

O-442-10

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 1284798
IN THE NAME OF PAMPLEMOUSSE LIMITED
IN RESPECT OF THE TRADE MARK:**

ANONYMOUS

IN CLASS 25

AND

**AN APPLICATION FOR REVOCATION (NO 82910) ON THE GROUNDS OF
NON-USE BY ANONYMOUS LIMITED**

TRADE MARKS ACT 1994

In the matter of registration no 1284798 in the name of Pamplemousse Limited in respect of the trade mark ANONYMOUS in class 25

and

an application (no 82910) by Anonymous Limited for revocation on the grounds of non-use

Background

1) Registration 1284798 is for the trade mark ANONYMOUS which stood, until 3 September 2010, in the name of Pamplemousse Limited (“PM”). On this date the register was amended to reflect an assignment from PM to London Uniform Club and Kit Limited (“LUC”) who then changed its name to Pamplemousse Limited (“PM2”). The trade mark is registered in respect of “Articles of clothing included in Class 25”.

2) The trade was originally filed by Richard Shops Ltd on 13 October 1986 and it completed its registration procedure on 22 August 1988. Since filing it has been assigned on a number of occasions. Other than the assignment mentioned in paragraph 1, it is only necessary to record that PM took proprietorship of the registration from a company called Clashforce Limited on 23 June 2000.

3) On 21 June 2007 Anonymous Limited (“AL”) applied for the revocation of the registration under section 46(1)(b) of the Trade Marks Act 1994 (“the Act”). It is claimed that:

“It appears from the investigations conducted by the Applicant that there has been no use of the Trade Mark within the period of five years prior to the date of this application to revoke, i.e. between 21 June 2002 and 20 June 2007, and that there are no proper reasons for non-use.”

Revocation is sought with effect from 21 June 2007.

4) PM filed a counterstatement denying the allegation of non-use and it filed evidence in the form of a witness statement to support its defence. Both sides then filed evidence. PM2 has indicated that it stands by everything that PM has done in the proceedings. A hearing was set, at the request of AL, but in the event neither party decided to attend. AL filed written submissions in lieu of attending the hearing, PM2 (who had by this time taken an assignment of the registration from PM) did not.

The evidence

The registered proprietor’s evidence filed with its counterstatement

5) This is in the form of a witness statement (and accompanying exhibits) from Ms Melanie Davies, managing director of PM. Ms Davies’ evidence is that PM supplies many high street retailers¹ with clothing which is then sold on by those retailers

¹ Her non-limited list includes: Evans, Principles, LK Bennet, Walton Design and Wallis.

under their own labels. She explains that buyers have been attending monthly presentations at PM's showroom for the past six years (her evidence is given on 25 October 2007) to view said articles which, she says, are predominantly labelled with the ANONYMOUS trade mark. Exhibit MD1 contains photographs of nine garments which have the word ANONYMOUS printed on neck labels. All but one of the garments are ladies tops, the fourth garment in the exhibit may also be a ladies top but it is not clear how long it is, it could, potentially, be a dress. The photographs are printed within a rectangular box which has the word ANONYMOUS (stylised) below it.

6) Ms Davies states that sales have been made between 21 June 2002 and 20 June 2007 as a consequence of buyers viewing PM's goods. She exhibits at MD2 some invoices issued to a customer. The customer in question is S.Malin. 12 invoices are provided, the goods sold are described as "Anonymous range" one simply says "Anonymous". The style number is "assorted". The invoices date from 20 December 2002 to 15 June 2007. The quantities involved range from 150 to 350 items per invoice. The unit price is 75p per item on each invoice, save for one invoice where the unit cost was 50p per item.

Applicant's evidence

7) This firstly comes in the form of a witness statement from Mr David Keltie, a partner in the firm Keltie which has conduct of these proceedings on behalf of the applicant. Much of Mr Keltie's evidence is by way of critique of Ms Davies' evidence. He highlights, in particular, his views that: the 12 invoices provided are not originals but computer generated invoices to one person (none being the retailers Ms Davies mentioned), and that the examples of garments provided do not show use in the course of trade or in a shop and that there is no evidence to show that they were available for purchase or that they reached end users.

