

TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark Registration Nº: 1141724 in the name of Boston Market

5

and

An Application under Nº: 9708 for Revocation by the Twentieth Century Fox Film Corporation.

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BACKGROUND

15 ANASTASE, the mark at issue, was applied for on 10th October 1980 for ‘Articles of outer clothing, and footwear being articles of clothing’, in Class 25. It stands on the register in the name of Boston Market, 19 Rue Beranger, Paris, France.

20 On 20th November 1997, the Twentieth Century Fox Film Corporation filed their application for revocation. They assert that during the five years preceding the application the proprietor has not put the trade mark in question into genuine use in the United Kingdom or has consented to such use in relation to the goods for which the trade mark is registered and, furthermore, there were no proper reasons for non-use. The mark should thus be revoked under the provisions of s. 46 of the Act.

25 The registered proprietor (RP) denies the ground.

Both sides filed evidence in these proceedings and the matter came to be heard on 12th January 2001, when the applicants were represented by Mr Pennant of D Young & Co., and the RPs by Mrs Bucks of Boulton Wade and Tennant.

30 The relevant sections of s. 46 of the Act state:

‘46.-(1) The registration of a trade mark may be revoked on any of the following grounds -

35 (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;

40 (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

.... ,

45 (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.’

Mr Pennant's submissions focussed on two issues:

5 ! There had been no use with the proprietor's consent. There were two prongs to this attack. First, no chain of title had been established, and second, no effective licence has been given by the proprietor and, in effect, there was no use with his consent and control. Effectively, the mark had been abandoned by RPs and thus should be revoked.

10 ! He also attacked the evidence of use as genuine.

I will deal with these submissions in the order in which they were presented to me, together with the counter arguments presented by Mrs Bucks, and the evidence, such as it is.

15 Concerning chain of title, I think this is clearly explained by the RPs in the documentation accompanying the TM27 and enclosed in evidence:

20 'Boston Market is a French Corporation which is *inter alia* in the business of manufacturing, marketing and selling clothing, footwear and headgear.

25 Boston Market is the current proprietor of UK trade mark registration No. 1141724 having acquired it from Diffusion Internationale Vetements (DIV). DIV acquired the UK trade mark registration No. 1141724 from Compagnie de Gestion et de Participation (CGP) in about 1990. CGP acquired the mark from Anastasia Diffusion SA. As a result, Boston Market is the current proprietor and owns all rights, title and interest in registration No. 1141724 and the trade mark ANASTASE.'

30 Mr Pennant recognised this when he said that: 'For the relevant five-year period, I think we are looking at DIV, followed by Boston Market as being the proprietor of the mark'. I do not think I need to consider the legitimacy of the chain of title further.

35 It was conceded by Mrs Bucks that neither Boston Market or DIV have produced any evidence to show they have used it in the UK. Rather, the mark was used with consent or under licence.

40 Mr Pennant then focussed his attention on the nature of this consent or licence, referring to paragraph 4 in the Statutory Declaration by Mr Charles Joory, the sole shareholder and Managing Director of Huntley International Limited of Hong Kong:

45 'My Company entered into a Licence with Diffusion Internationale Vetements DIV to use the trade mark ANASTASE on products sold in the United Kingdom in about 1994 until today. The Licence was a verbal agreement. When Diffusion Internationale Vetements DIV sold the ANASTASE trade marks to Boston Market SA, Boston Market confirmed the continuance of the licence agreement. Each years agreement was given by oral from DIV and after from Boston Market to Huntley International.' (I take the words 'by oral' to mean 'orally').

Mr Pennant then stated:

5 'From this I think we can take it that there have been no written agreements between the parties. There is no documentary evidence of any agreements between the parties. In fact there is no evidence whatsoever. We have established that the two potential proprietors during the five-year period were DIV and Boston Market. There is no letter from DIV. There is no letter from Boston Market. There is no letter from Hunt International to DIV. There is no letter from Hunt International to Boston Market. There is no indication of any correspondence between the parties at all. I think this is an extraordinary state of affairs for a commercial agreement and relationship between the two parties which apparently has existed between 1994 and 1999 when Mr Joory signs his declaration, and so that is five years, and yet there is not one single indication, one single piece of evidence, showing a connection between the two and any reference to a verbal agreement.'

