

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 9769 BY
LA MER TECHNOLOGY INC. FOR REVOCATION OF
TRADE MARK NO. 1385576 IN THE NAME OF
MER PRODUCTS LTD**

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10 **DECISION**

Trade mark No. 1385576 is registered in Class 3 for a specification of goods which reads:

15 “Bleaching preparations and other substances for laundry use; cleaning, polishing,
scouring and abrasive preparations and articles; soaps and detergents; waxes; oil
removing and degreasing preparations; solvents and oils for cleaning; paint stripping
and cutting preparations; rust and stain removing preparations; all included in Class 3”.

20 The registration is in respect of a series of three marks consisting essentially of the word MER
(nothing turns on the fact that it is a series of marks). The proprietors are Mer Products Ltd.

By application dated 26 September 1997 La Mer Technology, Inc. applied for this registration
to be partially revoked on the basis that

25 “Inquiries have revealed that trade mark Registration No. 1,385,576 MER has not
been used by the registered proprietor or with its consent on some of the goods for
which it is registered during the past five years, namely cleaning, polishing, scouring
and abrasive preparations and articles for personal use, soaps and detergents for
personal use, waxes for personal use, oil removing and degreasing preparations for
30 personal use, and solvents and oils for personal cleansing purposes.”

It is further contended that there are no proper reasons for non-use.

35 The registered proprietors filed a counterstatement denying the above grounds and claiming
that the mark has been put to genuine use; that preparations for such use were undertaken in
the three months preceding the application and before the proprietor became aware that the
application would be made; and that preparations were also undertaken within the five year
period before the three month period referred to.

40 I should say for the benefit of any tribunal considering the papers in the event of an appeal that
the statement of grounds, counterstatement and most of the evidence refer in the headings to
this being an application for rectification. It is however clear from the fact that reference is
made to Section 46, the wording of the grounds and the issues dealt with in the evidence that
45 this is in fact a revocation action. It is also clear from the papers on the Registry’s file that the
agents acting for the parties accept that this is the case. I intend to proceed on that basis.

Both sides ask for an award of costs in their favour.

Both sides filed evidence. Neither side has asked for a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

5 **Registered proprietors' evidence (Rule 31(3))**

The registered proprietors filed a statutory declaration dated 15 December 1997 by Hazel Louise Flahive who has been a Director of the company since 1984.

10 Ms Flahive says that

15 “Since May 1985 my company has been selling polishes and cleaners for vehicles in the United Kingdom and enjoys a substantial national reputation for such goods. In 1993, my company extended its range into other car care products including polishes and cleaners for bumpers, windscreens, wheels, external trims, seats, upholstery, carpets and interior trims and has enjoyed substantial sales since then in the extended range of vehicle care products. In early 1996 my company decided to expand into further areas based on my company’s good and increasing reputation. My company has made preparations from July 1996 to use the registered trade mark MER in respect of
20 cleaning preparations, soaps, and lotions, for personal use”.

The bulk of her declaration records a chronology of events between July 1996 and September 1997 when the registered proprietors were in discussion with Travik Chemicals Ltd regarding the manufacture by the latter of soaps and hand lotions. Briefly the position is said to be (with
25 exhibit references)

- | | | | |
|----|---------------------|----------|---|
| | 29 July 1996 | - | initial enquiry from Mer to Travik (HF1) |
| 30 | July to August 1996 | - | correspondence relating to the range of goods Travik could provide and the costs thereof (HF2 to HF7) |
| | 14 October 1996 | - | a letter requesting samples (HF8) |
| 35 | 15 October 1996 | - | memo from Travik regarding artwork (HF9) |
| | 11 November 1996 | - | letter covering the supply of sample skin cleansers/lotions (HF10) |
| 40 | | S | a selection of samples (HF11 to HF14) |
| | 13 November 1996 | - | a fax from Mer requesting changes to the products (HF15) |
| 45 | 25 November 1996 to | | |
| | 15 January 1997 | - | further correspondence between the companies (HF16) |
| | 14 March 1997 | - | a letter from Mer placing an order for 4000 bottles of soap and 4000 bottles of lotion (HF17) |

15 March 1997 and

5 8 May 1997 - correspondence from Travik acknowledging the order and advising of delivery (HF18 and HF19)

10 16 September 1997 - a copy of a letter from Mer to their trade mark agents indicating that the lotions and soaps “will be on sale from 17 September 1997” (HF20)

S samples taken from the delivery (HF21 and HF22)

19 September 1997 - Travik’s invoice for the above order (HF23)

15 Ms Flahive says that she first became aware on 4 March 1997 that the application for revocation might be made. A copy of her trade mark agents’ letter advising that an approach had been received from the applicants is exhibited (HF24).

