

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 1317269 IN THE  
NAME OF PASTICCERIA E CONFETTERIA SANT AMBROEUS S.R.L.**

**AND IN THE MATTER OF APPLICATION NO. 82932 FOR REVOCATION  
THEREOF BY G&D RESTAURANT ASSOCIATES LIMITED**

**REGISTERED PROPRIETOR'S APPEAL TO AN APPOINTED PERSON  
FROM THE DECISION OF MR MARK BRYANT DATED 6 JANUARY 2009**

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**DECISION**

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Introduction

1. This is an appeal by the registered proprietor of United Kingdom trade mark no. 1317269 against the revocation of that registration on the grounds of non-use under section 46(1) of the Trade Marks Act 1994 (“**the Act**”). There are two overall objections raised against the first instance decision of the Registrar’s hearing officer, Mr Mark Bryant:
  - (1) he too readily accepted criticism of the proprietor’s evidence of use, which he should not have done in the absence of conflicting evidence or cross-examination of the witness who gave it; and
  - (2) he misapplied the relevant legal authorities with the result that he wrongly imposed a requirement of significance or substantiality of use of the trade mark under attack.
2. Both of these lines of attack (and the converse positions taken by the respondent) are relatively common in revocation proceedings. The first often arises where the proprietor’s evidence of use is arguably vague or imprecise, but only argument is relied on to challenge it, leaving the hearing officer to do the best he or she can in determining whether the proprietor has discharged the burden of proving use on the balance of probabilities, albeit based on imperfect evidence. The risk that is run by a proprietor in such a situation is that he fails to establish use, not because there has been none, but because the evidence is not sufficient to show it. Conversely, the risk that the revocation applicant runs, if he neither presents evidence of his own

investigations in support of the alleged non-use nor cross-examines the proprietor's witness in relation to the defects in the evidence of use, is that the hearing officer will accept the proprietor's evidence as being sufficient. Such are the risks that must be weighed up by each of the parties when deciding how much effort and money to put into revocation proceedings.

3. When it comes to the appeal stage, the Judge or Appointed Person has an easier task than the hearing officer on this issue. While at first instance, the hearing officer has to ask him/herself, "is the evidence sufficient to prove the use claimed?", the question for us in conducting a review of the decision is whether, in finding the evidence sufficient or not (as the case may be) the hearing officer made a material error of principle. A decision does not contain an error of principle merely because it could have been better expressed: *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28]-[29]. Further, it is not permissible on appeal to interfere with the hearing officer's decision merely because one is surprised at the outcome or even would have reached a different decision if considering the matter afresh: *BUD Trade Mark* [2002] EWCA Civ 1534, [2003] RPC 25 at [12] and [53].
4. In a written submission filed on behalf of the Registrar in response to this appeal, it was pointed out that the second ground of attack identified above raised a matter of law that was being encountered on an increasingly regular basis in cases coming before the Registrar. The issue was summarised as follows:

"In a nutshell, the issue is whether a minimal amount of use may be regarded as 'token use' in circumstances where 1) in context, the use shown does not appear to be warranted in the economic sector concerned to maintain or create a share in the UK market for the goods protected by the trade mark, but 2) there is no direct evidence that the use is a "sham", undertaken merely to preserve the trade mark registration."
5. The submission went on to identify an apparent divergence in approach between the position in the United Kingdom following the judgment of the English Court of Appeal in *LABORATOIRE DE LA MER Trade Mark* [2005] EWCA Civ 978, [2006] FSR 5 (CA) and that in the Community institutions including the Community Trade Mark Office ("OHIM"), its Boards of Appeal and the European Courts. While the latter institutions were said to "appear to be willing to reject use of a registered trade mark as merely token use, even without direct evidence that the use is a sham" (an example being given of the Court of First Instance decision in *Sonia Rykiel création et diffusion de modèles v OHIM* Case T-131/06, [2008] ECR II-67), there appeared to be a widely held view in the United Kingdom since *La Mer* that, absent evidence that the use of the mark is a sham, any use of a trade mark in the United Kingdom must be regarded as genuine use.
6. The decision under appeal does not fit into this characterisation of the United Kingdom view, given that the hearing officer did find some (non-sham) use of the

trade mark in issue in the United Kingdom, but nevertheless concluded that it was insufficient to amount to genuine use. However, Counsel for the proprietor did pursue the approach described by the Registrar, urging me to overturn the hearing officer's conclusion on the basis that it had to be legally wrong where at least one genuine instance of use had been found. (He also submitted that the evidence established several other instances of use that should have been taken into account in any event, as I shall discuss below.)

7. The Registrar expressed doubt whether a further reference either to the High Court or to the European Court of Justice would be effective in resolving the “apparently differing approaches” described, given the history of the *La Mer* case. And neither side encouraged me to take either route. I believe that it is possible to determine this appeal without further guidance, as I explain below.

#### History of this appeal

8. The registration under attack (“**the Registration**”) was filed by the Italian company Pasticceria e Confetteria Sant Ambroeus S.r.L. on 30 July 1987 and granted on 22 September 1989. The registration is for the following stylised representation of the words “Sant Ambroeus” (“**the Mark**”):

*Sant Ambroeus*

9. The Mark is registered in respect of the following goods in Class 30:

“Confectionery; sweets, sweetmeats; biscuits, cookies; sugar, honey; cocoa, chocolate, tea, coffee, coffee substitutes; flour, preparations made from cereals; bread, cakes, buns; ice-cream, ices; sauces; all included in Class 30.”

10. On 12 July 2007, G&D Restaurant Associates Limited (“**G&D**”) filed an application to revoke the Registration under section 46(1)(b) of the Act, claiming that the Mark had not been put to genuine use in the United Kingdom by the proprietor or with its consent between 6 July 2002 and 5 July 2007 (“**the relevant period**”), and that it should therefore be revoked as of 6 July 2007. The Statement of Case annexed to G&D's Form TM26(N) included the following statements:

“2. Detailed investigations into possible use in the United Kingdom of [the Mark] in respect of the registered goods in class 30 have proved negative.

3. It appears that there is currently no use of [the Mark] in respect of any of the specified goods in class 30 and that there has been no such use for a period of at least five years. The [Mark] should therefore be cancelled for all goods.”

11. The proprietor defended the revocation application, claiming to have maintained a commercial interest in the Mark and to have made continuous use of the Mark both on and in relation to goods covered by the specification, in particular denying non-use during the five year period claimed. The proprietor's TM8 and counterstatement

was accompanied by two witness statements said to support these contentions: the first was made by Mr Giancarlo Isola, an in-house Legal Representative who had been employed by the Proprietor throughout the relevant period (and back to 1993); and the second was a short statement from Mr David Alan Gill, a partner in the trade mark attorney firm representing the proprietor.

12. G&D filed no evidence in response and the case proceeded to a hearing before Mr Bryant on 25 November 2008. Both sides filed written skeleton arguments and were represented by Counsel. G&D was represented by Adrian Speck of 8 New Square, instructed by Elkington & Fife; the proprietor was represented by Simon Malynicz of Hogarth Chambers, instructed by W.P. Thompson & Co.
13. Mr Bryant issued his decision on 6 January 2009 (“**the decision**” – BL ref. O/003/08). As stated in the introduction, he found for G&D and ruled that the Registration should be revoked in its entirety with effect from 6 July 2007. He also ordered the proprietor to pay £1,700 as a contribution towards G&D’s costs.
14. The proprietor lodged a notice of appeal to the Appointed Person on 3 February 2009, seeking to overturn the decision in full. Although G&D was notified of the appeal and of the hearing that subsequently took place before me, it chose neither to appear nor to make any written representations. The proprietor was again represented by Simon Malynicz, instructed by W.P. Thompson & Co..

