

O-102-13

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2331359

IN THE NAME OF:

**BRIAN MURDOCH AND LINDA MURDOCH
TRADING AS SURPRISE SURPRISE**

OF THE TRADE MARKS:

**SURPRISE SURPRISE
Surprise Surprise
surprise surprise
SURPRISESURPRISE
SurpriseSurprise
surprisesurprise**

(A SERIES OF SIX)

IN CLASSES 16, 28 AND 30

AND THE APPLICATION FOR REVOCATION

THERE TO UNDER NO 84430

BY

ITV STUDIOS LIMITED

1) Section 46 of the Trade Marks Act 1994 (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) 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;

(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.

(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.

(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.”

Section 100 of the Act states:

—10. 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.”

Consequent upon section 100, in revocation for non-use proceedings the onus is upon the registered proprietor to prove that it has made genuine use of a trade mark, or that there are proper reasons for non-use.

2) The registration procedure for the trade marks SURPRISE SURPRISE, Surprise Surprise, surprise surprise, SURPRISESURPRISE, Surprise Surprise and surprisesurprise (the trade marks) was completed on 6 February 2004. The trade marks are registered for:

paper products, paper bags, bags for packaging; pictures, photographs; artists' materials; paint brushes; book markers; calendars; stationery; pens, pencils, crayons; pencil sharpeners; stencils; rubbers; rules; postcards; colouring books; greetings cards; stickers; decalcomanias; printed matter;

games and toys and playthings; ornaments and decorations; playing cards;

non-medicated confectionery.

The above goods are in classes 16, 28 and 30 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The trade marks are registered in the name of Brian Murdoch and Linda Murdoch trading as Surprise Surprise (the Murdochs).

3) On 1 June 2012 ITV Studios Limited (ITV) filed an application for the revocation of the registration under sections 46(1)(a) and (b) of the Act. Under section 46(1)(b) of the Act, ITV claims that the trade marks have not been used from 26 April 2007 to 25 April 2012 and from 1 June 2007 to 31 May 2012. Revocation is sought from 7 February 2009 under section 46(1)(a) of the Act, and from 26 April 2012 or 1 June 2012 under section 46(1)(b) of the Act.

4) The Murdochs filed a counterstatement. The Murdochs state that they are also the owners of a Spanish registered trade mark, no 817624, for the trade mark Surprise Surprise, which was registered through the Madrid Protocol. They claim that the trade marks have been used on goods commonly called lucky bags or jamboree bags. They state that these are small paper bags that contain a mixture of sweets, small toys and stationery items and that each bag contains a variety of these goods. The Murdochs state that the product is sourced and manufactured in the United Kingdom and is sold in Spain. They state that the sweets or confectionery were sourced from Booker's Cash and Carry, —the toys and stationery items, for various trade shows or (particularly in the case of printed matter) separately commissioned". The Murdochs state the stock, with an estimate value of £15,000, is kept in St Leonard's on Sea in East Sussex. The Murdochs state that the following items have been included within their bags: paper products, paper bags, bags for packaging, pictures, artists' materials, paint brushes, stationery, pens, pencils, crayons, stencils, rubbers, rules, colouring books, decalcomanias and printed matter. They state that calendars have also featured in the bags as part of diaries. They comment upon the use of the trade mark in Spain.

5) The Murdochs filed evidence. ITV filed written submissions. Neither party requested a hearing.

6) The evidence of the Murdochs is in the form of a witness statement by Stewart Gregory Rayment. Mr Rayment is an —Intellectual Properties Consultant" with Lockhart & Hastings. A good deal of the statement of Mr Rayment does not deal with the issue of genuine use of the trade marks of the Murdochs. The summary of the evidence will only deal with matters pertinent to the issue of genuine use of the trade marks. In his statement Mr Rayment refers to trade mark in the singular; the registration is for a series of six trade marks.

