

O-492-19

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00002617843

IN THE NAME OF HILARY SLOAN

FOR THE FOLLOWING TRADE MARK:

TAPPIT

IN CLASSES 9, 35, 38 AND 42

AND

AN APPLICATION FOR REVOCATION

UNDER NO. 501943

BY SIMMONS & SIMMONS LLP

BACKGROUND AND PLEADINGS

1. The trade mark **TAPPIT** (registration no. 2617843) (“the Contested Mark”) stands registered in the name of Hilary Sloan (“the proprietor”). The application for the Contested Mark was filed on 16 April 2012 and published for opposition purposes on 1 June 2012. The registration procedure was completed on 10 August 2012 and the Contested Mark stands registered for the following goods and services:

Class 9 Software, application software and downloadable software and application software for advertising, marketing and promotion, namely disseminating advertising for others on-line and via mobile phone networks; downloadable electronic information and publications relating to the goods and services of retailers and services providers, including special offers, discounts and loyalty and incentive schemes.

Class 35 On-line advertising, marketing and promotional services, including via mobile phone networks; provision of on-line electronic advertising billboards; providing a searchable online advertising guide featuring the goods and services of retailers and services providers; promoting the goods and services of others, namely, providing information regarding discounts, coupons, rebates, vouchers and special offers for the goods and services of others; promoting and marketing the goods and services of others by distributing advertising material, coupons and discount offers via text and picture messages and via websites and social and business networking sites; information, advice and consultancy in relation to all the aforesaid services.

Class 38 Telecommunications; interactive web portals; chat room services; electronic mail services; receiving and exchanging of information, text, sounds, images, data and messages; message sending; providing an online, interactive bulletin board for the transmission of messages among computer users concerning trading and the sale of goods and services via a global communications network; information, advisory and consultancy services relating to the aforesaid.

Class 42 Software as a service (SAAS) services featuring software in the fields of advertising and marketing; providing a website featuring resources, namely, a website featuring primarily non-downloadable software for advertising and marketing; hosting and creating websites; information, advice and consultancy in relation to all the aforesaid services.

2. Revocation of the mark is sought by Simmons & Simmons LLP (“the applicant”) on the grounds of non-use. Under section 46(1)(a) of the Trade Marks Act 1994 (“the Act”), the applicant claims non-use in the five-year period following the date on which the mark was registered, i.e. 11 August 2012 to 10 August 2017. The applicant requests an effective date of revocation of 11 August 2017. Under section 46(1)(b) of the Act, the applicant claims non-use in respect of the Contested Mark for three separate periods:

a. Between 23 January 2013 and 22 January 2018, claiming an effective date of revocation of 23 January 2018;

b. Between 16 December 2012 and 15 December 2017, claiming an effective date of revocation of 16 December 2017; and

c. Between 23 September 2012 and 22 September 2017, claiming an effective date of revocation of 23 September 2017.

3. The proprietor filed a counterstatement defending its registration for all of the goods and services for which the Contested Mark is registered. In its counterstatement the proprietor states:

“Tappit is a mobile App, i.e. Application software downloaded to an Apple Iphone for use with the iOS mobile operating system developed by Apple Inc or downloaded to a mobile phone that uses the Android mobile operating system, originally developed by Google Inc (but classed as Open Source software as it is used by over 1,000 mobile phone brands). Tappit is used for advertising, marketing and promotion purposes for the dissemination of

advertising and other messages relating to the goods and services of retailers and other services providers. The use of such software is often termed as Social Local Mobile or SoLoMo.

Tappit consists of a large number of constituent parts, which are together protected by Trademark Classes 9, 35, 38 and 42.

Tappit was launched in the UK in 2013 and was advertised and promoted extensively to both a) potential advertisers and b) potential consumers, i.e. mobile phone users who download the Tappit App and consume the advertising and messaging services. Tappit was advertised via Direct Mail, eMail, face-to-face visits to potential clients (advertisers) and of course on-line via the Tappit website, Facebook, Twitter, LinkedIn, Pinterest, and other Social Media websites/services. Paid-for advertising continued until 2015 and this is absolutely, without question, demonstrable and evidence of such is currently being collated for submission. Unfortunately, we have not had time to complete this exercise sufficiently in order to include it with the TM8(N). To that end, we believe that our registration of the Tappit Trademark should at the very least continue, uncontested, until 2020.