#### Relevant provisions of the Act

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

- 46.(1) The registration of a trade mark may be revoked on any of the following grounds –
  - (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
  - (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (2) ....
- (3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: [subject to a proviso that is not relevant to this case]
- (4) ...

- (5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.
- (6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –
  - (a) the date of the application for revocation, or
  - (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

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

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

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

#### The evidence

18. The hearing officer summarised the proprietor’s evidence in the usual way, by reference to the exhibits and the witnesses’ commentary on them. I set out my own summary below, in a slightly different order and format. In doing so, I do not suggest that the hearing officer’s summary was deficient in any way; nor was that suggested by the proprietor. But, in the light of the criticisms made of the decision, it is convenient to do so.

19. Mr Isola introduced his evidence of use with the following general statement:

“4. The Mark has been used in the United Kingdom throughout the period 6 July 2002 – 5 July 2007 both on and in relation to goods specified in the Registration, and in relation to publicity and marketing activities for such goods.”

20. He then exhibited ten copy invoices made out to entities at addresses in London as evidence of the supply of goods under the Mark. All of the invoices bear the Mark prominently at the top of the page. The details on the face of the invoices (which I have put into date order), using the English translation supplied by Mr Isola, were as follows:

| <b>Entity &amp; address</b>   | <b>Exhibit</b> | <b>Date</b> | <b>Translation of description on invoice</b>   | <b>Price (ex-VAT)</b> |
|---|----------------|-------------|--|-----------------------|
| Jimmy Choo Ltd<br>37, Ixworth Place<br>London SW3 3QH   | GI01           | 28/02/04    | Selling of food and beverages  | €2,800                |
| Credit Suisse First<br>Boston (Europe) Limited<br>17 Columbus Courtyard<br>London E14 4QJ           | GI07           | 20/04/04    | Selling of food and beverages  | €1,375                |
| Jimmy Choo Ltd<br>(address as for GI01)   | GI02           | 01/10/04    | Selling of food and beverages  | €2,000                |
| Portobello Food Ltd<br>United 18, Parmiter<br>Industrial Centre<br>Parmiter Street<br>London E2 9HZ | GI06           | 18/11/04    | 48 Classic panettoni<br>36 Panettoni with pear<br>and chocolate<br>12 Panettoni with<br>apricot<br>12 Cakes of Venice<br>20 Torrone<br>20 Chocolates<br>20 Blister marrons<br>15 Boxes<br>Delivery | €1,793                |
| JP Morgan Chase Bank<br>NA<br>10 Aldermannbury (sic.)<br>London EC2V 7RF                            | GI08           | 09/05/05    | Selling of food and beverages  | €210                  |
| Jimmy Choo Ltd<br>(address as for GI01)   | GI03           | 29/09/05    | Selling of food and beverages  | €2,120                |
| Jimmy Choo Ltd<br>(address as for GI01)<br>c/o Via F.lli Gabba 3<br>20121 Milano                    | GI04           | 24/02/06    | Selling of food and beverages  | €2,750                |
| Jimmy Choo Ltd<br>(address as for GI01)<br>c/o Via F.lli Gabba 3<br>20121 Milano                    | GI05           | 29/09/06    | Selling of food and beverages  | €2,595                |
| <b>TOTAL (ex-VAT)</b>   |                |             |  | <b>€15,643</b>        |

21. At paragraph 12 of his witness statement, Mr Isola states: “The volume of sales of goods under the Mark in the United Kingdom for the period 6 July 2002 – 5 July 2007 was in the order of EURO 17,000.00”. This figure appears to relate to the sum of the VAT-inclusive prices stated on his exhibits GI01 to GI08.

22. In the body of his witness statement, Mr Isola states that each of the invoices that do not itemise the foodstuffs supplied show use “in relation to the supply of ‘confectionery; sweets, sweetmeats; biscuits, cookies; chocolate, tea, cocoa, coffee, coffee substitutes; preparations made from cereals; cakes, buns; icecream’ under the Mark”, with the exception of exhibit GI03 for which his list ends with “cake” (singular) and excludes “buns” and “icecream”. (There is nothing on the face of the invoice at GI03 to explain the difference between this and the other Jimmy Choo invoices, and it is possible that this was an unintentional typographical error in the witness statement, but I am not sure about that.)

23. The remaining exhibits, their publication/circulation dates, and Mr Isola’s evidence in relation to each of them, were as follows:

| <b>Exhibit</b> | <b>Description</b>  | <b>Date</b>           | <b>Mr Isola’s evidence</b>  |
|----------------|---|-----------------------|---|
| GI09           | Copies of brochures depicting chocolate packaging bearing the Mark.   | 1997                  | “10. I exhibit at GI09 illustration of the use of the Mark on and in relation to the packaging of goods as specified in the Registration.”  |
| GI10           | Publicity brochure containing loose cards, all bearing the Mark, in Italian on one side and English on the other, headed “Chocolate House”, “Bonbonnières and Sweetmeat-boxes”, “Cake’s” (sic.), “Bar”, “Lunch”, “Conference Room” and “Banqueting”.  | Dec 2003              | “12. ... GI10 ... was distributed in the United Kingdom to many bars, cafeterias and restaurants.”  |
| GI11           | Extracts from Italian language magazine, <i>Marie Claire Maison</i> , showing full page ads depicting the proprietor’s chocolate creations amongst up-market fashion items such as Bulgari jewellery. The proprietor’s name, “Pasticceria Sant Ambroeus” appears in small print at the bottom, but not the Mark itself. | Dec 2006/<br>Jan 2007 | “14. ... the Proprietor has also allowed reference to its mark in third party publications having a wide circulation. I exhibit at GI11 copies of pages from the worldwide fashion magazine “Marie Claire Maison” ... concerning co-marketing activities with internationally famous jewellers Damiani, Mario Buccellati, Cartier and Bulgari by which the Proprietor has promoted goods under the Mark and covered by the Registration and which magazine is available in the United Kingdom.” |

24. Mr Isola claimed that expenditure on publicity/advertising for the United Kingdom during the relevant period, “including costs for the publicity in Internet, brochure, depliants and publications on newspapers and magazines” was of the order of 2,000 Euros.
25. Mr Isola’s witness statement ends with the following statement of truth: “I believe the contents of this STATEMENT to be true”.
26. Mr Gill’s witness statement added just one piece of evidence, also signed off with a statement of truth, to the effect that *Marie Claire Maison* magazine is available through bookshops in London which carry foreign-language magazines, one example being Borders Bookshop in Charing Cross Road, London WC2.

#### The Hearing Officer’s decision

27. The hearing officer began the operative part of his decision by setting out both section 46 and section 100 of the Act and then confirming that the key five year period in which the proprietor had to establish genuine use was 6 July 2002 to 5 July 2007 (about which there is no dispute). This was followed by quoted extracts from the key authorities on which the hearing officer would rely, being: *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01, [2003] ETMR 85 (ECJ); *La Mer Technology Inc v Laboratoires Goemar SA*, Case C-259/02, [2004] FSR 38 (ECJ); *LABORATOIRE DE LA MER Trade Mark* [2005] EWCA Civ 978, [2006] FSR 5 (CA); and *The Sunrider Corp v OHIM*, Case C-416/04 P, [2006] ECR I-4237 (ECJ). He concluded from this guidance that:

“22) Taking account of this guidance from the courts it is clear that genuine use does not need to be quantitatively significant and that when asking if the use is sufficient it is necessary to assess all surrounding circumstances.”

28. The following criticisms of the proprietor’s evidence had been made in G&D’s skeleton argument and were pursued by its Counsel in oral argument, which the hearing officer summarised as follows:

“23) ...

