

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION No. 1461059  
IN THE NAME OF C. & J. CLARK INTERNATIONAL LIMITED**

**AND IN THE MATTER OF AN APPLICATION FOR INVALIDITY No. 82098  
BY FOUR STAR DISTRIBUTION**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON  
BY THE APPLICANT  
AGAINST THE DECISION OF MR. G. W. SALTHOUSE  
DATED 10 APRIL 2006**

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**DECISION**

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**Introduction**

1. UK Registration number 1461059 stands in the name of C. & J. Clark International Limited (“the Registered Proprietor”). It comprises the series of two trade marks represented below, which enjoys a filing date of 10 April 1991 and was entered in the Register on 30 April 1993:

CICA



The CICA series is registered for use in relation to:

“Footwear; boots, shoes and slippers; parts and fittings for all the aforesaid goods; all included in Class 25”.

2. On 4 April 2005, Four Star Distribution (“the Applicant”) applied for invalidation of the CICA series. The ground for invalidation was section 47(2)(a) of the Trade Marks Act 1994 as amended (“TMA”) that there is an earlier trade mark to which the conditions set out in section 5(2)(b) obtain. The earlier trade mark relied upon by the Applicant for this purpose was the Applicant’s UK Trade Mark number 1432636 CIRCA applied for on 20 June 1990 and entered on the Register on 18 May 1992 in respect of:

“Suits, articles of underclothing, shirts, T-shirts, sweatshirts, blouses, slacks, trousers, skirts, dresses, jackets, overalls being protective articles of clothing (not for protection against accident or injury), waistcoats, pant-hose, knitted articles of clothing, articles of clothing made from knitted materials, scarves, hats, dressing gowns, bathrobes, articles of sports clothing, articles of outerclothing, sleeping garments, aprons, belts, caps, gloves, tights, jeans, neckwear, swimwear all being articles of clothing all included in Class 25”.

3. In accordance with section 47(2A)(c) TMA and rule 33(2)(e) of the Trade Marks Rules 2000 as amended (“TMR”) the Applicant stated in the application for invalidation that the earlier trade mark CIRCA had been put in genuine use in relation to (statement of grounds, para. 1):

“Shirts, T-shirts, sweatshirts, slacks, trousers, jackets, knitted articles of clothing, articles of clothing made from knitted materials, hats, articles of sports clothing, articles of outerclothing, belts, caps, jeans, articles of underclothing, scarves, gloves and swimwear”.

4. In the counterstatement filed on 13 April 2005, the Registered Proprietor took issue with the alleged ground for invalidation under section 47(2)(a)/section 5(2)(b) of the TMA. While agreeing that the trade marks CICA and CIRCA are very close and that, in respect of the same goods, CIRCA is confusingly similar to CICA, the Registered Proprietor disputed that section 47(2)(a)/section 5(2)(b) was offended because the respective goods at issue were not the same or confusingly similar (counterstatement, para. 5). The Registered Proprietor challenged the locus standi of the Applicant to request invalidation on the ground that the Applicant was not a “person” as required by section 47(3) of the TMA (counterstatement, para. 2) and, without prejudice to the generality of that allegation, called upon the Applicant to show genuine use of CIRCA for all or part of the goods in the earlier registration (counterstatement, para. 3).

5. The Applicant’s evidence included proof that Four Star Distribution is a California corporation into which Circa Footwear, the original owner of UK Trade Mark number 1432636 CIRCA, merged in 2001. The assignment of 1432636 to Four Star Distribution was recorded in the Register on 9 May 2005. The Hearing Officer held that the Applicant had established legal personality and, although not strictly necessary, title to the earlier CIRCA trade mark. There is no challenge on appeal to those aspects of the Hearing Officer’s decision.

## Evidence of use

6. In response, inter alia, to the Registered Proprietor's call for proof of use of the earlier trade mark CIRCA, the Applicant submitted a witness statement of John Raymond Olsen, dated 9 June 2005 (rule 33A(b)(iii) TMR). Section 47(2B), (2C) and (2E) of the TMA provide:

“(2B) The use conditions [of section 47(2A)(c)] are met if:

(a) within the period of five years ending with the date of the application for the declaration [of invalidity] the earlier trade mark has 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, or

(b) it has been so used but there are proper reasons for non-use.

(2C) For these purposes–

(a) 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

(b) 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.

[ ... ]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

It is agreed that (since UK Trade Mark number 1432636 was more than five years old at the date of the application) the five-year period within which the Applicant must show genuine use of CIRCA in the UK is 5 April 2000 – 4 April 2005.