20 Ms Flahive says that it can be seen that her company was making preparations to use their mark on products for personal use well in advance of 4 March 1997.

She concludes by saying that

25 “My company used our registered trade mark MER in respect of such products in advance of the date of application for rectification of 30th September 1997. In particular, my company had the registered mark applied to a substantial number of hand lotions and hand soap products which were put on sale on 17 September 1997. Before 30th September 1997, we started giving these products for personal use away free with special purchases of vehicle care products so as to encourage customers to start to purchase the products for personal use from us once they had tried them”.

Applicants’ evidence (Rule 13(4))

35 The applicants filed a statutory declaration dated 5 May 1998 by Michael Varvill, a partner in Lane & Partners who act for them in this matter. He says that his initial enquiries suggested that the registered proprietors used their mark mainly in relation to car care products. Accordingly he says he wrote to the registered proprietors’ agents on 27 February 1997 requesting voluntary surrender of part of their specification.

40 Mr Varvill goes on to review Ms Flahive’s evidence. The main points to emerge are that

S it is suggested that hand and skin lotions are, not relevant because the specification of No. 1385576 does not cover such goods

45 S it is accepted that liquid hand soap is relevant to the application

S Mr Varvill says that Ms Flahive does not claim use in respect of other non-medicated toilet preparations (goods of interest to the applicants)

S it is suggested that the correspondence with Travik Chemicals does not contain any evidence of an intention to use the mark and the registered proprietors were in no position to supply goods prior to mid September 1997

5 S the Chemist and Druggist Monthly Price List for May 1998 (MV1) does not show any entry for MER products.

Registered proprietors' evidence (Rule 13(6))

10 Ms Flahive filed a statutory declaration dated 5 August 1998. She gives details of further UK and Community trade marks and details of efforts made to protect her company's marks. I find this information to be of marginal relevance and do not intend to summarise it.

She makes the following submission in relation to the goods at issue

15 "I would respectfully submit that my Company's use and preparations for use in respect of our mark MER in relation to hand soaps, hand lotions, body soaps and body lotions constitutes use and preparations for use in relation of (sic) cleaning, polishing, scouring and abrasive preparations and articles for personal use, soaps and detergents
20 for personal use, waxes for personal use, oil removing and degreasing preparations for personal use, and solvents and oils for personal cleaning purposes. In particular, the soaps and lotions are useful as moisturisers, cleaners, degreasers, and after-suns".

25 Ms Flahive also exhibits a copy of a declaration filed by David S Flahive by way of substantiation of her company's sale of goods under the mark MER. In general terms this seems to confirm a trade in car care products (which is not, I think, disputed by the applicants). In relation to the absence of any entry in the Chemist and Druggist Price List Ms Flahive says that this was because the company was at the stage of building up a market. She
30 reiterates that the "soaps and lotions were made available on 17 September 1997 and given away free with special purchases of the car-care products so as to encourage demand for MER personal care products".

Applicants' evidence (Rule 13(7))

35 Mr Varvill filed a further statutory declaration dated 27 October 1998. The main points are

S he submits that the gift of hand cleansers to some customers in late September 1997, a few days prior to the commencement of the proceedings, does not amount to genuine use particularly as the proprietors had known since March
40 that these proceedings were impending

S he says that no information is given as to the number of products given away or the identities of the recipients. Furthermore no information is given as to dates of shipments to retailers or evidence of any mail order transactions

45 S he supplies copy correspondence between his firm and the registered proprietors' agents regarding possible part surrender

Registered proprietors' evidence (Rule 13(8))

5 The registered proprietors filed further evidence in the form of a statutory declaration by
David Flahive who has been a director of the company since 1984. The purpose of his
declaration is to give information on four trade shows that the company attended where luxury
soap and hand lotion were given away with car care products. The shows in question all took
place towards the end of September 1997 (ie. shortly before the application for revocation was
10 filed) and the personal care products in question appear to have been given away between 18
and 21 September. It seems that in total some 284 bottles of each of the soaps and lotions
were given away. Exhibits DF1 to 3 are supplied in support of these claims.

That completes my review of the evidence.

15 Section 46 reads

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

- 20 (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;
- 25 (b) that such use has been suspended for an uninterrupted period of five
years, and there are no proper reasons for non-use;
- 30 (c) that, in consequence of acts or inactivity of the proprietor, it has
become the common name in the trade for a product or service for
which it is registered;
- 35 (d) that in consequence of the use made of it by the proprietor or with his
consent in relation to the goods or services for which it is registered, it
is liable to mislead the public, particularly as to the nature, quality or
geographical origin of those goods or services.

