

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 9341 BY
DEEJAY IMPORT-EXPORT (LONDON) LIMITED FOR
REVOCATION OF TRADE MARK NO. 127765
IN THE NAME OF MARTIN MARTINEZ IBANEZ
AND JOSE TORRES HERNANDEZ**

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10 **DECISION**

15 Trade mark no. 1277765 is registered in Class 25 for footwear. The mark is as follows:

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25 It is registered in the names Martin Martinez Ibanez and Jose Torres Hernandez, a partnership.

30 By application dated 17 December 1996 Deejay Import-Export (London) Limited applied for this registration to be revoked on the grounds that it has not been used in the United Kingdom for an uninterrupted period of five years in relation to the goods of the specification and there are no proper reasons for non-use. Revocation is, therefore, sought under Section 46(1)(b).

35 The registered proprietors filed a counterstatement denying the above ground.

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

40 Both sides filed evidence and the matter came to be heard on 11 January 2000 when the registered proprietors were represented by Ms F Clark of Counsel instructed by Edward Evans and the applicants were represented by Mr J Mellor of Counsel instructed by Stevens Hewlett & Perkins.

45 **Registered proprietors' evidence**

This comes in the form of a statutory declaration by Michael Arthur Lynd, the registered proprietors' professional representative. He says that the facts contained in his statutory

5 declaration are based on information passed to him by his instructing principals, information abstracted from the records of his firm, the records of the proprietors, the records of users with consent of the trade mark of the registration in suit and/or the records of the proprietors' British distributors. He is authorized to make the statutory declaration on behalf of the proprietors.

He exhibits the following in support of the registered proprietors' claim to have used their mark:-

10 MAL1 - invoices from 30 April 1992 to 22 April 1996 addressed to Impromundi at two different addresses in the UK.

15 MAL2 - brochures in English and Spanish featuring shoes for men and women and sandals.

MAL3 - a shoe box bearing the MARTINELLI trade mark.

MAL4 - a carrier bag with the mark.

20 MAL5 - wrapping paper bearing the mark.

MAL6 - an assortment of tags bearing the mark and for attachment to shoes.

Applicants' evidence

25 The applicants filed two statutory declarations by Valda Sadka and Jane Mordo.

30 Ms Sadka is a director of the applicant company. She describes visits made in April 1997 to the two UK addresses given for Impromundi in the following terms:

35 "The premises at Impromundi Limited, at 117 Kentish Town Road, did not stock any shoes under the brand name MARTINELLI. I spoke to a shop assistant working in that shop who stated that he had never heard of the brand MARTINELLI. The shoes indicated in the brochures in "Exhibit MAL 2" are classic and presumably intended for the exclusive market. Indeed, the MARTINELLI brochure states that MARTINELLI is "a synonym of quality in stylish and dressing shoes". Now produced and shown to me marked Exhibit "VS 1" is a photograph showing the shop in Kentish Town Road. As can be seen from the close-up photograph of the window, the shoes stocked are high fashion shoes, those which tend to appeal to a younger and fashion conscious market. The men's shoes in respect of which use of MARTINELLI is claimed are classic men's business shoes, whereas the shop visited sells fashion boots, platform shoes, leisure footwear such as trainers and sandals, and walking boots. The very nature of the shop indicates that even if sales of MARTINELLI branded shoes have been made, there can be no intention to establish a market for the product, as the retail outlet would appeal to a different type of customer.

I also visited the address at 24-26 Kingsland Road. Now produced and shown to me marked Exhibit "VS 2" are photographs of that building. The shop is no longer trading, the premises have been boarded up and are in a dire condition, currently inhabited by pigeons. I made enquiries with the estate agent and was advised that the freehold is for sale and the premises have been unoccupied for the last four months. Therefore, it is not possible to make any verification of the type of goods which would have been sold through this outlet, although judging by its very rundown condition in such a short period of time, it seems unlikely to have been an outlet for classic footwear."

Finally, Ms Sadka comments on the invoices (MAL1) and says that these are in Spanish and the amount is in Spanish pesetas. She exhibits a certified translation of one of the invoices (VS3). She notes that the shoes were not despatched by post but instead were delivered or collected by hand. She suggests that this is unusual where sales are taking place across national borders.

