

**O/170/17**

**TRADE MARKS ACT 1994**

**TRADE MARK REGISTRATION No. 1003480**

**IN THE NAME OF RELIANT PARTS WORLD LIMITED**

**AND**

**APPLICATION No. 501083 BY BRAKE PARTS INC.**

**TO REVOKE THE TRADE MARK REGISTRATION FOR NON-USE**

## Background and pleadings

1. This is an application under s. 46(1)(b) of the Trade Marks Act 1994 (“the Act”) by Brake Parts Inc. (“the applicant”) to partially revoke trade mark registration 1003480 in the name of Reliant Parts World Limited (“the proprietor”) for non-use.

2. The trade mark at issue is the word RELIANT.

3. The mark has been registered in the UK since 1973 in relation to *Motors cars, motor vans and motor lorries, and parts and fittings included in Class 12 for the aforesaid goods.*

4. The application for revocation was originally filed on 17<sup>th</sup> December 2015. The original form requested revocation of the mark for some of the goods for which the mark was registered. In answer to the question “*For which goods/services is non-use being claimed?*” the applicant stated:

“Motor cars, motor vans and motor lorries, and parts and fittings included in Class 12 save for in relation to Reliant”

5. The Office initially rejected the application on the grounds of a number of formal deficiencies. One of these was that the caseworker did not consider that the applicant had clearly identified the goods for which it denied that the trade mark had been used. The relevant letter said:

“You are invited to clarify the goods covered by the registration for which non-use is claimed; that is, whether some or part of the goods.”

6. The application was re-filed in amended form on 3<sup>rd</sup> March 2016. The revised form did not directly answer the two relevant the questions on the form (*non-use of the mark for all goods?/non-use of the mark for some goods?*). Instead it referred to a statement on a continuation sheet which read:

“It is recognised that if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of subcategories capable of being viewed independently then proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection only for the subcategory or subcategories to which the goods or services for which the trade mark has actually been used belong.

The Applicant submits that at best the holder of the UK trade mark UK 1003460 only supplies OEM Reliant spare parts <https://www.relianttpartsworld.co.uk/about> for Reliant cars. As such the specification, as currently set out, is too broad. The goods provided by Reliant Parts World are apparently only provided for Reliant vehicles as is clearly shown on their trading website. Accordingly, given the specification provided for in UK trade mark UK1003480 is so broad it is clear that UK trade mark UK1003480 is not being put to genuine use. Genuine use of a trade mark exists 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 service. Accordingly, a genuine use of this mark is to provide parts for Reliant vehicles and it therefore follows, as Reliant Parts World have not used the whole specification (sic) in providing goods, the specification should be limited to exclude any parts manufactured for vehicles other than Reliant vehicles by including the restriction *"all of the aforesaid in relation to Reliant motor vehicles only"* to reflect the fact that Reliant Parts World are merely providing goods in relation to Reliant vehicles.

In summary the Applicant requests that the UK IPO revoke this UK trade mark UK1003480 on the grounds of lack of genuine use both in relation to goods and in relation to territory.”

7. I note at this juncture that (1) despite being asked to clarify the scope of the application for revocation the applicant did not take the straightforward step of ticking the box headed [revocation in relation to] *"All the goods/services"*, (2) the statement

reproduced above makes the case for revocation in relation to a sub-category of the goods for which the mark is registered, (3) the only sub-category mentioned is “*parts manufactured for vehicles other than Reliant vehicles*”, (4) The statement does not expressly mention revocation of the registration of the mark in relation to any goods other than parts.

8. The period of non-use identified for the purposes of s.46(1)(b) is 9<sup>th</sup> October 2010 to 8<sup>th</sup> October 2015 (“the relevant period”). The applicant asks for the requested revocation to take effect from 9<sup>th</sup> October 2015.

9. The proprietor filed a counterstatement denying the grounds for revocation. In particular, the proprietor claims that the requested revocation makes an arbitrary distinction between use of the mark in relation to parts and fittings for vehicles bearing the trade mark RELIANT, and parts and fittings for other motor vehicles. The proprietor says that the parts and fittings identified by the applicant are not a sub-category of parts and fittings, but merely a reference to the trade mark for which the goods are registered.

