

O-369-11

**REDACTED VERSION**

**TRADE MARKS ACT 1994**

**INTERNATIONAL REGISTRATION 787794  
IN THE NAME OF JACKSON INTERNATIONAL TRADING COMPANY KURT  
D. BRUHL GESELLSCHAFT m.b.H & Co. KG**

**AND**

**AN APPLICATION FOR REVOCATION (No. 16141) BY THE ROYAL  
SHAKESPEARE COMPANY**

## **THE BACKGROUND AND THE PLEADINGS**

1) Jackson International Trading Company Kurt D. Bruhl Gesellschaft m.b.H & Co. KG (“Jackson”) is the holder of International Registration (“IR”) 787794, which is for the trade mark ROYAL SHAKESPEARE. Jackson designated the UK for protection of this mark on 10 July 2002. Protection was conferred in the UK on 14 September 2003. The mark is protected in respect of:

Class 32: Beers, including low-alcohol and non-alcoholic beers; fruit drinks, fruit juices and isotonic drinks.

2) The Royal Shakespeare Company (“RCS”) seeks revocation of the IR (its protection in the UK) on the grounds of non-use. Its grounds are based on sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”). Jackson filed a counterstatement denying the allegation; it claims that the mark has been put to genuine use or, alternatively, that there are proper reasons for non-use. Jackson filed evidence, RSC filed submissions in response. The matter was heard before me on 15 September 2011 at which Mr Simon Malynicz, of Counsel, instructed by Boulton Wade Tennant, represented RSC; Mr Bruce Marsh, of Wilson Gunn, represented Jackson.

3) The relevant time periods relating to RSC’s claims are:

- i) Under section 46(1)(a): 15 September 2003 to 14 September 2008. Revocation is sought with effect from 15 September 2008.
- ii) Under section 46(1)(b): 18 December 2004 to 17<sup>1</sup> December 2009. Revocation is sought with effect from 18 December 2009.

## **LEGISLATION AND CASE-LAW**

4) The relevant parts of section 46 of the Act read:

“46.-(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;

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<sup>1</sup> The pleaded case refers to a time period ending on 18 December 2009, but this is clearly a mistake as the period would be one day too long (see TPN 1/2007). I will treat the pleading as that set out above.

(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 either 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.”

5) 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.”

6) When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied namely: the judgments of the Court of Justice of the European Union (“CJEU”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). The position<sup>2</sup> was helpfully summarized by Ms Anna Carboni, sitting as the Appointed Person, in BL O-371-09 *SANT AMBROEUS*:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

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

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

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<sup>2</sup> Which also took into account the guidance set out in *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28.

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

7) Jackson has, in the alternative, defended its registration on the basis of there being proper reasons for non-use of its trade mark. *Kerly’s Law of Trade Marks and Trade Names (Fourteenth edition at 10-72 to 10-73)* is a useful starting point for this issue because it makes reference to Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994:

“References to “proper” reasons for non-use” need to be interpreted in accordance with Art. 19(1) of TRIPS which uses the expressions “valid reasons based on the existence of obstacles” to the genuine use which is required. “Circumstances arising independently of the will of the owner of the trademark, such as import restrictions on or other governmental requirements for goods and services protected by the trademark, shall be recognized as valid reasons for non-use”

8) Also of note is the judgment of the CJEU in *Haupt v Lidl Stiftung & Co KG* where it was stated:

“It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as ‘proper reasons for non-use’ of that mark.”

9) In the *INoTheScore* Application (BL O-276-09) Mr Iain Purvis QC, sitting as the Appointed Person, referred to the above case and stated:

“37. In *Armin Haupt* the ECJ established the following test for identifying proper reasons: “...only obstacles having a sufficiently direct relationship

with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as 'proper reasons for non-use' of that mark."

[paragraph 54].

38. The phrase "independently of the will of the proprietor" (which comes from Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)) is crucial here."

10) The CJEU reaffirmed its position in *Il Ponte Finanziaria SpA v OHIM* Case C-243/06P [2008] ETMR 13 when it stated:

"The concept of "proper reasons"... refers essentially to circumstances unconnected with the proprietor of a trade mark which prevent him from using the mark..."

11) I also note the decision in *Magic Ball* [2000] R.P.C. 439 where Mr Justice Park stated:

"As regards the new Act, there has been no discussion yet in the High Court or above of the words "proper reasons". There is one earlier decision of a hearing officer in *Invermont Trade Mark* [1997] R.P.C. 125. The officer, in a passage cited and relied on by his colleague who decided the present case, said this:

"... bearing in mind the need to judge these things in a business sense, and also bearing in mind the emphasis which is, and has always been placed on the requirement to use a trade mark or lose it, I think the word proper, in the context of section 46 means: apt, acceptable, reasonable, justifiable in all the circumstances. I do not think that the term "proper" was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor's business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine, might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman's own control and I think he should plan accordingly."