8) It is explained that Keltie instructed private investigators to conduct searches in respect of PM's use of ANONYMOUS. The investigations are said to have taken place in specialised databases and directories and at a number of high street retailers including the Arcadia Group (Dorothy Perkins, Evans, Topshop), Next, Miss Selfridge, BHS and Marks & Spencers, none of whom have ever stocked ANONYMOUS clothing. The investigators also investigated the name and address of S. Malin, the recipient of the invoices provided by Ms Davies. The results of the investigation are as follows:

That S.Malin was not found as the name of an individual or business at the address given. Extensive internet and restricted database searches (including Companies House) were apparently conducted.

That for the invoiced address, Land Registry records (which are also provided) identify Mr Stuart Malitsky as its proprietor.

No records of Mr Malitsky ever acting as a company director were found at Companies House. No planning application had been made in respect of the address in the past 10 years. Prior to this, two planning applications (which were refused) had been made in respect of office space.

Photographs are provided of the property at the invoiced address. Mr Keltie describes it as a “large storage unit”, I would describe it as a small lock-up. Either way, I agree with Mr Keltie that there is nothing to indicate that a business is conducted at the address, at least outwardly speaking.

9) Mr Keltie concludes by referring to the relevant case-law for genuine use, he does not consider there to be evidence of public or outward use, and he considers the transactions referred to in the invoices to be, on the face of it, not real.

10) Evidence also comes from Linda Ross, the founder and co-director of AL. I do not intend to summarise her evidence in any detail as it relates to the use that AL has made of the word ANONYMOUS. This has little or no bearing on whether PM has used the mark that was registered to it during the relevant period. I note, though, that despite her being in the fashion industry for 35 years, she has never encountered any use of the ANONYMOUS brand other than by AL.

11) Mr Keltie also provides a further witness statement to which he exhibits the witness statements of two people in the fashion trade. Mr Keltie consider that these demonstrate that the trade mark ANONYMOUS has been used, publicly, only by AL. The witness statements are from the designer Cath Kidston and from Ms Laurian Davies, who works for a trade organisation which provides advice and help to the UK fashion industry. Again, I do not intend to summarise the evidence in detail, but it is fair to say that both Ms Kidston and Ms Davies have heard of the ANONYMOUS brand as used by AL’s Ms Ross. Neither person mentions PM.

Registered proprietor’s evidence

12) This comes firstly from Ms Tracey Garreffa, the “Buying Director” of a company called Walton Design Limited (“Walton”). Ms Garreffa explains that Walton retails ladies clothing via 21 shops across the South of England. She says that she associates ANONYMOUS with PM and has been aware of its use for the past 20 years. She has seen the ANONYMOUS mark used in relation to clothing provided by PM in the course of business transactions. She says that she has viewed ANONYMOUS marked clothing at the offices of PM on a regular two month cycle for the last six years. Her company selects around 30 styles of clothing marked ANONYMOUS per year as a result of such viewings, each style being purchased in at least 2 separate colour ways. It is explained that the garments are then created bearing Walton’s own trade mark and the garments then sold in its shops. It is stated that approx £450,000 worth of goods from the ANONYMOUS range is purchased each year and that this has been consistent for the past five years (her evidence is given on 14 October 2008). Ms Garreffa states that in 2004 her company also stocked ANONYMOUS marked goods, no further details are provided about this.

13) Mr Davies (who gave evidence with the counterstatement) provides further evidence about PM’s business and operating methods. She highlights again that PM’s customers are high street retailers not high street shoppers. It is explained that the clothing offered by PM at its showroom is under two marks: PAMPLEMOUSSE and ANONYMOUS. The latter range features more complicated, decorative styles. The garments are designed in Portugal and a range of samples created from the designs. Around 25 pieces per month are created in the ANONYMOUS range. Some

of the designs can be seen in Exhibit MD3 in what are referred to as “garment records” – the records date mainly between 2002 and 2005. Most are for ladies tops, although, there is one trouser type garment. The record sheet has the ANONYMOUS (albeit in lowercase lettering) sew-in label attached to it in the bottom right hand corner.

