

## O-495-16

### TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 2491995 IN THE NAME OF  
DAVINDAR DHOUPER AND GURPREET DHOUPER

AND THE APPLICATION FOR REVOCATION THERETO UNDER NO. 500699 BY  
BVIPR LIMITED

AND IN THE MATTER OF OPPOSITION NO. 403837 IN THE NAME OF  
DAVINDAR DHOUPER AND GURPREET DHOUPER

TO TRADE MARK APPLICATION NO. 3077283 IN THE NAME OF BVIPR  
LIMITED

---

### DECISION

---

#### Introduction

1. This is an appeal against a decision (O-087-16) made in consolidated proceedings by Mrs Ann Corbett, acting for the Registrar, dated 17 February 2016, in which she held that:
  - (1) Having failed to show genuine use and any proper reasons for non-use of trade mark registration No. 2491995 that the registration should be revoked as of 10 January 2014; and
  - (2) Opposition No. 40837 should be dismissed on each ground on which it was brought.
2. The consolidated proceedings before the Hearing Officer consisted of:
  - (1) An application by BVIPR Limited (“**BVIPR**”) to revoke trade mark registration No. 2491995 in respect of the mark **SEXC** in the name of Davinder Dhouper and Gurpreet Dhouper (“*the Dhoupers*”). The application was filed on 5 July 2008 and entered in the register on 9 January 2009. It is registered for the following goods:
    - Class 3: Cosmetics and perfumery
    - Class 9: Sunglasses
    - Class 18: Handbags; ladies handbags; school bags
    - Class 25: Clothing, including evening wear for males and females; headgear; footwear

## O-495-16

On 5 December 2014, BVIPR made an application for revocation under sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“*the Act*”) on the grounds that the mark has not been put to genuine use. Under section 46(1)(a) revocation was sought from 10 January 2014. Under section 46(1)(b) revocation was sought from 5 December 2014.

The Dhoupers filed a counterstatement in which they claimed that limited use was made of the mark within both relevant periods. That use was said to be only in relation to clothing and headgear. The Dhoupers also claimed that there were proper reasons for non-use of the mark in relation to all the goods specified in the registration.

- (2) On 16 October 2014 BVIPR filed Application No. 3077283 for the trade mark **SEX**C for an identical specification of goods as set out above. On 28 November 2014, a Notice of Opposition was filed by the Dhoupers.

The Opposition was based on two grounds: (a) under section 5(1) of the Act on the basis that both the mark and specification of goods is identical to the Dhoupers’ registration No 2491995; and (b) under section 3(6) of the Act on the grounds the application was made in bad faith.

BVIPR filed a counterstatement in which it denied the claims made and put the Dhoupers to proof of use of their own earlier registration relied upon.

3. Both parties filed evidence in the consolidated proceedings. Neither party requested to be heard but both filed written submissions in lieu of a hearing before the Hearing Officer who gave a decision on the basis of all the papers before her.

### **The Hearing Officer’s Decision**

4. For the purposes of this decision only certain parts of the Hearing Officer’s Decision are of relevance namely the findings in relation to (1) the genuine use of trade mark registration No. 2491995; and (2) the proper reasons for non-use.
5. With regard to the genuine use of the trade mark the Hearing Officer identified the relevant legal principles at paragraphs 4 to 9 of her Decision. There is no suggestion on this appeal that she did not correctly identify such principles and I therefore do not set them out in this decision.
6. The Hearing Officer then went on to analyse the evidence of use filed on behalf of the Dhoupers and the criticisms made of such evidence in the evidence filed on behalf of BVIPR.

## O-495-16

7. As noted above the evidence of use was limited to certain items of clothing in Class 25 which the Hearing Officer dealt with as follows:

27. The Dhoupers' claim to have used the mark is limited to certain items of clothing. I remind myself that the relevant specification as registered is Clothing, including evening wear for males and females; headgear; footwear. The invoices list sales of the following:

- 89 x t shirts totalling £1384
- 67 x vests totalling £992
- 12 x polos totalling £336
- 12 x hoodies totalling £432
- 15 x swimwear totalling £270.99
- 8 x snapbacks totalling £200

28. In relation to these invoices, Mr Dhouper notes that there are gaps in the identifying numbers of the invoices. He says that this is because the "missing" invoices "relate to goods other than those bearing the Registered Trade Mark". I take it from this that the invoices which have been filed show the total sales claimed to have been made under the mark. They amount to sales of £3614.99.