- (i) The exhibits fail to demonstrate use for many of the goods that are the subject of the registration;
- (ii) The exhibits show business being conducted with other businesses that are of the kind that would not be making the products available to consumers;
- (iii) The exhibits fail to demonstrate genuine use of the trade mark IN THE UK;
- (iv) There are no examples of how the asserted €2000 advertising spend has been used in the UK.”

29. The hearing officer went through each of these criticisms, and I review his relevant discussion and findings on them below.



30. Taking the second criticism first, since it applied to all of the invoices, the hearing officer accepted the submission made on behalf of the proprietor that it did not matter that the entities supplied with the proprietor's goods were other businesses who would not on-supply to consumers, since they were themselves the proprietor's customers. I am not asked to review that aspect of the decision, though I would add that in later submissions Counsel for G&D accepted that the goods supplied to Portobello Food Ltd were likely to have been on-supplied to consumers (though he suggested that there would only have been 15 such consumers, since only 15 boxes were included in the delivery).

31. In relation to the seven un-itemised invoices for "selling of food and beverages" to Jimmy Choo Ltd, Credit Suisse First Boston and JP Morgan Chase, the hearing officer said the following:

"24) ... Firstly, I agree with Mr Speck that these invoices fail to support the contention that the trade mark has been used on all the goods listed in the registration. It is just not possible to infer this from the Italian phrase "generi alimentari (sic.) e bevande" that appears on these invoices. Secondly, regardless of whether the Italian words "consumazione" and "somministrazione" translate as "selling", "consumption" or "administration", the invoices suggest a service or activity more akin to the banqueting and conference room services that the proprietor also provides (as detailed in Exhibit GI10) rather than a reference to the goods which are the subject of the registration."

32. He picked up G&D's third criticism of the evidence based on these seven invoices as follows (with emphasis added by me):

"27) Mr Speck submitted that the exhibits fail to demonstrate use in the UK. He hypothesised that the seven invoices, referred to above, could all relate to the provision of food and drink to the UK based companies whilst they were in Milan either attending fashion shows or some other corporate event. In response to this hypothesis, Mr Malynicz criticised the approach for not being done by way of cross-examination or by way of response evidence and that his client was disadvantaged by not having an opportunity to address this point by submitting further evidence and he warned against being beguiled by these submissions and reminded me of Mr Arnold's comments in *Extreme* to that effect (sic.). Mr Speck submitted that Mr Arnold's comments related to the challenge of primary facts and not to the conclusions that flow from such facts and he contends that he is challenging the latter. He accepts the authenticity of the invoices but challenges the conclusion that they demonstrate genuine use of the trade mark in question in relation to the relevant goods in the UK.

28) Mr Speck's submission falls short of inviting me to disbelieve the evidence but rather highlights the possibility that these invoices demonstrate something different to what Mr Isola believes they do. As such, I believe the circumstances in this case are somewhat different to those highlighted in TPN 5/2007. Certainly, cross-examination of Mr Isola may have shed further light on the precise nature of these invoices. Mr Arnold also commented in *Extreme* that hearing officers must guard themselves against being beguiled but that they should not assess evidence uncritically. I must therefore decide what weight to give this evidence and I must do so not uncritically. In doing this, I am mindful of the comments of the CFI in Case T-334/01, *MFE Marienfelde GmbH v Office for Harmonisation in the*

*Internal Market (Trade Marks and Designs) (OHIM) (HIPOVITON)* when it considered genuine use in the context of an opposition proceedings:

“37. However, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness.”

29) It is relevant to consider what else the proprietor’s evidence shows. It appears to indicate that Sant Ambroeus trades from single premises located in Milan and that in addition to selling pastries and confectionary it also provides conference room services, chocolate house services as well as bar and banqueting services. The nature of the companies that form the majority of UK customers is also of some relevance. One is a high-end fashion shoe designer (Jimmy Choo Ltd), the other two are the London offices of international investment banks (Credit Suisse and JP Morgan Chase). I am being asked to accept that these businesses decided to purchase food and drink directly from Milan. These businesses are not importers or even food and drink retailers but rather, they are the end destination for such products, that is, they are the consumers of such products. I must find on the basis of the facts before me. **On balance and taking all the above into account, I find it is rather unlikely that these seven invoices relate to the provision of Sant Ambroeus products in the UK. Instead, it is more likely that they relate to use of the trade mark to create or maintain a market in the services of providing food and drink in Italy. Certainly, in the absence of further corroborative evidence, there is enough doubt in my mind to dismiss these invoices as not being examples of genuine use in the UK.**”

33. In contrast, the hearing officer found for the proprietor in relation to the itemised invoice made out to Portobello Food Limited (Exhibit GI06):

“25) ... I am satisfied that, on balance, this invoice demonstrates a sale of goods into the UK that are covered by the registration.”

34. But he then concluded that this was nevertheless insufficient to support the proprietor’s claim to genuine use, taking guidance from the Court of First Instance decision in *Sonia Rykiel création et diffusion de modèles v OHIM*, Case T-131/06 [2008] ECR II-67, as follows:

“31) I must ask myself what is the significance of this invoice in assisting to demonstrate genuine use. The ECJ, in its comments in *Ansul* and *Le Mer*, have said that genuine use need not always be quantitatively significant but that it does not include token use. The CFI have recently commented on how this should be interpreted. I refer to the following comments in *Sonia Rykiel création et diffusion de modèles v. OHIM* Case T-131/06 where the court was considering the issue of genuine use in relation to articles of clothing:

“53 As stated in paragraph 39 of *Ansul*, ... figures and quantities cannot be assessed in absolute terms but must be assessed in relation to other relevant factors. In this respect, the data above should be viewed in relation to the nature of the goods and the structure of the relevant market.

54 Those articles are goods of everyday consumption, sold at a very reasonable price. They are therefore not luxury goods, expensive and

sold in limited numbers in a narrow market, but goods to be sold to a large number of consumers throughout Spain.

55 Therefore, pursuant to the case-law referred to above, it is necessary to examine whether the very small volume of sales of those goods under the earlier word mark might have been offset by the fact that use of the mark was extensive or very regular. In the present case, there is nothing to indicate that use of the mark was extensive or regular, the nine relevant invoices being concentrated in the months of January, February and March 1997, and February and March 1998.

56 The assessment of the turnover and the volume of sales of the product under the earlier trade mark must also be conducted in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark.

...

59 The contested decision does not include either any concrete information on or an adequate analysis of the relevant factors, referred to in the previously cited case-law, enabling the minimal turnover (EUR 432) and the very small quantity of goods sold under the earlier word mark (85 units) over a relatively long period (13 months) to be placed in context.

60 In addition, the total amount of transactions over the relevant period seems to be so token as to suggest that, in the absence of supporting documents or convincing explanations to demonstrate otherwise, the use by Cuadrado of the earlier word mark cannot be held to be warranted, in the economic sector concerned and taking account of the nature of the goods concerned, for the purpose of maintaining or creating market shares for the goods protected by the earlier word mark.”

32) The goods of interest in the current proceedings are food and beverages. These would also be described as “goods of everyday consumption” and, despite the proprietor’s apparent focus on quality, are sold at a reasonable price. As I have already found, use of the trade mark in the UK is not extensive or very regular. A single transaction, as evidenced by the invoice to Portobello Foods Limited, is no more than token and such use cannot be held to be warranted in the economic sector concerned for the purpose of maintaining or creating a market share. This scale of trade is very small when considered in respect to the size of the food and drink industry as a whole.”