As is common with technology start-ups, the initial launch and MVP (Minimal Viable Product) proved inconclusive from a commercial stand-point. As such, a decision was taken for a comprehensive re-evaluation of Tappit's technical features prior to re-launching Tappit with enhanced capabilities. This is currently in process and despite that, we have been able to complete a number of paid-for software development assignments as part of customer specific enhancements to the Tappit app.

We have had a number of conversations with the Applicant regarding assignment or licensing of Tappit, but without success.

4. Both the proprietor and the applicant are unrepresented. Both parties filed evidence which I shall refer to below. No hearing was requested and both parties filed written submissions in lieu. The applicant also filed further written submissions in reply to the

proprietor's written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE AND SUBMISSIONS

5. The proprietor filed evidence in the form of a witness statement prepared by her dated 18 June 2018. This was accompanied by 8 exhibits. Ms Sloan is the Managing Director and majority shareholder of Tappit Media Ltd; a position she has held since 2011. Mr Meale provided evidence on behalf of the applicant in the form of a witness statement dated 30 July 2018. Mr Meale does not confirm his position within the applicant, but states that he has overall conduct of these proceedings on its behalf. The proprietor filed evidence in reply in the form of a second witness statement prepared by her dated 28 March 2019.

6. Ms Sloan states that the Contested Mark was first used in the UK in 2011 and since then has been used for its full specification of goods and services. Ms Sloan relies on undated print outs from the "Tappit" Facebook and Twitter pages¹. The Twitter account shows posts dated April 19 and 5 January 2017. No posts are visible on the print out of the Facebook page. Mr Meale has provided a print out from the same Facebook page which displays the most recent post by the proprietor (dated 23 September 2015) which states as follows²:

"Status update:

Well, we put together a plan, we built an App, we ran a pilot... only to discover that independent retailers are

- a) too busy to worry about trying to challenge the big brands.. or
- b) suspicious of Freemium (i.e. there must be a catch mate!) .. or
- c) complacent and like blaming someone else for lack of sales

So, we have put the business on hold for a while whilst we understand the landscape and will probably, possibly, hopefully execute a pivot and re-emerge but focus on high street brands

¹ Exhibit TAP1

² Exhibit DM1

- i.e. they care about growth, their customers and innovation

So – for now it’s probably best to say “watch this space... we will be back”

7. A print out of the proprietor’s website dated 6 July 2014 shows the following variant³:



8. The website offers a “FREE Advertiser Account” and states “What’s Tappit? Get the App!”. Mr Meale has provided a later print out from the proprietor’s website dated 25 April 2015 which displays a blank page save for the following message⁴:

“hello – we are just taking a breather whilst we polish the plan a bit and do a few other things. If you really must know, NOW, then drop an email to info [at] tappit.co.uk – we will get in touch!”

9. Mr Meale states that the same screenshot is also shown in all images recorded by the Wayback Machine for 2015, 2016 and 2017. Ms Sloane argues that these messages reference the fact that the proprietor intended to “be back” or to re-launch.

10. Ms Sloan has provided examples of what she describes as promotional material⁵. However, none of the examples are dated and cannot, therefore, demonstrate use during the relevant period.

11. Ms Sloan has also provided examples of the TAPPIT website which appear to relate specifically to the process followed by people wishing to place adverts⁶. The print outs are mostly undated, but all display the variant shown in paragraph 7 above. One of the print outs does confirm a payment for advertising services in the sum of £6 was due to be paid on 19 September 2012. One print out also confirms that a client

³ Exhibit TAP1

⁴ Exhibit DM2

⁵ Exhibit TAP2

⁶ Exhibit TAP4

(the identity of whom is not specified) installed the software in March 2015 (which is also the 'last accessed' date). One of the pages shows the number of live/published adverts as 103. The page itself is undated but Ms Sloane states that this records the statistics for the 3 years leading up to March 2015. Ms Sloan has provided images showing what the Tappit App would look like on mobile phones, but again, these are all undated⁷.