29. Whilst Mr Bicknell has filed evidence to show the value of the "fashion industry" to the UK economy, no evidence is given which shows the size of the market for clothing or headgear per se. On any reasonable view, however, the market must be vast. In its written submissions, BVIPR refer to the case of *Memory Opticians* O-528-15 pointing out that in the present case:

"The invoices provided by [the Dhoupers] show use on such a small scale in relation to one Market Trader, and nowhere near the kind needed to create an outlet for the Remaining Goods or a market share..."

30. Given the prices charged for them, the goods shown on the invoices are not specialised or high value items but rather are common items of apparel. The level of sales shown, just over £3100 for various tops, less than £300 for swimwear and £200 for snapback hats are not quantitatively significant whether considered individually or in combination. Of itself, this does not mean that such use is not genuine.

31. For the most part the invoices do not show who the purchaser(s) of the goods may have been. The Dhoupers do not provide any evidence identifying the purchasers and Mr Dhouper says such information is not kept. I find that somewhat surprising not least given the benefits to a business

of identifying its customer base and promoting its goods to them, having repeat customers and maintaining good relations with them. Absent such information, it is not possible to determine from the evidence whether such sales were made to e.g. external customers or to other companies within Mr Dhouper's control nor is it possible to determine whether they were supplied to a single or to multiple purchasers. Even if it were the latter, the invoices do not show the location or geographic spread of those purchasers though the fact that each invoice is said to have been paid for in cash with the goods said to have been supplied "from the Booth Street premises" would suggest that any customer base is extremely limited. The invoices at Exhibits A and B are said to have been supplied by companies where their agreed area of trade is, primarily, in electrical goods, an area which does not extend naturally to a trade in clothing. There is no evidence of any advertising or promotional activity having taken place. Taking all of this into account and, given the nature of the goods, the scale and frequency of use and the characteristics of the market concerned, I do not consider that the evidence filed shows the use made is warranted in the economic sector concerned to maintain or create a share in the relevant market. I do not consider there is real commercial exploitation of the mark. That being so, I find that genuine use of the mark has not been shown in respect of articles of clothing or headgear.

8. Having found that genuine use had not been shown in respect of articles of clothing or headgear the Hearing Officer then considered whether there were proper reasons for non-use. In paragraph 34 of her Decision the Hearing Officer identified Case C-246/05 Armin Häupl v. Lidl Stiftung & Co. KG as providing the relevant principles to be applied in determining whether there were proper reasons for non-use.
9. In their counterstatement the Dhoupers stated, as the Hearing Officer noted in paragraph 33 of her Decision, as follows:

It was intended that Gurpreet Dhouper would become actively involved in selling goods under the SEXC trade mark following her graduation with a masters degree in 2011. However, during 2009 Davinder Dhouper's mother had developed dementia, which was subsequently confirmed as vascular dementia. Davinder Dhouper, Davinder's wife and Gurpreet were her main carers from mid-2009 until her death on 11 March 2013. Also, on 7 April 2013 Davinder Dhouper was involved in a major car accident which left him unable to work. Following the resolution of their financial difficulties the owners had made plans to extend their use (sic) the mark during 2013 but their plans were put back by the above circumstances.

10. Having considered the evidence filed in support of this plea the Hearing Officer concluded as follows at paragraph 39 of her Decision:

39. I have no doubt that caring for an elderly relative who suffers from dementia involves a great deal of time and energy. The same is true in terms of recovering from a serious accident and surgery. In his second witness statement, Mr Dhouper states that his companies are “small family businesses”. That may be true, however, he also states that in addition to him and his daughter, the companies also employed his son Jagjit Dhouper along with another individual who was a general secretary. I have no evidence which shows the roles within the various businesses the individual family members may have had but Miss Dhouper was able to study for her master’s degree whilst she was a part-time carer (with others) and became a full time carer (with others) only after her studies were completed. She no longer had those caring duties by the time of her father’s accident. There is no evidence that Mr Dhouper Jnr did not continue to work for the businesses throughout the relevant period. Whilst the illness of Mrs Dhouper Snr and Mr Dhouper’s accident are likely to have been stressful for the family and were certainly issues that would have arisen independently of the will of the Dhoupers, illness and injury, and caring for those who are so afflicted, are part and parcel of the daily lives of many, including those in business. Taking all matters into account I find that they do not constitute genuine reasons for non-use of the mark. That being the case, registration No 2491995 will be revoked in its entirety with effect from 10 January 2014.

11. In view of the finding made with regard to the revocation action it followed that the Opposition under section 5(1) of the Act should be rejected as the Hearing Officer found in paragraph 40 of her Decision.
12. The Hearing Officer then went on to consider the ground of Opposition under section 3(6) of the Act and rejected it. This does not form any part of the appeal and therefore I say no more about it.

### **The Appeal**

13. On 11 March 2016 an appeal was filed on behalf of the Dhoupers pursuant to section 76 of the Act. As noted above, the appeal is concerned with the findings in relation to (1) the genuine use of trade mark registration No. 2491995; and (2) the proper reasons for non-use.
14. In paragraph 1.1 of the Grounds of Appeal it was accepted that in assessing genuine use the Hearing Officer must take into account the prior decisions of the Court of

## O-495-16

Justice of the European Union (“*CJEU*”) as summarised by Arnold J. in The London Taxi Corporation Ltd v. Frazer-Nash Research Ltd [2016] EWHC 52(Ch). Likewise it was accepted in paragraph 2.1 of the Grounds of Appeal that the Hearing Officer had correctly identified the relevant approach to the assessment as to whether there were or were not proper reasons for non-use as set out in paragraph 34 of her Decision.

15. In substance the appeal is that the Hearing Officer erred in the application of the case law to the facts of the present case by:

- (1) Incorrectly applying a *de minimis* rule when considering whether there had been genuine use of the trade mark in suit;
- (2) Incorrectly assessing the evidence of use that that was before her;
- (3) Incorrectly assessing the evidence as to whether or not there was an obstacle which having a direct relationship with the trade mark made its use impossible or unreasonable;
- (4) Incorrectly considering the question of genuine use and proper reasons for non-use separately i.e. failing to consider whether there were proper reasons for limited use of the mark in suit.

16. On 29 April 2016 BVIPR filed a Respondent’s Notice. In that Notice it was contended on behalf of BVIPR that the Hearing Officer’s Decision should be upheld for the reasons given. It was further submitted in substance that the findings of the Hearing Officer should be upheld on the basis that:

- (1) The number of discrepancies and inaccuracies in the evidence given by Mr Dhouper were such that the evidence is discredited and should be given no weight alternatively was such that the burden of proof under section 100 of the Act had not been discharged;
- (2) The illness of Mrs Dhouper and Mr Dhouper’s accident do not satisfy the requirements for proper reasons such not being of a type referred to as satisfying the requirements set out in the case law; and
- (3) There is no requirement to consider the combined effect of both genuine use and proper reasons for non-use together such as to ‘*lower the bar of assessment for proper reasons for limited use*’.

17. Written submissions were filed on behalf of the parties to the appeal on 15 July 2016. At the hearing of the appeal the Dhoupers were represented by Mr. Steven Gee of D. W. & S.W. Gee. BVIPR did not appear and were not represented at the hearing.

**Standard of review**

18. As correctly recognised in the Grounds of Appeal the appeal is by way of review. Neither surprise at a Hearing Officer’s conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
19. In Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant’s complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge’s decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann’s statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 , 2423:

‘Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge’s decision unless he has erred in principle.’

20. It is necessary to bear these principles in mind on this appeal.

**Decision**

***The error in the assessment of genuine use***

21. As made clear in the London Taxis case when making an assessment of whether use of a trade mark is genuine regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation in the course of trade is real, particularly whether such use is warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the

## O-495-16

mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of the mark.