35. The hearing officer turned finally to consider the proprietor’s evidence about its marketing activities, as follows:

“33) Finally, I will consider if the marketing of Sant Ambroeus products assists the proprietor’s claim of genuine use. Mr Isola states that the proprietor’s spend on advertising and publicity in the UK amounts to €2000 but this is not particularised. The exhibits provide two items of promotional material. The first is an advert in the Italian magazine Marie Claire Maison which is available in at least one outlet that sells imported foreign language magazines. This is not an attempt to advertise in the UK, but rather it is an advert aimed at the Italian consumer that may, in limited circumstances, be seen in the UK. The second is a brochure distributed to “many bars, cafeterias and restaurants” in the UK in December 2003. This brochure

(Exhibit GI10) is in English and Italian and promotes not only the proprietor's products but also the services listed above. It strikes me as somewhat unusual to promote banqueting and bar services at premises in Milan to bars and restaurants in the UK. Perhaps it is not therefore unsurprising that Mr Isola is unable to provide details of any trade with bars or restaurants in the UK. Without further explanation, the claim seems self evidently incredulous (sic.), and the witness' claim is not particularised so as to identify any of the UK businesses in question or the number of businesses to which the brochure was sent. As such, I find that neither of these exhibits are helpful to Sant Ambroeus in demonstrating genuine use."

36. Accordingly, the hearing officer found that there had been no genuine use of the Mark within the relevant period and that it should be revoked in its entirety with effect from 6 July 2007. He ordered the proprietor to pay £1,700 towards G&D's costs of their successful application, which order is suspended pending the outcome of this appeal.

#### Discussion and findings

37. The hearing officer based his conclusion that the Mark had not been put to genuine use within the relevant period on his finding that there was only one proven transaction involving the use of the Mark. This comprised the sale of €1,793 worth of goods within the specification for the Mark to Portobello Food Limited in London on 18 November 2004 (just before mid-way through the relevant period), as recorded on the invoice at exhibit GI06.
38. As I outlined at the start of this decision, the proprietor argues that the hearing officer was wrong on two counts: first, in whittling the evidence down to this single transaction, he was overly critical of the proprietor's evidence; and second, he misapplied the relevant legal authorities, in particular, by imposing a quantitative minimum amount of use required to amount to genuine use. I shall take these in reverse order, identifying the specific grounds of appeal relied on under each general head of objection as I go.

#### The legal authorities on "genuine use" under article 12(1) of the Directive

39. There were two strands to the proprietor's claim that the hearing officer misapplied the relevant legal authorities: firstly, it was submitted that he failed to take account of the Court of Appeal's judgment in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5; and secondly, it was argued that, to the extent that the hearing officer relied on later decisions of the Court of First Instance ("CFI") such as *Sonia Rykiel*, this was inconsistent with the guidance from the European Court of Justice ("ECJ").
40. The two key ECJ authorities on the meaning of "genuine use" of trade marks (*Ansul* and *La Mer*) both resulted from references from national courts made under article 234 of the EC Treaty. A further relevant judgment on an article 234 reference on the subject of article 12(1) of the Directive was issued by the ECJ nine days after the decision under review: *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-

495/07, [2009] ETMR 28. I do not suggest that knowledge of that judgment would have made a significant difference to the hearing officer's decision, but I include reference to it in my review below for the sake of completeness.

41. In *LABORATOIRE DE LA MER Trade Mark* (CA), Mummery LJ, who gave the leading judgment, issued a useful reminder about how national courts should apply such judgments:

“17. ... Judgments of the Court of Justice on references under Art.234 are not, of course, like the judgments of national courts which decide cases and from which it is possible to extract a ratio. ... The judgments of the Court of Justice on Art.234 references must be read in a wider context. The accumulation of rulings develops a body of jurisprudence on the interpretation of EC legislation. This differs from the common law method of building up a body of case law from binding judicial precedents. The judgments of the Court of Justice should not be read or applied too literally. The Court of Justice does not decide the cases coming before it. Its judgments are part of a continuing conversation between the Court of Justice and national courts. The legal learning generated by this process flows, after the fashion of a *roman fleuve*, from the Court of Justice into the national courts of Member States.

42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

- (1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].
- (2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].
- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].
- (4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].
  - (a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].
  - (b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the

purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].

43. The *Ansul* and *La Mer* judgments were considered and applied by the Court of Appeal in a national revocation case in *LABORATOIRE DE LA MER Trade Marks*. The facts were that the relevant trade marks were registered in respect of “perfumes and cosmetics containing marine products” in Class 3. The proprietor was a French company specialising in seaweed products from its base in St Malo. It appointed a small enterprise, Health Scope Direct, based on the Moray Firth in Scotland, as its agent in the United Kingdom. Health Scope Direct placed five separate orders for Goemar’s relevant products, at an overall wholesale price of £800, over a six month period between 14 November 1996 and 16 May 1997. The sales took place and were delivered in five batches, the bulk of the deliveries being made around April 1997. The products imported were packed in containers bearing the mark with recommended retail prices of roughly between £5 and £30 each. Health Scope Direct went out of business and was struck off the register of companies in October 1997. There was evidence that Health Scope Direct had been making preparations to sell the products by appointing members of the public as sub-agents selling via private parties, based on the “Tupperware” model, but there was no evidence that this had actually happened or that any products had been on-sold. Applications to revoke the LABORATOIRE DE LA MER trade marks were brought on 27 March 1998, with the key period of alleged non-use being the five years leading up to those applications.

44. Mummery LJ summarised and set out relevant extracts from the decisions in *Ansul* (paragraphs [35] to [39]) and *La Mer* (paragraphs [20] to [24]). In his discussion of the issues in the case before him, he made the following statements:

*“Token use*

22. Token use of a mark does not count as genuine use. Contrary to the tenor of some of his excellent submissions Mr James Mellor, appearing on behalf of *La Mer*, has never contended that this was a case of token use by Goëmar, "serving solely to preserve the rights conferred by the mark."

23. Although token use of a mark is obviously not genuine use, it would be illogical to assert that every case of non-token use qualifies as genuine use. *Ansul* and the reasoned order in this case are clear that, even if the use is not token, it is still necessary to consider other factors in order to decide whether or not the use of the mark is genuine. For example, internal use by the registered proprietor may not be token or sham, but it will fail to qualify as genuine use because it is internal only.

*Internal use*

24. Internal use by the registered proprietor does not count as genuine use. Mr Mellor contended that the use relied on by Goëmar was akin to internal use. I am unable to agree. The sales by Goëmar to Health Scope Direct and the importation of the products into the United Kingdom were events external to Goëmar. There was no suggestion in the evidence that the transactions were otherwise than at arm's length. Although the quantities involved were modest and although there was no evidence of sales on by the importer to consumers and end-users, that does not mean that the use of the mark in the United Kingdom was internal or akin to internal use by Goëmar. The result of the sales was that goods bearing the mark were in different ownership in different hands in another country.

*Use by single Importer*

25. The question of the use of the mark by an importation by a single importer into a Member State was specifically raised in the reference, as it was a special feature of the facts in this case. The answer given in paragraph 24 of the reasoned order was that such use "can be sufficient to demonstrate that such use is genuine." The act of importation of goods can constitute putting the goods bearing the mark on the market in the country to which they are imported. The crucial question is what type or kind of market use is in fact sufficient in the particular case. I now turn to the question of use of the mark on the market for the goods bearing the mark. This is the narrow, but critical, difference between the parties."