12. Ms Sloan has provided a copy of an advert which displays the variant shown in paragraph 7 above and states: "visit www.tappit.co.uk to get a FREE account and start creating an advert in just a few easy steps..."⁸. The header states that this advert was placed in the Chichester Herald on Friday 7 June 2013. Pages from the 23 August 2013 and 30 August 2013 editions of the Chichester Herald have also been provided which show an advert displaying the variant shown in paragraph 7 above, and state "up-to-the-minute information about what's happening where you are..."⁹. Further examples from the Chichester Herald website dated 17, 24 and 31 January 2014 state¹⁰:

"Advertise. Publish. Easy.

Visit www.tappit.co.uk to get a FREE account and start creating an advert in just a few easy steps.."

"Get the Free Tappit App.

Up-to-the-minute information about what's happening where you are...

- Location-based news, info, offers & deals.
- Favourite your interests for future alerts.
- Customise what you want to see."

13. These display the variant shown in paragraph 7 above.

⁷ Exhibit TAP5

⁸ Exhibit TAP6

⁹ Exhibit TAP6

¹⁰ Exhibit TAP6

14. Ms Sloan has provided copies of invoices dated between 26 August 2014 and 2 August 2016¹¹. The recipients of the invoices have been redacted. The invoices amount to a total of £115,000. They are all in relation to “software development services” and two of them relate to “Tappit enhancements”. Ms Sloan has provided bank account statements which show corresponding amounts being paid into the Tappit Media Limited bank account, which she states demonstrates that the invoices were in fact paid¹². The invoices display the following mark:



15. Mr Meale notes that it is unusual for a third party to be invoiced for developments to the proprietor’s own software application. He states that he was able to remove the redaction to the applicant’s evidence to reveal that the amounts relied upon by Ms Sloan were paid by a company called Unipro Limited which Mr Meale states is a company associated with the proprietor’s husband. He states that the amount paid to Target Media Limited’s account on 24 December 2015 by Unipro Limited was subsequently paid out to the proprietor’s husband with the description “DIR LOAN REPAY”, which Mr Meale takes to mean “repayment of a loan to a director”¹³.

16. Ms Sloan states that the Unipro Limited is a software development agency who delivers web development services to clients. She confirms that her husband is an employee of Unipro Limited and that the repayment of a director loan referred to by Mr Meale was, in fact, paid to their joint bank account notwithstanding the fact that the ledger only records her husband as the recipient¹⁴. Ms Sloane states that her husband’s involvement in Unipro Limited was communicated to Mr Meale in a telephone call which took place on 27 February 2018. Although Ms Sloane’s evidence

¹¹ Exhibit TAP7

¹² Exhibit TAP8

¹³ Witness statement of Mr Meale, para. 16

¹⁴ Exhibit TAP10

is not entirely clear on the point, it appears that Unipro Limited have funded the development of the existing Tappit software for the purposes of their own clients and uses. Mr Meale has no recollection of being informed of this¹⁵.

17. Ms Sloan provides the following annual sales figures for Tappit:

2012	Approximately £2,000
2013	Approximately £2,000
2014	Approximately £40,000
2015	In Excess of £40,000
2016	In Excess of £40,000
2017	Approximately £2,000

18. Ms Sloan provides the following promotional spend figures:

2012	Approximately £5,000
2013	Approximately £15,000
2014	Approximately £20,000
2015	Approximately £5,000
2016	Approximately £5,000

19. As noted above, the parties both filed written submissions in lieu of a hearing dated 20 June 2019. Whilst I do not propose to summarise those submissions here, I have taken them into account and will refer to them below as appropriate.

20. By email dated 20 June 2019, the applicant wrote to the Tribunal as follows:

“The applicant received the Proprietor’s submissions just prior to finalising its submissions. It is apparent from an immediate review of those submissions that they contain two pages of almost entirely new evidence. The Office is invited to disregard such evidence which was submitted at the final moment and without leave.”

¹⁵ Witness statement of Mr Meale, para. 4

21. By email of the same date, the proprietor's husband wrote to the Tribunal as follows:

"It is unfortunate that Mr Meale, continues to conveniently forget the information provided to him regarding the Tappit systems architecture as it was provided under "Without Prejudice". However, I would respectfully suggest that the submission is not new evidence but merely a high level overview of the technology and background."

22. On 4 July 2019, the Tribunal wrote to the parties as follows:

"The registry has considered the applicant's request to disregard the proprietor's submission on the basis that it contains new evidence and has not been accompanied with a request for leave. The proprietor contends that the content is not new evidence but merely an overview and background information.

