit MD-6 consists of copies of the proprietor's Annual Report and Accounts for 2002 and 2003 and Interim Reports for the periods ending 30 June 2003 and 30 June 2004. All bear the trade mark in white on the front page;

(f) exhibit MD-7 consist a sample presentation made to SKY on 27 June 2002 entitled "Sky Contract Renegotiations" in which the trade mark appears in white. Ms Daly explains that the trade mark is used in its presentations to and negotiations with customers, potential customers and shareholders;

(g) Ms Daly states that in July 2003 the Music Choice Partners extranet (which is available to the proprietor's customers in, inter alia, the UK) was re-launched. Exhibit MD-8 consists of a screenshot of the extranet site in which the trade mark appears in red, white and in black.

(h) exhibits MD-9 to MD-13 show use of the trade mark on the proprietor's online retail store, on a baseball cap, a tee-shirt, a Frisbee and a key ring. Exhibit MD-14 consists of further photographs of the computer mouse mentioned above, the packaging in which it was supplied and a floppy disk and instruction booklet – all of which bear the trade mark in red or white. Ms Daly explains that this together with a link to the proprietor's website was used initially for promotional purposes in 2001 and later as a promotional giveaway;

(i) the proprietor has, explains Ms Daly, used the trade mark at music events and festivals and in the promotion of music events and festivals. Exhibit MD-15 consists of screenshots taken from the website www.airguitaraerobics.com, a press release dated 30 January 2004 (in connection with the Air Guitar Aerobics promotion), and clippings taken from The Sun, the Daily Express and the Evening Standard newspapers (in relation to the event) which bear the trade mark;

(j) Ms Daly states that in 2002 and 2003 the proprietor promoted its "We Love Telly Christmas Classics" channel by way of an advertising feature in the Daily Mirror newspaper. Exhibit MD-16 consists of a copy of the advertisement in which the trade mark appears in red;

(k) in 2003, explains Ms Daly, the proprietor promoted the Glastonbury festival on its website, on its live television service and by way of advertisements in Media Week Magazine (circulation at the time 16,960) and the Western Daily Press (circulation at the time 50,756). Exhibit MD-17 consists of copies of the advertisements in which the trade mark appears (on a herd of Frisian cows);

(l) Ms Daly states that In 2004 the proprietor promoted the V Festival on its website, on its live television service and by giving 1,000 branded tee shirts to festival goers, it also had a Music Choice stage throughout the festival. Exhibits MD-18 and MD-19 consist respectively of nine photographs four of which show, inter alia, festival goers wearing tee-shirts bearing the trade mark in black, five photographs of events taking place on the music choice stage which bears the trade mark in white, and a copy of the official programme of the V Festival 2004 which refers to the music choice stage and which bears the trade mark in black;

(m) finally, Ms Daly states that in 2005 the proprietor sponsored a DJ tent at "Fruitstock" in Regent's Park which she explains was a music event sponsored by Innocent Drinks and which attracted some 30,000 attendees. Exhibit MD-20 consists of three photographs taken at the event in which the trade mark shown in red can be seen.

Evidence filed under Rule 31(3) in relation to Registration No. 2250189

21) Ms Daly states that up until the end of 2002 the trade mark was used by the proprietor in relation to the Audio Services mentioned above, and repeats the OFCOM viewing figures mentioned at paragraph (15) above. She explains that a UK subscriber who accessed the service via their

television and set top box would have seen the trade mark at all times whilst listening to the Audio Service. Exhibit MD-2 consists of a DVD containing television advertisements in which the trade mark can be seen.

22) Ms Daly adds that the proprietor moved to its current offices in March 2006. Prior to that (between 2004 and 2006) their offices were at Fleet House in Clerkenwell, London; at this address the trade mark was, she explains, prominently displayed to all visitors. Exhibit MD1 is said to consist of examples of the trade mark used on a CD cover, a business card, mail labels and a compliment slip. The trade mark was also, explains Ms Daly, used until the end of 2002 on press releases which were published and available for download on the proprietor's website, but which I note are no longer available.

Evidence filed under Rule 31(A)(4) in relation to Registration No. 2250189

23) Ms Daly clarifies that the trade mark was used in relation to the Audio Services until October 2002. Exhibit MD-1 consists of a screenshot taken from the BSkyB interactive application in which the trade mark appears. Exhibit MD2 consists of a copy of an advertisers pack (which was in use between 2001 and the end of 2002), and which Ms Daly explains was sent to potential advertisers in the UK and in which I note the trade mark appears. Exhibit MD3 consists a further copy of the booklet summarised above, which Ms Daly explains was provided to customers in the UK (i.e. SKY), potential customers in the UK (i.e. NTL and Telewest) showing the application as it went live initially in the UK, Spain and Belgium. She adds that a UK subscriber who accessed the service via their television would have seen on screen information about the music being broadcast, and copies of the UK screen bearing the trade mark are provided as exhibit MD-4.