On the facts of the INVERMONT case the decision was that the reasons for non-use were not "proper". However, the facts were too different from the present case for the particular decision to afford any guidance.

I have no disagreement with anything which the hearing officer said in the INVERMONT case. I would only add the comment that, while the adjectives which he puts forward--"apt, acceptable, reasonable, justifiable in all the circumstances"--seem to me to be well chosen, it must not be forgotten that the statutory word which falls to be applied is "proper", not any of the near-synonyms which the hearing officer suggested."

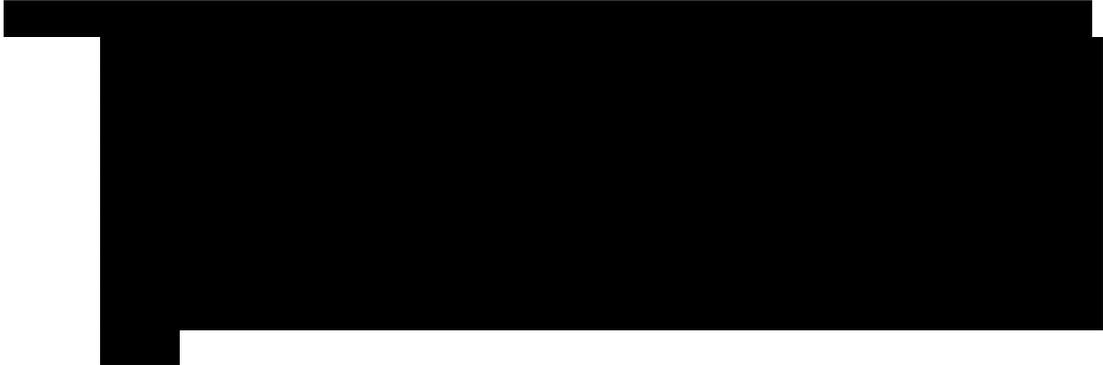
12) In terms of proper reasons for non-use, and taking the authorities in the round, it seems to me that proper reasons for non-use are not something to be accepted lightly. Having a reason for non-use, from the proprietor's subjective point of view, is not the same as having "proper" reasons which calls for, in my view, an objective test. The test for "proper" reasons relates to obstacles or impediments or other events causing serious disruption. I also note that the authorities differentiate between events that are independent of the will of the proprietor and events that are within its control.

### **JACKSON'S EVIDENCE**

13) Jackson's evidence comes from K.D. Braul, its Chairman for the last 26 years. Jackson is described as an Austrian fashion house, so, as well as drinks, it is also in the fashion business. Focus is placed by Jackson on the development of different brands, marketed under internationally registered trade marks. ROYAL SHAKESPEARE is one such brand falling within this strategy in relation to a particular beer. It is stated that Jackson has "been actively engaged in the attempt to use and keep available for use" the mark since at least 1997. A 1997 co-existence agreement between Jackson and Forte (UK) Limited is provided in Exhibit 1 to support this statement. Three other exhibits are then provided. These exhibits (and Exhibit 1) have been granted confidentiality so, the details I set out below are redacted from the public version of this decision:

[REDACTED]

[REDACTED]



14) The rest of the evidence is more submission than fact. It has all been borne in mind but I do not need to summarise it here.

**HAS THERE BEEN GENUINE USE OF THE MARK?**

15) Mr Malynicz argued that the type of use shown was not genuine use in the sense described by the case-law (as identified earlier). He was keen to highlight that simply because a form of use may not be sham or token (simply to preserve the registration) does not mean that it qualifies as genuine use; I agree with this submission. The evidence must be assessed to decide whether the type and nature of use shown meets the tests I have outlined above. To that extent, it is clear from the evidence that no sales of any product have been made under the ROYAL SHAKESPEARE mark. Nor have there been published any advertisements, in the traditional sense, for any goods to be sold under the mark. I use the words “traditional sense”, because, at the hearing, Mr Marsh argued that the trade mark had been advertised (in a general sense) to people in the trade (such as the Hook Norton Brewery). It is true that advertising may constitute genuine use, in *Ansul* it was stated that:

“...Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns...”

16) Furthermore, it is also clear that the end-user (the beer consuming public) does not necessarily need to have encountered the mark on the marketplace because the use could be with the trade (sales to importers for example).