10. Both sides seek an award of costs.

## **Representation**

11. The applicant is represented by Brabners LLP, solicitors. The proprietor is represented by Novagraaf, patent and trade mark consultants. Neither side asked to be heard. However, both sides filed written submissions in lieu of a hearing.

## **The evidence**

12. The proprietor’s evidence in chief takes the form of a witness statement dated 27<sup>th</sup> July 2016 by Mr Stewart Halstead, who is the Managing Director of the proprietor. Mr Halstead’s evidence is that the proprietor bought the parts business called ‘Reliant Parts World’ and the rights to the RELIANT trade mark from Reliant Cars Limited in 2002 when that company ceased manufacture of Reliant motor vehicles. The proprietor also purchased the original tooling, jigs and fixtures for the

production of parts for Reliant vehicles. Mr Halstead says that the proprietor is the sole producer of OEM parts and spare parts for Reliant vehicles.

13. Exhibit 2 to Mr Halstead's statement is an extract from a book entitled 'The Reliant Motor Company' by Elvis Payne. The book covers the history of the company. It corroborates Mr Halstead's claim that the original Reliant parts business was known as Reliant PartsWorld.

14. Exhibits 3 and 4 to Mr Halstead's statement consist of pages from the proprietor's current website showing that it provides a wide range of mechanical, electrical and other parts for Reliant vehicles.

15. Copies of historical pages from the proprietor's website at [www.reliantparts-world.co.uk](http://www.reliantparts-world.co.uk) are also in evidence.<sup>1</sup> There are 7 pages from the relevant period 2011 to 2015. These show the proprietor trading under the name Reliant PartsWorld offering "*Genuine Reliant Parts & Spares.*" There are some pictures of various parts for various Reliant models. None of these appear to bear the Reliant mark (or any other mark). The pages from 2013 and 2014 show that the proprietor had started providing spares for other marks too. The relevant entry states that "*Reliant PartsWorld are pleased to announce that the arrival of Microcar, Aixam and Ligier parts into stock. A wide range of parts are available for these vehicles, use the links at the top of the page to see our range of parts.*"

16. Mr Halstead states that the proprietor also operates, and operated during the relevant period, an online shop on ebay. Pages from the website dated in 2016 (i.e. after the relevant period) are in evidence.<sup>2</sup> These show that the site is called Reliant PartsWorld Online. Again, the webpages show a wide range of 'genuine' Reliant parts and spares being offered for sale, priced in pounds sterling. I cannot make out the RELIANT mark on any of the goods. A few are sold in packaging on which appears a composite mark consisting of a winged bird device bearing the letter 'R', beneath which are words which I cannot make out clearly.

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<sup>1</sup> See exhibit 5 to Halstead 1

<sup>2</sup> See exhibit 6 to Halstead 1

17. Exhibit 7 to Mr Halstead's statement includes copies of 14 invoices addressed to customers in the UK who bought parts for Reliant vehicles from the proprietor during the relevant period (there are few more dated before the relevant period). The invoices bear the same device mark described in the previous paragraph. They also bear the words Reliant PartsWorld. The goods at issue are parts for Reliant vehicles. A few carry Reliant model names, e.g. ROBIN. So far as I can see, none carry third party brands.

18. There are also copies of numerous similar invoices to customers in other countries in the EU.

19. Mr Halstead provides sales data for parts sold under the RELIANT mark to customers in the UK and in eight other Members of the EU. For reasons given below, it is not necessary to cover the sales elsewhere in the EU. The UK figures show annual sales to the value of £124k to £170k during the relevant period accounting for sales of between 14k and 18k units per annum.

20. Finally, Mr Halstead provides some examples which he says shows how the trade mark is used in relation to the goods.<sup>3</sup> These show mostly plastic packaging on which appears the winged bird device mark described above. However, in these examples the word RELIANT is superimposed across the winged bird device. There is also an example of the business cards and compliment slips bearing the words Reliant PartsWorld Limited, but there is nothing to date any of these uses. Mr Halstead does not say that they are representative of use of the mark during the relevant period. He also provided a copy of an advertisement which the proprietor placed in the Reliant Owners Club magazine. This is dated "*Winter 2015*", which probably places the advertisement after the end of the relevant period.