45. After summarising the respective submissions of the parties in relation to the last question posed, Mummery LJ concluded in favour of the registered proprietor, as follows:

"33. Trade marks are not only used on the market in which goods bearing the mark are sold to consumers and end users. A market exists in which goods bearing the mark are sold by foreign manufacturers to importers in the United Kingdom. The goods bearing the LA MER mark were sold by Goëmar and bought by Health Scope Direct on that market in arm's length transactions. The modest amount of the quantities involved and the more restricted nature of the import market did not prevent the use of the mark on the goods from being genuine use on the market. The Court of Justice made it clear that, provided the use was neither token nor internal, imports by a single importer could suffice for determining whether there was genuine use of the mark on the market."

46. The proprietor in this case relies in particular on the following passages from the supporting judgment of Neuberger LJ (as he then was):

“41. In his attractive submissions, Mr Mellor suggested that, on a fair reading of the four paragraphs in *Ansul*, the Court of Justice was saying that, in addition to the use not being token or internal, it had to be substantial or at least significant, and/or it had to be communicated to end-users of the goods or services in respect of which the mark was registered.

42. Although the four paragraphs in *Ansul* are not entirely easy to analyse in all respects, I do not think that they justify the imposition of either requirement. So far as the second sentence of paragraph [36] is concerned, it does no more than summarise the fundamental purpose of a trade mark, thereby explaining why token or internal use is insufficient to amount to "genuine use". That point is then expanded in paragraph [37]. Paragraph [38], and the first sentence of paragraph [39], are in my view concerned with giving guidance to domestic tribunals when they are called upon to decide, in a particular case, whether the use of a trade mark is genuine or whether it is internal or token. They do not, to my mind, impose an additional requirement of substantial, or even significant, use; that is, I think, tolerably clear from the structure and wording of the four paragraphs. In particular, while the point is to some extent one of impression, and it is dangerous to be semantically analytical, I have in mind the first three words of paragraph [37], the use of the word "assessing" in paragraph [38], and the closing sentence of paragraph [39].

43. Subject to one point, I believe that what was said by the Court of Justice in paragraphs [20] to [24] in *La Mer* (set out in paragraph [20] of the judgment of Mummery LJ) supports this conclusion. In particular, in paragraph [21], it is made clear that "minimal" use will not of itself disqualify the use from being "genuine"

44. It is true that in paragraph [22] in *La Mer*, the Court of Justice suggested that the question was "whether use is sufficient to preserve or create market share", which, at least at first sight, might suggest that, in order to be genuine, the use of the mark must be such as to achieve a significant market share. However, it seems to me that such a reading is plainly inconsistent with what was said elsewhere by the court in *Ansul* and in *La Mer* itself. Furthermore, as Mr Tritton points out, the words "sufficient to preserve or create market share" are perfectly capable of being read as meaning use which is sufficient for the purpose of preserving or creating market share. In the light of the observations of the Court of Justice in *Ansul* and elsewhere in *La Mer*, I consider that that would indeed be the correct reading of those words.

45. The notion that the use of the trade mark must be substantial or significant before it qualifies as "genuine" seems to me to run into two difficulties in any event. The first is that it does not involve attributing the word "genuine" its natural meaning, although this point of course potentially substantially weakened by the fact that the equivalent word used in the text in Article 10 in other languages may carry with it a slightly different meaning.

46. Secondly, once one imposes a requirement of significance or substantiality, it becomes potentially difficult, time-consuming, and expensive to decide whether, in any particular case, that requirement is satisfied. In this connection, Mr Tritton made a fair point when he suggested that the introduction of a test of significant use could lead to detailed arguments about the precise nature and extent of the market in which a particular trade mark is to be used, as well as a detailed enquiry in many cases as to the precise nature and extent of the use of the particular mark over the relevant 5 year period. I do not regard that as a particularly desirable outcome.



47. Although the use of the instant mark within the jurisdiction can be said to be close to exiguous, I do not think it could be characterised as *de minimis*. Even if it could be so characterised, I do not consider that that concept would be a useful or helpful one to invoke or apply, even if it had not been effectively ruled out by the European Court.”

47. Mr Malynicz submits that, in finding that the invoice to Portobello Foods Limited was “no more than token and such use cannot be held to be warranted in the economic sector concerned for the purpose of maintaining or creating a market share”, the hearing officer imposed a requirement of significance or substantiality of use, in direct contravention of the above passages from Neuberger LJ’s judgment. The hearing officer wrongly equated the word “token” with a very small amount of use, rather than using it in the sense that it is used in *Ansul* and *La Mer* (both ECJ and CA decisions) of being sham use, without any commercial purpose, purely for the purpose of maintaining the trade mark.

48. In Mr Malynicz’s submission, the hearing officer may have approached the case in this way because he wrongly took account of more recent case law from the CFI, which he has interpreted as imposing some sort of minimum level of use below which even real commercial use will not be deemed to be genuine.

CFI and ECJ decisions on “genuine use” under article 42(2) and (3) of the Regulation

49. The Court of Appeal in *LA MER* held that the outcome of that case was compatible with various post-*Ansul* decisions on genuine use issued by the CFI by then, which were listed (at [35]) as: *The Sunrider Corp v OHIM (VITAFRUIT)* T-203/02 8 July 2004, *Vitakraft-Werke Wührmann & Sohn GmbH & Co KG v OHIM (VITAKRAFT)* T-356/02 6 October 2004 and *MFE Marienfelde GmbH v OHIM (HIPOVITON)* T-334/01 8 July 2004. These cases all concerned appeals from decisions of OHIM in opposition proceedings where the CTM applicant had requested proof that the earlier mark relied on to challenge the application had been put to genuine use in the territory where it was protected during the five years preceding the date of publication of the opposed CTM application, pursuant to article 43(2) and (3) of the then current CTM Regulation (40/94), now rather confusingly substituted by article 42(2) and (3) of the codified Regulation (207/2009).

50. The requirement of genuine use in those provisions corresponds in essence with the requirement in article 12(1) of the Directive and is subject to the same interpretation. In each of the cited cases, the CFI sought to apply *Ansul* to the particular facts of the case. As one would expect, the cases involved arguments about whether the evidence of use was sufficient to establish genuine use, both as regards the nature and amount of use established, and as regards the type of evidence relied on. The following passage from the CFI’s decision in *VITAFRUIT* gives an indication of the similarity of the issues and evidential matters that arise in these cases to those that arise in national revocation cases:

“54. It follows that the other party to the proceedings before the Board of Appeal furnished proof that sales were made, with its consent, to a Spanish customer during the period from May 1996 to May 1997 of around 300 units of 12 items each of concentrated juices of various fruits, representing sales of approximately EUR 4 800. Although the scale of the use to which the earlier trade mark was put is limited and although it might be preferable to have more evidence relating to the nature of the use during the relevant period, the facts and evidence put forward by the other party to the proceedings are sufficient for a finding of genuine use. Consequently, OHIM was right to find, in the contested decision, that the earlier trade mark was put to genuine use in respect of some of the products for which it was registered, namely for fruit juices.”

51. However, care must be taken when seeking to find parallels between cases decided under arts. 42(2) and (3) of the Regulation (arts. 43(2) and (3) of its predecessor) and national revocation cases, because Commission Regulation (EC) No.2898/95 which implements the Regulation (“**the IR**”) contains specific provisions about the nature and form of evidence that a proprietor must file when seeking to prove genuine use before OHIM which are not replicated in our domestic system: see art.1 rule 22 IR, as substituted by Commission Regulation (EC) No. 1041/2005, which provides as follows:

**Rule 22 – Proof of use**

- (2) Where the opposing party has to furnish proof of use [pursuant to Article 42(2) or (3) of the Regulation] or show that there are proper reasons for non-use, the Office shall invite him to provide the proof required within such period as it shall specify. If the opposing party does not provide such proof before the time limit expires, the Office shall reject the opposition.
- (3) The indications and evidence for the furnishing of proof of use shall consist of indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered and on which the opposition is based, and evidence in support of these indications in accordance with paragraph 4.
- (4) The evidence shall be filed in accordance with Rules 79 and 79a and shall, in principle, be confined to the submission of supporting documents and items such as packages, labels, price lists, catalogues, invoices, photographs, newspaper advertisements, and statements in writing as referred to in [Article 78(1)(f)] of the Regulation.

