

O-099-11

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2273313  
IN THE NAME OF PAUL DALY

AND

APPLICATION FOR REVOCATION THEREOF UNDER NO 83641  
BY THE STRATEGEM ORGANISATION LIMITED

## Background

1.Registration No. 2273313 is for the following trade mark:

***TRIGGER***

2. The registration stands in the name of Paul Daly. It has a filing date of 22 June 2001 and completed its registration process on 11 January 2002. It is registered in respect of the following goods and services:

### Class 9

Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; music (downloadable from the Internet); telecommunications apparatus; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against accident, irradiation or fire.

### Class 32

Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juice; syrups and other preparations for making beverages; shandy, de-alcoholised drinks, non-alcoholic beers and wines.

### Class 33

Alcoholic beverages (except beers); wines, spirits and liqueurs; alcopops.

### Class 41

Education; providing of training; entertainment; sporting and cultural activities; electronic games services provided by means of the Internet; the provision of on-line electronic publications and digital music (not downloadable) from the Internet.

### Class 42

Legal services; scientific and industrial research; design services; compilation, creation and maintenance of a register of domain names; leasing of access time to a computer database.

### Class 43

Providing of food and drink; temporary accommodation; restaurant and bar services.

### Class 44

Medical, hygienic and beauty care; veterinary services.

3. On 14 December 2009, an application to revoke the registration was filed on behalf of The Strategem Organisation Ltd. ("SO"). The application seeks revocation of the registration on grounds under section 46(1)(a) and (b) of the Act. SO claim:

"Various searches have indicated that there has been no use of the mark TRIGGER in respect of any of the goods and services to which registration No. GB 2273313 applies. A telephone conversation with the proprietor also has led the Agents for the Applicants for Revocation to believe that no use has ever been made of the mark in respect of any of the goods or services registered."

4. Mr Daly filed a counterstatement in which he stated:

"The applicant has made genuine use of Registered Trade Mark Number 2273313 and the Applicant is put to strict proof thereof".

I presume this to mean he seeks to put the applicant to strict proof of its claims of non-use of the registered trade mark. It is necessary, however, to bear in mind section 100 of the Act which states:

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

Consequent upon section 100, the onus, in these proceedings, is upon Mr Daly to prove that he has made genuine use of the trade mark or that there are proper reasons for its non-use.

5. Both parties filed evidence and written submissions. Neither party requested to be heard. I therefore give this decision after careful consideration of all the material before me.

## **Decision**

6. The application for revocation is brought under section 46 of the Act which reads:

"**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) ...

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

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

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

(4) ...

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

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

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

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

7. SO seeks revocation of the mark under section 46(1)(a) with effect from 12 January 2007 and under section 46(1)(b) with effect from 24 November 2009. The relevant periods within which Mr Daly must show genuine use of his mark (or proper reasons for its non-use) are therefore 12 January 2002 to 11 January 2007 (under section 46(1)(a)) and 24 November 2004 to 23 November 2009 (under section 46(1)(b)). These periods overlap. As is submitted by Mr Daly, and not challenged by SO, if he shows genuine use (or proper reasons for non-use) of the mark within the period applicable under section 46(1)(b), then the claim made under section 46(1)(a) will fall away.

8. In relation to section 46(3) it is submitted by Mr Daly:

“20. It should be noted that the operation of this section is further qualified in that use confined to a period of three months before the filing of the Application shall be disregarded except when that use was made by the Registered Proprietor without knowledge that the Application might be made. The Form TM26(N) was served on [Mr Daly] on 19 January 2010; however, it was not until 24 December 2009 that the Applicant’s intention to make the Application was communicated to [Mr Daly].

21. In addition, under the same section any use to which the Trade Mark is put after 23 December 2009, but which use was prepared for in advance of this date, will also serve to defeat the Application.

22. Accordingly, the caveat does not have its full three-month effect, and [Mr Daly] submits as a preliminary issue that the time period that is relevant in considering the Trade Mark use runs until at least 23 December 2009, and would extend to include any use after that date so long as it was planned or anticipated in advance of it.”

