

O-491-15

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS INVOLVING:

TRADE MARK REGISTRATIONS 1291432, 1354365 & 2389271
IN THE NAME OF JOHNNY ROCKETS LICENSING CORPORATION
OF THE FOLLOWING THREE TRADE MARKS:





JOHNNY ROCKETS

AND

APPLICATIONS (500688/89/90) TO REVOKE ON GROUNDS OF NON-USE
BY EDDIE ROCKETS (IRELAND) LIMITED

Background and pleadings

1. The following trade marks are owned by Johnny Rockets Licensing Corporation (“the proprietor”).

Relevant details	Mark	Specification
Registration 1345365 which was filed on 11 August 1988 and entered on the register on 13 August 1993.		Class 25: Articles of outer clothing; jackets, T-shirts, sweatshirts, aprons, caps, hats; all included in Class 25.
Registration 1291432 which was filed on 30 October 1986 and entered on the register on 23 August 1991.		Class 42: Restaurant, cafe, cafeteria, snack bar and catering services; all included in Class 42
Registration 2389271 which was filed on 12 April 2005 and entered on the register on 30 September 2005.	JOHNNY ROCKETS	Class 43: Restaurant, cafe, cafeteria, snack bar and catering services; all included in Class 43

2. Eddie Rockets (Ireland) Ltd (“the applicant”) requests revocation of the three marks on grounds of non-use. It alleges, under section 46(1)(a) of the Trade Marks Act 1994 (“the Act”), non-use in the respective five year periods following the dates on which they were entered on the register. It also alleges, for all three registrations, non-use under section 46(1)(b) in the period 1 October 2009 to 30 September 2014.

3. The proprietor filed a counterstatement claiming that the marks have been used. The proceedings were consolidated.

4. The proprietor is represented by Stobbs, the applicant by FR Kelly. The proprietor filed evidence, the applicant filed written submissions in response. A hearing took place before me on 8 September 2015; Mr Stobbs (of Stobbs) represented the proprietor and Mr Kelly (of FR Kelly) represented the applicant.

Legislation and case-law

5. The provisions relating to revocation are contained in section 46 of the Act, the relevant parts of which read:

“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)

(d)

(2) For the purpose 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.”

6. Section 100 is also relevant; this 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.”

7. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) 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].

(2) 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].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) 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].

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

(b) 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].

(5) 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]; *Sunrider*, [70]-[71].

(6) 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]; *Sunrider*, [72]”

8 Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of a mark qualifies as genuine use.

The proprietor’s evidence of use

9. The proprietor’s witness is Mr Scott Chorna, its senior vice president of international development. I do not need to detail all of his evidence, but it has all been taken into account. It is clear from the evidence that the opponent is a US company which operates a chain of restaurants called Johnny Rockets, primarily in the US, but also in a number of other countries. Given that these revocation proceedings concern UK registrations, I will focus on the UK use that is relied on. It is claimed by Mr Chorna that Johnny Rockets restaurants operated in the UK until the 1990s, but no further detail of this is given. Mr Stobbs did not rely on this at the hearing so I will say no more about it. The essence of the use relied upon relates to the existence of Johnny Rockets restaurants onboard certain Royal Caribbean cruise ships, some of which will have docked in the UK (specifically Southampton).

10. Whilst there are a total number of 12 ships with such onboard restaurants, it is three in particular that Mr Chorna states would have docked at Southampton between October 2009 and 30 September 2014 (a period of time relevant to the section 46(1)(b) period):

- i) Adventure of the Seas (years of docking 2013 and 2014);
- ii) Independence of the Seas (2010 to 2014 inclusive); and
- iii) Oasis of the Seas (2014).

11. Mr Chorna provides a document¹ and makes supporting statements about the average number of passengers that would have been onboard each ship whilst docked and how many of those people were from the UK. He also provides a

¹ Exhibit SC8

document² which shows the planned docking schedules for Royal Caribbean cruise ships, albeit for cruises taking place after the relevant period on different ships. He highlights that one ship was to dock 19 times in a particular six month period and another 15 times. The ships, of course, dock in many other places, all over the world. Mr Chorna states that similar docking schedules would have been in operation for the above three ships during the period under discussion. He consequently estimates, based on these two sources of information, that the total number of UK passengers onboard the three cruise ships whilst docked in Southampton were: 40-60k per year in 2010, 2011 & 2012 and 70-90k in 2013 & 2014.