14) It is explained by Ms Davies that each sample garment will have a sew-in label and, also, a swing tag which features the word ANONYMOUS (also in lower case) and a product code. The retailers view the samples at PM’s showroom. An invoice from 2001 relating to the purchase of ANONYMOUS swing tags is provided in Exhibit MD7. Exhibit MD8 contains purchase orders made on PM’s web-based ordering system from some of its customers. 3 are from Principles and 3 from Evans. The delivery dates range between 2006 & 2007. They do not carry the ANONYMOUS mark but include text such as “583578 brick flower..” & “17990 khaki floral prnt me”. Another customer, Freemans, orders in a different way and MD9 contains two merchandise description forms. Both are dated Jan 2006 and the supplier is listed as PM. A supplier stock number is shown. One is for a ladies knitted top, the other is not identified. Ms Davies explains that after ordering, PM sends a production order to its manufacturer in Portugal. Examples of this are shown in Exhibit MD10. There are 6 in total ranging from November 2005 to February 2007. The ANONYMOUS mark is not used. Sketches are provided of the garments which appear to be a number of ladies tops, a dress, a kimono top and a long vest top. It is explained that the customers’ own labels are stitched into the garment before being shipped to the retailer. Sometimes the customer wishes to produce its own sew-in label and, therefore, PM has to order them and ship them to Portugal so that they can be used in the manufacturing process. Invoices from 2006 relating to this are shown in Exhibit MD11.

15) Further similar documents are shown in Exhibits MD12-MD13 relating to PM’s business process. None show the word ANONYMOUS but, Ms Davies attaches garment records to show that on the invoices (MD15) the product codes correctly cross-reference to the garment records. For example, an invoice dated 14 August 2003 for a slash neck top carries the code JD2102. The garment record for this is provided (a ladies top) with the same product code. The garment record has the ANONYMOUS (lowercase) label in the bottom right corner.

16) Ms Davies refers to the stocking of ANONYMOUS marked goods by Walton in 2004 and invoices are supplied in Exhibit MD16. The invoices represent over 13,000 garments. The invoices carry stock numbers and garment descriptions rather than the ANONYMOUS name. Exhibit MD17 contains sales figures for PM. Its turnover gradually falls from over £12 million in 2002 to just under £4 million in 2007. Ms Davies says that there are no specific breakdown figures between PAMPLEMOUSSE and ANONYMOUS, but she estimates that 30% of these sales relate to ANONYMOUS.

17) Further documents are provided in Exhibits MD18-MD25 which, again, cross-reference orders and production orders etc with the garment records for ANONYMOUS clothing designs. Ms Davies says that due to the nature of the business in which PM operates, which she describes as “flash fashion”, which operates on a quick, low cost basis, PM does not produce catalogues or brochures

etc. She says that due to the high paced nature of the industry and the high turnover of staff, it was not possible to obtain witness statements from other retail buyers. She explains that the invoices to S.Malin relate to purchases made by S Malitsky who purchased low cost samples which she believes which were sold on in market stalls in the south of England.

Applicant's reply evidence

18) AL's reply evidence comes, again, from Mr Keltie. It is fair to say that Mr Keltie's evidence consists merely of a critique of the registered proprietor's evidence. I will not summarise it in detail but will record the main points made:

- ❖ That much of the evidence (such as garment records & production orders) are internal documents.
- ❖ That there is no evidence that the sew-in labels shown on the garment records etc were inserted into the garments themselves.
- ❖ That some of the documents contained in the exhibits are undated (MD4, MD5 & MD6) whereas MD7 is from before the relevant period.
- ❖ There is no evidence of use in the course of trade – so nothing to suggest viewing by end-users or customers.
- ❖ That many of the invoices etc (including those to Walton for what is claimed to be ANONYMOUS marked goods) do not bear the ANONYMOUS name.
- ❖ Whilst the cross-referencing of orders with garment records is acknowledged, there is no evidence that the customer being invoiced encountered relevant sample clothing being the ANONYMOUS label.
- ❖ There is nothing to corroborate that 30% of the turnover related to ANONYMOUS.
- ❖ Beyond the evidence of Ms Garreffa, there is nothing to corroborate that customers are able to view ANONYMOUS branded clothing in PM's showrooms.
- ❖ That the reason why further statements were not produced by PM is that customers did not encounter the mark (AL was able to produce two statements).
- ❖ That the sales of ANONYMOUS marked goods to Walton (the goods not being identified) is insufficient for genuine use.
- ❖ That there is no evidence showing genuine use which guarantees the origin of the goods sold under the mark to the end user.
- ❖ In conclusion, that the evidence shows that any business was conducted with reference to PAMPLEMOUSSE. If there has been use of ANONYMOUS then