9. Section 46(1)(a) prescribes that a registration may be revoked if genuine use has not been made of it in the period of five years following the date of completion of the registration procedure. Section 46(1)(b) prescribes that a registration may be revoked if such use has been suspended for an uninterrupted period of five years. The reference in the sub-section to ‘such use’ requires the reader to refer back to Section 46(1)(a) from which it is clear that the use made of the mark must be ‘genuine’. No reference is made in either Section 46(1)(a) or (b) to ‘preparations for use’ of a mark or the relevance (if any) of such preparation in the context of these particular sub-sections. Section 46(3), however, does contain a reference to preparations for use. It does so in circumstances where use is commenced or resumed “after the expiry of the five year period and before the application for revocation is made”. In those circumstances, use within the three month period preceding the making of the application is to be disregarded unless preparations for commencement or resumption of the use began before the proprietor became aware that the application might be made. The subsection reflects the fact that an applicant can specify any five year period of claimed non-use as a basis for his action. It does not have to be the five year period leading up to the filing of the application for revocation. The subsection only bites if use is commenced or resumed in the period between the expiry of the five year period specified and the filing of the application. That is not the case here. As will become clear, Mr Daly claims to have used his mark continuously since June 2001 (though he also submits that there are genuine reasons for non-use of his mark).

10. A convenient summary of the criteria relating to genuine use was given by the General Court (GC) in *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/07*.

“99 In interpreting the concept of genuine use, account should be taken of the fact that the ratio legis of the requirements that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM-Redcats (Silk Cocoon)* [2003] ECR-II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-203/02 *Sunrider v OHIM-Espadafor Caba (VITAFRUIT)* [2004] ECR II-2811, paragraph 38, and judgment of 8 November 2007 in

Case T-169/06 Charlott v OHIM –Charlo (Charlott France Entre Luxe et Tradition), not published in the ECR, paragraph 33).

100 There is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the registration (Case C-234/06 P II Ponte Finanziaria v OHIM [2007] ECR I-7333, paragraph 72; see also, by analogy, Case C-40/01 Ansul [2003] ECR I-2439, paragraph 43). In that regard, the condition of genuine use of the mark requires that the mark, as protected in the relevant territory, be used publicly and externally (Silk Cocoon, paragraph 99 above, paragraph 39; VITAFRUIT, paragraph 99 above, paragraph 39; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 34; see also, by analogy, Ansul, paragraph 37).

101 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (VITAFRUIT, paragraph 99 above, paragraph 40; Charlott France Entre Luxe et Tradition, paragraph 99, paragraph 35; see also, by analogy, Ansul, paragraph 100, paragraph 43).

102 As to the extent of the use to which the earlier trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use (VITAFRUIT, paragraph 99 above, paragraph 41, and Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 36).

103 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237, paragraph 71).

104 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case (VITAFRUIT, paragraph 99 above, paragraph 42; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 37; see also, by analogy, Ansul, paragraph 100 above, paragraph 39).

105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 *Kabushiki Kaisha Fernandes v OHIM-Harrison (HIWATT)* [2002] ECR II-5233, paragraph 47).

11. I also take into account the findings of the Court of Justice, formerly the European Court of Justice, in Cases *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] ETMR 85, and *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ETMR 47. In the latter case, the Court said:

“22 The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account”.

### **Mr Daly's evidence and submissions**

12. Mr Daly has filed two witness statements, dated 19 April 2010 and 18 November 2010 respectively. The latter was filed as evidence in reply and largely repeats what has been said in the earlier statement.

13. Mr Daly states he is a qualified artist and designer. He states that he owns and operates a number of bars, clubs and restaurants in the London area. He is responsible for the design and concept of the bars. He gives details of two of his premises: one, located at 11 Hoxton Square in London, is called Zigfrid Von Underbelly. Another, located at 243 Old Street, London, is called Roadtrip.

14. Mr Daly states that sometime prior to June 2001 he developed a “new concept and brand identity for a new type of public house and food hall” which relied on the name Trigger. Since 2001, he states, he has been developing his concept for the Trigger public house and food hall and has been looking for both investors and suitable premises. He states that his initial plans were delayed as one of his original investors had not been able to provide the necessary funds when required.