22. That is not to say that as a matter of principle that, in a market of a significant size, a small quantity of goods cannot be sufficient to establish genuine use of the mark but that an element of quantitative evaluation on the facts of a particular case is not to be ruled out: see Case C-252/15P Naazneen Investments v. OHIM reiterating the principles set out in Case C-141/13P Reber Holdings GmbH & Co KG v. OHIM.
23. It is said on behalf of the Dhoupers that the Hearing Officer applied a *de minimis* rule when considering the question as to whether there had been genuine use of the mark in question. I am not persuaded of this criticism.
24. It is clear from the case law and in particular Case C-609/11P Centrotherm Systemtechnik GmbH v. OHIM at [72] that it is no part of a tribunal's role when assessing use to make an evaluation of the commercial success of an enterprise.
25. However, as Daniel Alexander QC sitting as the Appointed Person in his decision in JUMPMAN Trade Mark (O-222-16) noted at paragraph [71]:

“ . . . in order to make the evaluation of the nature of the use in question and its significance it is necessary to have some regard to the context in which the use takes place. There are some markets in which sales are so infrequent that an order for products every few years might be regarded as significant. There are other kinds of goods which, in terms of the volume and value of sales naturally expected to be so large, that much larger volumes would need to be regarded as significant. In my judgment, the hearing officer took that into account and was entitled to do so. *Centrotherm* and the well-known other authorities which preclude a general commercial evaluation do not rule out that kind of general assessment. Indeed, it is difficult to think of a way of evaluating the extent and significance of use save by reference to some standard for comparison. Unless the law requires tribunals to hold that, provided it is not a sham, use of a CTM must be regarded as proven if there is some use, no matter how small, those assessing use will have to set some reference points for evaluation. In my judgment, the approach taken by the hearing officer was not unreasonable for the present case, given the nature of the market and the fairly broad nature of the registration in question for “footwear”.”

26. In her Decision the Hearing Officer having reviewed the evidence identified certain invoices in paragraphs 27 and 30 of her Decision of particular relevance. She regarded such evidence as not quantitatively significant when considered either



## O-495-16

individually or in combination. Given the numbers involved it does not seem to me that this was not a finding that was not open to her.

27. However, contrary to the criticism made of the Decision made on behalf of the Dhoupers, the Hearing Officer at the end of paragraph 30 made it clear that the numbers identified in the invoices could not in and of themselves be determinative of whether or not such use was sufficient to be genuine.
28. Instead the Hearing Officer went on at paragraph 31 to consider the sufficiency of the evidence of use that was before her and in particular as to the weight that could be put on the evidence contained in the invoices.
29. When considering the assessment of the evidence of use it is important to have in mind the observations of Geoffrey Hobbs QC sitting as the Appointed Person in Furnitureland Trade Mark (O-128-14) in particular at paragraph [5]:

5. It was incumbent upon FV under Section 100 of the 1994 Act to adduce evidence which showed that the registration of its mark in relation to goods and services of the kind itemised in paragraph 2 above had been supported by use in commerce of corresponding breadth during the relevant 5 year period. In order to determine the extent (if any) to which the protection conferred by registration of the trade mark could legitimately be retained, the Registrar needed to form a view as to what the evidence did and just as importantly what it did not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods and services of the kind in issue. The evidence fell to be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addressed the actuality of use: see paragraphs [17] to [19] and [24] to [30] of the Decision of Mr. Daniel Alexander QC sitting as the Appointed Person in *PLYMOUTH LIFE CENTRE Trade Mark* BL O-236-13; [2013] RPC 34.

30. With these principles in mind and having regard to the evidence served by the parties it seems to me that the invoices did not contain sufficient or specific evidence as to the actuality of use. In those circumstances it is my view that the Hearing Officer was entitled to make the findings that she did in paragraph 31 with regard to the invoices.
31. With regard to the holding in paragraph 31 of the Decision that there '*is no evidence of any advertising or promotional activity*' it was said that such a finding was incorrect. In that connection my attention was drawn to Exhibit SG1 to the witness statement of Steven Gee in which a download of a single page of the website [www.thatsmammoth.com](http://www.thatsmammoth.com) obtained from the Wayback machine for the 28 March 2010. At the foot of that page appears the mark **SEXC**. No goods marked with the trade mark appear on the page.