15 The fact that there was no evidence from the RPs themselves (DIV or Boston Market) - spoke, in his view, volumes about '..the control or possible consent by the proprietor of use of the mark'. I was then referred to s. 100 of the Act:

20 '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'

and it was suggested that the RPs had not disposed of their evidential burden in this respect. Mr Pennant said that, though it is possible that Huntley International was a company associated with Boston Market - or a subsidiary - which may explain the lack of material evidence - '..the relationship between Hunt International and DIV and/or Boston Market it is not explained clearly enough to provide .. sufficient grounds to have any reason to suspect there was consent by the registered proprietor, or control by the registered proprietor'.

30 I was referred to the *Chrysotheque Zolotas Trade Mark* revocation case (SRIS N^o O/145/99), and first, to page 6, line 31: '..Although the evidence refers to sister and associated companies the precise relationship between them is not clear in the sense that it is not possible to establish whether any one of the companies was in a position to control the others, whether they were part of a larger group or connected by common shareholdings', and later, to page 8, line 17:

35 'A proprietor whose mark is being used by another organisation would either expect to receive royalties or licence fees or, in the case of, for instance, a subsidiary or related company there would be some account of profit between the companies. The registered proprietors here point to none of these things. Nor do they say what steps had been taken at any time during the relevant period to enquire what use the applicants had made of the mark supposedly to be used with their consent.'

45 I was also directed to s. 28(2) of the Act, which states that a '..licence is not effective unless it is in writing signed by or on behalf of the grantor'. In response to this last point, Mrs Bucks said that the '.. provisions of the Act relating to licences and stating it must be in writing, are there in order to give the licensee certain statutory benefits. There is nothing in any case law that says you cannot give a verbal licence'.

Typically, a license is an authority to do something which would otherwise be inoperative, wrongful or illegal; more specifically it provides the licensee with certain rights (normally contractually defined) which would belong, *sans* licence, to the proprietor of the mark alone. An assignment, on the other hand, relates to contractual transfer of a trade mark from one party to another, the difference from a licence, being, in general, that there is no conveyance of a property right in the latter.

Trade marks are personal property and are as freely labile as other intellectual property, such as patents and copyrights. The assignment of a patent and a copyright both appear to require written agreements (see s. 30(6) of the Patent Act 1977 in relation to, *inter alia*, assignments of patents, and see s. 90(3) of the Copyright, Designs and Patents Act 1988 respectively). Exclusive licences for patents are regarded as a right ‘under’ a patent, and not ‘in’ it, and are thus excluded from s. 30(6) of the 1977 Act (following *Instituform Technical Services Ltd v Inliner UK Plc* [1992] RPC 83). Further, patent law has been complicated by the application of equitable rights relating to assignment and oral consent (see *CIPA Guide to the Patent Act*, 5th Edition, Section 30.04, page 354 and in particular the decision of the Comptroller in *Polar Bay’s Patent* (BL O/233/99)). An exclusive licence for a copyright, on the other hand, does require a written agreement (see s. 92(1) of the 1988 Act). Apparently, non-exclusive licences do not. In general, it is clear that copyright and patent law does not exclude oral licences in a number of circumstances.

Returning to trade mark law, Article 8 in the Directive upon which the Trade Marks Act is based (89/104/EC) provides no explicit requirement for a licensing arrangement to be written down, though Article 8(2) speaks of ‘..provisions..in..’ the ‘..licensing contract’ which might be taken to imply something equivalent to this. It does seem to me that a clear indication of the nature and extent the authority granted in a licencing agreement would be important in the interests of certainty. And it would also demonstrate the control indicative of a licensing agreement cited in *Zolotas* above. Against this background, it is not a surprise that the Act would reasonably require such an arrangement to be in writing.

I note the comments of Mrs Bucks. And also those of Amanda Michaels in *A Practical Guide to Trade Mark Law* 2nd Ed., (Sweet & Maxwell):

‘7.16 Under sub-section 28(2) it is provided that a licence will not be effective unless it is in writing, signed by or on behalf of the grantor. This represents a change from the previous common law position, when a licence could be made orally. However, as there will be no infringement of a mark if use is made of it with the consent of the proprietor, it may still be that there will be scope for oral licences of registered trade marks, albeit such licences obviously would not be registrable under the Act. In any event, the grant of a licence, whether oral or in writing, does not confer any right of property in the licensee. All that he obtains is a permission or consent to use the mark and this appears to be so whether or not the licence is an exclusive one.’