52. The provisions as to evidence under the Trade Marks Rules 2008 (and its predecessors) are far less prescriptive. Rule 64 provides that evidence may be given by witness statement, affidavit, statutory declaration or in any other form that would be admissible as evidence in court proceedings; and that witness statements shall be the normal form for evidence at hearings, and must be signed and dated and include a statement of truth. The Registry also issues guidance as to the content of evidence (for example in Section 7 of the Registry Work Manual) but this does not lay down precise rules about the types of documents required to establish genuine use.

53. Furthermore, OHIM’s approach to witness evidence is that a witness statement made by a representative of the proprietor is of little weight unless it is corroborated by

independent evidence: see, for example, *Rodcraft Pneumatic Tools GmbH & Co. KG v Rolson Tools Ltd* (Case R 1075/2005-2 of 8 June 2006), in which the Second Board of Appeal of OHIM refused to rely on the uncorroborated statement of the President of the opponent company in the absence of invoices supporting turnover and advertising figures that he set out in the statement (which contained a statement of truth). The Board stated that the decision of the Appointed Person in an earlier parallel case on appeal from the UK Registry (*Rolson Tool Ltd's Trade Mark Application* BL O/011/06, 10 January 2006) in which similar evidence had been found to be sufficient to establish genuine use, was of no relevance to their decision, because it was based on different procedural requirements. The OHIM approach is different from the approach to witness evidence in the Registry, as I discuss further below.

54. The *VITAFRUIT* decision referred to above was upheld on appeal to the ECJ, which found that the CFI had not made any errors when it reached the conclusion set out above: *The Sunrider Corp. v OHIM*, Case C-416/04 P, [2006] ECR I-4237. The ECJ made no new statements of principle in this case, which could be construed as affecting its earlier rulings relating to quantum of use. It did however make the following important point (emphasis added):

“77. ... when assessing whether use of the mark is genuine, regard must be had to all the circumstances of the case and it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. **It follows that courts ruling in two different cases may assess differently the genuine nature of the use alleged before them, even when instances of that use may have generated comparable sales volumes.**”

55. The most recent ECJ decision that falls to be considered in this line of cases is *Il Ponte Finanziaria SpA v OHIM (BRIDGE Trade Marks)* Case C-234/06 P, [2008] ETMR 13 (ECJ), in which an opponent was required to prove genuine use of various Italian trade marks containing the word BRIDGE. There was particular focus on whether the trade mark, THE BRIDGE, registered in respect of “clothing, footwear, headgear”, had been used in connection with those goods within the relevant five year period. The opponent claimed that the CFI in the decision below had imposed a requirement of continuous use of the trade mark throughout the whole period, since it stated that the evidence did not demonstrate “that [the trade mark] was consistently present on the Italian market, in connection with the goods in respect of which it is registered, during the [relevant period]” (Case T-194/03, 2 February 2006 at [36]). The ECJ ruled that this statement did not amount to a requirement of continuous use, stating that the CFI had – in accordance with the ECJ’s case law in *Ansul*, *La Mer*, and *Sunrider* – assessed “whether the scale and frequency of use of that mark were capable of demonstrating that it was present on the market in a manner that is effective, consistent over time and stable in terms of the configuration of the sign”.

56. I do not read this statement as imposing a new legal requirement of repeated, regular or continuous use, which would contradict the previous rulings as to the absence of a fixed minimum. It was merely confirmation that the scale and frequency of use were relevant factors to be taken into account in the overall assessment and that the CFI had not erred in taking this into account in the particular case at hand.

57. That brings me to the *Sonia Rykiel* case, from which the hearing officer relied on the passages set out at paragraph 34 above. That case also concerned the use of a trade mark in relation to clothing. The CFI began its findings in the usual way, citing article 43(2) and (3) of the old Regulation and the proof of use provisions under rule 22(2) IR, and considering the authorities on the meaning of genuine use. Having referred to the fact that scale and frequency of use of the mark were among the factors to be taken into account, the CFI added the following:

“40. As regards the scale of the use made of the earlier trade mark, account must be taken of, inter alia, first, the commercial volume of all the acts of use and, second, the duration of the period over which the acts of use were carried out and the frequency of those acts (judgment of 14 December 2006 in Case T-392/04 *Gagliardi v OHIM – Norma Lebensmittelfilialbetrieb (MANŪ MANU MANU)*, not published in the ECR, paragraph 82).

41. To examine whether an earlier trade mark has been put to genuine use in a particular case, an overall assessment must be carried out, taking account of all the relevant factors in the case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court of Justice has stated that use of the earlier mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it 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 (order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21; *LA MER*, cited in paragraph 32 above, paragraph 57; see, by way of analogy, *Ansul*, cited in paragraph 21 above, paragraph 39).

42. ...

43. The Court of Justice also added, in paragraph 72 of its judgment in Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237, that it was not possible to determine *a priori* and in the abstract what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down. Thus, in that judgment, the Court held that, when it serves a real commercial purpose, even minimal use of the trade mark can be sufficient to establish genuine use.”

58. I see nothing in these statements to tell me that the CFI was about to apply any different understanding as to the meaning of genuine use from that which the Court of Appeal had in *LABORATOIRE DE LE MER*. But there then came the following passages:

“42. However, the more limited the volume of sales of items bearing the mark, the more necessary will it be for the party opposing new registration to produce additional evidence to dispel possible doubts as to the genuineness of the use of the mark in question (*HIPOVITON*, cited in paragraph 31 above, paragraph 37).

and

44. The Court of First Instance has held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (*HIWATT*, cited in paragraph 35 above, paragraph 47, and Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 28).

59. These latter passages reinforce the points that I have raised above as to the evidential requirements imposed on the proprietor under the Regulation and IR. Bearing those requirements in mind, it does not appear to me that anything that followed in the CFI’s analysis was inconsistent with the guidance from the ECJ. It did not impose a pre-set minimum of use, but took into account the actual use that had been demonstrated (under the applicable rules of evidence), including its scale and frequency, the nature of the products and the structure of the market concerned.

60. The use of the word “token” in paragraph 60 of *Sonia Rykiel* is unfortunate, because it does seem to be equated with “de minimis” (as in, simply not enough) rather than “sham” (as in, not real commercial transactions), having been used in the latter sense in *Ansul* and *La Mer*. However, this does not matter too much, since we know that neither is sufficient to amount to genuine use.

61. I do not believe that the hearing officer was wrong to look to current CFI jurisprudence to see how similar cases were being dealt with in that tribunal. However, he should have mentioned the need for caution when referring to such cases, for without such a mention, it is unclear whether he was aware of the issue. Whether or not he was aware of it, I do not think that Mr Malynicz is correct in saying that the hearing officer’s reliance on *Sonia Rykiel* led him to impose a requirement of substantiality in relation to quantum of use. If the hearing officer had correctly identified the invoice to Portobello Foods as the only useful piece of evidence, I think he would also have been correct to say that this was insufficient to prove that the proprietor made commercial use of the Mark aimed at maintaining or creating an outlet for the goods or a share in the market. In the vast UK market for the sale of the foodstuffs identified in the specification, a single supply of goods to the value of €1,793, would be regarded as *de minimis* if unsupported by additional evidence.