7) Mr Rayment states that the Murdochs commenced use of their trade mark shortly after registration. He states that they use the trade mark on goods known as lucky bags or jamboree bags. He states that these are small paper bag containing a mixture of sweets, small toys and stationery items. He states that the product is sourced and manufactured in the United Kingdom and is sold in Spain. He states that the sweets or confectionery were sourced from Booker's Cash and Carry, —the toys and stationery items, from various trade shows or (particularly in the case of printed matter) separately commissioned". Mr Rayment states the stock, with an estimate value of £15,000, is kept in St

Leonard's on Sea in East Sussex. Exhibit 16 is a picture of this stock. On page 79 a number of large cardboard boxes with the trade mark PHS upon them can be seen. On page 80 pictures of toys/novelties can be seen, the trade mark PHS can be seen on one item. Page 81 consists of a picture of what appear to be more toys/novelties; the only trade mark that can be seen is PHS. None of the stock bears any of the trade marks. Mr Rayment exhibits at SGR3 and SGR4 a picture of a lucky bag and the contents thereof. None of the material shown bears the trade marks. Mr Rayment states that the lucky bag was on sale in Hastings. As he also states that the goods of the Murdochs are only sold in Spain, the lucky bag shown would appear to have nothing to do with the Murdochs but to be exhibited as an example of a lucky bag.

8) Mr Rayment states that exhibit SGR9 contains images of one of the lucky bags used by the Murdochs. Page 61 shows a bag with the words BOLSA DE SOPRESA in large type on the front and LUCKY BAG beneath it. The words sweets, toys and games in English and Castellano are also written on the package. On the reverse of the bag, exhibited at page 62¹, the same words appear. Also on the reverse of the bag is a best before 10/08 label. The bag advises that it was imported into Spain by Sorpresa Sopresa and the name and address of Surprise Surprise in the United Kingdom also appear on the package. Mr Rayment states that the bags were supplied by a firm called Roberts, in Maidstone, Kent. Mr Rayment describes exhibit SGR10 as a promotional poster for the product; the poster relates to use in Spain. It bears the same words as the front of the bag. None of the trade marks appear on the poster. Mr Rayment describes SGR11 as printed matter in the form of games which the Murdochs had designed and printed for inclusion in the lucky bags and that can also be used as loyalty tokens. The exhibit is in English and Castellano, the trade marks do not appear upon it. Exhibits 12 and 13 are tokens for discounted entry to theme parks in Spain; the trade marks do not appear upon the tokens. The tokens appear to have been issued by the theme parks.

9) Mr Rayment states that the Murdochs were selling an estimated 6,000 lucky bags a year through a number of outlets in Spain through an agent. He states that in 2008 they encountered problems with their agent in Spain. Mr Rayment states that there has always been "a consideration" that the product would be marketed in the United Kingdom. He refers to exhibit SGR14 which consists of e-mails between Hastings Borough Council and the Murdochs about a proposed market in Hastings. The e-mails emanate from July 2012². There is no reference to any product or trade mark. Mr Rayment states that the market will now take place on 29 March 2013. He states that the Murdochs consider this to be a suitable launch for their product in the United Kingdom.

10) Mr Rayment states that the records of sales are in Spain and that the Murdochs have not visited Spain since the revocation action was filed.

¹ The pictures of the bag are annexed to this decision.

² After the date of the application for revocation.

11) The evidence of Mr Rayment is hearsay. He states that the statement comes from his own knowledge of handling the intellectual property of the Murdochs, the files of his company, from discussions with the Murdochs and subsequent investigations. There is nothing to suggest that there is any first hand knowledge of the claimed use of the trade mark. As he has had discussions with the Murdochs, one or both of them could have made statements; in relation to which they could have been cross-examined. Mr Rayment states that the Murdochs have not accessed their records, which are in Spain, and so he has not seen any records.

