

O-128-17

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2380997
IN THE NAME OF DOME MOBILE SERVICES LIMITED

AND

AN APPLICATION FOR CANCELLATION THEREOF UNDER NO 501156
BY APPLE INC

Background

1. Registration no 2380997 is for the trade mark **iphone**. It originally stood in the name of ICX Europe Ltd but, following an assignment of the registration and with an effective date of 7 October 2014, it now stands in the name of Dome Mobile Services Limited (“the registered proprietor”). It has a filing date of 22 December 2004, was entered in the register on 4 July 2008 and is registered for the following goods:

Class 9:

Encoded telephone cards, all for national or international telephone calls.

2. On 8 March 2016, Apple Inc (“the applicant”) filed an application to cancel the registration on grounds under sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”) claiming the mark has not been put to genuine use within the relevant periods and there are no proper reasons for its non-use. In respect of the claim under section 46(1)(a) of the Act, the relevant period is 5 July 2008 to 4 July 2013. In respect of the claim under section 46(1)(b), the relevant period is 8 March 2011 to 7 March 2016.

3. The registered proprietor filed a counterstatement in which it claims it has used the mark “within the last 5 years in relation to the goods included in the specification of the registration”. It requests the rejection of the application for revocation of the registration.

4. Both parties filed evidence. In addition, the applicant filed written submissions in lieu of evidence in reply. The matter came before me for a hearing on 14 March 2017 when the registered proprietor was represented by Mr Andrew Norris of counsel, instructed by Walker Morris LLP. The applicant was represented by Mr Jaani Riordan of counsel, instructed by Locke Lord (UK) LLP.

Decision

5. Section 46(1) of the Act states that:

“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 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.”

6. Section 100 is also relevant and reads:

“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.”

7. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-

9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector

concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

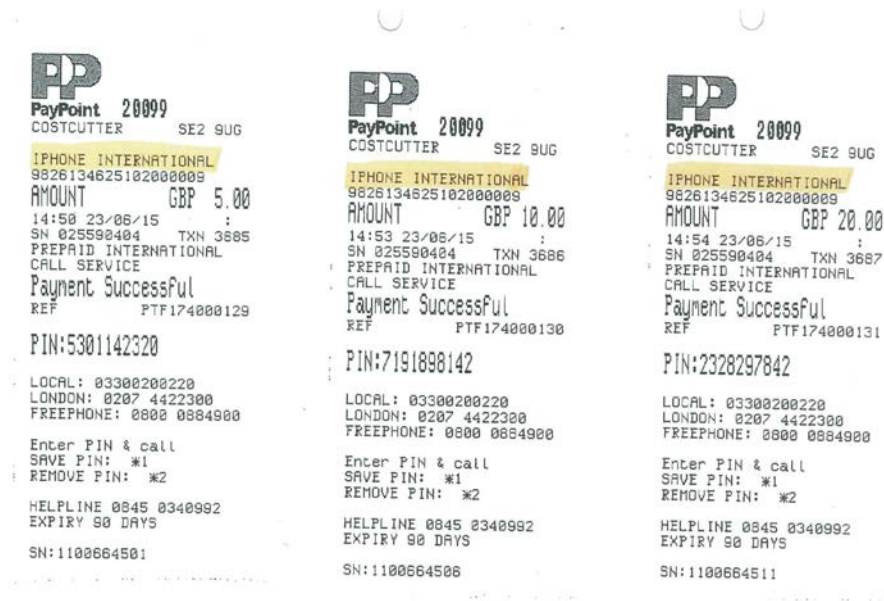
(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

8. The registered proprietor’s evidence takes the form of two witness statements (one filed in reply) of Dara O’Mahony, its Managing Director. In his first witness statement, Mr O’Mahony refers to what he calls “physical encoded telephone cards” but, in addition, states that the registered proprietor:

“also offers encoded telephone cards which are sold via electronic payment outlets (“E-vouchers”). These E-vouchers operate in the same way as physical encoded telephone cards, and include a PIN number to allow the purchaser to access credit for national and international telephone calls”.

