

O/463/12

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2296637
IN THE NAME OF KEVIN DAKIN

AND

AN APPLICATION UNDER NO 83925 FOR REVOCATION THEREOF
BY CONDOR CYCLES LIMITED

Background

1. Trade mark registration no 2296637 is for the mark shown below and stands in the name of Mr Kevin Dakin:



2. The mark was applied for on 28 March 2002 and the registration process was completed on 6 September 2002. It stands registered for: Bicycles; including parts and fittings for bicycles.

3. On 30 September 2010, Condor Cycles Ltd ("the applicant") filed an application seeking revocation of the registration under the provisions of sections 46(1)(a) and (b) of the Act. It claimed:

"The applicant's officers and staff, some of whom have been associated with the applicant's predecessors in business, have made extensive enquiries in the trade and no evidence of use of the registered mark could be found. Further, the proprietor of the registration and his representatives have been repeatedly requested to prove use of the registered mark but, despite claiming use and alleging infringement of the registration, the proprietor could no (sic) or would not provide particulars. The applicant therefore claims an award of indemnity costs."

4. Mr Dakin filed a defence and counterstatement in which he claimed:

"Since 1992 and continuously to date, the Proprietor has produced and sold bicycles, bicycle frames and bicycle kits under the Trade Mark. The Trade Mark has been used in the form in which it is registered on the frame of the bicycles, on the frame when sold as a separate item, and as part of a bicycle kit."

5. Both parties filed evidence and the matter came before me for hearing on 15 November 2012. Mr Dakin represented himself. The applicant, who has been represented throughout the proceedings by Mr George Myrants of Trade Mark Consultants Co, did not attend, was not represented and did not file written submissions in lieu of attendance.

The Law

6. The application for revocation is brought on grounds under sections 46(1)(a) and (b) of the Act. This 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)

(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.”

7. 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.”

8. The application seeks revocation of the registration from either 7 September 2007 (under section 46(1)(a) of the Act) or 29 November 2010 (under section 46(1)(b) of the Act). The periods in which Mr Dakin must show use are therefore 7 September 2002 to 6 September 2007 and 29 November 2005 to 28 November 2010.

The evidence

Mr Dakin’s evidence in chief

9. Mr Dakin filed a witness statement dated 11 July 2011 in which he states:

“I am a former amateur racing champion and since 1992, I have (on my own account and through corporate entities) produced and sold high quality bicycles, bicycle frames and bicycle kits under the Mark which is the subject of the action for Revocation. The Mark has been used on (sic) the form in which it is registered on the frame of the bicycles, on the frame when sold as a separate item and on the frame when sold as part of a bicycle kit. It has also been used on invoices and as part of the general promotion of the Squadra business.

He continues:

My bicycles are high quality, high performance machines which are fit for racing and currently range from between approximately £4,000 and £12,000 for a complete bicycle. During 2011 I expect to sell around 300 complete bicycles and a further 200 frames. At the half year point, from the level of sales I have achieved so far, I should exceed these targets.

Whilst this may not sound like a very substantial number, it is a very substantial proportion of the market for these types of bicycles and I consider that I really only have 7 or 8 competitors in terms of this quality of bicycle in the UK.”

10. Mr Dakin states that in 1992, wishing to start his own business, he bought some bicycle frames and parts from a company called Veltec in order to make his first

Squadra bicycles. He states he used the mark, the subject of these proceedings, on the frame of the bicycles he sold. At KD-1 he exhibits what he says is:

“ a document from 2007 entitled “Paint scheme design for 2007-2008”. I created this document in or around 2007 to illustrate the paint scheme (sic) Squadra bicycles at that time. However, that document also shows the Mark which is and was applied to the top bar of the cycle frame.”

11. The document consists of a single page which appears to have been printed from a computer. It is, as Mr Dakin states, headed “Paint scheme design for 2007-2008” and shows what appears to be the frame of a bicycle on which appear the word “Dedacciai”, a rectangular shape divided into three equal bands somewhat akin to a flag alongside the word “Squadra” and numeral and word “11-speed”. To the left and above the frame, the document shows a circle device within which are two stars with the word Squadra underneath them. Underneath this is the word Squadra in mirror writing. Above the frame are the words “Professional” and “squadra.pro”.