Bainbridge in his *Intellectual Property* 4th Ed., page 565, takes a different view. Turning to the Act itself, and after a careful perusal of ss 28 to 31, it could be argued that though these provisions *are* concerned with the rights of licensees (ss 29, 30 and 31), they also describe the features of a licence as well (ss 28 and 29) and, one could conclude that, for the purposes of

the 1994 Act, an exclusive or non-exclusive licence should be in writing. Equally, the wording of s. 28(2) does not appear to make a licence void if it is not in writing; it uses the word 'effective' and one must ask 'Effective for what?', to which the reply is the purposes of the Act, specifically, ss. 28 to 31. This would not exclude an oral licence. It is, of course the case, in contract law in general, that an oral contract is considered binding on the parties to it. However, there are exceptions to this principle in specific statutes as we have seen. I also note, that s. 2 of the Law of Property (Miscellaneous Provisions) Act 1989, which is concerned with real property, provides that a contract for sale of an interest in land must be comprehensive and in writing.

However, I do not think I have to decide this matter here. Though Mr Joory talks of a licence granted to Huntley International Limited by the RPs, there is the more general issue of the proprietors consent; this arrangement could amount to a bare licence equivalent to consent, as s. 46 does not refer to licences *per se*; rather it is clear in specifying 'consent' only. And I would suggest this is wider in meaning than licence within the Act, i.e. a license in the Act is a subset of consent. This view is supported by the following comment on s. 46(1)(a) from the publication '*Notes on the Trade Marks Act 1994*' (which was prepared for the use of Parliament during passage of the Bill): that '.. [use] may be by the proprietor or with his consent, which includes use by a licensee..' (emphasis mine). The implication of Mr Pennant's submissions was that this consent requires control, as with a licence.

The *Collins English Dictionary* (1984) provides the following definition of consent: 'to give assent or permission to do something; agree; accede.' Inactivity, on the other hand, which forms a ground for revocation under s. 46(1)(c) (in circumstances that are not relevant to this case) implies knowledge without interest or control. In short, consent in this context requires clear-eyed permission or agreement. And this must be particularly so in the law of trade marks. From the clauses in Directive 89/104/EEC, the function a trade mark is 'in particular to guarantee the trade mark as an indication of origin'; and this is confirmed in *Canon v MGM* ([1999] ETMR 1):

'.. the essential function of the trade mark is to guarantee the identity of the origin of the marked product 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. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality..'

Control must be preserved by the proprietor and must be retained where a permission is granted. No consentee can ever have *carte blanche* to do what he will with a mark, as this would be assignment, which must be in writing to be effective, as the Act stipulates. Though Mrs Bucks was of the view that control was not required for consent, I think it must be an element within trade mark law, as permission to use a mark implies a mandate to use which is beyond mere knowledge. What am I to make of the 'consent' in this case?

Returning to *Zolotas*, the facts here were rather peculiar in that the RPs made no claim to have used their mark themselves, but relied on use with their consent by the applicants for

5 registration - they therefore had to rely on the applicants' own records. There was no material showing consent - the evidence there was revealed the existence of a number of related and sister companies with no clear indication as to who exercised control over who - coupled with conflicting statements as to any consent agreement. There was also no evidence of use of the mark.

10 Though this is hardly on four squares with the matter at hand, the Hearings Officer's reference above must be considered in the context of an evidential void which he indicated could have been filled by the RPs in a particular way. Here evidence is provided by virtue of the statement by Mr Joory, who claims the existence of a verbal licence.

15 All in all, I think I have to conclude that no proper consent has been given in this case. I would have expected there to be some material at least, of the sort described by the Hearings Officer in *Zolotas*. There is none of this. In principle, of course, consent can be granted on the basis of a verbal agreement, which is essentially a contract, and can be made orally. Having said this, however, the situation described by Mr Joory is very peculiar, and begs more questions than it answers. For example, the traditional formula for a contract - offer, acceptance and consideration - appears to be missing here. There is nothing to show what the RPs received from the arrangement that would make for consideration sufficient in law - for example, the sorts of material listed in *Zolotas* - such as royalties and licence fees. Of course a non-contractual consent could have been granted, but this tends to undermine the principle of control discussed above. Further, the RPs nowhere themselves explain the nature of the consent they apparently provided to Huntley International Limited, and this rather weakens any assertion that they retained control of the mark; as Mr Pennant pointed out, they are silent partners to these proceedings, and it does rather seem that they have, in his words, effectively abandoned their trade mark. The explanations provided are simply too thin; the RPs have not disposed of their evidential burden on this issue, and the application succeeds.

