O-481-19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 502201 BY ROBERTS RADIO LIMITED

TO REVOKE THE REGISTRATION OF TRADE MARK NO 2653747:



OWNED BY

HACKER RADIO LIMITED

Background and pleadings

- Hacker Radio Limited ("Hacker") is the registered proprietor of UK trade mark registration No. 2653747, involving the figurative mark shown on the front page of this decision. This decision concerns an application to revoke that registration.
- 2. Hacker applied for its trade mark on 27 February 2013, and it was registered on 7 June 2013 in respect of the following goods in Class 9:

Analogue radios; Digital DAB and DAB+ radios; Internet and WiFi radios; Portable radios; Loudspeakers; Audio Amplifiers; Digital sound reproduction equipment including but not limited to MP3 players; Headphones; Earphones; Parts and fittings for the aforementioned goods; accessories to fit the aforementioned goods.

- 3. On 8 August 2018, Roberts Radio Limited ("Roberts") applied to revoke the trade mark registration on the grounds of non-use, relying on section 46(1)(a) of the Trade Marks Act 1994 ("the Act"). Roberts alleges that, without proper reason, the mark has not been put to genuine use in the United Kingdom within five years of the completion of the registration procedure. The relevant five-year period where non-use is claimed is consequently between 8 June 2013 and 7 June 2018. Were the application for cancellation to succeed, the effective date of revocation would be 8 June 2018.
- 4. Hacker filed a notice of defence in support of all of its registered goods, and included a counterstatement that "the trade mark has been used commercially within the initial 5-year period for a radio accessory product." It stated that additionally "a radio product" and "a software product featuring the trade mark" are "under development but due to commercial reasons" were "not launched within the initial 5-year period."
- 5. Hacker filed no evidence of use with its notice of defence, so the registry set a deadline of 17 December 2018 for such evidence. In that first evidence round, Hacker filed material that appears to have been received by the registry on 27 December 2018, but which was dated 12 December 2018. On 25 January 2019, the registry wrote to inform Hacker that the material it had filed did not meet the formality requirements for evidence and would need to be refiled with an extension of time request and applicable fee. Hacker duly requested the

¹ The revocation Form TM26(N) that Roberts filed on 8 August 2018 suggests that it gave no indication to Hacker that the application for revocation would be made.

extension, explaining that the deadline had been missed as the material had been delayed in the Christmas post. In response to the materials that Hacker had initially filed (dated 12 December 2018) Roberts filed written submissions dated 14 January 2019. When Hacker refiled its evidence, it addressed those points of submission by Roberts. The evidence was admitted into proceedings, as I summarise below.

6. Roberts maintained its position that the evidence filed failed to show use of the mark during the relevant period in relation to the goods registered and it requested a hearing of the matter. Hacker provided final written submissions, dated 12 April 2019, in lieu of attending the hearing. A hearing took place before me in the afternoon of 1 July 2019, attended only by Alan Fiddes of Urquhart-Dykes & Lord LLP, acting on behalf of Roberts. Mr Fiddes filed a short skeleton argument in advance of the hearing. I refer to points made by the parties where appropriate in this decision.

The Evidence

- 7. The evidence filed by Hacker on 13 February 2019 comprised: (i) a witness statement by Mr Gavin Barnett, dated 10 February 2019, along with Exhibits GB1 GB8; and (ii) a witness statement by Mr Toby Ireland, dated 1 February 2019, referencing Exhibit T1.
- 8. Mr Barnett is a director of Hacker; he states that, since May 2018, Hacker has, through its own website (www.hackerengland.com), retailed a power supply unit under the contested trade mark, which he states falls within the term "accessories" under its registration in Class 9. Exhibit GB7 is a screen shot from Hacker's website, showing the product in question, marketed as Hacker SM18 power units, and which clearly bears the trade mark in question. The product description refers to it being "an external mains powers supply enabling vintage Hacker Radio enthusiasts to dispense with traditional batteries. Suitable for all Hacker radios such as the RP38 with an external power input socket clearly showing 18V DC with a central negative pin. The SM18 is a modern, energy efficient power supply conforming to latest regulations."
- 9. Mr Barnett states that there were five UK sales in the period ending 7 June 2018, that all five sales were to UK customers and that the product was shipped from Hacker's warehouse in Barnsley, UK. Copy receipts at Exhibits GB1 GB5 show those sales to five separate individuals. The Hacker mark is prominent on those receipts. Hacker wrote to each of those customers on 31 October 2018 asking them to confirm that they were genuine customers.