32. The evidence provided by Mr Gee is said to be in response to the evidence filed by BVIPR. That evidence included Exhibit PB4 to the witness statement of Paul Bicknell in which he exhibits certain downloads from the website [www.thatsmammoth.co.uk](http://www.thatsmammoth.co.uk) a website that is referred to on certain of the invoices exhibited by Mr Davinder Dhouper to his first statement. Those downloads show no use of the mark **SEXC**. Moreover Mr Bicknell also gives evidence in the form of a whois search for the domain name [www.thatsmammoth.co.uk](http://www.thatsmammoth.co.uk) which shows that the website was registered by Davinder Dhouper on 31 March 2015 i.e. after the relevant date for the purposes of the revocation proceedings.
33. The first point to note is that no evidence whatsoever is given by Mr Davinder Dhouper or Ms Gurpreet Dhouper of any advertising or promotion of the mark **SEXC** during the relevant period. Nor do they give any evidence with regard to the domain names or any website at the domain names [www.thatsmammoth.co.uk](http://www.thatsmammoth.co.uk) or [www.thatsmammoth.com](http://www.thatsmammoth.com) in the relevant period whether in their evidence in chief or in reply. Mr Gee gives no evidence other than the single download with regard to the use of the mark and it is not clear whether such use was or was not by the Dhoupers (or either of them) or whether the mark appeared at any time other than the 28 March 2010.
34. Whilst it is correct that the Hearing Officer did not refer to this particular material exhibited to the witness statement of Mr Gee in circumstances where there is a complete absence of any evidence from the individuals who were in the perfect position to give evidence of advertising and promotion and where it is not clear what the relevance, if any, of the material in Exhibit SG1, was to the issues that were to be decided by the Hearing Officer it seems to me that this does not materially affect the Hearing Officer's finding that there was no evidence of advertising or promotion under and by reference to the mark.
35. It is therefore my view that the Hearing Officer was entitled to find on the basis of the evidence before her that the Dhoupers had failed to discharge the burden of establishing genuine use within section 46 of the Act.

*The error in the assessment of proper reasons for non-use*

36. Turning to the question of proper reasons for non-use it is to be noted that there is no indication in the legislation as to what the nature and characteristics of proper reasons for non-use are. However, it is clear from the case law, see in particular Case C-246/05 Armin Häupl v. Lidl Stiftung & Co AG at [54], 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.

## O-495-16

37. The reasoning behind that approach were set out in paragraphs [48] to [51] of Case C-246/05 Häupl as follows:

48 However, the TRIPS Agreement, to which the Community is party, also deals, in Article 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 Article 19(1) of the TRIPS Agreement, circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark 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 trademark within the meaning of that provision. Although, quite often, circumstances arising independently of the will of the owner of the trademark 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 'in order to reduce the total number of trade marks registered . . . in the Community . . . it is essential to require that registered trade marks 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 Article 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 none the less arising independently of the will of the owner of the trade mark, were sufficient to justify its non-use.

38. As noted in paragraph 9 above the proper reasons relied upon by the Dhoupers are firstly the need to care for an elderly relative with dementia; and secondly that Mr Dhouper was involved in a serious accident that prevented him from working.
39. Whilst, like the Hearing Officer, I have no doubt that caring for an elderly relative who suffers from dementia involves a great deal of time and energy and I have sympathy for Mr Dhouper with regard to the accident that prevented him from working for a period of time it does not seem to me that, on the basis of the guidance provided by the case law of the CJEU, they may be regarded as proper reasons for non-use.

40. Firstly, it does not seem to me that the difficulties were directly related to the trade mark but arise out of events that although not wanted by the Dhoupers are not outside their control in the way that for example, regulatory requirements or export restrictions might be. That is to say they are not circumstances unconnected with the trade mark proprietor which prevent him from using the mark: c.f. Case C-243/06 P II Ponte Finanziaria SpA v OHIM at paragraph [102].
41. Secondly, it seems to me that on the evidence that was before the Tribunal, the Hearing Officer was perfectly entitled to make the findings that she did. In my view whilst there were undoubtedly family difficulties those difficulties only existed for a part of the 5 year period. They were also difficulties of a kind that could have been overcome including in the ways indicated by the Hearing Officer.
42. In the circumstances, it is my judgment that the finding that there were no proper reasons for non-use should be upheld.