7. Mr. Olsen is a partner in Field Fisher Waterhouse, the Applicant's solicitors. He confirms that he is authorised to make his witness statement on behalf of the Applicant (para. 1). I believe it is true to say that the main evidence of use put forward by Mr. Olsen comprised invoices exhibited at JRO3.
8. The invoices span the period October 1999 – September 2002 and are several in numbers. The majority are headed “Commercial Invoice” and are from Four Star Distribution (Far East) Limited, Kowloon, Hong Kong to Slam City Skates, London, England with a GB VAT number. Mr. Olson explains that Four Star Distribution (Far East) Limited is one of the Applicant's subsidiaries, licensed to use the CIRCA trade mark (para. 5). The invoices

relate to a variety of CIRCA products within the specification of 1432636 including sweatshirts, T-shirts, hats, beanies, pants, jeans, jackets, vests, tank tops, shorts, socks, jersey shirts, shirts, sweaters, pullovers and belts. CIRCA shoes are also included in the invoices (but are not covered by 1432636). The goods in the invoices derive from a number of countries of origin, e.g. USA, Korea, Indonesia, Hong Kong, Taiwan and China and a number of vendors. Payment is in USD. In most cases the delivery terms are: “DDP [delivered duty paid] AMSTERDAM (CLEARED THROUGH CUSTOMS, DUTIES PAID)”. However, a few earlier invoices state delivery terms: “EX-FACTORY AMSTERDAM” or “EX-FACTORY AMSTERDAM (CLEARED THROUGH CUSTOMS)”. Virtually all the invoices say: “Shipped from our Fiscal Representative: ALPI International Forwarders B.V. – Amsterdam” with a NL VAT number.

9. Included at JRO3 are four invoices from Slam City Skates, London to Mischief (S. Binks T/A), Stockton On Tees. The first is dated 2 December 1999 (i.e., four months before the commencement of the relevant five-year use period) and shows CIRCA sweatshirts, hats and shoes. The other three (dated 8 August 2000, 4 September 2001 and 5 September 2002) appear to concern only CIRCA shoes. Finally at JRO3, there are seven May/June 2002 invoices from Four Star Distribution (Europe) AG, Switzerland to Slam City Skates, London, which relate to CIRCA clothing and contain much the same information as the Four Star Distribution (Far East) Limited invoices, i.e., the same delivery terms and Dutch international forwarders, ALPI.
10. Additionally exhibited to Mr. Olsen’s witness statement are a DVD recording of a skateboarding documentary following the CIRCA Footwear European Tour of June 2001 (JRO4) and brochures, catalogues and publications showing use of CIRCA for, inter alia, clothing (JRO5). Most of these appear to be for the USA/Canadian markets. But I notice that the September 2004 issue of the UK magazine SIDEWALK contains pictures of skateboarders wearing CIRCA t-shirts and states that Slam City Skates Ltd is the CIRCA distributor in the UK. Further there is a Slam City Skates sale advertisement in SIDEWALK Magazine (apparently the same issue) that offers CIRCA shoes. (The advertisement features mainly skateboards and shoes).

### **Registered proprietor’s evidence**

11. The Registered Proprietor’s evidence comprised a witness statement of the Company Secretary, Judith Enid Derbyshire, dated 15 July 2005. Ms. Derbyshire deals mainly with the issue of the alleged conflict between the marks. As regards the Applicant’s use of CIRCA, she comments:

“... For all the clearly defined individual items in Registration No. 1432636 for which Four Star say they can show use (shirts, T-shirts, sweatshirts, slacks, trousers, jackets, hats, belts, caps, jeans, scarves and gloves) there can be no doubt that the goods for which CICA is registered are different; no further explanation would seem to be necessary ...” (para. 6)

“I do not need to comment greatly on the evidence Four Star have filed given its nature. In particular, I note that the vast majority of the materials are US brochures (they list at their back stockists with US addresses) and magazines with, presumably, a US circulation. I note, further, that a substantial proportion of the pages contained within the Exhibits are dedicated only to shoes. Four Star’s CIRCA registration is not in respect of shoes and so all their evidence in respect of shoes is not relevant to these proceedings.” (para. 9)

### **Reply evidence**

12. The Applicant submitted a second witness statement of John Raymond Olsen, dated 31 August 2005. This dealt solely with the issue of likelihood of confusion. Mr. Olsen exhibits a decision of OHIM No. 1226/2002 in an opposition by the Registered Proprietor based on Community trade mark number 167882 CICA figurative to the Applicant’s Community trade mark application number 1342799 for registration of the mark CIRCAFOOTWEAR (JRO6). He also exhibits a notice of opposition by the Registered Proprietor based on a number of UK and Community registrations for the CICA word and figurative marks to the Applicant’s UK application number 2311200 for the mark CIRCA<sup>1</sup>.