9. At DOM4 he exhibits three examples of these E-vouchers. They look like this:



10. Throughout his evidence, Mr O'Mahony uses the term "encoded telephone cards" to refer to both physical, credit card-type telephone cards and E-vouchers. At the hearing, Mr Norris accepted that these E-vouchers were not plastic credit card-type telephone cards and at various points, quite rightly in my view, referred to them as receipts. He went on to submit that as these had upon them a PIN number, they were "encoded", were a product of improved technology and should be taken to be encoded telephone cards as are included within the specification of goods as registered as they served the same purpose.

11. For its part, the applicant disputes the E-vouchers/receipts can be regarded as being encoded telephone cards. Mr Riordan referred me to the registered proprietor's own evidence at DOM15. This is a printout taken from the TelephoneCardCollector.com website which indicates the page was last updated on 22 September 2016. Whilst this date post-dates both relevant periods, there is no evidence to show the position would have been any different in the intervening period. The page is headed "What is a Telephone Card?" and begins "A telephone card is most commonly a credit card size piece of plastic containing pre-paid credit that enables the bearer to make telephone calls from a public or private payphone that accepts telephone cards." It refers to the interest by some in collecting such

cards. Another heading, "Type of Telephone Cards" indicates that "...over the years there have been four distinct technologies used in Phonecards from around the world". It refers to magnetic cards, optical cards, chip cards and remote cards. Mr Riordan submitted that paper receipts, even were they to bear a PIN number, would not be a card. He also submitted that cards will involve different distribution and payment models to printed till receipts and vouchers.

12. The registration in suit covers goods specified as being in Class 9. The Nice Classification indicates that goods in this class include information technology devices which will include such goods as encoded telephone cards, telephone cards (encoded), telephone credit cards and prepaid telephone calling cards, magnetically encoded. The Nice Classification indicates that goods proper to Class 16 include paper articles, pre-paid telephone calling cards, not magnetically encoded, vouchers and vouchers of value.

13. The E-vouchers or receipts are not "cards" but are paper articles which, as Mr O'Mahony himself explains in his second witness statement, are "instantly printed" at the till in a shop. Clearly, they are not magnetically encoded nor do they have any other form of technology within them. Whilst I accept they may have a PIN number on them, this does not change my view that they are not encoded telephone cards as are proper to Class 9 but are, at best, paper vouchers which are goods proper to Class 16. The fact that both the cards and the E-vouchers may serve the same (or similar) purposes is not the issue. As I indicated at the hearing, both a horse and a tractor may pull a plough but that does not make them the same. That being so, any use of the mark which relates to E-vouchers will not assist the registered proprietor. Use has to be shown on the goods as registered. With the above in mind, I go on to consider the evidence of use further.

14. At DOM1, Mr O'Mahony exhibits what he states is "a set of three...encoded telephone cards sold under, and featuring, the iphone mark, in the denominations £5, £10 and £20". I include a copy of the front and backs of the cards at Annex 1 to this decision. Given the stylisation of the letter "i", I do not consider that the mark as shown on the cards exhibited at DOM1 would constitute use of the mark as registered, however, I go on to consider the evidence in more detail.

15. There is no reference to the registered proprietor on any of the three cards shown. On the back of each card is an indication that the services are “provided by iCard European Telecoms Limited” (“iCard”). Mr O’Mahony states that the registered proprietor “acquired the business of iCard on 17 July 2014” and, at DOM2 he exhibits a very heavily redacted copy of the contract between the two parties. Recital D to the agreement indicates it formally records the terms on which the beneficial ownership of the “Assets” have transferred from the vendor to the purchaser. These assets are said to be defined elsewhere in the agreement though that part of the agreement is not included. Elsewhere, the document makes reference to “calling cards” which are said to be those “trading using the brands described in Schedule 1. Schedule 1 is included and lists over 130 brands. The trade mark under consideration is not on the list though I note that the list does include iPhone Africa Digi, iPhone Digi, iPhone Home, iPhone Home E1, iPhone Promo Digi and iPhone Turkey Digi. There is no evidence of any use of these.