12) The sole use of Surprise Surprise that can be seen is at page 62 (shown in the annex) and this is in relation to the contact details of the Murdochs. Mr Rayment gives few specific details of what has been put into the bags; he refers to stationery items, which would cover a large swathe of goods. In the counterstatement, the Murdochs make the claim that they have put all of the goods in the class 16 specification in the bags, specifically itemising them. Consequently, they claim that they have put bags for packaging and paper bags within the bags. This seems surprising. None of the pictures of the stock shown by the Murdochs and the items that it has been stated have been placed in the bags bear any of the trade marks.

13) There has been no use in the United Kingdom. Under section 46(2) of the Act, use can arise from affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

14) The Court of Justice of the European Union (CJEU) in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 stated:

—36—“Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. 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. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is 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.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

15) In *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-191/07 the General Court (GC) stated:

—15 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 *Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT)* [2002] ECR II-5233, paragraph 47).”

In *Laboratories Goemar SA's Trade Mark* [2002] ETMR 34 Jacob J stated:

—9n the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye, to ensure that use is actually proved, and for the goods or services of the mark in question. All the t's should be crossed and all the s's dotted. In the present cases there was a difference between the total sales figures and relevant sales. Mr Mellor, for the applicants for revocation, told me that sorting out the wheat from the chaff involved a lot of work. In the end, however, he accepts that some very small potentially relevant sales under the marks were proved.”

16) There has been no use of the trade marks shown in relation to any of the items placed in the bags. Indeed, the evidence shows that other trade marks

have been used in relation to the products that have been placed in the bags. Anyone purchasing a lucky bag would identify the goods within the bag with the trade marks upon them. The claim that the Murdochs have been maintaining or creating a market in relation to the goods within the lucky bags, which bear other trade marks, is a variant on the Boots use described by Jacob J:

Euromarket Designs Inc v Peters [2000] ETMR 1025 Jacob J stated:

—57In this connection it should be borne in mind that the Directive does not include an all-bracing definition of “use in relation to goods”. There is a list of what may *inter alia* be specified as infringement (Article 5(3), corresponding to section 10(4)) and a different list of what may, *inter alia*, constitute use of a trade mark for the purpose of defeating a non-use attack (Article 10(2), equivalent to section 46(2)). It may well be that the concept of “use in relation to goods” is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled “Boots”, only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign “in relation to” the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the Crate & Barrel United States shops to the United Kingdom in Crate & Barrel packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence.”

If PHS appears on a toy/novelty and no other trade mark, it is PHS which is the trade mark used in relation to the toy/novelty.

17) The sole use shown of SURPRISE SURPRISE is shown at page 62 where the contact details of the Murdochs are given: SURPRISE SURPRISE, Unit 11, VIP House, Elizabeth Road, St Leonards-on-Sea, East Sussex, England, TN38 9BL. The average consumer is unlikely to see any trade mark significance in the name and address of the United Kingdom suppliers at the rear of the bag in small print. The presence of the contact details of the Murdochs is not maintaining or creating a market in relation to the trade marks. Moreover, the sell by date of October 2008 gives no indication as to when the bags were distributed or when they were available. There is no evidence either that the bags with this date were actually distributed. As Mr Rayment states that the Murdochs have not been to Spain since the filing of the application for revocation, it is to be inferred that the bag was in the United Kingdom and had not been sent to Spain.

18) The Murdochs have not directly claimed proper reasons for non use. However, Mr Rayment hints at this through comments about the economic

situation and the loss of the Spanish agent. In *Jerome Kerner v Stewart Waters* BL O/276/09 Mr Iain Purvis QC, sitting as the appointed person, commented on proper reasons for non-use:

31. However, I believe it is important to remember that there are two issues here. It is not enough for the trade mark proprietor to show that the event or situation on which he relies as the reason for non use is one of those reasons which would be regarded in law as a “proper” excuse for not using a trade mark. He must also prove as a question of fact that it was the “reason” why the mark was not used. Put another way, as the Appointed Person, Geoffrey Hobbs QC expressed it in *Cervinet Trade Mark* [2002] RPC 30 at 51:

“...it seems to be necessary, when considering whether there were proper reasons for non-use, for the tribunal to be satisfied that in the absence of the suggested impediments to use there could and would have been genuine use of the relevant trade mark during the relevant five-year period. The impediments in question will otherwise have been inoperative and I do not see how inoperative impediments can rightly be taken into account when determining whether there really were “proper reasons” for non-use....”