12. In terms of evidence relating to sailings and schedules, I note the following exhibits:

- Exhibit JC2 is a website print from royalcaribbean.co.uk showing some cruise itineraries.
- Exhibit JC4 contains a deployment summary for Royal Caribbean ships, showing cruises which depart/finish in Southampton. This is, again, for a period after the relevant period.
- Exhibit SC7 is a spreadsheet detailing when the three ships travelled through Europe and docked in Southampton between 2010 and 2014. The copy of this document provided to the tribunal was very unclear. A clearer copy was submitted after the hearing. It identifies the three ships (by initials), the year, and a list of ports (including Southampton). It seems that Southampton is a more likely to be a main port at which cruises begin and end as opposed to being a destination port.

13. In terms of the use of the mark, I note that in Exhibit SC9 there is a print from the website royalcaribbean.co.uk. Its quality is not great, but I can see that there is information provided about the ship Adventure of the Seas and in a section entitled "Dining on Adventure of the Seas", Johnny Rockets is listed twice, firstly as an example of casual dining, secondly as part of a list of 5 places identified as "Our Speciality Restaurants" which apparently can be accessed for a small extra fee.

14. Mr Chorna also includes a menu³ used onboard the cruise ships. The stylised marks are used (albeit within a circle border with the words "AT SEA" underneath). The menu has information on the "Johnny Rockets Story". The food offered is in a US diner style, no prices are listed. The same exhibit also contains various photographs showing the restaurant onboard various cruise ships (which ships and when is not detailed). It is explained by Mr Chorna that because Royal Caribbean operates on an all inclusive basis, turnover figures cannot be provided.

15. Mr Chorna states that the opponent attended the March 2014 British International Franchise Exhibition in London. It had a booth at the exhibition - Exhibit SH12 has pictures of it showing the mark as used on the menu. Exhibit SC13 contains a program for the event which included a talk entitled "Meet the franchises

² Exhibit SC3

³ Exhibit SC10

bringing American brands to the UK". This includes Johnny Rockets, amongst others. Further to this, the opponent signed a contract in October 2014 with a franchise development company to find appropriate franchise candidates in the UK. Finally, it is stated that the opponent's Facebook page has 3182 fans from the UK; the total number of fans is over 200k, just over 100k in the US and 100k elsewhere.

Analysis and findings

16. Genuine use is concerned with real commercial exploitation aimed at maintaining or creating an outlet for the goods or services in the relevant market. One of the registrations is for clothing items, but Mr Stobbs accepted at the hearing that no use could be relied upon and, therefore, he did not resist the application to revoke that mark. The other two registrations are for, essentially, restaurant services. Consequently, for a positive finding of genuine use to be made, I must be satisfied that there has been use of the marks aimed at maintaining or creating an outlet for restaurant services in the UK.

17. One of the points raised by Mr Stobbs was that when the cruise ships were docked in Southampton, not insignificant numbers of people (people mainly from the UK, but also from elsewhere) would have dined at the Johnny Rockets' restaurant. Thus, they were dining at the restaurant whilst it was located in the UK. I asked Mr Stobbs if any of the evidence showed that the restaurant was actually open whilst docked in the UK (or alternatively whilst sailing in the territorial waters of the UK). He could not take me to such evidence. However, his submission was that it would be reasonable to infer that all the facilities of a cruise ship would all be open when passengers board. In particular, he submitted that going to get a meal would be one of the first things a passenger would do and that the cruise ship would inevitably meet such demand. Mr Kelly was highly critical of the evidence in general, being based largely on future sailing schedules. He also submitted that it had not been established that anyone had eaten in the restaurants whilst in the UK.

18. In terms of the general criticisms of the evidence, I agree that it would have been far better for more precise data to have been provided. Nevertheless, on the basis of Mr Chorna's testimony, together with the supporting documents he has provided, I accept certain facts:

- i) I accept that three different Royal Caribbean cruise ships with on-board Johnny Rockets' restaurants docked in Southampton a number of times during the relevant period (or at least the section 46(1)(b) period).
- ii) I accept that not insignificant numbers of UK consumers would have been onboard such ships whilst docked in Southampton.
- iii) I accept the evidence that the docking schedules of the three ships would at least have been similar to the current schedules, so meaning that tens of thousands of UK passengers would have embarked and disembarked at Southampton.