15. Mr Daly states that he fully intends to continue with and develop the Trigger project but that he is “currently trying to locate the perfect site for the Project so that the Project can be continued and taken to completion”.

16. Commenting on the time that has elapsed since he came up with his idea, he states that “it is standard procedure in the foods and drinks industry or leisure industry that the time taken from the development of an initial concept to completion of a fully functional bar/restaurant can be anything between 2 to 25 years and depends mainly on locating the perfect site and bringing on board suitable investors”.

17. At PD1, Mr Daly exhibits a copy of his business plan for his Trigger project. The plan is not dated but, by its contents, appears to have been produced in late 2002 or early 2003. The plan sets out how “Trigger will be London’s hippest new public house and food hall”. Section 3 of the plan indicates that the Trigger premises will be located at 11 Hoxton Square and that completion is due in March 2003. The business plan shows photographs of these premises along with floor plans of proposed layouts. It also states that there is a cross section of investors involved in the project (page 9).

18. At PD4 are exhibited a number of technical drawings, covering such issues as proposed side and rear elevations of the premises and the reflected ceiling plans. In each case the drawings are shown as having been drawn on ‘20/9/01’ with the client’s name being Paul Daly. The project name on each of the drawings is given as Trigger and each relates to premises at 11 Hoxton Square.

19. At PD2 and PD3 are copies of provisional on-licences issued on 5 November 2001 and 8 September 2003 respectively. Both relate to premises shown as Trigger at 11 Hoxton Square. Mr Daly’s name appears on both documents (along with a Robin Linsey Scott-Lawson on the latter document).

20. At PD5 Mr Day exhibits a letter and attachments including plans from Acclimatise Air-conditioning Ltd. He says these are tender documents which he received in relation to ventilation and air conditioning installation. The documents are dated 7 April 2003 and refer to Trigger at 11 Hoxton Square.

21. Mr Daly states that since late 2007 he has promoted his design services along with “advertising [his] existing venues and brands as well as those soon to be created” via his website. At PD6 and PD2:3 he exhibits a print of a single page of this website. Mr Daly explains that whilst the print of the webpage is dated 19 April 2010, the site has looked the same since late 2007. At PD2:4 he exhibits statistics which he says show “the page loads and unique visitors to the web site”. These statistics consist of documents from the Statcounter.com website. I do not know how they were identified or collected but the details given refer to the period from 19 October 2010 to 18 November 2010, again well after the application to revoke the registration was filed. No details are given of what pages (or the content) these ‘visitors’ may have seen. The website print exhibited shows the front of a card which Mr Daly says he distributes. The card itself it also exhibited. Whilst the card bears no date, Mr Daly says it was introduced in 2006 and that he prints some 200-300 per year. The front of the card shows a number of logos. Whilst the word TRIGGER does appear on the card it does so in the context of its being included in a logo which consists of the side profile of a horse (presented in solid black colour) which stands above the words TRIGGER and PUBLIC HOUSE AND FOOD HALL. The back of the card bears the heading “Paul Daly venues” and continues:-

“Paul Daly graduated from Goldsmiths College, London in fine art, set up Paul Daly design Studio in Hoxton Square in 1988 and has since designed over a hundred bars, clubs, restaurants, retail premises and residential projects as well as producing his own furniture range. He is the designer, owner and operator of Zigfrid, Underbelly, Roadtrip and about to be opened is the Workshop. Other venues he will open in the near future are listed below: 1.



Tongue & Groove 2.W.A.L.K. 3. Trigger 4. Manfrid 5. Wilfrid 6. Alfrid".  
The card gives the address as PaulDalyDesignStudio, Penthouse, 11 Hoxton Square.

In relation to this card Mr Daly states that these are "the brand identities of the venues I own (or intent (sic)) to own".

22. In relation to his Trigger bar, Mr Daly states that one of his initial financial backers (a person named with others in the business plan shown at PD1) was unable to supply the necessary funds when required. He states that "it was and is extremely difficult and in fact impossible for me to move forward with the Project without similar financial backing". He states that he has shown his business plan to a number of potential investors including his "eventual business partners in Zigfrid Von Underbelly in 2005 and in late 2007/early 2008 [...] to the parties involved in a new venture called Rattlesnake with the intention of obtaining funding for the Project...but factors such as the recession and the speculative nature of the industry has made it difficult to obtain any funding to date".