A Hearing Officer has reviewed the content and has decided that the document may be admitted to the proceedings on the basis that it is submissions and not evidence of fact. The Hearing Officer who will make the final decision in this matter will decide what weight to give the content. In addition, the applicant should be allowed one final opportunity to file any submissions in reply on or before **18 July 2019.**"

23. The applicant filed written submissions in reply dated 15 July 2019. Again, whilst I do not propose to summarise those submissions here, I have taken them into consideration in reaching my decision.

DECISION

24. Section 46 of the Act states:

“(1) The registration of a trade mark may be revoked on any of the following grounds –

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) [...]

(d) [...]

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

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

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

(4) An application for revocation may be made by any person, and may be made 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.”

25. 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.”

26. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*

[2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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].”

27. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is not, therefore, genuine use.

Form of the mark

28. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, 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 *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its 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 of 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)

29. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

"33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

30. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

31. Where the proprietor's mark has been used as registered, such as in the text of advertisements, this will clearly be use upon which the proprietor may rely. However, the proprietor's mark also appears in the following variants:

a) 

b) 

32. Variant a) displays the word TAPPIT in a stylised font. However, this stylisation is minimal and does not alter the distinctive character of the mark as per *Nirvana*. I consider this to be an acceptable variant of the proprietor's mark.

33. Variant b) displays the word TAPPIT in the same stylised font as shown above but with the addition of the words "You can't knock it". I have already found the stylisation to be an acceptable variant use of the proprietor's mark. Further, use in combination with additional matter is use upon which the proprietor may rely as per *Colloseum*. Consequently, I consider this to be an acceptable variant of the proprietor's mark.

Sufficient Use and Fair Specification

34. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself¹⁶.

35. As indicated in the case law cited above, use does not need to be quantitatively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.”

36. There are certainly issues with the proprietor’s evidence. A number of documents in the proprietor’s evidence are undated and do not, therefore, assist in determining whether there has been genuine use of the proprietor’s mark during the relevant period. Very little explanation regarding the exhibits to Ms Sloane’s witness statement is provided to assist in determining their relevance or the significance of the exhibits to the matters in issue. In my view, the points that can be taken from the evidence are as follows:

- a) Until at least July 2014, the proprietor had a website advertising its mobile App, although by April 2015 this page had been suspended pending further developments by the proprietor;
- b) A payment for advertising services appears to have been due to be paid to the proprietor on 19 September 2012 in the sum of £6.00, although there is no evidence that this was paid;
- c) A total of 103 adverts appear to have been placed using the proprietor’s services during a 3-year period ending in March 2015, although it is not clear whether these services were offered for free or were acquired for a fee;

¹⁶ *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

d) The proprietor placed a number of advertisements for her mobile App in the Chichester Herald between 2013 and 2014 which promoted the applicant's advertising and local information services;

e) Ms Sloane has provided annual sales figures relating to the Tappit App, but when taken in combination with the invoices provided by Ms Sloane (which related to software development services which is not covered by the Contested Mark's specification and therefore not relevant to demonstrate use of the mark) these amount to £2,000 in 2012, £2,000 in 2013, £5,000 in 2014, in excess of £40,000 in 2016 and approximately £2,000 in 2017;

f) It is not clear what goods and services the remaining sales figures provided by Ms Sloan relate to and no breakdown is provided;

g) Promotional spend in relation to the proprietor's mobile App amounted to £5,000 in 2012, £15,000 in 2013, £20,000 in 2014, £5,000 in 2015 and £5,000 in 2016.

37. It is clear to me, from the evidence, that the proprietor launched a mobile App which was targeted at providing members of the public with local information whilst giving local businesses an advertising opportunity. However, by early 2015, the proprietor had decided that the mobile App was not sustainable, and that further work and a change of focus were required before the mobile App was re-launched. The proprietor consequently removed the substance of her website and made it clear on their social media platforms that they were taking a break from the business, whilst they were considering their options and undertaking development.

38. That is not to say that this suspension of business prevents me from finding genuine use of the mark during the relevant period. With work concerning the mobile App not being suspended until early 2015, this leaves at least part of all of the relevant periods in which the proprietor claims to have been operating the mobile App under the Contested Mark.