62. I reject Mr Malynicz’s submission that, once a proprietor has established a single commercial transaction during the relevant five year period, genuine use must be found. That is not what the ECJ has taught us. It may be sufficient to establish genuine use, but whether it is in any particular case depends on all the facts and circumstances. The reliance on *LABORATOIRE DE LA MER (CA)* does not help. There, the relevant market was for perfumes and cosmetics containing marine products – i.e. a relatively specialised market, even though the products themselves could still be described as “everyday”; there were five separate orders and deliveries, and there was evidence about how plans were under way to on-sell the goods (see paragraph 43 above). The proprietor was clearly attempting to create market share and therefore the actual use, although very small in quantity, was held (just) to be sufficient. If that decision is being relied on by United Kingdom practitioners to assert that all a proprietor needs to do is produce evidence of a single commercial transaction during the relevant five year period, as indicated in the Registrar’s intervention in this case, then in my view they are wrong to do so. The Court of Appeal did not suggest that this would be sufficient.
63. If the true extent of proved use of the Mark were limited to the Portobello Foods transaction, I would therefore see no reason to vary the hearing officer’s decision. So the question is then whether the hearing officer was right to take into account just that one transaction.

#### Proof of Use

64. By virtue of section 100 of the Act, the evidential burden of showing what use has been made of the Mark lies with the proprietor. In this case, G&D did not submit any evidence to counter that of the proprietor, and so the question for the hearing officer was whether the proprietor’s evidence was sufficient to discharge that burden.
65. A comprehensive exposition on the approach to proving use in revocation actions was set out by Richard Arnold QC (as he then was, sitting as the Appointed Person) in *EXTREME Trade Mark* [2008] RPC 2, starting at [24]. In relation to witness evidence, at [31] he drew a distinction between a “bare assertion” such as, “I have made genuine use of the trade mark” on the one hand, and a statement “by a witness with knowledge of the facts setting out in narrative form when, where, in what manner and in relation to what goods or services the trade mark has been used” on the other. The former would not be sufficient evidence of the use claimed, whereas the latter could be.
66. The decision in *EXTREME* went on to discuss the extent to which evidence given in a witness statement should be accepted in the absence of a challenge by way of cross-examination or contradictory evidence from the other side, as follows:

“36. 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 ... it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.

37. 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. .... 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).”

67. These observations led to the Registry publishing Tribunal Practice Notice 5/2007, which warns parties that they should not invite hearing officers to disbelieve the factual evidence of a witness without that witness having had the opportunity to respond to the challenge either by filing further written evidence or by answering the challenge that his or her evidence is untrue in cross-examination. The Notice also talks about the question of whether cross-examination is proportionate in any particular case, and then states at paragraph 5:

“5. Factual evidence which is obviously incredible can be challenged on the basis that it is untrue whether or not the witness has been cross examined or given prior notice of the challenge to the truth of his or her evidence.”

68. In this case the proprietor claimed that the hearing officer was wrong to accept G&D’s criticisms of, and discount Mr Isola’s evidence in relation to, each of:

- (1) the invoices to entities other than Portobello Foods Limited;
- (2) the proprietor’s publicity brochure distributed in the United Kingdom; and
- (3) the *Marie Claire Maison* advertisement and advertising spend generally.

69. The hearing officer was clearly well-aware of the contents of TPN 5/2007 and indeed cited the warning that hearing officers must “guard themselves against being beguiled” by criticisms of evidence, along with the point that they “should not assess evidence uncritically”. However, he again turned to the CFI for further guidance, citing comments in the *HIPOVITON* case (one of those reviewed by the Court of Appeal in *LABORATOIRE DE LA MER*), as set out in paragraph 32 above. Here, I think that the hearing officer was entering dangerous ground. The suggestion that additional evidence needs to be produced where the commercial volume of exploitation of the mark is small is certainly a sensible one for a proprietor to think about when submitting evidence. But it should not be relied on as support for the

rejection of evidence that is in itself perfectly admissible under our national system, even if it is less obviously acceptable under the Community system.

70. I do not see this reference to *HIPOVITON* as a material error which vitiates the decision in itself, but I do see it as a reason for checking the hearing officer's consideration of the evidence particularly carefully.

***Mr Isola as the chief witness***

71. Mr Isola states that he has been "employed" by the proprietor "in the position of Legal Representative" since 1993. While in large companies one would not necessarily expect an in-house legal representative to have direct knowledge of product sales, this would not be unusual for a small company, particularly where the legal representative had been employed for a long time. Further, Mr Isola makes a statement of truth at the end of his witness statement. In current cases, this requirement is imposed by rule 64(2) of the Trade Marks Rules 2008, but the then applicable rule was rule 55(3) of the Trade Marks Rules 2000 (as amended). Under rule 55(4):

"(4) The practice and procedure of the High Court with regard to witness statements and statements of truth, their form and contents and the procedure governing their use are to apply as appropriate to all proceedings under these Rules."

72. Pursuant to rule 32.14(1) of the Civil Procedure Rules:

"(1) Proceedings for contempt of court may be brought against a person if he makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth."

73. As can be seen, a statement of truth is not just a throwaway line. It imposes a burden on the maker of the statement which should not be taken lightly. It is an alternative approach to the requirement of submitting corroborating evidence under the Community system, which can be justified on the basis that witnesses who tell untruths can be exposed in the Registry through the power of cross-examination at a live hearing, and may be subject to serious consequences if exposed. On this basis, in the absence of successful challenge along the lines set out in TPN 5/2007, or obviously incredible contents, the hearing officer should have assumed that Mr Isola believed the contents of his statement to be true and that, if he did not have direct knowledge of the facts to which he deposed, he would have ascertained that they were true from other sources within the company. Of course, in the case of vague statements, even if they are assumed to be true, they do not need to be taken to go beyond what is actually stated.

74. Mr Isola's general statement of use in paragraph 4 of his witness statement (see para. 19 above) would be little better than bare assertion if it were not backed up by additional comments and documents about the nature of the use. But it clearly states



that the Mark has been used “in the United Kingdom”, so any reasonable person in Mr Isola’s position would have known that the examples of use which he set out thereafter would be taken by the reader to be examples of use “in the United Kingdom” unless stated to the contrary. In other words, Mr Isola would have been deliberately misleading G&D and the Registry if the examples that followed did not in fact relate to use of the Mark “in the United Kingdom” and yet did not make this clear.

***The invoices (GI01-5 & GI07-8)***

75. The hearing officer accepted Counsel for G&D’s submission that the invoices (other than that to Portobello Foods) failed to support the contention that the Mark had been used on relevant goods in the United Kingdom, but rather suggested that the company invoiced had used the proprietor’s services for the provision of food and drink in Italy. In doing so, I agree with the proprietor that he fell into the trap highlighted in *EXTREME* of being beguiled by alternative theories as to what the invoices might represent, apparently because he ignored or did not accept the content of Mr Isola’s witness statement. This was not a witness with no knowledge of the facts saying “here are some invoices made out to companies in the UK” and leaving the reader to decide for himself what they showed; it was an in-house lawyer stating, “the Mark has been used in the United Kingdom ... both on and in relation to goods specified in the Registration”, and “here are some invoices to prove it”. The invoices themselves both bear the Mark and are made out to United Kingdom companies.
76. I accept that the general reference to “selling of food and beverages” on the invoices is less than ideal to inform us of which particular food and beverages were involved. But Mr Isola sought to deal with that by listing them in his witness statement. If G&D was dissatisfied with those lists, or wished to prove the theory that the invoices related to supplies of services to representatives of the companies concerned who visited the proprietor’s premises in Italy, then it should have asked to cross-examine Mr Isola. Alternatively, it could have contacted the individuals named on the invoices at the customer end and simply asked them.
77. There was nothing inherently incredible about the claim that London-based banks or fashion houses such as JP Morgan Chase, Credit Suisse and Jimmy Choo might order Italian food and beverages from a fashionable “pasticceria” in Milan to be supplied to them in London. Although it is true that no delivery charge is included on the invoices, there is similarly no service charge or room hire charge on the invoices that would support G&D’s alternative theory.
78. If G&D had wished to criticise the proprietor’s evidence without cross-examining Mr Isola, it should at the least have submitted written observations well in advance, giving the opportunity for a response before the hearing, whereas the criticisms

appear to have been raised for the first time in the skeleton argument for the hearing. I therefore conclude that the hearing officer made a material error when he ruled out the invoices for the purpose of assessing the sum of the evidence put forward by the proprietor.