### **The hearing and events thereafter**

13. The Hearing Officer says in his decision (at para. 12):

“... the issue of whether the applicant had used their mark in the UK did not feature at the hearing. Submissions in writing were sought following the hearing and have been incorporated into the decision.”

14. The Registered Proprietor’s representatives informed me at the appeal hearing that they did try to raise that issue before the Hearing Officer who did not appear to take their points on board. Both are borne out in the transcript of the hearing below at pages 12 – 15 and 21.
15. Following the hearing, the Hearing Officer wrote to the Applicant’s representatives in the following terms:

“... At the hearing the registered proprietor’s representative contended that all evidence of use prior to 29 March 2000 should be disregarded and that a reduced specification should be used when comparing the goods of both parties ...

However, the majority of invoices in bundle JRO3 were from Four Star Distribution (Far East) Limited to Slam City Skates, London. They showed that the goods came from a variety of countries around the world, but not the UK. All the invoices also had “Ex–factory

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<sup>1</sup> The number of the application to which JRO7 relates is wrongly stated in Mr. Olsen’s second witness statement and the Hearing Officer’s decision. Trade mark application number 2311200 was subsequently withdrawn.

Amsterdam”, “DPP Amsterdam” or on one occasion “Free on Board, Korea” marked on them. I believe the term “DDP” stands for “Delivered, Duty Paid”. It therefore seems to me that these documents do not show that any of the goods referred to by the invoices actually reached the UK. I therefore do not believe that they can be considered as evidence of use of the applicant’s mark in the UK ...”

The Hearing Officer invited written submissions from the Applicant and the Registered Proprietor on the contents of his letter.

16. Both parties responded to the Hearing Officer’s invitation. In particular, the Applicant’s representatives explained (Letter from Messrs. Field Fisher Waterhouse to the Hearing Officer dated 3 April 2006):

“... The routing of shipments of products was through Amsterdam to Slam City Skates in London (on the majority of the bills, there is the following information “ALPI International Forwarders B.V. – Amsterdam). Please note that duties are paid on entry into the European Union but the goods were in all cases routed to the addressee/payee, i.e. Slam City Skates.”

#### **The Hearing Officer’s decision**

17. The Hearing Officer dismissed the application on the basis that the Applicant had failed to show use of the earlier mark CIRCA within the period of five years preceding the date of the application for invalidity on any of the goods in UK Registration number 1432636. His findings were as follows (paras. 20 – 23):

“20) Exhibit JRO4 does not show genuine use of the mark in the UK. It shows a number of professional skateboarders performing at various venues around Europe including some in the UK. Clearly, this tour was sponsored by, amongst others, the applicant company. There are three fleeting glimpses of a banner with “CIRCAFOOTWEAR” on it on the floor of one of the arenas. I do not regard this as showing genuine use of the mark in suit on the specification for which it is registered.

21) Exhibit JRO5 shows use of the mark on items of clothing and footwear. However, only some of the items in this exhibit have addresses, and all of these addresses are in the USA or Canada. There is no evidence that these articles were distributed in the UK. I do not consider this to show genuine use of the mark in suit in the UK.

22) Lastly, I consider exhibit JRO3. This exhibit shows a large number of invoices from Four Star Distribution (Far East) Limited based in Hong Kong to Slam City Skates based in London. These invoices show that the goods originate from numerous countries worldwide. But all of the invoices are marked either “ex-factory Amsterdam” or “Delivered Duty Paid (DDP) Amsterdam”. There is no

evidence that these items ever entered the UK, let alone offered for sale in the UK. There are only four invoices which show goods being delivered in the UK. There is one invoice per year for the years 1999-2002 inclusive from Slam City Skates, London to Mischief in Stockton-on-Tees. The first of these, dated December 1999, is prior to the relevant date and therefore cannot be taken into account. The other three invoices are all within the relevant period but show use of the applicant's mark on shoes only.

23) The applicant contends that as the invoices contained within exhibit JO3 also have "ALPI International Forwarders B.V. – Amsterdam" on them that the duty was paid on the goods upon entry into the European Union and en-route to Slam City Skates in London. They also claim that the invoices to Mischief prove that the goods entered the UK. In my view the fact that the invoices have the name of an international forwarder on them does not prove that they were routed to the UK, they could just as easily have been sent to any other country by the "International Forwarder". Similarly, although in December 1999 there is an invoice which refers to sixteen sweatshirts and three caps, bearing the mark CIRCA being supplied to Mischief in Stockton-on-Tees there is no corroborative evidence for anything other than shoes being imported into the UK after April 2000."