*Whether proper reasons for non-use is relevant to the question of genuine use*

43. Finally, it is submitted on behalf of the Dhoupers that the proper reasons for non-use is relevant to the question of whether there has or has not been genuine use of the mark.
44. I do not accept that proposition. In the judgment of the CJEU in Case C-252/15P Naazneen Investments Ltd v. OHIM the position was set out in paragraphs [74] to [78] as follows:

74 As to the complaint that the General Court ought to have taken into account, in the context of its overall assessment of genuine use of the mark at issue, the reasons why that mark was not used more extensively, it should be recalled that, in paragraph 56 of the judgment under appeal, the General Court held that the assessment of genuine use of a trade mark must take into account the evidence of the existence of such use and not evidence explaining non-use of that trade mark, the latter evidence being taken into account, on the other hand, in the assessment of the reasons for non-use of that mark.

75 That reasoning is not vitiated by any error of law.

76 As is apparent from the case-law of the Court referred to in paragraph 56 of the present judgment, genuine use of a trade mark requires proof of its use and proof that its commercial exploitation in order to create or preserve an outlet for the goods and services is real. In that context, the reasons for non-use are irrelevant. On the other hand, such reasons must be

## O-495-16

taken into account, under the first subparagraph of Article 15(1) and Article 51(1)(a) of Regulation No 207/2009, in the context of the examination of proper reasons for non-use.

77 In this connection, the appellant is wrong in claiming that cases in which there has been no use of a mark at all should be distinguished from cases, as in this instance, of limited use, in which proper reasons may be relevant for the purposes of determining whether use is genuine. There is nothing in the text of the first subparagraph of Article 15(1) and Article 51(1)(a) of Regulation No 207/2009 to suggest such a distinction. On the contrary, it follows from the very wording of those provisions that, where a trade mark has not been put to genuine use, the rights of the proprietor of that trade mark must be revoked unless he justifies that lack of genuine use by the existence of proper reasons.

78 It is clear that, since the objective of proper reasons is to make it possible to justify situations in which there is no genuine use of the mark in order to avoid revocation of the mark, and their function is thus closely linked to that of genuine use (judgment in *Häupl*, C-246/05, EU:C:2007:340, paragraph 44), the ‘non-use’ referred to in the first subparagraph of Article 15(1) and Article 51(1)(a) of Regulation No 207/2009 must necessarily be understood as referring to a failure to put the trade mark to genuine use within the meaning of the first part of those provisions, including, therefore, both a complete failure to use a mark and limited use of a mark.

45. It is therefore in my view clear, that the reasons for any non-use are entirely irrelevant to the question of whether there has been genuine use of the mark.

### **Conclusion**

46. In the circumstances, it does not seem to me that the Dhoupers have identified any material error of principle in the Hearing Officer’s analysis or that the Hearing Officer was plainly wrong. In the result I have decided that the Hearing Officer was entitled to make the findings that she did.

47. In the result the appeal fails.

48. In paragraph 24d of the written submissions filed on behalf of BVIPR it was requested that “*An increased cost award be made in favour of [BVIPR]*”. In those circumstances I direct that:

- (1) On or before 4 pm on or before 1 November 2016 BVIPR must confirm in writing whether or not it is claiming costs other than on the standard scale.

## O-495-16

- (2) In the event that BVIPR confirms that it intends to seek an order for off scale costs then on or before 4 pm on the 8 November 2016 BVIPR must: (a) provide a bill itemising the actual costs upon which it intends to rely for that purpose; and (b) provide a reasoned statement in support of its request for costs to be awarded on an off scale basis.
  
- (3) On or before 4 pm on 22 November 2016 the Dhoupers should provide any written submissions that they would wish to make in response to BVIPR's application for costs.

Thereafter I will consider and then issue a decision as to costs on the papers before me.

Emma Himsworth Q.C.

Appointed Person

25 October 2016