

BL O-260-19

TRADE MARKS ACT 1994

IN THE MATTER OF:

WESTLAKE CHEMICAL CORPORATION'S APPLICATION (NO. 502090)

TO REVOKE ON THE GROUNDS OF NON-USE

THE UK PROTECTION OF INTERNATIONAL REGISTRATION No. 790769

OF THE MARK:

WEST LAKE

OWNED BY ZHONGCE RUBBER GROUP COMPANY LIMITED

Background and pleadings

1. These proceedings concern an international trade mark for the mark *WEST LAKE* which designated the UK for protection on 16 September 2002 with protection being conferred on 30 April 2003. The Holder is Zhongce Rubber Group Company Limited and the mark is protected in the UK in relation to the following class 12 goods:

Inner tubes and tyre covers for various kinds of vehicles; inner tubes and tyre covers for bicycles

2. The applicant for revocation is Westlake Chemical Corporation. It seeks revocation on the grounds of non-use, relying on sections 46(1)(a) and (b) of the Trade Marks Act 1994 (the Act). The following periods of non-use are alleged:

Section 46(1)(a)

1 May 2003 to 30 April 2008

Section 46(1)(b) – the periods

1 May 2008 to 30 April 2013;

1 May 2010 to 30 April 2015;

1 May 2012 to 30 April 2017.

3. The application for revocation was lodged on 22 May 2018.

4. The Holder filed a counterstatement denying the grounds of revocation. I have noted the following:

- There is no claim to the existence of proper reasons for non-use;
- There is a claim to use from at least 2010;
- A general claim is made to use (of the mark or a variant thereof) within the relevant periods and/or after the expiry of the periods but before the date on which the application for revocation was made;

- The defence is based only in relation to “inner tubes and tyre covers for various kinds of vehicles”;
- The goods “inner tubes and tyre covers for bicycles” are not defended.

5. Only the Holder filed evidence. Neither side requested a hearing. The applicant filed written submissions in lieu of a hearing. Both sides are professionally represented, the applicant by Foresters IP LLP, the Holder by Mewburn Ellis LLP.

Legislation and leading case-law relating to revocation

6. The pertinent legislation is contained in section 46 of the Act, the relevant parts of which read:

“(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)

(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.”

7. Section 100 is also relevant; it 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.”

8. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) (28 June 2018), Arnold J. summarised the case-law on genuine use:

“114. The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV [2003] ECR I-2439, La Mer (cited above), Case C-416/04 P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [2006] ECR I-4237, Case C-442/07 Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’ [2008] ECR I9223, Case C-495/07 Silberquelle GmbH v Maselli-Strickmode GmbH [2009] ECR I-2759, Case C-149/11 Leno Merken BV v Hagelkruis Beheer BV [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG [EU:C:2013:592], [2014] ETMR, Case C-141/13 P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [EU:C:2014:2089] and Case C-689/15 W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: Ansul at [36]; Sunrider at [70]; Verein at [13]; Leno at [29]; Centrotherm at [71]; Reber at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: Ansul at [36]; Sunrider at [70]; Verein at [13]; Silberquelle at [17]; Leno at [29]; Centrotherm at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single

undertaking under the control of which the goods are manufactured and which is responsible for their quality: Gözze at [43]- [51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: Ansul at [37]. Internal use by the proprietor does not suffice: Ansul at [37]; Verein at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle at [20]-[21]. But use by a non-profit making association can constitute genuine use: Verein at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: Ansul at [37]-[38]; Verein at [14]; Silberquelle at [18]; Centrotherm at [71]; Reber at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: Ansul at [38] and [39]; La Mer at [22]-[23]; Sunrider at [70]-[71], [76]; Leno at [29]-[30], [56]; Centrotherm at [72]-[76]; Reber at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no de minimis rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

The applicant's submissions

9. Whilst I would not ordinarily summarise submissions, it is useful to do so in this case in order to focus on what appears to be the main point the applicant takes with the Holder's evidence, evidence which is summarised below. The applicant's submissions are based largely on the suggestion that there has been no use of the mark in relation to the goods for which it is protected. It highlights that the protected goods are inner tubes (which are inflated and placed within a tyre) and tyre covers (which are placed on a tyre for protective purposes). Whilst the applicant does not necessarily accept that genuine use has been made for anything, it nevertheless submits that the evidence addresses only tyres and radial tyres not the protected goods, which it considers to be distinct products. For this reason alone, the applicant states that revocation should follow.