19. However, there are certain facts I cannot accept. I cannot accept that any of the passengers dined at Johnny Rockets whilst the ship was docked in Southampton. I

make this finding for a number of reasons. Firstly, there is no evidence as to the exact amount of time the ship would have been docked in Southampton. In any event, the first process upon docking would be to get the disembarking passengers off the ship and to then make the ship ready for the new embarking passengers. Consequently, there may be little time for passengers to either dine whilst in the process of disembarking or to dine as soon as they embark. Even if there was time, I do not agree with Mr Stobbs that it can be inferred that all the restaurants (of which there are a number) would have been open, particularly given that this is one of the restaurants that charge a cover fee. It would have been a relatively simple exercise for evidence to have been filed showing the opening times of the restaurant and whether there was any deviation from this on embarking/disembarking day. Thus, to the extent that Mr Stobbs relied on genuine use having taking place on account of people dining in the restaurant whilst physically located in Southampton, that submission is rejected.

20. Mr Stobbs also relied on the fact that UK passengers would have dined at the Johnny Rockets' restaurant whilst onboard at some other point during the cruise. He submitted that as food is one of the key attractions for cruise passengers, it could reasonably be inferred that most passengers would have tried all the onboard restaurants, including Johnny Rockets. There are two problems with this submission. Firstly, although the relevant website print is very unclear, it seems to be the case that the Johnny Rockets restaurant is one of a number which charge a cover fee. Whilst the fee is not set out in evidence, whatever it was may put off many potential diners. The second problem is that certain passengers may simply not like the type of food being offered. These two factors combined mean that I cannot accept that the majority of the tens of thousands of UK passengers aboard the ships would have dined at Johnny Rockets. Nevertheless, I think it reasonable to infer that some UK passengers would have dined there at some point during the cruise. The numbers of such people cannot be estimated with any degree of precision, but it is likely to have been more than a trivial number. The question that remains is whether this, together with any other use, constitutes genuine use.

21. The findings made so far mean that the use (in terms of the actual use of the service) is not in the UK. However, whether the dining took place inside or outside of the UK (or its territorial waters) may not be the be all and end all of matters. It is the whole nature of the use which must be considered and it is necessary to assess what the use was aimed at. As part of this analysis I must also take into account that the existence of Johnny Rockets' restaurant onboard the cruise ships was highlighted on royalcarribbean.co.uk.

22. Having considered all of the evidence and submissions, it is my view, regardless of where the dining took place, that the use is not aimed at creating or maintaining a share of the restaurant market in the UK (or with UK consumers). I come to this view for a number of reasons. Firstly, a cruise ship travels in many places. From the itineraries provided, the ships in question spend a good deal of time in North America as well as in Europe, for which some of the cruises use Southampton as an embarkation/disembarkation point. Thus, there is nothing particularly telling about the simple presence on such a ship of an onboard restaurant in terms of creating or maintaining an outlet on the market in question. Whilst the UK Royal Caribbean website has information about the ships that can be cruised upon together with an

indication as to the dining facilities (including the Johnny Rockets restaurant), this strikes me as nothing more than a simple indication of onboard facilities. It is not, in my view, indicative of a form of use which is attempting to create or maintain an outlet in the relevant market. **The proprietor has failed to establish that genuine use has been made of any of the marks.**

23. For sake of completeness, I should add that even if had been persuaded that some UK (or any other nationality) passengers had dined at the restaurant whilst docked in the UK (or sailing in UK territorial waters) then my finding would be the same. It is the nature of the use which is the primary problem in meeting the genuine use test.

24. The registrations are revoked as follows:

- i) Registration 1345365 with effect from 13 August 1998
- ii) Registration 1291432 with effect from 23 August 1996.
- iii) Registration 2389271 with effect from 30 September 2010.

Costs

25 The applicant has succeeded and is entitled to a contribution towards its costs. I take account that the cases were consolidated which would have saved costs. My assessment is as follows:

Official fees x 3 - £600

Preparing statements and considering the other side's statements - £600

Considering evidence and submissions in response - £600

Attending the hearing - £400

Total - £2200

26 I therefore order Johnny Rockets Licensing Corporation to pay Eddie Rockets (Ireland) Limited the sum of £2200. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 21st day of October 2015

**Oliver Morris
For the Registrar,
The Comptroller-General**