32. I therefore consider that before considering whether the alleged reasons were “proper”, the tribunal must first be satisfied on the balance of probabilities that, in the absence of the situation or event which is relied on, there would in fact have been genuine use of the Trade Mark by the trade mark owner or with his consent within the relevant 5 year period.

37. In *Armin Haupl* 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].”

In *Armin Häupl v Lidl Stiftung & Co KG* Case C-246/05 the CJEU stated:

55 Having regard to the foregoing considerations, the answer to the second question referred for a preliminary ruling must be that Article 12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the

national court or tribunal to assess the facts in the main proceedings in the light of that guidance.”

19) Changes in the economic environment are part and parcel of life, commercial and personal. Businesses continue to trade and continue to use their trade marks. If one agent goes, another can be appointed. There is nothing in the situation of the Murdochs that has made it impossible or unreasonable for them to use the trade marks. On the facts of this case, even when they were trading in the lucky bags they were not creating or maintaining a market for the goods of the registration in relation to the trade marks.

20) An exchange of e-mails (exhibit SGR14) with Hastings Borough Council about the possibility of running a stall in a market, with no reference to any trade mark, is not creating a market for the goods; and emanates from after the date of the application for revocation.

21) Within the period of five years following the date of completion of the registration procedure the trade marks of the Murdochs had not been put to genuine use in the United Kingdom (including for export purposes) by the proprietors or with their consent in relation to the goods for which they are registered, and there are no proper reasons for non-use; nor was there any use after this date and prior to the date of the application for revocation. Consequently, the registration is revoked in its entirety with effect from 7 February 2009.