12. Mr Dakin states that in the first four months of trading he sold around 30-40 bicycles along with around the same number of bicycle frames, all bearing the mark. He states he has expanded his range since that time and that by 1994 he was selling “bicycle kits which had a range of 18 frames and various accessories so that the bicycles could be more individual.” At KD-2 he exhibits what he says is “a spreadsheet detailing the value of sales of bicycles, frames and kits”. The document shows figures for each year from 1992 to 2011 which are said to relate to framesets and pedals as follows:

1992	£36,520
1993	£46,902
1994	£68,917
1995	£61,742.76
1996	£72,267
1997	£121,417
1998	£79,107
1999	£86,680
2000	£83,741
2001	£72,755
2002	£48,552
2003	£47,575.50
2004	£26,566
2005	£38,160
2006	£103,235
2007	£118,665
2008	£97,791
2009	£94,500
2010	£332,551
2011	£425,830

Mr Dakin states that:

“not all the sales referred to were sold in the UK and some of which did not bear the Mark but as a conservative estimate I would attribute at least half of

the turnover every year to bicycles, kits and frames sold in the UK which bore the Mark on the bicycle frame of the (sic) and were sold in the UK.”

13. At KD-3 he exhibits a selection of what he refers to as “example invoices taken from different years relating to these sales which, as can be seen, bear the Mark and a list of retailers selling goods bearing the Mark”.

14. There are 20 invoices. They have been partially redacted so that there are no name or address details visible other than the town and postcode. They date from 2002 to 2009. Each shows the sale of either a Squadra Road Frame or a Squadra Professional Road Frame with the price charged ranging from £699 to £3599. The mark is shown on the top right hand side of each page as are Mr Dakin’s name and address details. The list of retailers within the exhibit appears to be on the same headed paper. There are 24 retailers listed who are located in various towns and cities across the UK including such places in e.g. Essex, Humberside, Glamorgan, Leicestershire, Northern Ireland and Cornwall.

15. Mr Dakin states that from 1992 to date he has:

“supported my use of the Mark and the sale of my products through a variety of means including use by well known cyclists, sponsoring competitions, reviews in cycling magazines, press coverage and sponsorships. For example, I have supplied cycles and frames to well known cyclists such as Sean Yates, Shane Sutton, David Rand and Rob Hurd. Each of these well known individuals promoted the Mark and the Squadra brand more generally by being seen using my bicycles. I have also had my bicycles reviewed in cycling magazines and have sponsored competitions and provided prizes for Cycling Weekly magazine. By way of example of my promotional activities I attended a cycle race in Rochester in Kent and arranged a display of Squadra bicycles to the public. The Mark was affixed to the frames of those bicycles helped finance a bicycle racing team, managed by Shane Sutton. That team launched in 1998 as Squadra PDM Sports WCU and a number of team members used Squadra bicycles bearing the Mark.”

The applicant’s evidence

16. This takes the form of a witness statement of George Myrants, a registered trade mark attorney advising the applicant in these proceedings. Mr Myrants’ witness statement challenges a number of matters included within Mr Dakin’s witness statement both in terms of relevance and accuracy and claims, in effect, that it is not sufficient to prove use of the mark within the relevant periods. In terms of accuracy, in brief, he queries Mr Dakin’s use of the term “the Squadra business”. He alleges that Exhibit DK-1 cannot date from 2007-2008 and that Mr Dakin’s claim that the 11 speed was a paint scheme from that time is false as such a frame did not exist before 2009. In support of his challenge, he exhibits, at GM1, an article published in “Cycling Weekly” dated 30 May 2008 which was based on the 2009 brochure of a third party manufacturer which had been leaked prematurely to the press. Referring to the sample invoices exhibited by Mr Dakin at KD-3, Mr Myrants claims that they “give rise to the suspicion that they were fabricated for the purpose of these proceedings. I raise this serious suspicion because all of the invoices are not the

legally prescribed VAT invoices quoting the VAT registration No. and including the VAT charges". He exhibits, at GM2, a list of turnover thresholds requiring VAT registration for the years 1992 to 2010 published by the Institute for Fiscal Studies sourced from HM Revenue and Customs.