### **The appeal**

18. On 8 May 2006, the Applicant filed notice of appeal to an Appointed Person under section 76 TMA. The grounds of appeal were, in short:
- (a) The Hearing Officer failed to address the Applicant's estoppel argument (paras. 3 and 12). I shall return to the estoppel ground later in my decision.
  - (b) The invoices exhibited at JRO3 provided evidence of genuine use in the UK of the CIRCA mark for clothing goods within the relevant five year period. The Hearing Officer failed to give due and proper weight to that evidence. The Hearing Officer misguidedly relied on the references to "Amsterdam" in the invoices (paras. 8 – 10):

"Most of these invoices state "Amsterdam" as being the place of delivery. However, the payee and the addressee of the goods was Slam City Skates [London]. The reason for the importation of the goods into the European Union via Amsterdam is that goods shipped to the European Union through Amsterdam are charged to duty based on the manufacturer's price rather than the wholesale price (as is the case where there is direct importation into the UK). The goods are therefore shipped to Amsterdam and sent via freight forwarder to the UK. This is common practice in the industry ...".

In order to support the second ground of appeal, the Applicant announced an intention to seek permission to file additional evidence on appeal as attached to the statement of grounds of appeal at Annex 2 (para. 11). At my instigation, the Applicant filed a formal request to adduce the additional evidence in a third witness statement of John Raymond Olsen, dated 6 October 2006.

19. At the hearing of the appeal, Mr. Mark Engelman of Counsel, instructed by Messrs. Field Fisher Waterhouse LLP, appeared on behalf of the Applicant. Mr. Thomas Moody-Stuart of Counsel, instructed by Messrs. Stevens Hewlett & Perkins, appeared on behalf of the Registered Proprietor. The Applicant's request for permission to adduce further evidence on appeal was taken as a preliminary issue. After hearing the parties, I decided to allow some but not all of the new evidence into the appeal for the reasons set out below.

### **The new evidence**

20. The new evidence comprised a witness statement of Markus Bohi, dated 8 May 2006. Mr. Bohi is the Chief Executive Officer of the Applicant, a position that he has occupied since 1992. Mr. Bohi refers to the invoices at JRO3 and says these show that CIRCA goods within 1432636 were sold to Slam City Skates, London. He confirms that the reason why the goods were shipped to Amsterdam and then sent by freight forwarder to the UK was to achieve the saving in duties set out above. He adds that this is common practice in the industry. He relies on five exhibits to show that CIRCA clothing was forwarded to Slam City Skates, London by ALPI International Forwarders BV, Amsterdam ("ALPI") in the relevant period. MB1 – MB3 are documents of transport from ALPI to Slam City Skates<sup>2</sup>, dated 27 November 1999, 16 May 2000 and 24 October 2000 respectively. The documents of transport state the Applicant as the supplier. The two later documents of transport mention clothing on their face. Mr. Bohi exhibits the documents of transport together with the invoices from JRO3 to which they reputedly relate. I shall return to that point later in my decision on the preliminary issue.
21. MB4 apparently contains four of ALPI's invoices to Slam City Skates in respect of the transportation of the goods in question. MB5 are various documents of transport by ALPI to Slam City Skates dated in the years 2003 and 2005. They are again said to show delivery of CIRCA goods to Slam City Skates in London via Amsterdam.

### **The principles governing the admission of fresh evidence on appeal**

22. As Mr. Moody-Stuart indicated, the *Ladd v. Marshall* ([1954] 1 WLR 1489 at 1491) criteria are basic to the exercise of my discretion to admit further evidence on appeal but other factors such as those set out by Laddie J. in *Hunt-Wesson Inc's Trade Mark Application (SWISS MISS)* [1996] RPC233 at 242 may be relevant (*LABEL ROUGE Trade Mark* [2003] FSR 13, *DU PONT*

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<sup>2</sup> The destination on MB3 is Merchant Commercial Financial Ltd, Suffolk, which is followed by the description "nominated warehouse UK". "Slam City" is stated next to the cartons of goods.



*Trade Mark* [2004] FSR 15). The three conditions stated by Denning L.J. in *Ladd v. Marshall* are:

"... first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case, although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible".

The additional *SWISS MISS* factors are, the nature of the trade mark, the nature of the objections to it, whether or not the other side will be significantly prejudiced by the admission of the new evidence in a way that cannot be compensated, e.g., by an order of costs, the desirability of avoiding multiplicity of proceedings and the public interest concerned.