***The publicity brochure (GI10)***

79. In the case of the publicity brochure, Mr Malynicz complains that there was no legitimate basis for the hearing officer to conclude that Mr Isola's claims in respect of it were "somewhat unusual" and "self evidently incredulous (sic)". I agree. The hearing officer made these statements on the basis that the brochure was aimed at promoting its banqueting and bar services at premises in Milan. However, it is plain from the face of the exhibit that: (a) it is a flexible publicity brochure in which different loose cards can be included or excluded; (b) some of the cards relate to chocolates, pastries, cakes and other confectionery, of the type suitable for gifts and treats to be consumed away from the proprietor's premises (i.e. they do not only relate to services); and (c) the cards are written in both Italian and English.
80. Those facts, combined with Mr Isola's direct statement that the brochure "was distributed in the United Kingdom to many bars, cafeterias and restaurants" cannot be reconciled with the hearing officer's decision to ignore the brochure and the witness evidence about it when assessing genuine use. Unlike the alternative theory for the invoices, there is no such theory for what else Mr Isola might have meant. It is highly unlikely that the brochure was distributed to bars, cafeterias and restaurants in Italy, since these would be competitors of the proprietor rather than potential customers. So the only rational alternative explanation is that he made it up. That is not an acceptable outcome under our system in the absence of cross-examination or, at the least, advance written challenge.
81. I therefore conclude that the hearing officer also made a material error in excluding Mr Isola's evidence about the brochure and its contents when assessing whether the proprietor had established genuine use.

***Marie Claire Maison and advertising spend***

82. Mr Malynicz referred to paragraphs 50 to 57 of the Advocate-General's Opinion in *Silberquelle* in which he explained that use of a mark in advertising does count for the purposes of assessing genuine use, provided that it relates to the goods in question. (See also *Ansul* at [37].) He submitted that a company that pays for advertising in an Italian magazine which is known to be placed in bookstores in the United Kingdom should be taken as using the mark there, since the advertising reaches UK consumers. As such, it is real commercial use aimed at establishing a market share and competing with similar goods.

83. In this case, I am with the hearing officer. The advertisements concerned are in Italian, placed in Italian editions of Italian language magazines. While the proprietor may have been aware that some of these would have ended up on the shelves in United Kingdom shops, there is no evidence to indicate that this was a real attempt to promote its goods in the United Kingdom under the Mark. Most importantly, while the name of the proprietor is found in the small-print, the Mark itself (i.e. in its stylised form) does not appear anywhere in the advertisements.
84. On the other hand, I believe that he too readily ignored Mr Isola's statement that expenditure on "publicity/advertising for the United Kingdom" during the relevant period could be calculated in the order of 2,000 Euros. The hearing officer complained that this was unparticularised, but Mr Isola's itemisation of "Internet, brochure, depliants and publications on newspapers and magazines" indicates that he had tried to work out the appropriate amount from internal records. On its own, the statement would be unhelpful because it does not explain what goods or services were included in the publicity/advertising concerned. However, as an additional piece of evidence that one has to assume Mr Isola did not make up, which fits in with the existence of invoices relating to sales of specified foods into the United Kingdom and a brochure used to promote some of those foods, it should not have been discounted altogether.

#### Conclusion on the evidence

85. As a general matter, I do not accept the hearing officer's suggestion that G&D's challenges were to inferences drawn from primary facts, as opposed to challenges to the facts themselves. They were challenges to the primary facts about which Mr Isola gave evidence, including his explanation of what the underlying documents showed. The hearing officer should not have been ready to impose alternative theories about what was shown without Mr Isola's evidence having been properly challenged.
86. I note that G&D claimed in its original statement of case attached to the Form TM26(N) launching its application that "detailed investigations into possible use [of the Mark] in the United Kingdom" had proved negative. However, it chose not to put in any evidence about such investigations. I assume that it would have done so if it directly contradicted anything that Mr Isola said in his witness statement.
87. To summarise, I believe that the hearing officer should have taken account of all of the transactions disclosed in the invoices as well as the content of the publicity brochure and Mr Isola's evidence about it having been distributed to bars, cafeterias and restaurants in the United Kingdom, and his evidence about advertising spend (bearing in mind the possibility that some of this related to material that only

featured the proprietor's name and not the stylised Mark), but not the *Marie Claire Maison* advertisement.

### Overall conclusion

88. On the basis of all of this evidence taken together, including the date and contents of the publicity brochure (December 2003), the span of time disclosed by the invoices (February 2004 to September 2006) and the goods stated on their face or explained by Mr Isola, the prices of the individual transactions and their sum total, I conclude that the proprietor did make genuine use of the Mark during the relevant period. Although the relevant market is very large, there are many small traders within it, and the collective evidence does support the case that the proprietor's use was real commercial use aimed at creating market share whereby the Mark would be understood by consumers as a badge of origin. The amount of use was small, but not *de minimis* or token.

89. Genuine use has not been established in relation to every type of food listed in the specification for the Mark. There is no evidence in relation to flour, sugar or honey *per se* (as opposed to products made with these ingredients); and I do not see any references to ices or sauces. Mr Malynicz did not argue for these to be maintained when I queried them at the hearing. I therefore conclude that the specification should be cut down as follows:


“Confectionery; sweets, sweetmeats; biscuits, cookies; ~~sugar, honey;~~ cocoa, chocolate, tea, coffee, coffee substitutes; ~~flour;~~ preparations made from cereals; bread, cakes, buns; ice-cream, ~~ices, sauces;~~ all included in Class 30.”

90. The effective date of this partial revocation should be stated as 6 July 2007, in accordance with G&D's application.

### Costs

91. The hearing officer ordered the proprietor to pay G&D the sum of £1,700 as a contribution to its costs at first instance. Although I have upheld the deletion of a few items from the specification for the Mark, it is clear to me that these were of minimal significance to either the legal or the commercial dispute between the parties. Their deletion will not affect the proprietor's business nor its ability to enforce the Mark against third parties in relation to goods that are of relevance to its business. Further, if the proprietor had offered to delete those goods at an early stage, it seems highly unlikely that this would have had any impact on the conduct of the case. I therefore believe that it is appropriate to reverse the hearing officer's costs order without any discount to reflect the deleted goods. In the light of the fact that the proprietor incurred the cost of preparing evidence, which G&D did not, I am confident that this can not be said to be unfair to G&D.

92. I shall also order G&D to pay the proprietor the additional sum of £1,300 as a contribution towards the proprietor's costs of the appeal, making a total of £3,000. This is to be paid to the proprietor within 14 days of G&D's representatives being notified of this decision.



ANNA CARBONI

5<sup>th</sup> November 2009

The Appellant (the registered proprietor) was represented by Simon Malynicz of Counsel, instructed by W.P. Thompson & Co. Elkington & Fife LLP remained on the record for the Respondent (the applicant for revocation), but the Respondent was not represented at the hearing and made no written submissions in the appeal.