40 (2) For the purposes 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.

45 (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:

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

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that-

10 (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

15 (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.

20 (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

25 (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

Section 100 is also relevant. It reads

30 “**100.** If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

35 As can be seen from the counterstatement and evidence the registered proprietors rely for their defence both on actual use of their mark in relation to the goods at issue and the fact that preparations for such use were in train some time before the attack was launched. The main claim in respect of actual use lies in the fact that goods were available for sale or given away as free offerings with effect from 17 September 1997. The preparations for use are said to have commenced in July 1996. As neither side has asked to be heard I have not had the benefit of submissions dealing with the application of the law to the particular facts and circumstances of this case.

45 I do not understand the applicants to rely on Section 46(1)(a). Rather the reference in their statement of grounds to non-use “during the past five years” indicates an attack under Section 46(1)(b). Furthermore as no other five year period is specified this can only mean that it is the five year period up to the date when the application for revocation was filed, that is to say 26 September 1992 to 25 September 1997.

Section 46(1)(b) prescribes that a registration may be revoked if use has been suspended for an uninterrupted period of five years. The reference in the sub-section to ‘such use’ requires the reader to refer back to Section 46(1)(a) from which it is clear that the use must be ‘genuine’. Save for the provision of Section 46(2) (which do not appear to have any direct or particular relevance in this case) no further explanation is offered in the Act itself as to what ‘genuine use’ means or can consist of. No reference is made in either Section 46(1)(a) or (b) to preparations for use of a mark or the relevance (if any) of such preparations in the context of these particular sub-sections.

Section 46(3) on the other hand does contain a reference to preparations for use. It does so in the quite specific circumstances where use is commenced or resumed “after the expiry of the five year period and before the application for revocation is made”. In those circumstances use within the three month period preceding the making of the application is to be disregarded unless preparations for commencement or resumption of use began before the proprietor became aware that the application might be made. The subsection reflects the fact that an applicant can specify any five year period of claimed non-use as a basis for his action. It does not have to be the five year period leading up to the filing of the application for revocation. The subsection only bites if use is commenced or resumed in the period between the expiry of the five year period specified and the filing of the application. That is not the case here as the period concerned is the five years up to and immediately preceding the filing date. I, therefore, find that Section 46(3) has no part to play in the current proceedings and the registered proprietors cannot rely on it (if that was their intention).

The question of what constitutes genuine use has been considered in a number of cases that have come before Registry hearing officers. In ZIPPO Trade Mark, 1999 RPC 173, the Hearing Officer considered the comparable provision of the 1938 Act where the requirement was for bona fide use and having reviewed the BON MATIN case (1989 RPC 537) concluded

“This is of course a case that was decided under the old law where the requirement was for bona fide use. Nevertheless I think it is accepted that the word “genuine” as used in section 46 of the Trade Marks Act 1994 is not intended to have a material effect on practice in this area, other than to clarify the position by reflecting in the statute what the previous language had come to mean after decades of decided cases under the old law. In so doing it also follows the construction found in the trade marks Directive.”

I have not been referred to any authorities under the current Act dealing with the scope of what might be held to be genuine use. Sales of goods and services are the most obvious and persuasive evidence of genuine use but they may not be the only indicators. To take an example, the launch of a new model of car by a major manufacturer is invariably preceded by considerable pre launch activity and publicity such that there can be widespread public recognition of the name even before a single car is sold. I would hesitate to say that the advertising and marketing activity that generated that public recognition should be discounted for the purposes of a defence to a non-use revocation action simply because at the material date actual sales had not yet commenced. However, even allowing for some latitude in terms of what activities might be capable of constituting genuine use it is clear that the Act distinguishes between such use and preparations for use. It seems that the latter on its own is

not a sufficient defence to an action of this kind albeit that it might on occasions serve to put actual use into an overall context and establish that it was genuine. (In fact even in the context of the proviso to Section 46(3) preparations for use are not a substitute for genuine use. Such preparations merely serve to establish an honest basis for actual use that takes place within the three month period referred to.)

Turning to the facts of this case, most of the material filed by Ms Flahive in her main declaration (particularly exhibits HF1 to HF16) is evidence of preparations for use only. The correspondence reflects the normal commercial process of negotiating with a supplier for the manufacture of suitable products. There is no suggestion that between July 1996 and January 1997 any real trade had begun. Although Travik produced samples it seems from Mr Grainger's (Travik's Managing Director) letter of 31 July 1996 (HF2) that these were standard production items. The discussions with Travik could have come to nothing. There is in fact a suggestion in the exhibited correspondence that this is precisely what did happen on an earlier occasion. In the same letter (HF2) Mr Grainger comments "I presume that this requests (sic) supersedes the samples that we supplied to David in April '95".