21. The applicant's representative filed written submissions and a short witness statement by Colin Bell of Brabners. The submissions make the following points.

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<sup>3</sup> See exhibit 8 to Halstead 1

- The majority of the proprietor's evidence does not show use of the mark on its own but as part of a composite marks, including Reliant Partsworld, as part of the [winged bird] logo, or as part of vehicle model names, such as Reliant Robin.
- There is limited evidence of use on the products themselves.
- The only advert provided by the proprietor (in the Reliant Owners Club magazine) shows that it uses RELIANT PARTSWORLD (not just RELIANT), and the van shown in the advertisement carries the name PartsWorld Limited.
- The advertisement also shows that the proprietor uses the domain names ligierpartsworld.com, aixampartsworld.com, and microcarpartsworld.com in relation to the sales of parts for other brands of vehicles.
- All the above indicates that RELIANT is used as a description that the products are parts for Reliant vehicles, not as a trade mark.
- This is consistent with the proprietor's evidence in which Mr Halstead "*admits*" that the proprietor "*merely*" supplies parts for Reliant branded vehicles.
- This is also consistent with the respondent's name RELIANT PARTSWORLD, i.e. a 'parts world' for Reliant vehicles.
- The mark consists exclusively of a designation of the kind or intended purpose of the goods, and/or gives substantial value to the goods.
- The registration of the mark is contrary to s.3(1)(c) of the Act, therefore the trade mark was not a genuine trade mark as filed.
- The sales figures given by Mr Halstead are insignificant in the UK compared to the size of the market for cars and car parts.
- The sales figures given for the rest of the EU are irrelevant because they do not constitute use of the mark in the UK: use on the export market is not use in the UK.
- Mr Halstead's evidence about sales under the mark is, in any event, of low probative value because the figures provided are only approximate values and there is no corroborative evidence to support the claimed sales figures.

22. Mr Bell is a partner in Brabners. His witness statement provides a copy of a letter sent by the proprietor to the EU IPO in what appear to be parallel revocation

proceedings at the EU IPO in relation to the proprietor's EU registration of RELIANT.<sup>4</sup> Mr Bell offers no explanation as to the significance of this letter. Other than informing me of the existence of parallel proceedings at the EU IPO, I see none.

23. Mr Bell also provides copies of pages from Reliant PartsWorld's UK website showing [use of that mark and] use of RELIANT ROBIN to identify a part for a vehicle of that name, and several similar uses of RELIANT on the proprietor's website.

24. The applicant's written submissions on the proprietor's evidence conclude by asserting that the proprietor's registration of RELIANT should be revoked in its entirety. In the alternative, the registration should be partially revoked to limit the registered goods to *"all the aforesaid in relation to Reliant motor vehicles only."*

25. I pause at this point to note that the applicant's original claim appears by this point in time to have become relegated to its fall-back position.

26. The proprietor filed evidence in reply in the form of a second witness statement from Mr Halstead. He points out that the sign RELIANT designates both the motor vehicle as a whole object and every part which makes up the vehicle. In that context, use of RELIANT in relation to parts for vehicles informs the consumer that the part is a genuine RELIANT part. Therefore, such use constitutes trade mark use.

27. Mr Halstead provides information obtained from DVLA indicating that in 2016 there were 4561 Reliant vehicles on the road in the UK. According to Mr Halstead, this is great reduction from the 1 to 2 million vehicles produced by Reliant during the period that complete vehicles were in production (1930s to 2002). This is said to explain the relatively low volume of sales of parts under the mark.

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<sup>4</sup> See CBE 1



## The law

28. The relevant parts of s.46(1) of the Act are shown below.

“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) -

(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.”

29. Section 100 is also relevant, which 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.”

30. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*,<sup>5</sup> Arnold J. stated:

“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 Kameradschaft '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

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<sup>5</sup>, [2016] EWHC 52

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].”