23. Mr. Engelman submits that the new evidence seeks to explain rather than add to the existing evidence particularly the invoices at JRO3. The new evidence could not have been submitted earlier because it was not until the decision was received that the Applicant could appreciate that the Hearing Officer would undertake a forensic investigation of the transportation arrangements for the CIRCA goods supplied to Slam City Skates, London. Thereafter the Applicant reacted quickly in view of the facts that: (a) counsel was instructed; and (b) the evidence from the freight forwarders, ALPI, was not within the Applicant's control. He adds that the time scale in the Applicant's case compares favourably with that in *SWISS MISS* where Laddie J. allowed some of the further evidence to be introduced on appeal.
24. Generally speaking, I accept Mr. Moody-Stuart's observation that a party should not be given a second bite at the evidential cherry. However, I believe the present case to be different because of the unusual course followed by the proceedings below. The issue of genuine use in the UK of the earlier CIRCA mark was not aired at the hearing<sup>3</sup>. In particular the Applicant has never been afforded the opportunity to present oral argument on that issue. Moreover, it is apparent that at least the Registered Proprietor's representatives found unclear the scope of the Hearing Officer's post-hearing invitation to submit written submissions (letter dated 31 March 2006, Messrs. Stevens Hewlett & Perkins to Trade Marks Registry). Rule 54(1) of the TMR provides:

"Without prejudice to any provisions of the Act or these Rules requiring the registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings before her, give that party an opportunity to be heard."

Further rule 57 of the TMR states:

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<sup>3</sup> I accept through no fault of either party.

“At any stage of any proceedings before the registrar, she may direct that such documents, information or evidence as she may reasonably require shall be filed within such period as she may specify.”

I believe the proper course of action would have been for the Hearing Officer to resume the hearing below and to make a request for further information from the Applicant in exercise of his powers under rule 57. On the first *Ladd v. Marshall* condition, I am disposed in favour of the Applicant at least as regards those parts of the new evidence that can be characterised as explanatory (i.e., MB1 – MB4 and the corresponding passages in Mr. Bohi’s witness statement.)

25. Turning to the second *Ladd v. Marshall* condition, Mr. Moody-Stuart questions the relevance of the new evidence. He points out that the freight forwarders’ documents of transport at MB1 – MB3 bear different numbering to the supposedly corresponding invoices in JRO3. Those supposedly corresponding invoices, when exhibited to Mr. Bohi’s witness statement have the relevant freight forwarders’ numbers written in by hand on the top right hand corner (e.g. ALPI’s document of transfer dated 16 May 2000 refers to “ENGLAND - EX\* 200160 13 CARTONS CLOTHING”. The JRO3 invoice exhibited next to it (CF0003006) bears the handwritten number “200160” at the top and at the bottom is handwritten “13 ctns”). Similarly he says, the numbers of the transport debit notes at MB4 can only be linked (and then only in respect of two out of four) back to JRO3 through what are obviously handwritten number insertions on the debit notes.
26. In reply, Mr. Engelman engaged in his own forensic exercise. He took me to the ALPI-SLAM CITY transport document at MB3, which contains a coded/numbered list of cartons at box 8. The fifth entry on the list is “CF/0008367 SWEATSHIRTS AND TEE SHIRTS”. The second document at MB3 is a “LOADING LIST FOR SLAM CITY / UK. EX: AMSTERDAM”. The eighth item on that list includes a reference to invoice CF8367 with contents, clothing. Invoice CF0008367 from Four Star Distribution (Far East) Limited to Slam City Skates, London is dated 29 August 2000 and was originally exhibited at JRO3. Invoice CF0008367 is in respect of a significant number of “CIRCA FALL 2000” sweatshirts and T-shirts. Mr. Engelman expressed himself unable to perform a similar forensic exercise with MB1, MB2 or MB4.
27. Mr. Bohi’s exhibit MB5 raises different issues. It contains ALPI transport documents with accompanying (linked) Four Star Distribution to Slam City Skates commercial invoices in the period 2003 – 2005. MB5 shows the shipment of CIRCA clothing and shoes to Slam City Skates in the UK via ALPI, Amsterdam and is clearly pertinent. But, as Mr. Moody-Stuart says, it cannot be characterised as explanatory of the Applicant’s original evidence since the invoices at JRO3 covered only the years 1999 – 2002. MB5 is entirely new and the Applicant has provided no cogent explanation for its late delivery.

28. Over and above querying its relevance, no challenge was made to the credibility of the new evidence in the sense of the third *Ladd v. Marshall* condition. Mr. Bohi's witness statement of course carried a statement of truth.
29. Mr. Moody-Stuart argues that the prejudice suffered by his client if the new evidence is admitted is obvious. It might increase the chances of the Applicant's appeal being successful and the Registered Proprietor would then need to defend the invalidity proceedings. Mr. Moody-Stuart recognised that his submission could be regarded as unattractive and I am satisfied that any such prejudice can adequately be compensated in costs. The Applicant argues that refusal of the new evidence will lead to multiplicity of proceedings. If unsuccessful on appeal, the Applicant will start invalidity proceedings afresh with the new evidence of use. Finally the Applicant put forward some public interest points like: (i) the CIRCA/CICA sequence might be generic to clothing given the apparent co-existence of the two marks in question on the register; and (ii) competitors might be tempted to launch infringing products because of the state of the register as it now stands, which I consider to be esoteric. All in all, I believe the additional *SWISS MISS* factors to be neutral in the present case.

