

O-206-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 80118
BY SOCIETATEA COMERCIALA "FARMEC" SA
FOR REVOCATION OF REGISTRATION No. 1524782
STANDING IN THE NAME OF S.C. GEROVITAL COSMETICS S.A.**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 80118
by Societatea Comerciala "Farmec" SA
for Revocation of Registration No. 1524782
standing in the name of S.C. Gerovital Cosmetics S.A.**

Background

1. The trade mark GEROVITAL H3 Prof. D. A. Aslan is registered in the name of S.C. Gerovital Cosmetics S.A. in respect of the following:

"Non-medicated toilet preparations; skin preparations; hair preparations; shampoos and conditioners; creams, lotions and milks; face masks (packs); all included in Class 3."

The registration is numbered 1524782.

2. On 19 October 2001 Societatea Comerciala "Farmec" SA applied for this registration to be revoked in its entirety under the terms of Section 46(1)(b). Specifically they say that the trade mark has not been put to genuine use by the registered proprietors, or with their consent, in the United Kingdom, "for an uninterrupted period of five years up to three months prior to the filing of this request for revocation". Furthermore it is said that there are no proper reasons for non-use.

3. The registered proprietors filed a counterstatement claiming that the trade mark had been put to genuine use in respect of non-medicated toiletries in the United Kingdom between 19 July 1996 and 19 July 2001(I comment in passing that I take these dates to reflect the five years and three months period referred to in the statement of grounds).

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

5. Only the registered proprietors have filed evidence. The case was reviewed by a Registry Hearing Officer who indicated that he did not consider a hearing was necessary. The parties were nevertheless reminded of their right to be heard or to file written submissions. Neither side has requested a hearing. Written submissions have been received from fj Cleveland on behalf of the applicants for revocation (under cover of their letter of 30 June 2003). Acting on behalf of the Registrar and with the above material in mind I give this decision.

The law

6. Section 46 of the Act reads 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) 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.”

Case law

7. The applicants have referred me to a number of authorities bearing on the issue of what constitutes genuine use. I will come to these in the decision below. However, I propose to take as my starting point the following guidance from the European Court of Justice in *Ansul BV and Ajax Brandbeveiliging BV*, Case C-40/01 (judgment of the Court dated 11 March 2003).

- “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.”

Evidence

8. The only evidence filed in support of the registered proprietors’ defence of their registration comes from Lucia Florescu, their Import Export Manager. Ms Florescu’s witness statement is dated 23 January 2002. She says she has held her position “for years” but does not say how long. The information given is said to be from her personal knowledge. The evidence relied on consists of three invoices from the registered proprietors in Romania. They are:

No. 13 dated 16 June 2000 for US\$789.60

No. 16 dated 8 August 2000 for US\$539.00

No. 19 dated 7 September 2000 US\$522.00

9. Numbers 16 and 19 are in English. No. 13 is not. All three show the receiver/buyer as being Graincharm Ltd – T/A Prince Pharmacy at an address in London. The two English language invoices relate to various gels, creams and shampoo/conditioners. There is a box on the invoices headed “Marking, goods’ description, quality, packing, number of packages O.S.O.” which contain the text “Cosmetic products “Gerovital H3 Prof. Dr A Aslan”” along with various tariff codes. The invoices (to the extent at least that they are in English) are said to be on the basis of “payment in advance”.

Decision

10. The applicants’ written submissions offer a number of criticisms. The following points are particularly pertinent:

“These three invoices are not sufficient to counter the application for revocation. The Registered Proprietors have failed to submit any material to suggest that the goods contained in the invoices are sold bearing, or even in relation to, the subject mark. Indeed, while each invoice contains the mark forming the subject of the Registration, it is not being used to indicate the goods contained in the invoices – as far as we know, the use of the mark GEROVITAL H3 PROF. DR. A ASLAN on the invoice is simply an internal reference used by Registered Proprietors. No explanation is provided as to whether the mark has any relationship to the goods contained in the invoices. The Registrar cannot therefore draw any inference that the goods contained in the invoice

were sold under the trade mark GEROVITAL H3 PROF. DR. A. ASLAN or distributed in the UK under this mark.”

and

“Each of the three invoices confirms that the payment conditions are “Payment in Advance”. The Registered Proprietors have not provided any evidence that the invoices were ever paid or, subsequently, that any goods were despatched to the UK, or that goods bearing the subject trade mark ever reached the UK. The mere issuing of an invoice in these terms is not evidence to establish any type of commercial activity, in the UK, under the mark forming the subject of the Registration.”