23. Mr Daly states that "for the last five years" he has attended and run a stand at the annual Bar Show. Until 2010, when it moved to the Business Design Centre (he does not say where this site is located) it was held at Earls Court. Whilst he says he distributed copies of his promotional card at that show, he gives no further details of who may have organised or attended these shows or the number of attendees nor does he give any details of why he was there or what was displayed on his stand.

24. At PD7 Mr Daly exhibits a drinks menu for his Zigfrid Von Underbelly venue. The menu is dated 2010. It lists a number of drinks under various headings. Under the section headed "Quickies" there is a drink called Trigger. Mr Daly says this drink is "unique and a great brand promoter". The menu describes the drink as Apple Schnapps & Zubrowka Vodka with a price of £4. Mr Daly says he "created" this drink in 2004. I presume from this he is referring to his having created the name of the drink as he also says that he gives "the barman a discretion to change the formulation of the cocktail and that it is constantly developing, this focuses on the original idea that "one idea triggers off another", and "one situation triggers off another", that was the basis of the whole "Trigger" concept." In relation to sales of the drink, he states "over the last 6 months I would estimate that the sales figures would amount to £2360.98".

25. Mr Daly states that the drink, his card and his website are all part of "the science of bar creation" which involves "drumming up support and a buzz around new venues and projects to ensure that there will be the demand and a reputation already in existence prior to opening the venue. It increases the good will and commercial significance of the Trade Mark. They are key features of in (sic) acclimatising the consumer market to the Trigger brand. This is usual throughout this industry and indeed with all the projects that I work on including this Project, as there is always a danger in opening a bar too early before the buzz has been created and losing money. It is a commercial reality that for a venue to be successful it is essential for a robust customer base to be already in existence".

26. Mr Daly states that his evidence “demonstrates that actual use has been made of the Registration, albeit the goods and services have not yet been on the market”. He goes on to say that “in addition, the attached exhibits clearly demonstrate that the Registration will be used and the goods and services will be on the market as soon as circumstances allow this to (sic) concept to be developed”. The ‘circumstances’ he submits, are twofold; the need for finance and a suitable location.

27. Written submissions filed on behalf of Mr Daly state that he “does not admit or accept that there has been a lack of genuine use” but nevertheless, in the alternative, submits that “the reasons demonstrated in evidence that [the] use of the Trade Mark has been limited do amount in themselves to proper reasons for non-use”. The fact that one of the original intended investors had failed to come up with the finance when required is, it is submitted, “the direct reason that the Trigger Bar has not yet been opened”. It is further submitted that the lack of funding is an issue beyond Mr Daly’s control and that because of this lack of funding it is impossible or unreasonable to exploit the goods and services for which the mark is registered.

### **SO’s evidence and submissions**

28. Mark Charles Green is a registered trade mark attorney with Urquhart-Dykes & Lord LLP, SO’s legal representatives. Mr Green states that on 23 March 2010, he “had cause to travel to Hoxton Square in East London.” He states that he was visiting premises at 6 Hoxton Square. He walked around the square and did not see any premises trading under the name TRIGGER. At number 11 he noted a venue named Zigfrid Von Underbelly but did not see any reference to TRIGGER.

29. In written submissions filed on SO’s behalf, it is denied that Mr Daly has shown genuine use of the mark or that there are genuine reasons for non-use.

30. That concludes my summary of the evidence and submissions to the extent I consider it necessary.

### **Decision**

31. The trade mark is registered in respect of a wide range of goods and services in classes 9, 32, 33, 41, 42, 43 and 44 as set out earlier in this decision. On any reading of the evidence, there is no mention made of any trade or preparations to trade in relation to any of the goods or services for which the trade mark is registered in classes 9, 41, 42 and 44. That being the case, I am unable to find there to have been any genuine use of the mark in relation to those goods and services. I am equally unable to find there to be any proper reasons for non-use in relation to these goods and services. Consequently, the application to revoke the registration in respect of these goods and services succeeds.