### **Development of the pleaded case**

31. In my judgment, the pleaded case set out in paragraph 6 above seeks revocation of the proprietor’s mark in relation to only a sub-category of the goods for which it is registered. The only category of goods mentioned in the pleaded case is vehicle parts and the only sub-category mentioned is parts other than for Reliant branded vehicles. In context, this is what is covered by the applicant’s request in the third paragraph of the pleaded case for the mark to be revoked “*in relation goods*”. At least, the proprietor would have been entitled to understand the claim that way.

32. In other circumstances, the statement that “*at best the holder of the UK trademark UK 1003460 only supplies OEM Reliant spare parts .....for Reliant cars*” might be taken as inferring that the applicant primary case was that the registration should be revoked in its entirety. However, in my view, it would not be fair to read such an inference into the applicant’s pleadings in the circumstances described in paragraphs 4 and 5 above. I therefore find that the applicant’s subsequent request for the registration to be revoked in its entirety cannot be considered. This is because it is not the pleaded case, and no application has been made to amend the pleadings. This means that there is no need for me to say anything more about the continued registration of the trade mark in relation to *motors cars, motor vans and motor lorries*.

33. It would also be possible to view the applicant’s request that the scope of the registration be partially revoked by the inclusion of the restriction “*all of the aforesaid [parts and fittings] in relation to Reliant motor vehicles only*” as foreclosing its right to

argue that the mark should be revoked for non-use in relation to all vehicle parts and fittings. However, the proprietor has joined issue over this aspect of the applicant's case and filed evidence and arguments to answer it. In these circumstances, I consider that I should set aside my own doubts as to whether this is covered by the applicant's pleaded case and treat the application as [also] challenging the continued registration of the mark in relation to parts and fittings for any *motors cars, motor vans and motor lorries*.

### **Use in relation to parts for Reliant vehicles only**

34. Turning to the case expressly pleaded by the applicant, I reject the application to partially revoke the registration of the mark for parts and fittings by adding the restriction "*all of the aforesaid [parts and fittings] in relation to Reliant motor vehicles only*".

35. Firstly, as the proprietor's representative has pointed out, parts for Reliant branded vehicles is not a recognised sub-category of vehicle parts, as may be the case with (say) *electrical parts, mechanical parts* or, more specifically, (say) *alternators*. Secondly, Reliant is a trade mark currently owned by the proprietor. The essential function of a trade mark is distinguish the goods of one undertaking from those of other undertakings. Therefore, seeking to designate the appropriate category of goods by reference to the trade mark of a particular undertaking is manifestly inappropriate. Thirdly, adopting this approach would reduce the practical worth of a trade mark registration to no more than preventing counterfeit goods. Apart from the very definition of a trade mark in s.1(1), the Act clearly envisages much broader protection than this. See, for example, s.10. This aspect of the applicant's case, as pleaded, is therefore misconceived. It is not necessary to say any more about it.

### **Proprietor's use of RELIANT is descriptive and not trade mark use**

36. This now appears to be the applicant's primary case.

37. I acknowledge that it is possible to use a trade mark descriptively in relation to parts or fittings so as to indicate the intended purpose of the goods. As the applicant's representative points out, s.11(2)(c) of the Act provides a specific limitation on the effect of a registered trade mark so as to permit such use by third parties, where it is necessary to indicate the intended purpose of spare parts or accessories. It follows that a registered trade mark does not automatically exclude the possibility of competitors using the mark to identify the intended purpose of their competing spare parts and accessories. This permits fair competition in the spare parts and accessories market. However, apart from satisfying the requirement that such use must be "*necessary*", the use must also be "*in accordance with honest practices in industrial or commercial matters*". This requires third party users of a registered mark to act with due regard to the interests of the trade mark owner, which includes taking reasonable steps to avoid consumers being confused into believing that the goods offered by the third party are those of the trade mark proprietor.<sup>6</sup>

37. It follows from this analysis that a trade mark used for a primary product may also serve as a trade mark for the related parts and accessories insofar as the mark designates that those goods are sold by, or with the consent of, the trade mark proprietor. However, if the trade mark proprietor uses the mark only to designate the intended purpose of the goods, then this will not constitute use of the mark in accordance with its essential function. Consequently, such use will not count for the purpose of resisting an application for revocation of the mark for non-use.<sup>7</sup>

38. Turning to the facts of this case, the uses of RELIANT on which the proprietor relies include some instances which, at least when taken in isolation, appear to be purely descriptive of the intended purpose of the parts and accessories for Reliant branded vehicles. In particular, the proprietor's uses of RELIANT ROBIN and other model designations, might appear to indicate only the intended purpose of the parts or accessories in question.