Exhibit GB6 shows that letter. Only one of those five customers replied, namely, Mr Toby Ireland, providing a witness statement that he is a vintage radio enthusiast who saw the SM18 power unit advertised on Hacker's website and that he bought one such on 16 May 2018 – **Exhibit T1/Exhibit GB1** shows his receipt.

- 10. Mr Barnett states that sales of the SM18 have increased since 7 June 2018 through Hacker's partnering with online retailer www.mymemory.co.uk (although he provides no corroborative evidence of such subsequent sales). **Exhibit GB8** is a screenshot from that website showing the Hacker SM18 power unit for sale, priced at £49 with free delivery and returns, (apparently reduced from £58.99). There is no information to show the date of the MyMemory page, although the screenshot shows the company to have been established in 2003 and to have been online for 15 years at that stage.
- 11. Mr Barnett states in his witness statement that the Hacker SM18 power unit is a genuine, specialist product that will always sell in relatively low volumes compared to Roberts Radio sales, but that relatively low sales volumes should be no basis for challenging proper commercial use of a trade mark. He states that the Hacker trade mark is absolutely key to Hacker's business, tying its product to vintage radio enthusiasts whose 1970s radios bear the same mark. He states that if the challenge to Hacker's use of the mark were successful, then its infant business would likely fail.

Applicable legislation

- 12. The relevant parts of section 46 of the Act provide as follows:
 - "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;
 - (b) [....];

- (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."
- 13. Section 100 of the Act is also relevant and 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." It is therefore plain that the burden of proof falls on Hacker to show that it has used its mark, or that it had proper reasons for non-use.

Case law principles

- 14. The case law on genuine use of trade marks was summarised by Arnold J in In Walton International Ltd & Anor v Verweij Fashion BV [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:
 - "114. ... The CJEU has considered what amounts to "genuine use" of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15

W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse [EU:C:2017:434], [2017] Bus LR 1795.

- 115. The principles established by these cases may be summarised as follows:
- (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].
- (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].
- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: Ansul at [36]; Sunrider at [70]; Verein at [13]; Silberquelle at [17]; Leno at [29]; Centrotherm at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: Gözze at [43]-[51].
- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].
- (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

- (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].
- (7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].
- (8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."
- 15. In addition to the above case law directly concerning proof of use, it is also relevant to note here the case law principles relating the framing of a fair specification in light of the extent of use that may be established by the evidence. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should

- realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."
- 16. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool)* & Ors [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.
 - "iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].
 - iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].
 - v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].
 - vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].
 - vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would

be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

Decision

- 17. Hacker's notice of defence related to the whole of its registration, namely the following goods in Class 9: Analogue radios; Digital DAB and DAB+ radios; Internet and WiFi radios; Portable radios; Loudspeakers; Audio Amplifiers; Digital sound reproduction equipment including but not limited to MP3 players; Headphones; Earphones; Parts and fittings for the aforementioned goods; accessories to fit the aforementioned goods.
- 18. It is clear from the above case law that use of the mark must relate to goods or services that are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns. Although Hacker's counterstatement referred to a radio product and a software product, neither of those things is explicitly mentioned in the evidence filed; indeed, the evidence filed relates only to a power supply unit for vintage radios. On the basis that an accessory may be defined as a thing which can be added to something else in order to make it more useful or versatile, I accept that the power supply units in evidence are goods that are accessories to fit radios and are therefore captured by the final term in the above specification. However, there is no evidence at all of use in relation to goods other than that power supply unit, nor any explanation offered for consideration in the context of proper reasons for non-use. I think that the average consumer would describe the extent of the goods evidenced as a power supply unit for radios. I do not find that the evidence, relating as it does to just a single product, warrants casting the categorisation as widely as "accessories" for all the goods mentioned in Hacker's original specification; it seems to me that the average consumer would describe the goods in evidence as a power supply unit, and that such a description may be considered as an independent subcategory within the wider general term "accessory".
- 19. As an alternative to Roberts's primary position that the evidence filed shows no genuine use at all, Mr Fiddes submitted in his skeleton argument (but did not admit) that the extent of use is in relation to "power supplies to analogue radios", because, as set out in the

evidence, Hacker's power supplies are designed to fit Hacker radios (which Mr Fiddes states were, until 1979, manufactured by Roberts). Although the product evidenced might relate exclusively to analogue radios, as opposed to, say, digital radios, I bear in mind the case law guidance above that protection must not be cut down to those precise goods or in relation to which the mark has been used. At the hearing Mr Fiddes referred me to the TM Class tool as a source of suitable classification terms and he suggested that if I found the evidence warranted any finding of genuine use at all, then the appropriate terminology might be "Power units (transformers)". I am content to adopt that term, but decline to confine the fair specification quite to that extent and would supplement that term with another term widely accepted (harmonised) term from TM Class, namely: "Mains power units (electric -)". I therefore proceed on the basis that a fair specification of the goods may, potentially, be "Power units (transformers); Mains power units (electric -)", but now turn to consider whether the evidence filed is sufficient to warrant a finding of genuine use in relation to such goods based on that fair specification.²