### **Conclusion on the new evidence**

30. For the reasons stated above and in accordance with the overriding objective, I decided to allow MB1 – MB3 into the appeal. Although Mr. Engelman could only conduct his forensic exercise in relation to MB3 that sufficed to persuade me in the absence of further challenge from the Registered Proprietor that the transport documents at MB1 and MB2 related to their said JRO3 invoices. Mr. Moody-Stuart additionally objected to MB1 on the ground that being dated 27 November 1999 it was outside the relevant five-year period (5 April 2000 – 4 April 2005). I accepted Mr. Engelman's submissions (discussed below) that evidence of use must be judged overall and in the context of the circumstances in any particular case. MB1 falls only just outside the relevant five-year period and in my view provides context to MB2, MB3 and the evidence originally adduced at JRO3. I did not permit either MB4 or MB5 to be introduced into the appeal. The debit notes at MB4 are not obviously related to use of the CIRCA mark on clothing in the UK and Mr. Engelman was unable to persuade me otherwise. In any event, I do not believe that they add anything over and above MB1 – MB3. MB5 cannot be characterised as explanatory of the original evidence. It comprises entirely new evidence and no satisfactory reasons were given for the late delivery. Lastly, Mr. Bohi's witness statement was admitted with the exception of paragraphs 8 and 8 (sic.), which concern MB4 and MB5 respectively<sup>4</sup>. That includes paragraph 4 where Mr. Bohi gives the reason for the importation of the goods into the European Union via Amsterdam. Mr. Moody-Stuart confirmed that he had no objection to the latter in view of my determination regarding MB1 – MB3.

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<sup>4</sup> Paragraph 9 was also disallowed because it did not really add anything.

### **An adjournment?**

31. At this point I paused the proceedings to offer the Registered Proprietor an adjournment. The Registered Proprietor had indicated in its skeleton argument and at the commencement of the hearing before me, that it might wish to respond to any new evidence allowed into the appeal with further evidence of its own. An adjournment would provide the Registered Proprietor with an opportunity to do this. After taking instructions, Mr. Moody-Stuart confirmed that an adjournment would be unnecessary. His client did not wish to respond with further evidence, just argument. Both parties agreed that I should proceed with the substantive appeal.

### **Genuine use in the UK**

32. Mr. Engelman took me to the leading authority of Case C-40/01, *Ansul BV v. Ajax Brandbeveiliging BV* [2003] ECR I-2439. In that case, the Court of Justice of the European Communities (“ECJ”) interpreted the concept of ‘genuine use’, as used in Articles 10 and 12 of Directive 89/104/EEC (section 46 TMA), as follows:
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 the 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.
  40. Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.
  41. That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the same mark under the conditions described in paragraphs 35 to 39 of this judgment. Since the parts are integral to those goods and are sold under the same mark, genuine use of the mark for those parts must be considered to relate to the goods previously sold and to preserve the proprietor's rights in respect of those goods.
  42. The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services which, though not integral to the make-up or structure of the goods previously sold, are directly related to those goods and intended to meet the needs of customers of those goods. That may apply to after-sales services, such as the sale of accessories or related parts, or the supply of maintenance and repair services ...”.
33. Mr. Engelman says that the invoices exhibited at JRO3, show that the use made of CIRCA for goods within 1432636 with the Applicant’s consent is neither token nor internal. Relevant goods under the CIRCA trade mark were sold to two retailers in the UK: Slam City Skates Limited and Mischief (S. Binks T/A). The transactions in those goods were outward and consistent with the essential function of the trade mark, i.e., to guarantee origin. Moreover, the evidenced transactions in the goods were significant in quantity.
  34. Mr. Engelman highlights passages in paragraphs 37 – 39 of the ECJ’s judgment in *Ansul* to the effect that in assessing whether there has been genuine use of a trade mark the tribunal must have regard to all the circumstances of the case. Here he was especially addressing: (i) the three

invoices at JRO3 (including one from Slam City Skates to Mischief for *inter alia* CIRCA clothing) dated between October – December 1999, i.e., just before the relevant five-year period; and (ii) the invoices at JRO3 relating to CIRCA shoes. He submits that these show a continuous pattern of trading by his client under the CIRCA mark in the UK with two retailers. Although the documents at (i) and (ii) cannot *per se* prove genuine use in the UK, they can provide the background for other uses during the period in question.