39. I note that the applicant has raised concerns regarding the invoices and bank statements provided by the proprietor. I agree with the applicant that it is difficult to understand why the proprietor would have charged a third party for software development services in respect of her own mobile App and the explanation provided is far from clear. However, as these invoices and payments all related to “software development services” which are not covered by the specification of the Contested Mark they are, in any event, irrelevant for the purposes of the present proceedings. I also note that the applicant has called into question the reliability of the rest of the proprietor’s evidence in light of these apparent discrepancies. However, the applicant has not sought to cross-examine the proprietor and, consequently, I see no reason not to take the rest of the proprietor’s evidence at face value.

40. The applicant takes issue with the fact that the App was being offered for free (at least to those customers who did not choose to upgrade to a plan with a monthly subscription fee). However, the fact that services are offered free of charge does not prevent this from being genuine use¹⁷. That being said, the proprietor has provided no information about the number of customers that she acquired in the lead up to the suspension of the business in 2015. No information is provided as to how many people downloaded the mobile application. The only information provided is that during the 3-year period leading up to March 2015, 103 adverts had been placed. It is not clear whether these were placed by multiple customers or only one. This, to my mind, is a very small number given the undoubtedly significant size of the market for advertising services.

41. I bear in mind the comments of Daniel Alexander Q.C. in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, in which he stated:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known

¹⁷ *Antartica Srl v OHIM, The Nasdaq Stock Market, Inc*, Case C-320/07 P

to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

42. Taking the evidence as a whole into account, I am not satisfied that the proprietor has shown genuine use of the mark for any of the goods and services in its specification for any of the relevant periods.

CONCLUSION

43. The Contested Mark is revoked for non-use in respect of all goods and services for which it is registered with an effective date of 11 August 2017.

COSTS

44. The applicant has been successful and is entitled to a contribution towards its costs. The applicant is unrepresented and has submitted a costs proforma outlining the number of hours spent on these proceedings.

45. The applicant has claimed 1 hour for preparing the Notice of Cancellation. I consider this to be a reasonable amount.

46. The applicant has also claimed as follows:

Task	Time spent in hours
Preparing the non-use action (other than completing the form).	5.9
Case management and considering the proprietor's evidence of 18 June 2018 and dealing with issues arising.	10.6
Preparing the first witness statement of Mr Meale of 30 July 2018 and case management.	14.8
Preparing the second witness statement of Mr Meale dated 5 October 2018 and dealing with the various issues which arose relating to privilege, without prejudice material and so on.	7.4
Preparing for and attending the CMC of 13 March 2019 and dealing with follow-up issues.	2.5
Considering the (second) witness statement of Ms Sloan dated 28 March 2019 and dealing with follow-up issues.	3.5
Preparing the submissions of 20 June and dealing with issues arising from the proprietor's submissions.	6
Total	50.7

47. I consider the amounts claimed by the applicant to be high. No information is provided about what additional activities were required in preparing the non-use action (other than completing the form). The applicant has claimed costs for attendance at the Case Management Conference held on 13 March 2019 in relation to the applicant's objection to evidence filed by the proprietor. The applicant's objection to the evidence was successful. I am, therefore, prepared to award some costs in respect of this CMC, but the amount claimed by the applicant is, again, too high.

48. Bearing in mind that costs awards in proceedings before the Registry are intended to be contributory rather than compensatory, I consider a costs award for the following number of hours to be reasonable:

- Completing the Notice of Cancellation – 1 hour
 - Considering the proprietor's evidence – 7 hours
 - Preparing witness statements – 10 hours
 - Preparing for and attending CMC – 2 hours
 - Preparing written submissions in lieu and written submissions in reply – 5 hours
- Total: 25 hours**

49. The applicant is also entitled to the official fee of £200.

50. In relation to the hours expended, I note that The Litigant in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for litigants in person in Court proceedings at £19.00 an hour. I see no reason to award anything other than this. I therefore award the applicant the sum of £475.00 (25 hours at £19.00 per hour) plus the official fee of £200, totalling **£675.00**.

51. I hereby order Hilary Sloan to pay Simmonds & Simmonds LLP the sum of £675.00 within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 22nd day of August 2019

S WILSON

For the Registrar