



O-100-13

TRADE MARKS ACT 1994

**IN THE MATTER OF
CONSOLIDATED APPLICATIONS Nos.16183 & 16184
BY PHO HOLDINGS LIMITED
FOR REVOCATION OF THE INTERNATIONALTRADE MARKS
Nos. 878514 & 883851
STANDING IN THE NAME OF
AUREFLAM CORPORATION**

BACKGROUND

1) The following trade marks are registered in the name of Aureflam Corporation (hereinafter AC).

Mark	Number	Date of UK designation/ publication	Class	Specification
	M878514	24.10.2005 / 04.08.2006	43	Restaurant services.
	M883851	30.12.2005 / 04.08.2006	43	Restaurant services.

2) By two applications both dated 30 November 2011 Pho Holdings Ltd (hereinafter PHL) applied for the revocation of the registrations under the provision of Section 46(1)(a) claiming there has been no use of the trade marks on the services for which they are registered in the five year period post registration. Revocation dates of 9 November 2011 for both marks were sought.

3) On 3 February 2012 AC filed two counterstatements denying PHL's claims stating that the marks had been used.

4) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither party wished to be heard although both provided written submissions, either in evidence or separately, which I shall refer to as and when required in my decision.

AC'S EVIDENCE

5) AC filed a witness statement, dated 12 April 2012, by Mr Nguyen, the President of AC. He states that his company is a USA based corporation and owner of a chain of Vietnamese restaurants called Pho Hoa Noodle Soup in the USA. He states that the success of his business lies in its soup products which can be made without complicated training and time consuming processes. He states that this is how his company has expanded into Canada, Korea and the Philippines. He states that he expects the market in the UK, Europe and the Middle East to develop in a similar manner. He states that the expansion has been achieved by franchising, and so in early 2010 his company began extending its franchise network into Europe and the Middle East. They began working with a UK based company World Franchise Centre (WFC) in order to attract new franchises in the UK, Europe and Middle East. Mr Nguyen states:

“Since March 2010 my company has been actively advertising and seeking franchisees across its target markets. In addition to advertising, my company has worked with WFC to directly contact potential UK franchisees across the restaurant, hotel and entertainment sectors.”

6) Mr Nguyen also provides the following exhibits:

- BN-01: This consists of a copy of a menu used in the restaurants. It shows use of the mark M883851.
- BN-02: This consists of a copy of an email dated 14 April 2010 from WFC confirming that an entry for AC was on the website of WFC. It also includes a copy of the website page, which it is said as run continuously since this date. The exhibit is rather poorly copied. There is no use on the website of M883851. The name of the company is shown in a similar style to the manner in which it appears in M878514 but there are differences. The website makes it clear that it is seeking franchisees in the Middle East, Europe, Indonesia, Japan and China. Clearly from the number of franchisees in the USA (28), South Korea (23), Canada (12) Singapore (2) Malaysia (1) and Macoa (1) there is also scope for further expansion. Nothing about the website is particularly aimed at Europe other than stating that it is an expansion area whilst the UK does not even get mentioned *solus*.
- BN-03: This consists of a copy of an email, dated 9 October 2010, from a potential UK franchisee. All the email states is the individual's name (Mr Nyig Tin) who gives his country as the UK but gives no actual address and indicates he is seeking details of the franchise and start up costs.

PHL's EVIDENCE

7) PHL filed two witness statements. The first, dated 21 June 2012, is by Duncan Andrew Welch, their Trade Mark Attorney. He states that AC have yet to open a franchise outlet in Europe according to their own website which he searched, but does not say when. Whilst he provides a copy of the website at exhibit DAW2 this is undated. He also states that AC have re-filed their marks under numbers 2605606 and 2605714 on 29 December 2011. He contends this action was because AC knew their International Registrations would be removed for non-use.

8) The second witness statement, dated 13 June 2012, is by Stephen Wall the Managing Director of PHL. He comments upon the evidence of AC which does not assist my decision.

9) That concludes my review of the evidence. I now turn to the decision.

DECISION

10) The revocation action is based upon Section 46(1)(a) of the Trade Marks Act 1994, the relevant part of which 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)
- (c)
- (d)

(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.”

11) PHO alleges that the marks have not been used in the five years subsequent to their registration. Both international marks were published in the UK on 4 August 2006. The period in question is identical for both marks, 6 November 2006 to 5 November 2011.

12) AC claims that there has been use of the trade mark. The provisions of Section 100 of the Act make it clear that the onus of showing use rests with it. It reads:

“100. 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.”

13) In *Laboratories Goemar SA's Trade Mark (No. 1)* [2002] F.S.R. 51 Jacob J (as he was then) said:

“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.”

14) In determining the issue of whether there has been genuine use of the marks in suit I look to case O-371/09 (*AMBROEUS*) where Ms Anna Carboni acting as the Appointed Person set out the following summary:

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

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

(c) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

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

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

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

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

(f) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

15) AC has provided no instances of use of International Trade Mark M883851, other than on menus used in its restaurants, of which there are none in the UK or EU. **As AC has not used its mark M883851, the revocation action against this mark succeeds.**

16) I now turn to consider the use relied upon for mark M878514. This is registered for “restaurant services” in class 43. It is contended that this mark has been used on a website advertising for franchisees in Middle East, Europe, Indonesia, Japan and China. I note that AC has not provided any instances of advertising in the UK or Europe to promote the website. It simply relies upon the fact that a website exists, aimed at a global audience given the areas where franchisees are sought. The only instance of anyone visiting the site is an email, dated 9 October 2010, from Mr Nyig Tin, who has clicked on the drop down box that he resides in the UK. There are no details regarding his address or even email address, which must have been provided as he was seeking details regarding the franchise. It is possible that he clicked on the wrong country of origin and this was made clear from his other details. It is strange that AC saw fit not to file any evidence that it followed up this potential franchisee. Further, AC has not filed any evidence to show that

the website was one which was viewed by potential franchisees in the UK or EU. I do not consider that simply putting a single entry into a website which, by definition, is seeking global franchisees is creating a market in the services and cannot be regarded as genuine use. **Therefore, the revocation action against trade mark M878514 succeeds.**

17) I must also consider the comments of the CJEU in Case C-246/05 *Armin Haupl v Lidl Stiftung & Co. KG* and also Mr Purvis Q.C. acting as the Appointed Person in case O-276-09 in relation to the proviso under Section 46 (1) regarding proper reasons for non-use. In the instant case AC has not made any submissions regarding reasons for non-use.

CONCLUSION

18) My findings in paragraphs 15 and 16 above result in trade marks M878514 and M883851, being revoked. The effective dates for both revocations is 9 November 2011.

COSTS

19) PHL has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the other sides evidence	£800
Expenses	£200
TOTAL	£1300

20) I order Aureflam Corporation to pay Pho Holdings Ltd the sum of £1300. 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

**George W Salthouse
For the Registrar,
the Comptroller-General**