

O-101-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 81130
BY WATKINS MANUFACTURING CORPORATION
FOR REVOCATION OF REGISTRATION No. 1215380
STANDING IN THE NAME OF JACUZZI UK GROUP PLC**

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**IN THE MATTER OF Application No. 81130
by Watkins Manufacturing Corporation
for Revocation of Registration No. 1215380
standing in the name of Jacuzzi Group Plc**

Background

1. Trade Mark No 1215380 is registered in the name of Jacuzzi UK Group Plc for “installations for water supply and sanitary purposes; parts and fittings included in Class 11 for all the aforesaid goods; but not including any such goods for use in the recovery of water from wells or springs.” The mark itself is as follows:



2. On 14 January 2003 Watkins Manufacturing Corporation applied for this registration to be revoked under the provisions of Section 46(1)(b) on the basis of non-use (and no proper reasons for non-use) for an uninterrupted period of five years in relation to the goods for which it is registered.

3. The registered proprietors filed a counterstatement denying the above ground.

4. Both sides ask for an award of costs in their favour.

5. Both sides filed evidence. The matter came to be heard on 23 March 2004 when the applicants were represented by Mr S Malynicz of Counsel instructed by Harrison Goddard Foote. The registered proprietors were not represented and did not attend the hearing.

Registered Proprietors' Evidence

6. This comes from Peter Hilliard, the Marketing Manager for the Bathroom Products Group of Jacuzzi UK Group Plc. His evidence is as follows:

“2 UK Trade Mark Registration No 1215380 was originally registered in the name of Spring Ram Holdings Plc and within that group were two companies,

namely, Ram Bathrooms and Spring Bathrooms. The Spring Bathroom division marketed bathroom suites under the Spring Bathrooms name and the range of products were marketed under the SPRING brand with the bathroom element of the name being secondary. When the two companies joined together in 1998 (officially January 1999) it was decided that the Niagara brand name had a higher perceived value with consumers and some of the existing Spring Bathroom suites were included within this umbrella brand. However, in late 1999 the original bathroom suites promoted under the SPRING brand were still marketed and attached at Exhibit 1 is a copy of the June 1998 Spring Bathrooms Brochure from which it can be seen that three suites were used under the SPRING brand namely, Nostalgia, Coral and Silhouette. This brochure was never formally deleted although it was not reprinted. However, sales of the products continue.

3 Sales of products under the SPRING brand has always been via distribution to high street retail and customers include Mark Two, PJH, Jebbs and Westpoint. There was no point of sale material produced for the suites but I estimate that we had 600 displays in 1997 which declined over the next 4 years as the Niagara brand became more established and the bathroom suites marketed under the SPRING brand became out-dated. Attached at Exhibit 2 to this statement is a copy of sales figures of SPRING basins, SPRING baths, SPRING cisterns and SPRING brassware products promoted and sold under the SPRING brand and the respective suites Coral, Nostalgia and Silhouette for the period 1997 through to 2003. By 2001 sales under the SPRING brand had rapidly declined from volume of over 7,500 in 1997, to 1,156 in 2002. However, it is clear that sales continue to be made under the SPRING brand.

4 Prior to the merger between Ram Bathrooms and Spring Bathrooms, all sales under the SPRING brand via a distributor could be included in the figures for 1998 and the total amount was £2.7 million. The sales figures for the remaining suites marketed and sold under the SPRING brand understates the total turnover figures as elements sold with the SPRING suites are common to other suites such as pans, pedestals, taps etc. Attached at Exhibit 3 is a purchase ledger and invoice dated 31 December 1997 relating to production of the SPRING Bathrooms brochure. As mentioned above, the suites sold under the SPRING brand continue to be sold and the brand itself is also incorporated into the three sub-branded suites and attached at Exhibit 4 is a representation of how the SPRING brand is currently incorporated into the Nostalgia and Coral suites and a copy of an invoice dated 30 September 2002 addressed to Tadema Designs Limited for the purchase of transfers to apply to suites as sold under the SPRING brand.”

7. The applicants for revocation filed a witness statement by David Potter of Walker Morris Solicitors, their professional representative in this matter. His evidence is in essence a commentary on and critique of the proprietors’ evidence. He also refers me to various reported cases that have dealt with the approach to issues in non-use revocation actions. I bear his points in mind but do not propose to summarise them here.

8. That completes my review of the evidence.

The Law

9. Sections 46 reads:

“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) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;
- (d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(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.

(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 to 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.”

10. Section 100 is also relevant and 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."

Decision

11. The registered proprietors have not suggested that there are proper reasons for non-use of their mark. They rely instead on the use outlined above. The European Court of Justice (ECJ) has given guidance on what constitutes genuine use of a trade mark in *Ansul BV and Ajax Brandbeveiliging BV (Minimax)* [2003] RPC 40.

“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 services at issue, the characteristics of the market concerned and the scale and frequency of 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.”

12. I also bear in mind that the English Courts have emphasised the need for registered proprietors to prove their case with great care particularly where a few items or small amounts of use are relied on (see *Philosophy Di Alberta Ferretti Trade Mark* [2003] RPC 15 and *Laboratoires Goemar SA's Trade Marks* [2002] ETMR 34).

13. This case also gives rise to an issue under Section 46(2) as to whether the use shown has been “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered”. Mr Malynicz submitted that it did not. He referred me to *Budejovicky Budvar Narodni Podnik and Anheuser-Busch Inc* [2003] RPC 25 where Lord Walker of Gestingthorpe approached this matter by posing the following question:

“The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

14. In answering these questions he said:

“The Hearing Officer uses his skill and experience to analyse and assess the likely impact of the mark on the average consumer although the latter probably does not himself engage in any analysis of that sort.”