24) Exhibit MD-5 consists of a further copy of the Style Pack (summarised above) and which bears the trade mark. Exhibits MD-6 to MD-8 consist of two on-line questionnaires (downloaded from the website www-stage.musicchoice.co.uk/questionnaire/) on 30 October and 11 November 2002), a presentation to SKY television (summarised above) and a copy of a Xmas card all of which bear the trade mark.

25) Ms Daly states that in the period January 2001 to December 2003, the trade mark appeared on the proprietor's website www.musicchoice.co.uk; exhibit MD-9 consists of what appears to be a page taken from the website and on which the trade mark appears. She adds that the trade mark also appeared on Annual Reports for the financial years ending 2000 and 2001 which were available to download on the proprietor's website. Exhibits MD-10 and MD-11 consist respectively of the proprietor's Annual Report and Accounts from 2001 and the Interim Report for the 6 months ending 30 June 2002, neither of which appear to feature the trade mark in the form in which it is registered. Exhibit MD-12 consists of a screenshot taken from the proprietor's extranet site (summarised above), in which it is likely that the trade mark appears.

26) Ms Daly explains that the trade mark was used by the proprietor during 2002 on the BSkyB interactive application in relation to an offer for sale and purchase of DVD players. The proprietor also developed an impulse purchase programme relating to the sale of CDs via the BSkyB interactive application which was marketed to HMV and cleared with the then regulator ITC. Exhibits MD-13 and MD-14 consist respectively of a presentation entitled "Music Choice impulse shopping and

HMV” dated 2 October 2001, and a presentation made to ITC in October 2001 regarding the impulse store purchase; in the event the service was never launched. I note that while exhibit MD-13 clearly bears the trade mark, insofar as exhibit MD-14 is concerned, it is less certain.

27) Finally, Ms Daly explains that since the end of 2001 the proprietor sent and regularly sends to its customers, potential customers and the Press, promotional items bearing the trade mark. Exhibits MD-15 and MD-16 consist respectively of photographs of a vodka bottle and the bag in which it came, and a bottle of bubbles all of which bear the trade mark.

28) That concludes my review of the evidence to the extent that I consider I necessary.

DECISION

29) Section 46 reads as follows:

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

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

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

(c)

(d)

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that

the application might be made.

(4).....

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

(a) the date of the application for revocation, or

(b) if the Registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

30) Section 100 of the Act is also relevant and reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

31) The two leading authorities on the guiding principles to be applied in determining whether there has been genuine use of a mark are *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. From these cases I derive the following main points:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be ‘on the market’ and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);

- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

32) I must also keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. 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

s.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.”

33) The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant.

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

34) Prior to the hearing both sides provided skeleton arguments in a timely manner and both parties made further concessions, significantly so in the case of the applicant. At the hearing I commended both parties for adopting such a commonsense and conciliatory approach for which I am grateful. The applicant for revocation had suggested a specification covering both marks, which was, in my view, quite generous to the registered proprietor. I regard this as an excellent starting point and so the hearing revolved around this specification. This considerably reduced the areas of contention and substantially shortened the hearing. I put to Mr Roberts that I was taking this specification as the starting point and that it was now for him to persuade me to expand or add to the applicant's suggested specification which was as follows:

In Class 9: “Downloadable digital music; downloadable digital music provided from the Internet and MP3 Internet websites; downloadable ringtones.”

In Class 38: “Broadcast and transmission of digital audio, and audio/visual, music entertainment; subscription broadcasting and transmission of digital audio, and audio/visual,

music entertainment; televisual transmission and broadcasting of music; delivery of digital music by telecommunications.”

In Class 41: “Production of digital audio, and audio-visual, music entertainment programmes; digital audio, and audio/visual, music entertainment services; providing digital music from the Internet and from MP3 Internet websites; provision of information relating to music and musical events.”

35) Mr Roberts referred me to paragraphs 40-42 of *Ansul* which state:

“40. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.

41. That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the same mark under the conditions described in paras [35] to [39] of this judgement. Since the parts are integral to those goods and are sold under the same mark, genuine use of the mark for those parts must be considered to relate to the goods previously sold and to serve to preserve the proprietor’s rights in respect of those goods.

42. The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services, which, though not integral to the make-up or structure of the goods previously sold, are directly related to those goods and intended to meet the needs of customers of those goods. That may apply to after-sales services, such as the sale of accessories or related parts, or the supply of maintenance and repair services.”