Ms Mordo is a Consultant to the applicant company. She says that she instructed Carratu International, a private investigation company to investigate the activities of the two UK companies mentioned in the invoices. A copy of the resulting report dated 2 October 1997 is exhibited (JM1) and is said to show that neither of the companies still exists, one having ceased trading and the other having gone into voluntary liquidation (I will comment further on the report to the extent necessary in reaching my decision). She expresses surprise that Martinelli S.L. would choose to sell their quality men's shoes to a trader of little substance with no prominent established outlet and that no advertising or promotion of the brand is said to have taken place.

Finally, Ms Mordo exhibits (JM2) copies from three sections of the British Shoe Trade Directory 1992 and 1997 dealing with brand names, trade marks, UK representatives for overseas firms and overseas sourcing listings. No relevant entries were found.

Registered proprietors' evidence in reply

Mr Lynd filed a further statutory declaration. I do not need to offer a detailed summary of this evidence. The main points

- he points out that Ms Sadka's evidence relates to visits made at a date after the relevant period for the current action and so is of no assistance in determining the question of use within the period.

- neither Ms Mordo's evidence nor the investigators' report contain evidence that goods were not being sold in the UK under the mark during the relevant five year period. Nor can the entries in exhibit JM2 be relied upon for this purpose.

That concludes my review of the evidence.

Section 46(1) of the Act, insofar as is relevant, reads:

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

- 5 (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;
- 10 (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;”

15 This case is based on (b) above but I have included sub paragraph (a) because it explains the reference to “such use” in (b).

Section 100 is also relevant and reads:

20 “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.”

25 My attention was also drawn to a number of reported cases. In relation to the meaning of the term genuine use and issues to do with substantiality of use Ms Clark referred me to headnote 4 of ZIPPO Trade Mark 1999 RPC 173:

30 “(4) The word “genuine” as used in section 46 of the Trade Marks Act 1994 was not intended to have a material effect on previous practice in relation to non-use of a trade mark. Substantiality (or degree) of use continues to be a factor in deciding whether use of a mark was genuine. However, where it was established that a mark had been used, and the genuineness of use was not in question, detailed consideration of substantiality served no purpose.”

and the following extract from the same case which in turn refers to BON MATIN:

35 “Mr Alexander submitted that the use must not only be genuine, but it must also be substantial as judged by commercial standards. Not surprisingly Mr Purvis disagreed, and he referred me to the following passage from *BON MATIN Trade Mark* [1989] RPC 537 at 543 where Whitford J. dealt with this very issue:

40 “The main argument on the appeal centred around the question as to the extent to which one must consider the substantiality of the use. Various authorities can be cited, pointing in different directions. I suppose in the interest of Mr Morcom’s clients perhaps one of the earliest and most favourable approaches is that which is to be found in Official Ruling 61 RPC which was concerned with

45 the question of a despatch to the United Kingdom of a sample of the product to be sold under the registered trade which it was held might be regarded as a use of the trade mark in the United Kingdom. I was not taken to the Official

Ruling as such but it is to be found referred to in a judgement which was given by Dr R G Atkinson, then acting for the Registrar in *VAC-U-FLEX Trade Mark* [1965] FSR 176. There is no doubt that Dr Atkinson did consider a number of earlier authorities. To my mind what plainly emerges from the authorities is this, and Mr Morcom did not attempt to shirk the point, *the substantiality of the use is undoubtedly a relevant factor to be considered* and at the end of the day one has got to consider every relevant factor. It must always be remembered that what one is directed to by section 26 of the Act is the question as to whether there has been bona fide use. Although the extent of the use is one factor which may be of significance, some of those factors may lead to the conclusion that although the use could not in the commercial sense be described as anything other than slight, nonetheless it may be appropriate to reach a conclusion, in the light of the circumstances as a whole, that the use ought to be regarded as bona fide. (My emphasis).

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.

Having regard to the judgment of Whitford J. in *BON MATIN Trade Mark*, and in particular the words (above) which I have underlined, I conclude that the substantiality (or degree) of use is one factor that must be considered in deciding whether use of a mark is genuine. But where, as in this case, it is established that a mark has been used, and the genuineness of such use is not in question, detailed consideration of the substantiality of that use serves no purpose.”