16. Mr O’Mahony states that iCard had entered into an agreement with Paypoint Collections Limited (“Paypoint”):

“regarding the provision of iphone encoded telephone cards via their network of retail agents throughout the UK on 7 November 2011. This agreement was novated in favour of [the registered proprietor] on 29 July 2014, after iCard business was acquired. A new Paypoint Agreement was entered into by [the registered proprietor] and Paypoint, regarding the continued provision of iphone E-vouchers through the Paypoint network”.

17. At DOM5 Mr O’Mahony exhibits a copy of the agreement which the registered proprietor entered into with Paypoint. This document has also been very heavily redacted. At the hearing, Mr Norris referred me to the recitals within the agreement and submitted that, along with the other evidence filed, it supported the registered proprietor’s claim that use of the mark had been made within the relevant periods. The relevant recitals state (in what follows, the Company refers to Paypoint whilst the Client refers to the registered proprietor):

“(A) The Company and [iCard] entered into [an agreement] dated 7th November 2011...pursuant to which the Company collects cash payments from Customers with respect to topping up a calling card and transmits such payments to the Client...

...

(C) The Client wishes to transfer all calling card products under the [original agreement] to E-voucher products and cease the ability for Customers to top up the calling card products...”

18. Whilst I accept the agreement refers to topping up calling cards, it does not show that any such trade took place under the mark during the relevant periods. Mr O'Mahony gives no evidence of what, if any, trade iCard may have made of the mark as registered (whether via Paypoint or in any other way). As for the registered proprietor's own use via this relationship, the agreement sets out the services to be provided to it by Paypoint. Schedule 1 to the agreement sets out these services and makes clear that they relate only to the purchase of E-vouchers which are not the goods at issue here.

19. At DOM10 he exhibits a copy of a poster which he says was “issued in September 2015 by Paypoint to its UK network of retailers”. This poster is said to have been intended for retailers rather than end customers but whilst the poster states that “iPhone calling cards are back...” there is no evidence of any earlier use of the mark in respect of such cards and it is clear from the remainder of the text that what is being advertised is, in fact, E-vouchers.

20. A DOM9, Mr O'Mahony exhibits a copy of a poster which he states was produced “setting out the tariff for calls placed using the cards at the time of purchase”. Whilst the poster bears the date “August 2015” it appears to be a printer's proof and Mr O'Mahony has given no indication that this poster was ever used or, if it was, where it appeared or who may have seen it.

21. Mr O'Mahony states that the registered proprietor “sells around 10,000 iphone encoded telephone cards and E-vouchers every month” and, at DOM7 and DOM13,

provides logs of call records made during January 2015 and February 2016. What he does not do is give any details which allows me to determine how much, if any, of the sales or calls made relate to the goods for which the mark is registered rather than E-vouchers.

22. At DOM3, he exhibits copies of 2 invoices. Both are shown to be from a card manufacturer based in Lancashire and both are addressed to the registered proprietor in Ireland. The first is dated 19 August 2015 and among the goods listed are "15,000 x IPHONE £5" and "25,000 x IPHONE PROMO £1". The invoice indicates that the goods are to be delivered to a named third party based in London. The second invoice is dated 7 March 2016 which, as Mr Riordan pointed out, is the day before the application for cancellation was filed. This invoice shows both the addressee and delivery address to be the registered proprietor in Ireland. Exhibited to Mr O'Mahony's second witness statement, at DOM8, is what Mr Norris said was the order which preceded this second invoice (the invoice details and numbers are in line with each other). It shows the order was placed on 12 February 2016. Whilst I accept that orders were placed for cards, there is no evidence of what type of cards these were or what was shown on them. There is no evidence as to the relationship between the named third party and the registered proprietor in relation to the first invoice and in relation to the second, the cards concerned were delivered to Ireland.