30 In case I am wrong on this matter, I want to deal now with the question of genuine use. The application for revocation was made on 20th November 1997, so the question is whether the RPs have established that the mark was in use on, or after 20th November 1992.

That provided by the RPs I have summarised as follows.

35 Contained in Exhibit DJR1 is a letter from Mr Gerald Eriera of Norma Jean (Manufacturing) Limited, Leyton, London. This letter, dated 19th December 1997, states:

40 'We have purchased from Huntley International Ltd, Hong Kong the following goods which had their Trade name of Anastase.

The first consignments received were in March 1996 and we sold these products to the general Retail Trade as well as for Export since that time.

45	Suits	2518 pcs
	Casual Jkts	2000 pcs
	Coats	1620 pcs

We enclose herewith a copy of the label which was provided by Huntley International Ltd.’

A garment label, with the ANASTASE mark clearly shown, is stapled to the letter.

5 Other evidence appears in Exhibit RP1 to the Statutory Declaration of Rajesh Patel. Mr Patel is the Accounts Manager of David Barry (London) Limited. Again, there is a letter, stating:

10 ‘We would like to confirm that we have purchased the following items from Huntley International Ltd, Hong Kong under the “ANASTASE TRADE MARK”.

10

Casual Jackets	3000 pcs
Bomber Jackets	1700 pcs
Blazers	2750 pcs
15 Raincoats	3400 pcs

15

We have been using this label in the UK since the Autumn 1995 season. Goods were sold predominately to small independent retailers.

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A copy of a label from the goods is attached.’

An identical garment label is attached.

25 In his Statement, Mr Joory says:

30 ‘I confirm that my Company has sold articles of clothing to various Companies in the United Kingdom bearing the trade mark ANASTASE, including Norma Jean (Mfg) Limited and David Barry (London) Limited in the last five years. From autumn 1995 to 1998 our total sales of the ANASTASE label was in the region of £350,000.00.’

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The 13th Edition of *Kerly’s Law of Trade Marks and Trade Names* (Sweet & Maxwell, 2001) lists the factors which indicate whether use is genuine or not (footnotes removed):

35 (1) If the use was made for the purpose of defeating a non-use attack, then it is not genuine use. The corollary is that once use has been proved and it was made for the purposes of trade and not for the purpose of defeating a possible non-use attack, then it is almost certainly genuine.

40 (2) The substantiality of the use is a factor to be taken into account, but there is no fixed requirement that the use must be substantial as judged by commercial standards. Once it is established that the mark has been used, and the genuineness of the use is not in question, detailed consideration of the substantiality of the use serves no purpose.

45 (3) The size of and the resources available to the proprietor may be relevant factors. In the case of a very large company, infrequent or insubstantial use may lead to a different conclusion than in the case of a sole trader.

(4) In a suitable case, a single isolated act of use may constitute genuine use. However, “the fewer the acts relied on the more solidly ought they to be established..” Likewise, the tribunal is likely to take a sceptical view if the only use has been or brochures or in advertising.

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(5) Even if the use relied upon is not a single isolated act, the quality of the evidence by which the use is sought to be proved may have an effect on the decision as to whether genuine use has been shown.’

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Ms Bucks made essentially the same point as that at number (4). She referred me to the *Academy* trade mark case (SRIS O-245-98), where £3,500 of clothes were sold, and was considered sufficient to qualify as genuine use. However, this case included actual invoice evidence, which is lacking here.

15

It is true that ‘the fewer the acts relied on the more solidly ought they to be established’ (*Nodoz Trade Mark* [1962] RPC 1). But the corollary is not necessarily true, i.e. the greater the acts relied upon, the less solidly they need to be established. There must be, I think, demonstrable material evidence of use whatever its claimed extent. And it must be the sort of use that would be regarded as genuine by those in the trade.

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I note that recent case law on this matter, found in *Euromarket Designs Incorporated v Peters & Another* (unpublished, dated 6th July 2000; the ‘*Crate and Barrel*’ case), has moved away from the ‘Kerly’ proposition in point (2), above. In *Crate and Barrel* Jacob J stated:

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‘Miss Vitoria .. says the reference to “genuine” is in merely in contradistinction to “sham”. Small though the use may have been, there was nothing fake about it. The mark appeared in the UK in connection with genuine transactions and that is enough.

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I disagree. It seems to me that “genuine use” must involve that which a trader or consumer would regard as a real or genuine trade in this country. This involves quantity as well as the nature of the use. In part it is a question of degree and there may be cases on the borderline.’