35. Mr. Engelman makes the valid point that in *Ansul* the ECJ accepted that there could be genuine use of a trade mark through the supply of branded spare parts and/or maintenance/repair services for goods previously sold. That indicated that a tribunal was able to look to events occurring before the relevant five-year period, in Mr. Engelman's words "to establish the context". In the next authority to which he referred, Case C-259/02, *La Mer Technology Inc. v. Laboratoires Goemar SA* [2004] ECR I-1159, the ECJ signified that circumstances occurring after the five-year period might be taken into account for that purpose (para. 33). At first instance in *La Mer* [2002] FSR 790, Jacob J. said that the trade mark owner could rely on sales within the relevant period of other goods as evidence of the genuineness of his trade in goods within the registration (page 801) – but not to establish use.
36. In *La Mer*, the ECJ by means of a reasoned order reaffirmed the principles it had laid down in *Ansul*. In addition, the Court confirmed "use of the mark by a single client which imports the products for which the mark is registered 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 of the mark" (para. 24). The facts of *La Mer* were that modest quantities of goods bearing the mark of French proprietors were sold and delivered to an agent in Scotland. The agent went out of business and there was no evidence that the goods ever came to the attention of members of the public as consumers or end-users. When the case returned to the UK courts from the ECJ, the Court of Appeal held ([2005] ETMR 1324) that the French proprietors had succeeded in proving genuine use in the UK. The sales to the Scottish agent were at arm's length. The fact that there had been no onward sales did not mean that the sales were either internal or akin to internal. The ECJ had not ruled that the retail or end-user market is the only relevant market:

"Trade marks are not only used on the market in which goods bearing the mark are sold to consumers and end users. A market exists in which goods bearing the mark are sold by foreign manufacturers to importers in the United Kingdom. The goods bearing the *La Mer* mark were sold by Goëmar and bought by Health Scope Direct in arm's length transactions. The modest amount of the quantities sold and the more restricted nature of the import market did not prevent the use of the mark on the goods from being genuine use on the market".  
(Mummery L.J. at para. 33)

"However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a

trade mark” as explained in paragraphs [36] and [37] of the judgment in *Ansul*, it appears to me that genuine use for the purpose of the Directive will be established”. (Neuberger L.J. at para. 48).

37. Mr. Engelman submits that uses in invoices to a UK addressee suffice to show genuine use of the mark. It is unnecessary for the goods concurrently to exist. In support, he relies on three cases decided under the Trade Marks Act 1938 as amended, which he says remain good law for his point. In *HERMES Trade Mark* [1982] RPC 425, a non-use attack was averted through use of HERMES in orders to suppliers prior to placing HERMES watches on the market. In *REVUE Trade Mark* [1979] RPC, the proprietor was able to rely on use in price lists, advertisements in catalogues and customer orders prior to delivery of the goods from the manufacturers. *800-FLOWERS Trade Mark* [2002] FSR 191 concerned *inter alia* Internet use. Buxton L.J. observed:

“The very idea of ‘use’ within a certain area would seem to require some active step in that area on the part of the user that goes beyond providing facilities that enable others to bring the mark into the area. Of course, if persons in the United Kingdom seek the mark on the Internet in response to direct encouragement or advertisement by the owner of the mark, the position may be different; but in such a case the advertisement or encouragement in itself is likely to suffice to establish the necessary use”.

38. Still on the subject of advertisements, Mr. Engelman referred me to *Euromarket Designs Inc v. Peters and Crate & Barrel Ltd* [2001] FSR 288 decided under the TMA. Discussing infringing use for Article 5 of the Directive, Jacob J. said:

“The right question, I think, is to ask whether a reasonable trader would regard the use concerned as “in the course of trade in relation to goods” within the Member State concerned. Thus if a trader from state X is trying to sell goods or services *into* state Y, most people would regard that as having a sufficient link with state Y to be “in the course of trade” there. But if the trader is merely carrying on business in X, and an advertisement of his slips over the border into Y, no businessman would regard that fact as meaning that he was trading in Y.”

39. As to the currency of these authorities, Mr. Engelman re-referred me to paragraph 37 of the ECJ’s judgment in *Ansul*:

“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.*” (emphasis added)

Mr. Engelman points to the decision of the ECJ in Case C-416/04 P, *The Sunrider Corp v. OHIM*, 11 May 2006 to confirm the sufficiency for genuine use of invoices addressed to a single customer (para. 76).