The first real indication that anything concrete might develop from the discussions with Travik is Mer's letter of 14 March 1997 placing an initial order (so far as I can tell it is the only order placed by the material date). I do not understand the registered proprietor to necessarily claim that placing a single order with a supplier is or may be sufficient to constitute genuine use. In the absence of persuasive authority on the point I would be reluctant to hold that it was. But I do not need to reach a formal view on the matter as there is another problem with the order. At the time it was placed there appears to have been no movement for a couple of months (that is since an exchange of letters in mid January). The order was placed some 10 days after Ms Flahive says the registered proprietor first became aware that the application for revocation might be made. It would seem unsafe, therefore, to place undue reliance on the order alone notwithstanding that some preparatory discussions had taken place with Travik.

It is not clear from the evidence precisely when Travik delivered the goods that were the subject of this first order. Their letter of 8 May 1997 (HF19) anticipated "delivery to you within the next four weeks". However, Ms Flahive says that the delivery was received on 17 September. That is probably the case as I note that Travik's invoice to Mer (HF23) is dated 19 September 1997. The invoice is for 4008 (and not for some reason 4000) Mer Special Liquid Hand Soap and 4008 Mer Luxury Hand Lotion at a total invoiced cost of £5557.09.

Thereafter events moved rather more quickly. Ms Flahive's evidence (in the passage quoted in the evidence summary) refers to the products being put on sale on 17 September and being given away free with special purchases of vehicle care products.

Those statements are not necessarily mutually contradictory though there is no evidence before me that any goods were actually sold. Mr David Flahive's evidence does however support the claim that the soaps and lotions were given away with car care products. Taken as a whole there are, in any view, a number of problems with the registered proprietors' evidence

S the number of soaps and lotions given away was very small. By my reckoning (based on Mr Flahive's evidence) only 284 of each were given away with purchases of car care products valued at £20 or £30 or more

S this activity only took place a week or so before the application for revocation was filed and at a time when the registered proprietor knew their registration was coming under attack

5 S it is not clear how the give-aways were presented. They might simply have been seen as promotional items in support of the trade in car care products

10 S Ms Flahive on the other hand says the products were given away “..... to encourage customers to start to purchase the products for personal use from us once they had tried them”. Had that been the case I would have expected evidence in support of the position. If this was in effect test marketing of a new product then it is difficult to see how the registered proprietors were hoping to gauge the value of the exercise unless there were some provision for customer feed back. It is not even suggested that the names of purchasers were retained for follow-up purposes

15 S there is no evidence of other orders being placed or that distributors and/or retailers were alerted to the fact that the registered proprietors were branching out from their car care products lines into personal care products

20 S Mr Flahive’s declaration relating to other applications (exhibited at HLF to Ms Flahive’s second declaration) gives information on sales methods for the car care products (direct to retailers in the motoring trade, through newspaper and magazine advertisements and by mail order). There is no evidence to suggest what steps were being taken to market the personal care products.

25 Taking all these factors into account I am not persuaded that there was any genuine use of the mark MER in relation to the goods for which revocation is sought. The registration will therefore be revoked in respect of

30 “Cleaning, polishing, scouring and abrasive preparations and articles for personal use, soaps and detergents for personal use, waxes for personal use, oil removing and degreasing preparations for personal use, and solvents and oils for personal cleansing purposes”.

35 For the sake of completeness there is one other issue that has been touched on in the evidence on which I should briefly comment. Mr Varvill for the applicants says that of the items dealt with in the registered proprietor’ evidence liquid hand soaps are germane to the application for revocation. However he suggests that hand lotions are not covered by the specification of goods. In my view hand and skin lotions are covered by the broad terms used in the specification (cleaning preparations). I note for instance that Collins English Dictionary defines ‘lotion’ as being a liquid preparation for, inter alia, cleansing.

As the applicants have been successful they are entitled to a contribution towards their costs.
I order the registered proprietors to pay the applicants the sum of £435 (the figure is based on
the published scale but has been adjusted to reflect the fact that the applicants were not
represented at the interlocutory hearing held on 13 August 1999 to consider their own request
for disclosure (discovery).

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Dated this 18 day of January 2000

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**M REYNOLDS
For the Registrar
The Comptroller General**

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