32. That leaves the goods and services as registered in Classes 32, 33 and 43 to be considered. Mr Daly’s evidence is that he intends to set up a bar/restaurant. He says he has begun promoting this venue. One method of doing so is through sales of a drink sold under the name Trigger. No evidence has been filed to show that this drink has been sold anywhere other than at the Zigfrid Von Underbelly bar. The drink is said to have been sold for the first time in late 2004 though no details of any sales at

this time are given. Whilst the drinks menu at PD7, which is dated 2010, shows the drink to be made at that time from apple Schnappes and vodka, Mr Daly's own evidence is that its "formulation" has changed since its introduction and is "constantly developing". That being the case, I do not know what its formulation was at any other time and cannot determine whether the drink has consistently used these ingredients and consequently whether it would be e.g. an alcoholic drink and proper to class 33 or a non-alcoholic drink and proper to class 32. In any event, the evidence estimates sales of £2360.98 which is a very precise figure for an estimate but a very small figure in relation to commercial volume in the drinks market. The sales figure given relates to the six month period between May 2010 and November 2010, a period which is outside both relevant periods and after the application for revocation of the registration had been filed. I am not convinced that the public would see the name of the drink as it appears on the drinks menu to be trade mark use but even if they did I take note of the comments made in *MFE Marienfelde GmbH v OHIM (HIPOVITON)* T-334/01 where the General Court stated:

"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."

33. Whilst Mr Daly claims he has made genuine use of the mark, the evidence which has been filed does not support such a claim in respect of any of the goods and services in classes 32, 33 and 43 for which the mark is registered.

34. As I indicated above, written submissions filed on behalf of Mr Daly, claim, in the alternative, that there are proper reasons for the non-use of the mark. Mr Daly himself says that he had the idea for a public house and restaurant but that he has been unable to bring his idea to fruition because of delays caused by one of the investors not being able to provide the funds when required and because he has been unable to find suitable premises. I therefore go on to consider whether there are proper reasons for the non-use of the mark.

35. In *Haupt v Lidl Stiftung & Co KG* the CJEU considered the relevance of the word 'proper' and concluded that simply having reasons for non-use was insufficient. Whether reasons are 'proper' is a matter to be determined on the basis of the evidence. The Court said:

"47 It must be stated that Art.12(1) does not contain any indication of the nature and characteristics of the "proper reasons" to which it refers.

48 However, the TRIPS Agreement, to which the Community is party, also deals, in Art.19(1), with the requirement of use of the mark and the reasons which may justify its non-use. The definition of that concept given there may therefore constitute a factor in the interpretation of the similar concept of proper reasons used in the Directive.

49 Thus, under Art.19(1) of the TRIPS Agreement, circumstances arising independently of the will of the owner of the trade mark which constitute an obstacle to the use of the trade mark are to be recognised as valid reasons for non-use.

50 It is therefore necessary to determine what kind of circumstances constitute an obstacle to the use of the trade mark within the meaning of that provision. Although, quite often, circumstances arising independently of the will of the owner of the trade mark will at some time hinder the preparations for the use of that mark, the difficulties in question are difficulties which can be overcome in a good many cases.

51 In that respect, it should be noted that the eighth recital in the preamble to the Directive states that:

“[I]n order to reduce the total number of trade marks registered...in the Community...it is essential to require that registered trade mark must actually be used or, if not used, be subject to revocation.”

It appears in the light of that recital that it would be contrary to the scheme of Art.12(1) of the Directive to confer too broad a scope on the concept of proper reasons for non-use of a mark. Achievement of the objective set out in that recital would be jeopardised if any obstacle, however minimal yet nonetheless arising independently of the will of the owner of the trade mark, were sufficient to justify its non-use.

52 In particular, as correctly stated by the Advocate General in [79] of this Opinion, it does not suffice that “bureaucratic obstacles” such as those pleaded in the main proceedings, are beyond the control of the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53 It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

54 It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as “proper reasons for non-use” of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55 Having regard to the foregoing considerations, the answer to the second question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.”

36. In *INoTheScore* Application (BL O-276-09) Mr Iain Purvis Q.C. referred to the above case and stated:

“37. In *Armin Haupl* the ECJ established the following test for identifying proper reasons: “...only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as ‘proper reasons for non-use’ of that mark.”