The evidence

10. Evidence has been given by a number of witnesses. One of the witnesses is Mr Wang Shijun, the Holder's deputy manager of its International Trading Department. His evidence is extensive, with his witness statement being accompanied by 23 exhibits including: product catalogues, web prints and invoices. I have been through

all of the material provided and Mr Shijun's commentary, but, whilst it is fair to say that there is ample evidence in relation to tyres, there is not a single reference to inner tubes or tyre covers.

11. Another witness is Mr Andrew King, an attorney at Mewburn Ellis. His evidence contains historical news articles and reviews, but, again, any references relate to tyres, not inner tubes or tyre covers. The final witness is Mr Babu Matthews, Head of Administration at Zenises Limited, a business involved in the management of the Westlake tyre brand in Europe. His evidence includes various pieces of material including web prints, advertisements and catalogues which, again, feature Westlake tyres but not the protected goods.

12. That completes my summary of the evidence, in so far as I consider it necessary.

Genuine use – analysis

13. Without going into detail, it is fair to say that the mark has been genuinely used in the UK in relation to tyres, including tyres for cars and other forms of motor vehicles. However, as the applicant submits, the registration protects in the UK only inner tubes and tyre covers, which are clearly not tyres per se.

14. A tyre cover is something, as the name suggests, which covers a tyre presumably for protective purposes. There is nothing to suggest that a tyre cover is an integral part of a tyre. None of the many tyres depicted in the evidence show them being covered by tyre covers, let alone tyre covers which are offered by the Holder.

15. I also agree with the applicant that an inner tube would be understood as something which is placed within a tyre and then inflated. From what I understand not all tyres have inner tubes, some are tubeless. There is nothing in the evidence that shows that the Holder has marketed inner tubes as an item distinct from its tyres. Neither is there any evidence to show that any of the tyres set out in the evidence are of the type that would require an inner tube.

16. Given the above analysis, the applicant's submission that any use that has been made is not in relation to the protected goods, is a reasonable one. Indeed, I am struggling to see any plausible argument for not allowing the application for revocation. The closest argument would be based upon the *Minimax* case (C-40/01), in which the Court of Justice of the European Union stated:

“43. [...] The fact that a mark is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.”

17. However, the circumstances discussed in *Minimax* are quite different to the current case. It was considering circumstances where a trader had previously sold fire extinguishers but subsequently only sold component parts of those fire extinguishers. The court was considering whether the sale of the component parts was sufficient to qualify as genuine use in respect of the previously sold goods. In the current case, the Holder has sold tyres and still sells tyres. There is nothing to show that inner tubes or tyres covers are component parts of the goods it has sold.

18. Although shortly stated, I cannot hold that there has been genuine use in relation to the goods protected in the UK under the subject International Registration. The revocation succeeds in full.

Conclusion

19. Protection in the UK is revoked in its entirety with effect from 1 May 2008 (this being the earliest date from which revocation is sought, and permissible).

Costs

20. The applicant has been successful and is entitled to a contribution towards its costs. My assessment is as follows:

Official fee - £200

Filing a statement of case and considering the counterstatement - £300

Considering the evidence - £600

Filing written submissions (which were brief) - £300

Total - £1400

21. I order Zhongce Rubber Group Company Limited to pay Westlake Chemical Corporation the sum of £1400 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 17 May 2019

Oliver Morris

For the Registrar,

The Comptroller-General