it is not outward use and is not, therefore, genuine use in accordance with the case-law.

The law and the leading authorities

19) The relevant parts of section 46 of the Act read:

“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) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that –

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

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

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

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

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

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

20) Section 100 of the Act is also relevant, this reads:

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

21) The leading authorities on the principles to be applied in determining whether there has been genuine use of a trade mark are the judgments of the European Court of Justice (“ECJ”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). It is also worth noting the Court of Appeal’s (“COA”) judgment ([2006] F.S.R. 5) in the latter of these cases when it had to apply the guidance given by the ECJ. From these judgments the following points are of particular importance:

- 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);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*La Mer* (COA), paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*La Mer* (COA), 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 (*La Mer* (COA), paragraph 44).

22) I also note two cases referred to by Mr Keltie in his reply evidence, namely: i) *Kabushiki Kaisha Fernandes v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) Case T-39/01 [2003] ETMR 98* where the General Court (“GC”) stated:

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

and ii) *Laboratoire De La Mer Trade Mark [2002] FSR 51* where Jacob J stated:

“9 In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye -- to ensure that use is actually proved -- and for the goods or services of the mark in question. All the t's should be crossed and all the i's dotted.”

Decision

23) It is easy to pick holes in individual pieces of evidence, but it is the whole picture being painted that is of relevance. For example, whilst it is clear that some of the documents provided in Ms Davies’ evidence are internal documents, and that they cannot, in themselves, demonstrate genuine use, they are a key part in the business operation that PM claims to undertake. Ms Davies is using them to paint the whole picture so as to explain the way in which PM uses the ANONYMOUS mark.

24) I note the criticism that the customer invoices etc do not feature the word ANONYMOUS, but, again, whilst this is noted it is clear from Ms Davies’ commentary that the customer makes an order simply by providing the product code which, she says, is carried on the “anonymous” swing tag attached to the relevant garment. It is not, therefore, surprising that the documents, from the point of order onwards, carry little mention of ANONYMOUS. I also note the criticism that there is no evidence that the sew-in labels were put into the garments, this criticism is I think unfair because it is Ms Davies’ written evidence that they so did, evidence which is wholly plausible, and evidence that Ms Garreffa corroborates as she confirms to seeing ANONYMOUS marked goods in PM’s showroom. Mr Kelite believes that the reason why PM was only able to find one corroborative witness was because no one

had encountered the mark – this is mere speculation and whilst I am sure that the industry is not so fast paced for it to have been impossible for PM to obtain evidence from other buyers, the fact remains that there is corroborative evidence, evidence from a person who, on the face of it, has no real axe to grind. There are also photographs of the showroom containing the sample garments with close-up shots of particular garments showing the sew-in labels and swing-tags. Whilst it is not clear as to when these photographs were taken, the context of the evidence is that this is what has been done for the past 6 years. All of this supports the proposition that those buyers who enter PM's showroom will encounter garments with the ANONYMOUS label and swing-tag. Similar lack of corroboration is referred to in respect of the turnover and that 30% relates to ANONYMOUS clothing. However, I have no reason to disbelieve what Ms Davies says and it is clear from the design records etc that ANONYMOUS clothing formed an important part of the business and, so, whether it is 30% or not the overall picture painted by the evidence is that a not-insignificant extent of the garments in PMs showroom would have been the ANONYMOUS ones.