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<sup>6</sup> See, *BMW v Deenik*, CJEU, Case C-63/97

<sup>7</sup> See the judgment of the General Court in see *Eugenia Montero Padillo v OHIM*, Case T-255/08 and, by analogy, paragraphs 18 – 22 of the judgment of Professor Ruth Annand as the Appointed Person in *Chevron Racing Team Limited v Chevron Cars Limited*, BL O/354/10, upholding my decision published under BL O/364/09

39. By contrast, the use of RELIANT as part of the terms “*Genuine Reliant Parts and Spares*” on the proprietor’s website on 2<sup>nd</sup> February 2011<sup>8</sup> is clearly trade mark use. The use of “*Reliant Engines*” on the same page is probably also trade mark use.

40. I find that the use of RELIANT as part of RELIANT PARTSWORLD serves the purpose of identifying the proprietor’s business. The applicant appears to dispute that the name is used in relation to the goods shown in the proprietor’s evidence. In this connection, the applicant points out that the mark RELIANT is not affixed to the vast majority of the goods shown in the evidence. This is true. Few, if any, of the goods have any trade mark affixed to them. Further, although there is evidence of the mark being used on the packaging for some of the goods, the examples provided in evidence appear to date from after the end of the relevant period. The question therefore arises as to whether the established uses of RELIANT PARTSWORLD during the relevant period on the proprietor’s website and on invoices, counts as trade mark use in relation to vehicle parts and accessories.

41. In *Aegon UK Property Fund Limited v The Light Aparthotel LLP*,<sup>9</sup> Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“17. .... unless it is obvious, the proprietor must prove that the use was in relation to the particular goods or services for which the registration is sought to be maintained.

18. In *Céline SARL v. Céline SA*, Case C-17/06 (*Céline*), the Court of Justice gave guidance as to the meaning of “use in relation to” goods for the purpose of the infringement provisions in Article 5(1) of the Directive. Considering a situation where the mark is not physically affixed to the goods, the court said at [23]:

‘...even where the sign is not affixed, there is use “in relation to goods or services” within the meaning of that provision where the third party

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<sup>8</sup> See page 59 of exhibit 5 to Halstead 1

<sup>99</sup> BL O/472/11

uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.’ ”

42. In *Cactus SA v OHIM*,<sup>10</sup> the General Court held that the owner of a CTM (now an EU trade mark) who used the mark only as the name of a shop had used the mark “*in relation to*” the natural plants, flowers and grains sold in the shop (as well as in relation to retail services for those goods). This is because it had demonstrated that the public would link the (otherwise unbranded) goods to the mark used for the shop and regard the user of that mark as being responsible for the quality of the goods. The court stated that:

“69. Accordingly, in view of the context of the present case, as described in paragraphs 66 to 68 above, and, in particular, the applicant’s specific expertise in the plants and flowers sector, which it publicises, it must be considered that the documents submitted by the applicant which show the earlier marks establish to the requisite standard that there is a link between those marks and plants, flowers and seeds which bear no mark. Those documents show that the applicant offers for sale or sells those goods with the earlier marks as the only indication of a trade mark, with the result that those marks are the only signs that provide an indication of the commercial origin of the goods in question.

70. That conclusion is not affected by the consideration referred to by the Board of Appeal and OHIM that, in the light of the registration of the earlier marks in relation to retail services in Class 35, the earlier marks must be regarded as designating the applicant’s stores which retail plants, flowers and seeds, not those goods themselves. Although the earlier marks are also registered to designate retail services in respect of the sale of plants, flowers and seeds, as is apparent from paragraphs 31 to 39 above, that does not mean, given the context of the present case described in paragraphs 66 to 68 above, that those same marks may not also designate plants, flowers and

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<sup>10</sup> Case T-24/13



seeds which bear no mark and which are offered for sale in shops operated by the applicant.