[paragraph 54].

38. The phrase “independently of the will of the proprietor” (which comes from Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)) is crucial here.”

37. Clearly, proper reasons for non-use should not be accepted lightly. That the proprietor has a reason for non-use, from his own subjective point of view, does not necessarily mean that it is a proper reason.

38. Mr Daly’s reasons for non-use, as given by him, are twofold. First, he indicates that he has had difficulties with a lack of funding. Secondly, he says that he has had difficulties in trying to find a suitable location. As regards funding, he says that one of the investors was unable to provide those funds when required. I have no further information about this investment in terms of e.g. its size, or when the funding was required or the offer of funding (if any) was withdrawn, however, Mr Daly’s use of the term “one of the investors” suggests that there was, at one point at least, more than one investor on board. I have no evidence to indicate that the other investors could not or would not have continued with their investment. As to steps taken to find alternative funding, Mr Daly states that he showed his business plan to a number of other potential investors (who did become involved in other ventures with him) however, I have no further details to show what other steps he took, if any, to find investors elsewhere or why any could not be found. Mr Daly comments that factors “such as the recession and the speculative nature of the industry has made it difficult to obtain any funding” however, I do not consider this can constitute a “proper reason” for non-use. The recession is a relatively recent phenomenon (in terms of the time since this mark was registered) but in any event its effects have been widespread and few business areas have escaped its consequences. The ebb and flow of the financial markets are a normal part of business.

39. In *INVERMONT* [1997] RPC 125,, the Hearing Officer commented:

“He describes difficulties which by his own admission are normal in the industry concerned and in the relevant market place. I do not think that the term “proper” was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or market, or even in perhaps some temporary but serious disruption affecting the registered proprietor’s business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman’s own control and I think he should plan accordingly...”

40. Normal business delays will include such factors as funding problems which are part and parcel of strategic planning and not “independent of the will of the proprietor” in the sense that they were caused by legislative or regulatory requirements outside his control. As I indicate above, the test is not a subjective one. In *Il Ponte Finanziaria SpA v OHIM* Case C-243/06P [2008] ETMR 13:

“The concept of “proper reasons”... refers essentially to circumstances unconnected with the proprietor of a trade mark which prevent him from using the mark...”

41. Mr Daly claims that it is standard procedure in the foods and drinks industry to take up to 25 years to get from concept to completion of a fully functional venue. Whilst a period of two years would not seem unreasonable, I think it highly unlikely that a period of up to twenty five years would ever be regarded as standard. It is certainly not something that I would be prepared to accept without specific evidence on the point but in any event if a twenty five year lead time was standard then it would be something to be factored into normal business plans. Of course, Mr Daly’s plans have not been delayed by twenty five years. He applied for his trade mark in 2001 and it was registered in January 2002.

42. Mr Daly states that his project has been delayed since he applied for his mark not only because of funding but because he has been unable to find suitable premises. I find it hard to accept that it would take some eight or nine years to find premises suitable to house an establishment selling food and drink but in any event all of the documents relating to the Trigger project filed by Mr Daly indicate that he had suitable premises which were to be located at 11 Hoxton Square, premises which now houses his design business as well as one of his bars opened sometime after the registration of the mark now under consideration.

43. Whilst Mr Daly’s own subjective view is that he has reasons for non-use, I have to decide whether the reasons he submits are, objectively, proper reasons. In my view they are not. Instead they result from routine difficulties experienced by many businesses. In view of my decision, SO’s application for revocation of the trade mark succeeds. Mr Daly’s registration will be revoked in its entirety from the earliest date sought, which is 12 January 2007.

## **Costs**

44. SO has succeeded in full and is entitled to an award of costs in its favour. I make an award on the following basis:

Preparing a statement and considering the other side's statement	£300
Official fee	£200
Preparation of own and considering the other side's evidence and written submissions	£800
Total	£1300

45. I order Mr Paul Daly to pay The Strategem Organisation Ltd the sum of £1300. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against my decision is unsuccessful.

**Dated this 10 day of March 2010**

**Ann Corbett  
For the Registrar  
The Comptroller-General**