Brief reference was also made to *NODOZ Trade Mark* 1962 RPC 1. I will return to this decision later.

Mr Mellor’s position, put briefly, was that the registered proprietors’ main evidence (the orders and related invoices) showed little more than that these documents were raised in Spain; that there was nothing to confirm that either the invoices or the goods so ordered were ever sent to or reached this country; and furthermore there was no evidence that they were marked as being *MARTINELLI* goods. The invoices were addressed to *Impromundi Ltd* and *Impromundi UK Ltd* but neither of these organisations or the individuals behind them had provided evidence confirming that goods had been placed on the market in this country. In his view therefore the registered proprietors were asking the tribunal to fill in the gaps in their evidence and make certain assumptions in order to reach a conclusion favourable to them.

Ms Clark argued strongly to the contrary and pointed out that there had been no challenge to the genuineness of the documents and that the mere fact that it was a small scale business does not mean that the proprietors’ use was not genuine. She suggested that it was reasonable to

assume on the balance of probabilities that orders placed by the Impromundi companies and for which invoices were raised would have resulted in goods reaching the UK and being put on sale here and that on the evidence (including the brochures) these would have been MARTINELLI goods.

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I am not sure that deciding the matter on the balance of probabilities is a proper approach for me to adopt when Section 100 of the Act places a clear responsibility on registered proprietors to make out their case. Nevertheless, as will be apparent from my own analysis of the evidence below, it is possible to draw reasonable inferences from certain aspects of the evidence whilst in other respects the evidence falls short of providing a complete picture.

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As already indicated most of the submissions before me related to the order/invoice evidence at MAL1. The remaining exhibits MAL2 to MAL6 cannot in themselves be relied on as evidence of trading in the UK. They are not expressly said to be for use in this country. To the extent that Mr Lynd's declaration attempts to draw such a conclusion it is, as Mr Mellor pointed out, hearsay. It is true that the brochures at MAL2 are in both Spanish and English. That might be indicative of an interest in English speaking markets but it is not in itself evidence of trading in the UK.

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Exhibit MAL1 contains five orders and their related invoices. They have been completed in a mixture of Spanish and English text. The applicants supplied a certified translation of one of the invoices from which they conclude that the shoes were delivered or collected by hand. An entry under the heading 'representante' (agent) on each of the invoices shows "S/visita". The latter is said in the certified translation at VS3 to mean 'your visit' and gave rise to some discussion at the hearing as to whether the UK firms had collected the goods whilst on a visit to Spain or whether the Spanish suppliers had delivered them on a visit to the UK. I am inclined to think that it does not greatly matter which providing the orders resulted in goods being supplied to the UK market.

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Whilst the invoices undoubtedly raise some questions which are not answered in the evidence I would not go quite as far as Mr Mellor in my criticism of them. It is in my view reasonable to infer that the orders placed by the two Impromundi companies related to intended shipment of goods to the UK. Both the Impromundi companies had addresses in London and there is nothing to suggest a delivery address other than these addresses. I am also prepared to accept that the orders related to goods under the MARTINELLI mark. Not only are the invoices clearly headed MARTINELLI but the brochures at MAL2 display selection of shoes which, in all cases where a label is visible, show the MARTINELLI mark. That much, therefore, I am prepared to accept.

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It is more difficult to ascertain what happened following the raising of the orders and the issuing of the invoices. Ms Clark inferred it was a reasonable assumption that goods would thereafter be supplied in fulfilment of the orders. The fact is that there is no evidence that the invoices were paid or that goods were despatched. The most that can be said is that it would be curious for repeat orders to be accepted if the original/early invoices were not paid and the transactions not completed.

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More significantly, however, there is no evidence as to how or in what circumstances the shoes (assuming for a moment that they were supplied) were offered for sale in this country. The registered proprietors are silent on the Impromundi companies' involvement in this respect. Thus it is not clear whether they acted as importers, distributors or retailers. It is true that Impromundi Ltd are said to have had retail premises at 117 Kentish Town Road but it is not expressly claimed by the registered proprietors (if they knew) that the goods were intended for this outlet. I cannot, therefore, be certain that the goods were actually placed on the market in this country.