11. Other criticisms are directed towards the small amount of use claimed and (though perhaps less tellingly) the fact that no explanation is offered to clarify whether the goods covered by the invoices fall within the terms of the specification.

12. In support of these detailed criticisms the applicants have referred me to a number of UK cases which deal with the standard of proof necessary to defeat a revocation action. In *Laboratoires Goemar SA and La Mer Technology*, Cases CH 2001 APP 010568/9, Mr Justice Jacob reminded himself of the obligation placed on a proprietor by Section 100 of the Act to show what use has been made of his mark if challenged and said:

“In 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 i’s dotted.”

13. Although issues arising from that case are currently the subject of a reference to the European Court of Justice I do not think any issue arises on the specific point that evidence needs to be carefully drawn up.

14. In *Philosophy Di Alberta Ferretti Trade Mark* [2003] RPC 15 the Court of Appeal had before it limited evidence on a licence agreement relating to perfumes together with an invoice. Lord Justice Peter Gibson said:

“I cannot see how a court properly directing itself as to the law could conclude on the exiguous and unsatisfactory evidence relied on by the defendant that there was genuine use of the Mark in the jurisdiction in the relevant period. The licence is plainly inadequate for such use. On the assumption, which I would be prepared to make, that the invoice evidenced a genuine sale, I do not see how the Master could properly find that there was a relevant use in the United Kingdom in the relevant period, or that, even if the 500 bottles did reach the associated company of the consignor in England in that period, that was in itself a genuine use when the bottles were plainly not intended for ordinary commercial sale or distribution because of the marking of the contact on them. The whole transaction cries out for an explanation.”

15. Further comments in a similar vein emerge from another case to which I have been referred - a decision of the Appointed Person (Mr S Thorley QC) in *Laboratories Arkopharma SA and American Cyanamid*, O/242/02.

16. It seems to me that, judged by the broad requirements set out in *Ansul* and the standards of proof referred to in the UK cases, the registered proprietors cannot hope to succeed in their defence.

17. I am prepared to accept that the items referred to in the English language invoices relate to goods that fall within the specification of the registration. Furthermore I have no reason to suppose that the transactions that are the subject of those invoices are in any way sham or 'not genuine' in a way that would immediately disqualify them from serving their intended purpose. But beyond that they fall some way short of persuading me that they are sufficient to show that a market has been created or preserved under the mark in this country. As the applicants point out there is no evidence that the invoices were ever paid unless one makes the inference that further orders would not have been taken until the first invoice was paid. No explanation is offered as to Graincharm Ltd's position and in particular whether they are an importer, wholesaler or retailer. No examples of the products or their packaging have been filed in evidence. I am unable, therefore, to say whether the mark that appears on the invoices was applied to the goods if and when they were placed before UK consumers. It may, as the applicants suggest, be simply an internal reference. I simply cannot tell. Furthermore there is no confirmation that the goods were ever supplied or placed on the market in this country.

18. The position is perhaps best summed up by the comment referred to in the *Philosophy Di Alberta Ferretti* case that "the whole transaction cries out for an explanation." Such an explanation might also have embraced the further points of curiosity such as the foreign language invoice and the fact that the invoices are in dollars. The latter, I accept, may simply be the originator's preferred currency for doing business but again I am left to speculate that that is the case.

19. Whether, even if there had been satisfactory answers to these questions, the transactions covered by the invoices would have passed the *Ansul* test, must be doubtful. The characteristics of the goods and the nature of the market would have to be considered. The absence of any supporting information, such as the nature and extent of any promotional and advertising campaigns or other evidence to show that efforts were being made to secure customers, would seem to be against the proprietors.

20. The market for non-medicated toilet preparations etc is likely to be a large one. Experience of such products suggests that there are a large number of traders competing for the attention of consumers. Although I note that the ECJ in *Ansul* did not specifically comment on the issue of continuity of use (raised in the Advocate – General's Opinion on the case) it seems likely that goods of this kind would need to be placed before consumers on something other than an occasional or irregular basis in order to sustain a claim to genuine use in the sense that a market is being created or preserved.

21. I have little hesitation in concluding that for all of the above reasons the application for revocation under Section 46(1)(b) succeeds. The registration will be revoked in its entirety with effect from 19 July 2001 (Section 46(6)).

22. The applicants are entitled to a contribution towards their costs. I order the registered proprietors to pay them the sum of £1000. 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 17th day of July 2003

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