23. I have made a number of criticisms of individual pieces of evidence but it is well established that I have to consider the evidence as a whole. Having done so, I am far from satisfied that the registered proprietor has shown the required use of the mark as registered in relation to the goods for which it is registered at any time and certainly not within the relevant periods.

24. The application for revocation of the registration succeeds.

Summary

25. The application for revocation of the registration succeeds in full. The registration will be revoked with effect from 5 July 2013.

Costs

26. The application for revocation having succeeded, the applicant is entitled to an award of costs in its favour. I make the award on the following basis;

Filing the application for cancellation and reviewing the counterstatement:	£300
Fee:	£200
Filing/reviewing evidence:	£1000
Attendance at hearing:	£500
Total:	£2,000

27. I order Dome Mobile Services Limited to pay Apple, Inc the sum of £2,000 as a contribution towards its costs. This sum is to be paid within fourteen days or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 21ST day of March 2017

Ann Corbett

For the Registrar

The Comptroller-General

Annex 1



iPhone

Local: 0330 020 0220
 London: 0207 442 2300
 Freephone: 0800 088 4900
 National: 0845 872 8300

Enter your PIN 

To Save PIN: press *1, to Remove PIN: press *2
 Dial Your Telephone No.
 International Calls: 00 + Country Code + (0) Area code + Telephone No.
 National Calls: Area Code + Number
 Example: To call the USA Dial: 00 1 555 343401
 For follow-on calls or missed, dial # # Customer Services: 0845 034 0992
 This card expires 90 days from first use.
 Surcharges & daily maintenance fees apply - please see poster for details.
 Services provided by iCard European Telecoms Limited.

ICARD

Global Freephone: 00800 4227 3999
 from these countries:
 Australia
 Hong Kong
 Israel
 Japan
 South Korea
 Thailand
 Europe*
 See poster for full details
 www.icardtelecom.com

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iPhone

Freephone: 0808 178 7220
 Dial Access Number: 0800 018 5255
 National: 0845 241 1756
 London Local Access Number: 0207 078 9400
 Payphone: 00800 4227 3000

Enter your PIN 

Dial Your Telephone No.
 International Calls: 00 + Country Code + (0) Area code + Telephone No.
 National Calls: Area Code + Number
 Example: To call the USA Dial: 00 1 555 343401
 For follow-on calls or missed, dial # # Customer Services: 0845 200 2471
 This card expires 90 days from first use.
 Surcharges & daily maintenance fees apply - please see poster for details.
 Services provided by iCard European Telecoms Limited.

ICARD

Global Freephone: 00800 4227 3000
 from these countries:
 Australia
 Hong Kong
 Israel
 Japan
 South Korea
 Thailand
 Europe*
 See poster for full details
 www.icardtelecom.com

0410 / 4645 / 0865



iPhone

Freephone: 0808 178 7220
 Dial Access Number: 0800 018 5255
 National: 0845 241 1756
 London Local Access Number: 0207 078 9400
 Payphone: 00800 4227 3000

Enter your PIN 

Dial Your Telephone No.
 International Calls: 00 + Country Code + (0) Area code + Telephone No.
 National Calls: Area Code + Number
 Example: To call the USA Dial: 00 1 555 343401
 For follow-on calls or missed, dial # # Customer Services: 0845 200 2471
 This card expires 90 days from first use.
 Surcharges & daily maintenance fees apply - please see poster for details.
 Services provided by iCard European Telecoms Limited.

ICARD

Global Freephone: 00800 4227 3000
 from these countries:
 Australia
 Hong Kong
 Israel
 Japan
 South Korea
 Thailand
 Europe*
 See poster for full details
 www.icardtelecom.com

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