71. In those circumstances, it must be concluded that the Board of Appeal erred in deciding that the applicant had not proved genuine use of the earlier marks in relation to 'natural flowers and plants, grains' in Class 31."

43. I consider the following factors to be relevant to the issue of whether the relevant public would understand the use of RELIANT PARTSWORLD as serving to identify the undertaking which is responsible for the quality of the goods offered for sale under that sign:

- Apart from one or two isolated instances (and after the end of the relevant period), there is no evidence that the goods offered for sale under RELIANT PARTSWORLD bore any other trade mark;
- The proprietor promotes itself as the successor in business to the original Reliant Car company and therefore the only source of genuine OEM parts for Reliant vehicles;
- Consistent with this, the proprietor's trading name - RELIANT PARTSWORLD – appears to be the name previously used by the Reliant Car company for its parts business;
- Because Reliant vehicles have not been produced since 2002, owners of the vehicles still on the road are likely to be more familiar than most vehicle owners with the sources of supply of spare parts.

44. In these circumstances, relevant consumers are likely to regard RELIANT PARTSWORLD as the sign which identifies the undertaking responsible for the quality of the goods offered for sale under that sign. I therefore find that the use of that name is both use of the proprietor's corporate and business name, and also use as a trade mark for parts and accessories for vehicles.

## No use of RELIANT alone

45. As I noted above, there is some evidence of use of RELIANT alone as a trade mark during the relevant period, i.e. the use of RELIANT as part of “*Genuine Reliant Parts and Spares*” on the proprietor’s website on 2<sup>nd</sup> February 2011. There are more instances of use of RELIANT used alone (and as a trade mark) before and after the end of the relevant period. For example, on 9<sup>th</sup> May 2008 the proprietor’s website had a heading entitled “*RELIANT PARTS AND SPARES ONLINE.*”<sup>11</sup> Further, some of the pages from the proprietor’s website in 2016 are entitled “*Reliant Parts*” and some of the individual parts are identified as Reliant products, e.g. “*RELIANT OIL FILTER*”.<sup>12</sup> On the balance of probability, similar sorts of uses of RELIANT are likely to have occurred during the relevant period, as well as before and after it. Looking at the evidence as a whole, I find that there is evidence of use of RELIANT (alone) during the relevant period.

46. The applicant says that use of RELIANT as part of RELIANT PARTSWORLD does not constitute use of the registered mark. In *Colloseum Holdings AG v Levi Strauss & Co.*,<sup>13</sup> which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its

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<sup>11</sup> See page 58 of exhibit 5 to Halstead 1

<sup>12</sup> See pages 32 and 33 of exhibit 4 to Halstead 1

<sup>13</sup> Case C-12/12

independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

47. The applicant submits that the use of RELIANT as part of RELIANT PARTSWORLD is descriptive and does not indicate the trade origin of the products i.e. the name describes a 'parts world' for Reliant vehicles. For the reasons I gave earlier, I reject this submission. The name as a whole is plainly a trading name and not purely a description of the nature of the proprietor's business. Although RELIANT could be used to designate parts for Reliant vehicles, if used as a trade mark it is a relatively distinctive sign for such goods. Used this way it is just as distinctive as (say) BMW or JAGUAR. By contrast, PARTSWORLD is, as the applicant accepts, allusive of a wide selection of parts. It is therefore relatively lower in inherent

distinctiveness than RELIANT. In my judgment, the word RELIANT in the composite mark RELIANT PARTSWORLD indicates the trade origin of the goods sold under that name. No one would have doubted that RELIANT was distinctive of the parts sold by the original Reliant Car company under the name RELIANT PARTSWORLD. The current proprietor bought the parts business and carried it on under the same name. Therefore RELIANT continues to be distinctive of the products of the current proprietor of the mark. It is true that, at least by the winter of 2015, the proprietor appears to have established a company called PartsWorld Limited.<sup>14</sup> This probably follows the proprietor's decision to diversify its business and offer parts for other marques. However, this does not undermine my finding that use of RELIANT as part of RELIANT PARTSWORLD, during the relevant period, indicated the trade origin of the goods sold under that name.