- 20. In defence of these non-use proceedings, Hacker relies on five sales via the internet during the relevant period (up to 7th June 2018), totaling £245. A total of just five sales is clearly a very small number, but the case law states that there is no de minimis rule in assessing genuine use. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods. In particular, I accept that in the present case the product is a specialist accessory for vintage radio enthusiasts that by its nature sells in small volumes.
- 21. Although four of the five receipts at Exhibits GB1- 5 are redacted to remove the customers' addresses, Hacker has taken steps to further corroborate the bona fide authenticity of those sales by writing to each customer. Notwithstanding that only Mr Ireland returned a witness statement in response to Hacker's request, I find that the evidence shows actual use of the mark during the relevant period in relation to the power supply product. I am also satisfied by Mr Barnett's statements that all sales were in the UK, which is also consistent with the three-pinned configuration of the integral mains plug shown bearing the mark (Exhibit GB7).

I appreciate that in deciding most claims involving revocation for non-use, an assessment of genuine use would determine any fair specification, but I find that the starkly limited nature of the evidence of use in this case permits me to entertain the notional fair specification before then determining whether the evidence is sufficient to sustain genuine use even in relation to a constricted range of goods.

- 22. The five sales appear to have been generated between the dates of 10 May 22 May 2018, just prior to the expiry of the five-year period. Submissions on behalf of Roberts questioned whether the use exhibited was simply for the purposes of maintaining the trade mark registration rather than a genuine attempt to establish or maintain a market for the goods within the UK. In its submissions in lieu of attending the hearing, Hacker states that "the launch date of this product was dictated by technical challenges (finding a manufacturer with a product correctly configured and that didn't produce "noise" was more challenging than we had expected) and by commercial considerations, not [as suggested by Roberts's legal representatives] a last moment attempt to keep the mark." While it might have been desirable for Hacker to have filed corroborative evidence (such as relevant communications with its supplier to that effect) I accept that explanation and see no good reason to believe that those sales in the very latter part of the relevant five-year period were sham use. I find that the use of the mark evidenced is more than merely token.
- 23. When I consider all the relevant facts and circumstances, I conclude that despite the truly small scale of sales during the relevant period, the use shown is consistent with the essential function of a trade mark and may be considered to amount to real commercial exploitation of the mark on the market to create or preserve an outlet for the goods in question that bear the mark.

Outcome

24. In relation to the great majority of the goods specified under its registration, Hacker has shown neither genuine use of the mark nor proper reasons for non-use within the relevant period. To reflect the extent of the successful claim, and in accordance with section 46(6)(b) of the Act,³ trade mark registration No. 2653747 is revoked to the extent indicated below and the rights of the proprietor (Hacker) are deemed to have ceased as from 8 June 2018.

Analogue radios; Digital DAB and DAB+ radios; Internet and WiFi radios; Portable radios; Loudspeakers; Audio Amplifiers; Digital sound reproduction equipment including but not

See Tribunal Practice Notice (TPN) 1/2007, which clarifies the calculation of the date of revocation on the grounds of non-use.

limited to MP3 players; Headphones; Earphones; Parts and fittings for the aforementioned goods; accessories to fit the aforementioned goods.

25. Although the whole of the proprietor's specification as originally registered is revoked, the registration may continue in respect of the goods for which genuine use has been shown, and for which I have determined a fair specification, namely:

Class 9: Power units (transformers); Mains power units (electric -)

Costs

26. Roberts has very largely succeeded in its application to revoke the proprietor's registration on the basis of non-use under section 46(1)(a) of the Act and is entitled to a contribution to its costs on the basis of the published scale of costs (Tribunal Practice Notice 2/2016). I have reduced the amounts to take account of the (albeit modest) degree to which the registration survives the revocation application, and of the fact that the applicant in this case filed only brief submissions and that the hearing lasted less than half an hour.

Official filing fee						£200
Considering submissions	the	proprietor's	evidence	and	preparing	£300
Attendance at the hearing						£250
					Total	£750

27. I order Hacker Radio Limited to pay Roberts Radio Limited the sum of £750 (seven hundred and fifty pounds sterling) which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 16th day of August 2019

Matthew Williams	
For the Registrar, the Comptroller-General	