Costs

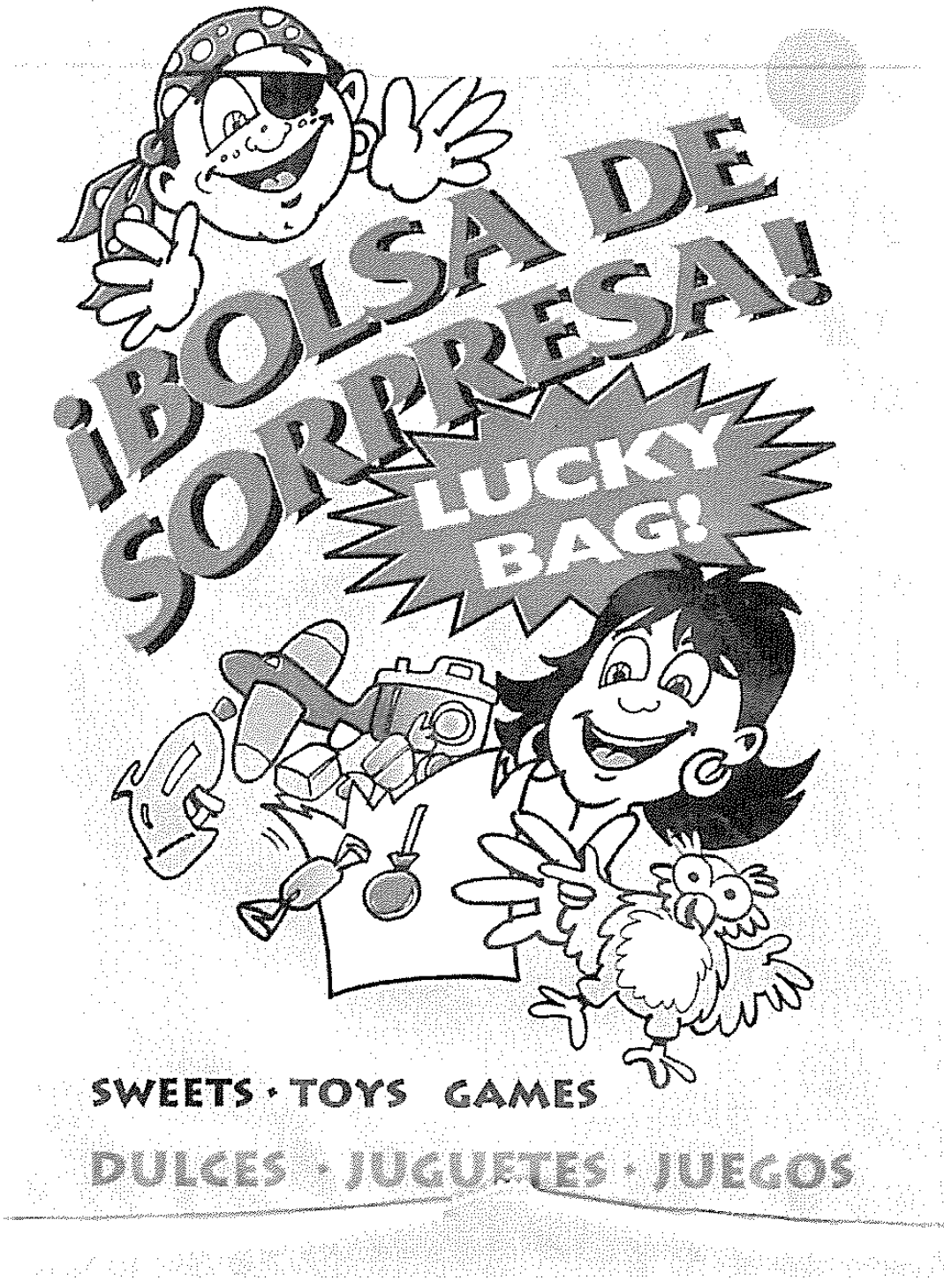
ITV having been successful is entitled to a contribution towards its costs. Costs are awarded upon the following basis:

Revocation fee:	£200
Preparing a statement and considering the statement of the Murdochs:	£600
Written submissions and considering evidence of the Murdochs:	£500
Total:	£1,300

Brian Murdoch and Linda Murdoch are ordered to pay ITV Studios Limited the sum of £1,300. This sum is to 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 28th day of February 2013

**David Landau
For the Registrar
the Comptroller-General**



SWEETS · TOYS · GAMES

DULCES · JUGUETES · JUEGOS



SWEETS · TOYS · GAMES

DULCES · JUGUETES · JUEGOS

CE

PRECAUCIÓN

No es recomendable para niños menores de 3 años, ya que la bolsa puede contener juguetes o novedades no comestibles. Se sugiere la supervisión de un adulto — El contenido puede tener origen procedente de más un país. Avisado de retener este empaque para futuras referencias.

WARNING

Not suitable for children under the age of 3 years, as bag may contain small toy or novelty, not edible. Adult supervision is recommended — contents may be from more than one country. You are advised to retain this packaging for future reference.

INGREDIENTES:

Azúcar, glucosa, ácido cítrico, goma vegetal, sodio citrato, goma, emulsionante, proteína de suero de leche, azúcar modificado, gelatina. Puede contener los siguientes ingredientes: E102, E110, E124, E132, E133, E150, E154, E160.

INGREDIENTS:

Sugar, glucose, citric acid, vegetable fat, acetylator, gelatine, emulsifier, isolated protein, modified modified starch, gelatin, dextrose, artificial flavour, colour. May contain the following ingredients: E102, E110, E124, E131, E132, E150, E154, E160.

SURPRISE SURPRISE

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Importado y Distribuido en España
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C / Maestro Soriano
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05710 Calpe
Alicante
España
Tel: 965638513

Manténgase en un lugar fresco y seco

Store in a cool dry place

Best before: 10/08