40. Lastly, Mr. Engelman adds that in any event MB1 – MB3 prove that CIRCA clothing the subject of JRO3 invoices was delivered to Slam City Skates, UK within the five-year period.
41. Mr. Moody-Stuart accepts that the Applicant's use is neither token nor internal. His case is that the Applicant has not shown use *in the UK*. While import into the UK may be sufficient, the Applicant has failed to provide proof of import. Placing an order and being invoiced in the UK is not enough. Although the goods got as far as Amsterdam, the extra link is missing. Slam City Skates could have requested delivery of the goods in, say, France. However, Mr. Moody-Stuart concedes that if I accept MB3 as showing delivery in the UK then the Applicant has succeeded in showing limited genuine use of CIRCA for the goods listed in invoice number CF0008367. Mr. Moody-Stuart endeavoured to attack the reliability of MB3 on the basis that the copy of invoice CF0008367 at MB3 runs over 3 pages whereas the copy of invoice CF0008367 at JRO3 runs over 2 pages. The contents of both copies of the invoice are identical and the difference in numbers of pages can be explained by the way they were printed out or transmitted. I rejected his attack.

### **Conclusions**

42. The Hearing Officer did not have the benefit of this extensive review of the case law. The matter was not aired before him. In my view, he did not assess the original evidence in context and failed to have regard to all the circumstances of the case. JRO3 contains a significant number of invoices most of which are within the relevant period. The few that are marginally outside the period provide context. The CIRCA mark appears on all the invoices and many are for items of clothing covered by 1432636. The majority of the invoices are from the supplier, Four Star Distribution (Far East) Limited, a subsidiary of the Applicant using the CIRCA mark with consent. Those invoices are all made out to Slam City Skates with an address in London, UK. The delivery terms are generally stated to be "DPP Amsterdam" and the goods are: "Shipped from our Fiscal Representative: ALPI International Forwarders B.V. – Amsterdam". There is nothing on the face of the invoices to suggest that the goods were shipped to anywhere other than to the addressee of the invoices – Slam City Skates in the UK. The second type of invoice at JRO3 is from Slam City Skates, London to Mischief (S. Binks T/A), Stockton On Tees. The first is for the sale of CIRCA clothing but is dated 2 December 1999, just outside the relevant period. The three remaining invoices are within the relevant period but for CIRCA shoes, not covered by 1432636. The Applicant cannot rely upon the Mischief invoices to establish use. But it can rely upon the Mischief invoices as a backdrop against which to assess the other evidence of use. I reject Mr. Moody-Stuart's contention that such invoices can only be relied upon to show the genuineness of any use. There is nothing in *Ansul* or *La Mer* to suggest that background evidence cannot go to territory of use. The Hearing Officer appears to have missed the reference in *SIDEWALK Magazine*, September 2004 (published,



printed and circulated in the UK) to CIRCA goods being distributed in the UK by Slam City Skates Ltd.

43. In short, I believe that had the Hearing Officer read the Applicant's original evidence fairly he would have arrived at the conclusion that the Applicant had succeeded in showing genuine use of the CIRCA mark for goods within 1432636 in the UK. Mr. Bohi's evidence, which I earlier allowed into the appeal, reinforces that conclusion.

44. I turn to consider the scope of use in the relevant period across the specification of Registration number 1432636. I am satisfied that there has been genuine use of CIRCA in the UK by the Applicant or with its consent for the following goods:

“Shirts, T-shirts, sweatshirts, slacks, trousers, jackets, knitted articles of clothing, articles of clothing made from knitted materials, hats, articles of sports clothing, articles of outer clothing, belts, caps, jeans and articles of underclothing”.

However, contrary to the Applicant's claim, I find that there is no evidence of use of the mark for scarves, gloves or swimwear (or the remainder of goods listed in 1432636).

45. The Applicant's appeal having been successful, I will remit the case to the Registry for determination of the Applicant's application for invalidity under section 47(2)(a)/section 5(2)(b) of the TMA. In accordance with section 47(2E) of the TMA that application shall be deemed to be based on the goods listed at paragraph 44 above in respect of which I have decided genuine use in the UK to be established.

46. Lastly, I make mention of the Applicant's estoppel argument, which Mr. Engelman did not pursue the appeal hearing – wisely, in my view, because the oppositions on which that argument relies involve different trade marks.

47. On the one hand the Applicant has been successful in its appeal and the costs order below is set aside. On the other hand, I have determined that the Registered Proprietor should be compensated for any prejudice it has suffered through the introduction of fresh evidence on appeal. I believe the question of costs to be evenly balanced between the parties. I will therefore make no order for costs on the appeal. The costs of the application for invalidity are to be determined by the Registrar.

Professor Ruth Annand, 20 December 2006

Mr. Mark Engelman instructed by Messrs. Field Fisher Waterhouse LLP appeared as Counsel on behalf of Four Star Distribution

Mr. Thomas Moody-Stuart instructed by Messrs. Stevens Hewlett Perkins appeared as Counsel on behalf of C. & J. Clark International Limited