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It might nevertheless be thought that orders placed over a five year period suggest some form of genuine and continuing commercial trade. But it is here that the substantiality of the orders must be considered. No overall turnover figures are quoted. There are just five orders and matching invoices, one for each of the years 1992 to 1996. Somewhat curiously the orders are placed in April of each year (with one exception on 3 May 1993). There is no indication that other orders were ever placed and if, as seems to be the case, the business was conducted by hand delivery or collection questions arise as to the commercial feasibility of such a trade given the small size of individual orders (see below). In any event I can only conclude that no other orders were placed.

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The orders are for 15, 30, 35, 20 and 12 pairs of men's shoes respectively. By any standard these are very small orders particularly as they were placed over a five year period. I bear in mind Ms Clark's plea that I should not attempt to judge this trade by the standards of a larger organisation. Even so the registered proprietors' own brochures suggest that they are company of some substance in their domestic market (they say they are an "unquestionable leader in the Spanish footwear market"). I find it difficult to reconcile the above transactions with a genuine commercial trade. At the very least, therefore, if they are to succeed the registered proprietor needed to explain the nature of the business and to fully substantiate the low level of sales claimed.

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In NODOZ, Wilberforce J said:

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"The respondents are relying upon one exclusive act of user, an isolated act, and there is nothing else which is alleged or set up for the whole of the 5 year period. It may well be, of course, that in a suitable case one single act of user of the trade mark may be sufficient; I am not saying for a moment that that is not so; but in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof. It seems to me that the fewer the acts relied on the more solidly ought they to be established."

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I regard that statement of the position as being as applicable to the new law as it was in relation to the old.

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Briefly, the circumstances in NODOZ were that an order (with payment) had been placed with a US firm from a UK address. Goods (tablets) were subsequently dispatched. Internal documents from the suppliers giving instruction for shipment of the goods were filed in evidence along with the remittance advice recording receipt of the payment, correspondence dealing with cost of postage and insurance of the goods and an invoice note.

Wilberforce J said:

5 “Those, then, are the documents and nothing more is stated by the deponent who exhibits the documents beyond the fact that the documents have been taken from the records of the company. There is no evidence given that the tablets were in fact delivered to any post office, there is no evidence anywhere that the tablets or the invoice arrived in this country or that they reached Mr Tracy or that they arrived at the General Post Office and awaited delivery to Mr Tracy.”

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15 “..... it does not seem to me that the evidence which I have heard, which is that an order was received many thousands of miles away in San Francisco or Missouri, and that steps were taken within the company to have the order executed, is sufficient evidence to satisfy the onus which is required. I repeat that, if there had been some more definite evidence of postage or receipt by the post office, I might have been inclined to take a different view; but the matter stops at the internal files and records of the respondent company, and I cannot feel that, where so many steps had to be taken before the goods actually arrived in this country, and where there are so many possibilities of non-delivery, I ought to hold that the arrival of the goods in this country has been established with sufficient certainty.”

25 The circumstances of the case before me are somewhat different. The registered proprietors do not rely on a single transaction but rather five orders/invoices. However their evidence suffers from some of the defects that were identified in NODOZ particularly insofar as it fails to make clear how the goods were offered for sale in this country and the extent to which actual sales took place.

30 Mr Mellor commented that the registered proprietors could have brought forward evidence from the Impromundi companies to clarify receipt of goods and onward sales in this country. It should of course be remembered that, on the basis of the investigator’s research Impromundi Ltd ceased trading in April 1994 and Impromundi (UK) Ltd went into voluntary liquidation on 15 May 1997. I accept that obtaining information from those sources might not have been without difficulty though I note that these proceedings were joined before
35 Impromundi (UK) Ltd went into liquidation. The two companies are also said to have a common director, Jorge Ramiro Torres, who might also have been approached. There is no indication that the registered proprietors tried to obtain evidence from any of the above sources, the administrative receiver of Impromundi Ltd or the liquidator of Impromundi (UK) Ltd. Nor of course have the proprietors filed any direct evidence of their own setting out what
40 they know about the retail sale of their goods in this country.

45 Making the best I can of the evidence I have come to the view that the registered proprietors have failed to discharge the onus that is placed on them by Section 100 of the Act. The registration will, therefore, be revoked in its entirety with effect from 17 December 1996.

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 £835.

Dated this 27 day of January 2000.

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

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