25) In terms of ANONYMOUS marked goods sold on that basis (as opposed to being sold to be re-branded) there is evidence of this from 2004 which Ms Garreffa corroborates. The numbers of garments involved are, again, not insignificant. However, whilst the sale from PM to Walton is noted, Ms Garreffa provides no detail of the onward sales that Walton made to the public, nor how the goods were presented and promoted. Whilst I cannot infer that the goods were promoted in any way, on the basis of the evidence before me it is likely that they would have been sold in Walton's UK shops, although in how many shops is not clear. The sales of the sample garments to S Malitsky are, though, completely lacking in objective detail. Although Ms Davies believes that they were sold through markets in the South of England, the reality is that one simply does not know what Mr Malitsky did with them.

26) None of the above observations should be taken to mean that genuine use has been made, this is a different matter altogether, but I am prepared to accept the following as primary facts to inform my decision:

- That PM's showroom was visited on a regular basis throughout the relevant period by buyers employed by retail establishments.
- That throughout the relevant period, PM's showroom contained a large number of sample garments which would have been inspected by the buyers with a view to purchasing and "own-branding" them.
- That a not insignificant proportion of the garments would have had an "anonymous" sew-in label and an "anonymous" swing tag containing a product code. The others would have been marked PAMPLEMOUSSE.
- That the buyers, if interested in a particular garment, would record the product code so allowing subsequent ordering.
- That subsequent to any orders being placed, there would be no specific reference to the ANONYMOUS name.

- That some ANONYMOUS branded garments were sold to Waltons for sale, under the ANONYMOUS brand in 2004. Over 13,000 garments passed from PM to Walton. There is no evidence of the numbers actually sold on.
- Sample garments were sold off by PM throughout the relevant period to Mr Malitsky but there is no evidence as to what happened to them after this.

27) On the basis of the above facts, it is clear that PM did use ANONYMOUS on clothing items during the relevant period. The question though is not confined to use but to genuine use. To that extent, AL highlights that the mark is never encountered by end-users, that it would not be used in the course of trade and viewed by consumers and end-users and that the use is not outward. I have already touched on internal use, which the ECJ confirms is not sufficient to establish genuine use. The use which has been made, when the above primary facts are considered, cannot be categorised purely as internal use. Goods bearing the ANONYMOUS sew-in label and swing tags have been shown in the showroom and customers will have encountered such use. Ms Garreffa is one such customer and she can hardly be described as internal to PM. The primary concern, from what I understand it to be, is that the mark is not encountered by the end-consumer or end-user, i.e. the person who purchases the clothes in retail establishments for wear by themselves or by others. This to a large extent is true (although I will come back to this) and PM has made no attempt to hide from this fact. However, it is clear from the judgment of the COA in *La Mer* that there is no specific requirement that the mark is encountered in this way. The following statements are from Lord Justice Mummery and Lord Justice Neuberger respectively:

“32. Blackburne J interpreted and applied the rulings of the Court of Justice as placing considerably more importance on the market in which the mark comes to the attention of *consumers and end users* of the goods than I think they in fact do. I agree with Mr Tritton that the effect of Blackburne J’s judgment was to erect a quantitative and qualitative test for market use and market share which was not set by the Court of Justice in its rulings. The Court of Justice did not rule that the retail or end user market is the only relevant market on which a mark is used for the purpose of determining whether use of the mark is genuine.”

and

“48. I turn to the suggestion, which appears to have found favour with the Judge, that in order to be “genuine”, the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such a requirement, whether in the words of the directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be “consistent with the essential function of a trademark” as

explained in paragraphs [36] and [37] of the judgment in **Ansul**, it appears to me that genuine use for the purpose of the directive will be established.

49. A wholesale purchaser of goods bearing a particular trademark will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. The fact that the wholesaler may be attracted by the mark because he believes that the consumer will be attracted by the mark does not call into question the fact that the mark is performing its essential function as between the producer and the wholesaler.”