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This line was also taken in a recent Registry decision (SRIS O/071/01).

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The RPs claim some £350,000 worth of business. They provide evidence of sales approximately 17000 ‘pcs’ (which I take to be pieces, i.e. individual items); and as the items are not trivial (casual Jackets, bomber jackets, blazers, suits etc.), this represents significant sales, even by clothing industry standards. If it had taken place in the manner described, I would have no hesitation in declaring it, in satisfaction of the test provided by Jacob J *supra*, as genuine trade. Yet I find the supporting material unconvincing and, for the following reasons, I do not accept that the proof of such trade has been provided:

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! £350K is a significant amount of money. Mr Joory says that this occurred over four years. Yet there is no evidence of any documentation - orders, invoices or the like - to support this assertion.

! There is no evidence that the mark was actually used in the UK. There is nothing material demonstrating that any items *at all* were sold to UK customers.

! The claims by Mr Patel and Mr Eriera are not clear as to the specific dates of the sale of actual products. They state, respectively, ‘The first consignments received were in March 1996 and we sold these products to the general Retail Trade as well as for Export since that time’ and ‘We have been using this label in the UK since the Autumn 1995 season. Goods were sold predominately to small independent retailers.’ Of course, use after 19th November 1997 is irrelevant because it would be outside the five year period ending the day before the application for revocation on 20th November 1997.

! I find it peculiar that Messrs. Patel and Eriera can be so precise about the numbers of items they imported from Huntley International, yet be unable to produce invoice evidence that would confirm the accuracy of their statements. Their precision bespeaks of supporting documentation, yet none has been produced.

! Mr Eriera says that items were exported. Yet there is no indication as to who to, when and where. Again, such exports would have to be before 19th November 1997.

In short, there is no actual material evidence that any trade under the ANASTASE mark has occurred at all. All I have before me are assertions and statements. The trade declared is not trivial; it represents a large number of expensive items. And yet there is a complete lack of written records of it. This reprises the theme of Mr Pennant’s submissions on consent, and also repeated here. And I think his emphasis is right. The law requires evidence of *genuine* use of the mark in the UK. In an appeal to the Appointed Person (SRIS O/169/00) it was stated: ‘Where a mark is registered in respect of specific goods it is of course a relatively simple matter for a registered proprietor to prove use upon those goods’. And I think, in general, this is true. Where there has been genuine use of mark, it should not be difficult to find material evidence of this.

Finally, Mr Pennant directed me to the declaration by Kan Kwok Hung, dated 5th May 1998. Ms Hung is an employee of an Intellectual Property Services Company based in Hong Kong. She states that she had spoken with Janet Lo, who was the merchandising manageress (paragraph 4 of the declaration) of Court International Limited, Combined Trading Export (HK) Limited and Huntley International Limited. And adds:

‘Ms Lo told me that Huntley International Limited trades in garments which are mainly exported to Europe and the United Kingdom. Ms Lo said that Huntley International Limited dealt with the following brands: BOSTON, H MORGAN and KAWASAKI. Ms Lo told me that one of Huntley International Limited’s clients is David Barry. I asked Ms Lo whether David Barry purchased garments bearing the trade mark ANASTASE. Ms. Lo said no and said that she was not aware of the ANASTASE trade mark and that Huntley International Limited did not handle garments bearing the ANASTASE trade mark.’

I was then directed to the *Peter Pan* decision (SRIS O/151/98), where the Hearings Officer stated that he ‘.. would have expected the company Sales Manager to have had some knowledge of..’ the use claimed by the registered proprietor. Of course, this evidence is hearsay, but Mr Joory does not deny her lack of knowledge; he confirms it, saying that: ‘Ms Janet Lo is Merchandising Manageress of my Company. In that role her responsibilities are searching and buying the fabric for various Orders which several merchandisers will handle the orders. She knows nothing about the ANASTASE labels. She is not responsible for negotiating the use by my Company of various trade marks. She is not responsible for negotiating all the sales contracts entered into by my Company.’ Yet I find it strange that she knows about Huntley International Limited’s clients, in particular, David Barry, yet nothing about the very significant amount of business that occurred under the ANASTASE mark.

Taken together, I do not find the evidence of use complied by the RPs as convincing. The application therefore succeeds on this ground as well.

The applicants are entitled to an award of costs. I order the RPs to pay them the sum of £1000. This sum is to be paid within seven days 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 21 Day of March 2001.

Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General.