48. This means that the proprietor can also rely on the use of RELIANT as part of the composite mark RELIANT PARTSWORLD as constituting use of the registered mark during the relevant period.

**Scale of use of RELIANT mark insignificant and/or not adequately substantiated**

49. The applicant submits the claimed use of RELIANT in relation to the sale of car parts on the export market is not use in the UK and is therefore irrelevant. The circumstances in which such use qualifies as use of the trade mark in the UK are set out in s.46(2) of the Act as follows:

“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.”

50. There is no clear evidence that the proprietor affixed the mark RELIANT to the goods exported to other Member States of the EU, or to the packaging for the goods. Consequently, the applicant is correct to submit that evidence of such sales is irrelevant.

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<sup>14</sup> See page 195 of exhibit 8 to Halstead 1

51. Turning to the claimed use of RELIANT on the UK market, the applicant submits that the proprietor has not provided accurate or convincing evidence as to the sale of RELIANT parts. It is true that Mr Halstead provides figures for the “*approximate annual value of sales*” to the UK market. However, he also says that the information he provides is within his own knowledge, or has been obtained from the records of his company. The existence of sales of vehicle parts is confirmed by the invoices in evidence. Further, bearing in mind the age of the vehicles in question and the consequent likely increase in the requirement for spare parts for those vehicles, the volume of claimed sales is consistent with the information provided from DVLA records as to the number of RELIANT vehicles registered in the UK in 2016. In the absence of any evidence which casts serious doubt on Mr Halstead’s evidence, or a request to cross examine him on his evidence, I accept his evidence on this matter.

52. As to the scale of the use in question, I accept that sales of 14k – 18k parts per annum under the mark represents only a tiny proportion of the UK market for parts for motor cars and motor vans. The modest level of sales is explained by the diminishing number of Reliant vehicles on the roads. However, I see nothing token about the proprietor’s use of the mark. On the contrary, the mark was clearly used throughout the UK during the whole of the relevant period to preserve a market for OEM parts for Reliant vehicles. I therefore find that the RELIANT mark was put to genuine use during the relevant period in relation to such goods.

### **The width of the specification**

53. For the reasons given in paragraphs 34 and 35 above, use in relation to Reliant parts counts as use in relation to motor vehicle parts. Further, as one would expect of the only supplier of OEM parts for Reliant vehicles, the evidence shows that the proprietor provides a wide variety of parts. The distinction between a *part* and a *fitting* is rather vague and the proprietor’s evidence shows use in relation to some goods that could be classified under either description, e.g. fan belts. The Reliant vehicles in question appear to be either motor cars or motor vans. In all the circumstances I find that an appropriate specification for the challenged goods is “*parts and fittings for motor cars and motor vans*”.

## **Outcome**

54. The RELIANT trade mark will remain registered in relation to the goods I have held were not covered by the application for revocation, i.e. *Motors cars, motor vans and motor lorries*. In addition, the mark will remain registered for “*parts and fittings for motor cars and motor vans*”. This means that the application for revocation is rejected, apart from in relation to parts and fittings for motor lorries. The partial revocation shall have effect as from 9<sup>th</sup> October 2015. After the partial revocation the mark will remain registered in relation to:

*Motors cars, motor vans and motor lorries and parts and fittings for motor cars and motor vans.*

## **Costs**

55. The application has failed to a greater extent than it succeeded. The proprietor is therefore entitled to a contribution towards its costs. I order Brake Parts Inc. to pay Reliant Parts World Limited the sum of £1200. This is made up of:

£300 for considering the application for revocation and filing a counterstatement;

£700 for filing evidence and considering the applicant’s submissions and evidence;

£200 for filing written submissions in lieu of a hearing.

56. The above sum should be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order made by the appellant tribunal).

**Dated this 6<sup>th</sup> day of April 2017**

**Allan James  
For the Registrar**