28) The facts of *La Mer* are not quite on a par with the facts of this case, nor is the wholesale example referred to by Lord Justice Neuberger because in that example he refers to the wholesaler believing that the end consumer will also be attracted to the mark. However, facts are rarely the same and it is clear that genuine use can subsist between a producer and a wholesaler. The relationship between PM and its customers is not quite a producer/wholesaler one, but it is not far from it. A key fact is, of course, that the goods are to be re-branded. Whilst this is important to bear in mind, I do not consider that such a fact is fatal to the case so long as the use is capable of being taken by its customers as designating the trade origin of the goods. In my view the use has such capacity. The goods themselves are branded in the showroom. This is achieved both by way of sew-in labels and swing tags. Such use could be said to have been undertaken merely to illustrate what the goods will look like when they contain the customers own label. However, customers of the type being discussed will be experienced people in the trade and they hardly need to be informed what a label or swing tag would look like when applied to the goods. Furthermore, the evidence is that PM uses two different marks (PAMPLEMOUSSE and ANONYMOUS) and this sends an even clearer signal that the mark has the capacity to perform a trade mark role in its particular context. If the customers can select from both the PAMPLEMOUSSE and/or the ANONYMOUS range then it is my view that such use will be regarded as use in accordance with the essential distinguishing function. My view is that when the customer enters the showroom and when they encounter the trade mark, they will regard the garments as being from PM’s ANONYMOUS range of re-brandable clothing. The fact that the name is suggestive of re-brandable clothing (the goods could be said to be anonymous until the buyer uses their own label) does not, in my view, alter this fact. The mark is still performing a trade mark role in the context in which it is encountered. This constitutes genuine use.

29) In terms of scale of use etc, I consider the use to be easily sufficient. Whilst the relevant markets need to be considered, and whilst the clothing market is no doubt a huge one, the use is certainly not insignificant and PM clearly has a share of the market (that it targets) even if it may be a small one.

30) In terms of the use of ANONYMOUS marked goods being sold to the consumer or end-user, whilst I place no real weight on the sales that may have been made to, and by, Mr Malitsky, the sales to Walton in 2004 are more significant and, at the very least, bolster the use already discussed. Waltons stocked the goods in their shops and it is a fair assumption that some must have been sold otherwise re-ordering (which appears to have taken place throughout 2004) would not have taken place. The sales to Walton would also represent a more traditional wholesaler relationship.

Although all of this took place in just one year of the relevant period, and although the numbers involved (13,000 garments) is unlikely to represent a particularly significant slice of the clothing market, it is not de minimus either. Such use also assists PM. For all these reasons my finding is that PM has made genuine use of the mark during the relevant period.

31) Having found that there has been genuine use, I am left to consider what would be a fair specification to reflect such use. In determining this, I take into account the helpful guidance provided in a number of cases. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 Aldous LJ stated at paragraph 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 the 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.”

32) In *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03 the GC stated:

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marientfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration

purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

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

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

.....
53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

33) In *Animal Trade Mark* [2004] FSR 19 Jacob J held:

"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 picknickety 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 threeholed 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) I also note the recent decision of Professor Annand in *Extreme* BL O-217-10 and the cases she referred to therein. The following is taken from Professor Annand's decision:

"Part cancellation

13. The current law on part cancellation for non-use was succinctly summarised by Mr. Geoffrey Hobbs QC sitting as a deputy judge of the High Court in *Daimler AG v. Sany Group Co Ltd* [2009] EWHC 1003 (Ch), paragraph 9:

"The required degree of precision [with which the goods/services of the registration in suit may need to be redefined] has not yet been authoritatively defined by the European Court of Justice (it was touched upon obliquely in Case C418/02 *Praktiker Bau-und Heimwerkermärkte* [2005] ECR I-5873 at paragraphs 49 to 52). In three decisions of the Court of First Instance (Case T- 256/04 *Mundipharma AG v. OHIM* [2007] ECR II-449; Case T-483/04 *Armour Pharmaceutical Co v. OHIM* [2006] ECR II-4109; Case T-126/03 *Reckitt Benckiser (España) SL v. OHIM* [2005] ECR II-2861) it has been indicated that the outcome should be a specification expressed in wording which covers no independent sub-category or sub-categories of goods other than the one(s) within which the relevant trade mark can be taken to have been used. In the most recent of these decisions (Case T-256/04 *Mundipharma AG* at paragraphs 27 to 36) it was emphasised that the chosen wording should reflect the purpose and intended use of the relevant goods. I have previously expressed the view that the aim should be to arrive at a fair specification by identifying and defining not the particular examples of goods for which there has been genuine use, but the particular categories of goods they should realistically be taken to exemplify (*WISI Trade Mark* [2006] RPC 13, p. 580 at paragraphs 11 to 18; *DATASPHERE Trade Mark* [2006] RPC 23, p. 590 at paragraphs 19 to 25). That appears to me to be consistent with the case law in England (analysed by Mr. Richard Arnold QC sitting as the Appointed Person in *NIRVANA Trade Mark* (BL O/262/06) at paragraphs 36 to 59) and also with the case law of the Court of First Instance. However it is possible, that the case law in England may not fully accord with the case law of the Court of First Instance, as noted in the decision of Mr. Richard Arnold QC sitting as the Appointed Person

in *EXTREME Trade Mark (Pan World Brands Ltd v. Tripp Ltd* [2008] RPC 2, p. 21 at paragraphs 51 to 56; see also Bently and Sherman *Intellectual Property Law* 3rd Edn (2009) pp 906, 907) ...”

14. In *EXTREME Trade Mark*,¹ Mr. Arnold said:

“52. I considered the principles applicable under section 46(5) at some length in *NIRVANA Trade Mark (O/262/06)* at [36]-[59]. Since then the CFI has given judgment in Case T-256/04 *Mundipharma AG v Office for Harmonisation in the Internal Market* (unreported, 13 February 2007). In that case the opponent’s mark was registered in respect “pharmaceutical and sanitary preparations; plasters”. The applicant did not dispute that the mark had been used in relation to “multi-dose dry powder inhalers containing corticoids, available only on prescription” and the Board of Appeal found that the opponent had only proved use of the mark in relation to those goods. On appeal to the CFI the opponent contended inter alia that use should be taken to have been proven in relation to “therapeutic preparations for respiratory illness”. The CFI upheld this contention.

53. In its judgment, having recapitulated paragraphs [45] and [46] of its judgment in Case T-126/03 *Reckitt Benckiser (España) SL v Office for Harmonisation of the Internal Market (ALADIN)* [2005] ECR II-2861 and recorded that it was not disputed that the mark had been used in relation to “multi-dose dry powder inhalers containing corticoids, available only on prescription”, the CFI went on:

“26. Next, it should be borne in mind that the earlier mark was registered for ‘pharmaceutical and sanitary preparations; plasters’. That category of goods is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently. Consequently, the fact the earlier mark must be regarded as having been used for ‘multi-dose dry powder inhalers containing corticoids, available only on prescription’ confers protection only on the subcategory within which those goods fall.

27. In the contested decision, the Board of Appeal held that the earlier mark was to be taken into consideration only in so far as it covered goods the genuine use of which was not contested. It thus defined a sub-category corresponding to those goods, namely ‘multi-dose dry powder inhalers containing corticoids, available only on prescription’.

28. That definition is incompatible with Article 43(2) of Regulation No 40/94, as interpreted in the light of *ALADIN*, and applicable to earlier national marks pursuant to Article 43(3) of that regulation.

29. The Court notes in this respect that, since consumers are searching primarily for a product or service which can meet their specific needs, the purpose or intended use of the product or service in question is vital in directing their choices. Consequently, since consumers do employ the criterion of the purpose or intended use before making any purchase, it is of fundamental importance in the definition of a subcategory of goods or services.

30. The purpose and intended use of a therapeutic preparation are expressed in its therapeutic indication. However, the definition employed by the Board of Appeal is not based on that criterion as it does not state that the goods in question are intended for the treatment of health problems and does not specify the nature of those problems.

31. Moreover, the criteria chosen by the Board of Appeal, namely the dosage form, the active ingredient and the obligation to obtain a doctor's prescription, are, as a rule, inappropriate for defining a subcategory of goods as contemplated in *ALADIN*, as the application of those criteria does not fulfil the abovementioned criteria of purpose and intended use of the goods. In fact, a given medical condition can often be treated using a number of types of medication with different dosage forms and containing different active ingredients, some of which are available over-the-counter whilst others are available only on prescription.