Mr Dakin's evidence in reply

17. Mr Dakin filed two witness statements in reply, dated 3 January 2012 and 16 January 2012. Mr Dakin states that in his earlier witness statement, reference to "Mark" are intended to be references to the mark the subject of these proceedings and that in referring to "the Squadra business" he means "the sale of bicycle, frames and parts under the Mark by me or under licence from me by my companies PDM Sports Limited and Squadra Pro Cycling Limited, and by reference to "Squadra bicycles" I mean bicycles to which the Mark has been applied."

18. Mr Dakin states that the market in which he trades is a small and highly sophisticated one. Whilst he agrees the sales from 2011 which he previously referred to are outwith the relevant periods, he states that they serve to illustrate that the market is small.

19. Mr Dakin states that whilst some bicycles, frames and kits he has sold have not borne the trade mark, "that is the minority of sales and there has not been a continuous period of 5 years during which I have not used the Mark."

20. Mr Dakin states that "many of my sales come from contacts I generated and word of mouth recommendations" and that "the only general marketing I undertake is through social media, for example, Twitter, where I have around 2,000 enthusiasts who follow SQUADRA tweets and Facebook where I have around 3,000 enthusiasts registered as friends of SQUADRA." At KD2-1 he exhibits what he says is a page from Facebook. It shows use of the mark. He states that the mark has been used in this way since early 2010.

21. Mr Dakin says that the mark:

"was used from around 2000 until around 2008 on business cards and brochures, but I don't have any copies of these. All printed business cards and brochures were given away and I simply don't have much historic documentation because my business is small and I have not had a lot of space to keep hard copy documents dating back a long period of time. I have only owned a computer since 1998 and so there are no electronic documents dating back before this time. Many of the documents I had since 1998 were lost when, (sic) following an acrimonious separation in October 2010. From that date I have had no access to my family PC or any of the business documents on them. My business laptop, which also had some electronic documents was irreparably damaged around November 2010. Obviously, the bicycles I have sold in the past bearing the Mark are no longer in my possession because I have sold them and they are now in the possession of my customers."

22. Referring to exhibit DK-1 the authenticity of which was challenged by Mr Myrants', Mr Dakin states that his earlier evidence contained an error. He says the document actually dates from late 2009 and that the heading referring to 2007-2008 is incorrect. He gives the explanation for error thus:

"The reason for this error is that I copied an earlier template (from 2007-2008) and amended it to add the logo and the 11 speed design in late 2009. I should have updated the dates at that time but failed to do so. However, the document remains accurate that (save for the use of "11-speed") this image represents how the mark was used during 2007-2008 (it is in fact how it has been used since 2002). The document at Exhibit DK-1 also illustrates how the mark was used on 11-speed bicycles after 2009."

23. Referring to the sample invoices exhibited at KD-3, Mr Dakin objects to Mr Myrants' suggestion that they have been fabricated and states that Mr Myrants is incorrect in his assumptions re VAT registration. Mr Dakin says that the company through which he currently trades is VAT registered. Mr Dakin states he runs a small business in a small market and that he has limited documentation but obtained the sales and turnover figures from his accountant.

24. At KD2-2 Mr Dakin exhibits what he says are copies of emails between him and his solicitor and one of his customers. The customer, identified as a Mr Aldworth, indicates he "got my first Squadra in 2002, a lightweight dedacciai tubed road frame with a full carbon fork."

25. In his third witness statement, Mr Dakin states that through his Facebook page he emailed a small number of his customers to whom he has sold bicycles in the last ten years. He asked them to send him photographs of their bicycles. At KD3-1 he exhibits a photograph of the head tube of a bicycle he sold to a Dutch cyclist, Nels Kroon, in 1992/3.

26. At KD3-2 Mr Dakin exhibits what he says is a photograph of a bicycle he sold to a cyclist named Adrian Mooney in March or April 2010. He says it is representative of the bicycles he has been selling since 1992. The head tube of the bicycle, he says, bears the trade mark. I can see the mark on the front part of the frame.

27. No further evidence was filed.

Decision

28. The leading authorities on the principles to be applied in determining whether there has been genuine use of a trade mark are: *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 and *Laboratoire de la Mer Trade Mark* [2006] FSR 5. The general principles were summarised by the Appointed Person in *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd (Sant Ambroeus Trade Mark)* [2010] RPC 28 as follows:

"(1) Genuine use means actual use of the mark by the proprietor or 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].”

29. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06*, the GC stated:

“32 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. 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 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 in order to maintain or create a share in the market for the goods or services protected by the mark (*VITAFRUIT*, paragraph 27 above, paragraph 42, and *LA MER*, paragraph 26 above, paragraph 57; see, by analogy, *Ansul*, paragraph 24 above, paragraph 39, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21)."

30. There is, therefore, no de minimis level of use to establish genuine use (also see inter alia *Sonia Rykiel création et diffusion de modèles v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-131/06 and *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-416/04 P). In *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 the Court of Justice of the European Union (CJEU) held that it is necessary to establish whether the 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 the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark". In *Ponte Finanziaria SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-234/06 P the CJEU stated:

"73 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 frequency or regularity of the use of the trade mark is one of the factors which may be taken into account (see *Sunrider v OHIM*, paragraph 71; see also, to that effect, *La Mer Technology*, paragraph 22)."

31. I also note the case of *MFE Marienfelde GmbH v OHIM (HIPOVITON)* Case T-334/01 where it was 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."

32. In addition to his claims that he has used the mark, on the goods for which the mark is registered, since 1992, Mr Dakin has filed a number of documents. The applicant has criticised many of those documents and made allegations that some of them might have been fabricated. Mr Dakin has denied fabricating the evidence and has indicated that he would be happy to be cross-examined on his evidence. The applicant did not apply to cross-examine Mr Dakin and neither did it attend nor was it represented at the hearing.

33. In relation to such claims, I take note of the comments of Mr Richard Arnold QC sitting as the Appointed Person in *Extreme* BL O/161/07 where he said:

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

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

34. Mr Dakin has given details of sales figures for each year from 1992. Those figures relate to his business as a whole but he states that „at least half” relate to sales made in the UK under the mark in suit and that the sales were either made by him personally or by his companies under licence from him. He claims that his bicycles are specialist ones with a limited market and the invoices he has provided show what appear to be relatively high prices which would lend support to this claim. Those invoices cover sales over a number of years throughout the relevant periods. Each shows the mark in suit and each makes reference to the sale of either a Squadra Road Frame or a Squadra Professional Road Frame. He has provided a document showing the paint scheme he used on his bicycles. Accepting that the document is mislabelled to show 2007-2008 rather than 2009, he confirms that the scheme was principally the same in those earlier years (and indeed at all times before then) but was later updated to reflect the (then) latest 11 speed technology. He has contacted a number of customers and has provided photographs of the bikes he sold, some of which show the mark.

35. Whilst Mr Dakin's evidence is not as complete or comprehensive as it might have been in an ideal world, I do not find that it is „obviously incredible’. Indeed, Mr Dakin has provided an explanation for the paucity of evidence; he is a small trader, employs an accountant to deal with his financial affairs, only got his first computer in 1998 and lost access to much of his documentation due to an acrimonious separation. This is an explanation which has not been challenged and which I again do not find to be „obviously incredible’. I also keep in mind that I have to determine matters on the balance of probabilities.

36. In all the circumstances, I consider that Mr Dakin has shown that the mark has been used on all of the goods for which it is registered within the relevant periods. The application for revocation therefore fails.

Summary

37. The application for revocation fails in its entirety.

Costs

38. Mr Dakin has successfully defended his registration and, therefore, is entitled to an award of costs in his favour. Whilst he represented himself at the hearing, he was professionally represented during the proceedings and I take that into account. At the hearing, and in written submissions filed prior to the hearing, Mr Dakin sought his full legal costs as well as his travel costs for attending the hearing. He indicated he had been unaware that the applicant would not attend or be represented and claimed that this was indicative of the way the applicant had handled the proceedings. Whilst it may have been that both parties could have co-operated more closely with each other which may have avoided the need for these proceedings or led to them being resolved at an earlier stage, that did not happen and I do not find anything out of the ordinary in these proceedings that would justify an award off the scale. Mr Dakin recognised that, in making an award of costs, the registrar uses the published scale and accepted that any award is intended to be a contribution towards the costs expended. I make the award on the following basis:

Preparing a statement and considering the applicant's statement:	£300
Preparing evidence and considering the applicant's evidence:	£600
Preparation for and attendance at hearing:	£300
Total:	£1200

39. I order Condor Cycles Limited to pay Mr Kevin Dakin the sum of £1200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this day of 22nd
November 2012**

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