However, having carefully considered the letters, they do not seem to me to be of the sort to qualify as genuine use. They are not advertisements. They are not even highlighting the availability of a product to people in the trade. At best, all they do is highlight the availability of a trade mark that may be licensed. The letters seek business partners etc, but there is no product. Without a business partner then it is clear that Jackson cannot put the mark to genuine use on the market. The potential business partner will not view such use as genuine use consistent with the essential function of a trade mark. It is not creating or preserving an outlet for the goods. An idea is being touted. Even though Jackson may have a concept, this is not enough, in my view, to constitute genuine use. The fact that some labelling has been produced showing the mark on a can of beer does not assist. This is being shown to demonstrate the concept. It does not, however, change the nature of the letters and the status of the trade mark in the market. Mr Marsh attempted to draw an analogy with pre-launch publicity and marketing; this is not a good analogy for the reasons given. There has been no launch. There is still, as far as the evidence goes, no business partner. There is still no genuine use.

17) The attempt to get a business partner is said in Jackson's submissions to constitute genuine use. It adds that it would not be commercially acceptable to try to enter into such arrangements without having an existing trade mark. That may be so, but that does not equate to genuine use having been made simply by way of attempts to secure a business partner. **My finding is that there has been no genuine use of the trade mark.**

### **PROPER REASONS FOR NON-USE**

18) Jackson's argument here is that if I were to find that what it had done was not genuine use then the difficulty in finding an appropriate business partner to brew the beer constitutes a proper reason for non-use. Mr Marsh referred to the applicant's wish to produce an English beer which made the task all the more difficult. Also, that Jackson could only undertake use via a licensee was argued to have a direct relationship with the mark not being commercially exploited. Reference was made to the letters from Frasier to the extent that it could only find one possible contract brewer. Mr Malynicz, for RSC, argued that the evidence did not really go to proper reasons for non-use because what had been put forward in evidence was put forward as use. He further argued that the reasons put forward were not proper in the sense described by the case-law (as identified earlier).

19) Whilst I do not agree with Mr Malynicz regarding his evidential point (Jackson's witness has set out the facts, it is for the tribunal to decide if they constitute proper reasons as an alternative to a claim to genuine use) I fully agree with his argument regarding the properness of the reasons for non-use. Not finding an appropriate brewing partner may be a reason for the mark not having been used, but it does not follow that this should constitute a proper

reason. Jackson decided to seek protection for the mark in the UK. It was its choice to do so even though it had no capacity to produce beer itself. It was therefore its own doing that a licensing arrangement had to be in place before the mark could be commercially exploited. That it has had difficulty in doing so is of its doing. These are normal business decisions. They do not represent impediments or obstacles that have arisen from outside the will of Jackson. It has been highlighted that Fraser could only find one possible contract brewer, but that brewer was not appropriate. However, what investigations Jackson or Fraser have undertaken is not clear. This argument does not assist. However, even if the task had been a difficult one, this would still not be an appropriate obstacle. Jackson went in with its eyes open. That they have been unable to find a business partner should not, in these circumstances, immunize it from the requirement to genuinely use its trade mark. The “Englishness” of the required beer is, likewise, not relevant. This is another decision made by Jackson, it is not a relevant impediment or obstacle. Mr Marsh claimed at the hearing that the dispute between the parties has caused uncertainty and that this may have been another contributing factor. This is not only speculation, but also highly unlikely to ever be considered as a proper reason for non-use. **The claim to there being proper reasons for non-use is dismissed.**

20) I should add that even if the factors outlined in the evidence could be considered as proper reasons for non-use, the timing of the proper reasons also needs to be borne in mind. The latest attempt to gain a business partner was, on the evidence, back in 2006. The relevant periods go well beyond that date, but there is still no genuine use or evidence of further difficulties. What has been done since 2006 is not clear. This, balanced with the nature of the reason, would not have persuaded that there were proper reasons why the mark had not been put to genuine use within the relevant periods (see *CERNIVET Trade Mark* [2002] R.P.C. 30 and, also, *Philosophy di Alberta Ferretti Trade Mark* [2003] R.P.C. 15 to support this line of argument).

**21) The application for revocation is successful. Protection in the UK is revoked with effect from 15 September 2008.**

### **COSTS**

22) RSC is the successful party and is entitled to a contribution towards its costs<sup>3</sup>. I order Jackson International Trading Company Bruhl Gesellschaft m.b.H & Co. KG to pay The Royal Shakespeare Company the sum of £1700. This sum is calculated as follows:

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<sup>3</sup> Costs are normally awarded on the basis of the registrar’s published scale in Tribunal Practice Notice 4/2007.

Preparing statement and considering the other side's statement - £400

Official fee for filing the revocation - £200

Considering evidence and filing submissions in response - £500

Attending the hearing - £600

23) The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful

**Dated this 26<sup>th</sup> day of October 2011**

**Oliver Morris  
For the Registrar,  
The Comptroller-General**