32. It follows that, in failing to take into account the purpose and intended use of the goods in question, the Board of Appeal made an arbitrary choice of sub-category of goods.

33. For the reasons set out in paragraphs 29 and 30 above, the subcategory of goods covering those the genuine use of which has not been contested must be determined on the basis of the criterion of therapeutic indication.

34. The sub-category proposed by the intervener, namely 'glucocorticoids', cannot be accepted. That definition is based on the criterion of the active ingredient. As discussed in paragraph 31 above, such a criterion is not generally appropriate by itself for defining subcategories of therapeutic preparations.

35. By contrast, the definition proposed by the applicant and OHIM, namely 'therapeutic preparations for respiratory illnesses', is appropriate in two ways: first, it is based on the therapeutic indication of the goods in question and, second, it allows for the definition of a sufficiently specific sub-category, as contemplated in *ALADIN*.

36. In the light of the foregoing, the Court finds that the earlier mark must be deemed to have been registered, for the purposes of the present case, for ‘therapeutic preparations for respiratory illnesses’.”

54. Although at first blush this suggests an approach which is somewhat different to that laid down by the English authorities considered in *NIRVANA*, I consider that the difference is smaller than might appear. The essence of the domestic approach is to consider how the average consumer would fairly describe the goods in relation to which the trade mark has been used. Likewise, paragraph [29] of *Mundipharma* indicates that the matter is to be approached from the consumer’s perspective.

55. To the extent that there is a difference between them, I remain of the view expressed in *NIRVANA* that I am bound by the English authorities interpreting section 46(5) of the 1994 Act and Article 13 of the Directive and not by the CFI’s interpretation of Article 46(2) of the CTM Regulation since, as already noted above, there are differences between the two legislative contexts. Nevertheless I consider that English tribunals should endeavour to follow the latter so far as it is open to them to do so. *Mundipharma* suggests that, within the spectrum of domestic case law, the slightly more generous approach of Jacob J in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch), [2004] FSR 19 is to be preferred to the slightly less generous approach of Pumfrey J in *DaimlerChrysler AG v Alavi* [2001] RPC 42.

56. Applying these principles to the present case, counsel for the proprietor submitted that a holdall was an item of luggage and would be so described by the average consumer having regard to its purpose and intended use and that it was not appropriate to attempt to subdivide “luggage” into narrower subcategories. With some hesitation, I have come to the conclusion that I accept these submissions”.

15. In *NIRVANA*, Mr. Arnold identified that the main difference between the approaches of the English courts and the General Court was that the former based a fair description of the use that had taken place on the perception of the average consumer whereas the latter provided no clear yardstick for determining when a sub-category of products cannot be further divided. To my mind, a danger with the category/subcategory approach is that invites sub-division according to the product(s) concerned. A tribunal may be seduced into equating a fair description with actual use shown.”

35) PM argues that if there has been genuine use then such use is in respect of ladies’ tops only and that the specification should be limited accordingly. Whilst I agree that this appears to be the predominant type of garment sold, there are references to cardigans, there is a reference to a dress and also a picture that may be a dress, and one of the garment records shows a pair of what I take to be ladies trousers. There is also a reference on the invoice from 2006 in respect of the Freemans labels to “gym pants”. In the context of the business put forward, and in

view of the case-law above, I think it would be wrong to limit the registration solely to ladies' tops. In my view a fair description would be "ladies' outerclothing". This I consider to represent a balance as to the types of product sold (even if some of them may be only a minor part of the business) but without permitting an overly wide specification.

Conclusion

36) The application for revocation is partially successful. The registration is hereby revoked under the provisions of section 46(6)(b) of the Act with effect from 21 June 2007 save in respect of:

"ladies' outerclothing".

Costs

37) As the revocation has only succeeded to a partial extent, both sides have, effectively, achieved a measure of success. In the circumstances I do not propose to favour either party with an award of costs.

Dated this 24 day of December 2010.

**Oliver Morris
For the Registrar
The Comptroller-General**