36) Mr Roberts contended that paragraph 42 in particular covered the hardware in Class 9. He contended that his client was providing music entertainment services via the internet and also via BSkyB which can be recorded on MP3 players, CDs or DVDs all of which require the requisite machine. Thus, he claimed, these goods can be seen as the hardware to the main business of providing downloadable music, and are an integral part of the business. Whilst I understand his contention and accept the validity of much of his argument I cannot agree with his conclusion as there has not been genuine use of the mark on such goods. I do not regard giving away MP3 players as prizes, or using CD/DVDs for the purpose of demonstrating how the marks in suit should be used on goods or promotions as genuine use. It was not suggested at the hearing, and certainly not shown in evidence, that the registered proprietor had ever offered such items for sale. The only use of the marks in suit on such items was purely promotional, and does not, in my opinion, fall within the terms of *Ansul*.

37) Regarding Class 9 goods Mr Roberts, whilst not conceding “downloadable publications”, accepted that the only evidence of use was on annual reports and so forth. He also sought to include in the class 9 specification “downloadable digital audio, audio/ visual and musical material; provided from the Internet and MP3 Internet websites”.. He sought to justify this on the basis that when the music was broadcast information was put onto the screen regarding the performer, the album etc. Whilst such captions could be considered as “visual” material it is inextricably bound to

the provision of the music. However, this appears to be an exercise in hair splitting and so I am willing to accept a slight revision to the suggested specification as follows:

Class 9: “Downloadable digital music; downloadable digital audio, audio/visual and music provided from the Internet and MP3 Internet websites; downloadable ringtones.”

38) With regard to Classes 38 and 41 Mr Roberts contended that the references to radio in the specification registered should be included into the proposed specification. This was on the basis that whilst the registered proprietor was not involved in terrestrial or analogue broadcasting it was in competition with radio stations. Further, he contended that the term data should be included back into the specification as the broadcasts on Sky had captions providing information about the performer, album etc. Lastly, he contended that the specification should not be restricted by the term “music” but should be replaced/ supplemented by the term “entertainment”. This was justified he claimed by the use of the marks in suit on air guitar aerobics.

39) Firstly, regarding the term “radio”. The registered proprietor clearly has not used the marks in suit with regard to radio services, as admitted by Mr Roberts. I accept that the registered proprietor is in competition with radio stations, but this does not provide a form of defence against a revocation action, although it does offer the registered proprietor protection, via a passing off case, should it feel its marks to have been infringed. I therefore reject the contention. Moving onto the provision of data, it is true that the registered proprietor does include data related to the music being played on its channel. This point was accepted by the applicant at the hearing. I therefore proposed to amend the specification to allow for the provision of music related data. Finally, the term entertainment clearly includes music. However, to my mind the term entertainment goes much wider and incorporates a multitude of other types of programmes such as drama, comedy, sport to name but three. I have to consider the matter from the perspective of the average consumer. I believe that the average consumer would consider that “music” covers a sub set of programmes entirely separate from items such as comedy and/or drama. It is clearly what the registered proprietor provides and so is the perfectly apt description of the services in these classes. The request to amend the specification by changing “music” to “entertainment” is rejected.

40) Taking all of the above into consideration I propose the following specification be allowed to remain on the Register:

Class 9: “Downloadable digital music; downloadable digital audio and audio/visual music products and services provided from the Internet and MP3 Internet websites; downloadable ringtones.”

In Class 38: “Broadcast and transmission of digital audio, and audio/visual, music entertainment and music data; subscription broadcasting and transmission of digital audio, and audio/visual, music entertainment and music data; televisual transmission and broadcasting of audio and audio/visual music services and music data; delivery of digital audio and audio/visual music and music data by telecommunications.”

In Class 41: “Production of digital audio, and audio-visual, music entertainment programmes and services and music data services; providing digital audio-visual music services and music

data from the Internet and from MP3 Internet websites; provision of information relating to music and musical events.”

41) Prior to issuing this decision both parties were provided with the opportunity to comment on the proposed revised specification. Only the registered proprietor responded. The views expressed in their letter have been taken into account.

COSTS

42) Both sides accepted that costs should be within the Registry’s normal scale. However, the registered proprietor sought costs even if I were to accept the specification suggested by the applicant. Mr Roberts accepted that the applicant had made a number of concessions but, he noted, they had only done so two days prior to the hearing. He contended that had such concession been made weeks or months ago, then the issue might have been resolved without a hearing. I have stated earlier in this decision that I was grateful to both parties for taking a sensible and realistic stance, noting that both had made considerable concessions which reduced the length of the hearing significantly. I accept that had such concessions been made much earlier then a hearing may not have been required at all, however, it is the nature of such disputes that the parties attention is only fully gained when the hearing date looms large. Taking all of the circumstances in account I do not believe that an order of costs is appropriate, each side should meet its own costs.

Dated this 15th day of January 2009

**G W SALTHOUSE
For the Registrar
the Comptroller-General**