15. Lord Walker added that:

“It is of course correct that the ‘central message’ of a mark is not the statutory test, and it is not always helpful to paraphrase a statutory test before applying it. But as the Court of Justice observed in Lloyd Schuhfabrik, the average consumer normally perceives a mark as a whole, so that ‘central message’ may not be too bad a paraphrase, so long as it is understood as comprehending the essential ‘visual, aural and conceptual’ qualities which combine to give a mark its distinctive character.”

16. Two of the exhibits appended to Mr Hilliard’s statement do not show the mark in the form in which it has been presented to customers. Exhibit 2 is a statement of sales figures. The nature and source of the information is not further explained but I take it to be an internal document. Exhibit 3 is a purchase ledger and invoice said to relate to the production of a brochure. The invoice is addressed to Spring Bathrooms Plc and has a manuscript reference to ‘Spring’ which appears to have been added by the recipient company (though the point is by no means clear). The purchase ledger document again refers to the company name. I take the document itself to be an internal one authorizing payment of the invoice.

17. Exhibits 1 and 4 contain respectively a copy of the June 1998 brochure (the date is disputed – see below) and transfers applied to bathroom suites. Both of these are put forward as evidence of how the mark is presented to the outside world. For ease of reference I reproduce below the marks in the form thus used and for comparison, the mark in the form in which it is registered:

Used marks



(Exhibit 1)

Registered mark





(Exhibit 4)



(Exhibit 4)

18. Mr Malynicz submitted in relation to the used marks that:

- the first mark consisted of two words rather than one. Whilst the word BATHROOMS may be descriptive of the goods Mr Hilliard refers to it as being a secondary element so he appears to consider that word to be an integral part of the mark. Furthermore, the word may be less directly descriptive in relation to certain items that may be contained within the broadly based specification (which goes beyond purely bathroom suites);
- the S of SPRING is large in proportion to the rest of the word and is stylized in nature incorporating what Mr Malynicz described as a fish- or dolphin-like tail;
- so far as the second and third marks are concerned, the element SPRING is presented in plain block capitals with other distinctive words, NOSTALGIA and CORAL respectively, the descriptive text BATHROOM SUITE and device marks, the whole being contained within roughly elliptical borders.
- in contrast the registered mark consists of the word SPRING presented in what Mr Malynicz describes as a water-ripple script or effect.

19. I find myself in near total agreement with Mr Malynicz in terms of his identification of the elements that make up the marks. If there is room for disagreement it seems to me it is in relation to whether the presence of the word BATHROOMS in the brochure mark should be taken to be part of the mark (it probably should be) and, if so, whether it is a matter of such entirely descriptive character that it would scarcely register with consumers in relation at least to the goods which are the subject of the brochure. The point is arguable but is not one I need to resolve in view of the other factors which I go on to deal with.

20. The points of difference between the registered mark and the used marks are plain to see on the basis of Mr Malynicz's analysis. The second question is whether those differences alter the distinctive character of the mark as registered. I can dispose of the 'transfers' marks relatively easily. The element SPRING is in each case presented as a visually subordinate element to the words NOSTALGIA and CORAL. The latter are particular models within the Spring Bathroom range. Issues may arise when main and sub-brands are used as to whether the use is of a composite mark or whether otherwise independent marks are simply being used in close proximity to one another. Either is possible. In this particular case I have little doubt that the marks would be seen as single composite brands. Mr Hilliard's evidence rather supports the view that composite marks are involved. Referring to Exhibit 4 he says it shows a representation of "how the SPRING brand is currently incorporated into the Nostalgia and Coral suites". Enclosing the words within a border strongly points to this outcome and would be sufficient for me to find that this is not use that qualifies for Section 46(2) purposes, even without needing to also bear in mind the device elements.

21. The brochure use is less straightforward. In the *Budweiser* case referred to above the issue was whether use of BUDWEISER BUDBRÄU in plain block capitals was within Section 46(2) when the words were registered in stylized form with contrasting fonts, an enlarged B of Budbräu and an extended tail to the u of Budbräu underlining the whole word. The Registry's Hearing Officer's decision had been overturned on appeal but was restored in the Court of Appeal having regard to the approach an appellate court should take when no error of principle has been identified in the Hearing Officer's decision. In the course of the judgments Sir Martin Nourse observed that:

"A mark may have recognizable elements other than the words themselves which are nevertheless not significant enough to be part of its distinctive character; or, to put it the other way round, the words have a dominance which reduces to insignificance the other recognisable elements."

22. Lord Walker of Gestingthorpe also addressed the question of whether it was right to have regard to the central message of the mark (the approach adopted by the Hearing Office but criticized by the deputy judge):

"It is of course correct that the 'central message' of a mark is not the statutory test, and it is not always helpful to paraphrase a statutory test before applying it. But as the Court of Justice observed in Lloyd Schuhfabrik, the average consumer normally perceives a mark as a whole, so that 'central message' may not be too bad a paraphrase, so long as it is understood as comprehending the essential 'visual, aural and conceptual' qualities which combine to give a mark its distinctive character."

23. I have little doubt that on a narrow interpretation, the central message here of both the registered mark and the brochure usage is the word SPRING. That is the dominant element within the respective marks. But the further issue is whether that word "reduces to insignificance the other recognisable elements" bearing in mind that I must consider

the essential visual, aural and conceptual qualities of the marks. It is not enough that the respective marks would both be referred to in the same way (which might well produce a result favourable to the proprietors on aural and conceptual grounds). I must also consider whether the stylization that is undoubtedly present will also make an impact on the average consumer even if the latter does not analyse the marks in this way or seek to articulate any reference to that stylization.

24. Approaching the matter on that basis I find that the ripple-effect lettering of the registered mark is a feature of that mark. It may be of subordinate importance to the word itself. It may also be thought to allude to water and hence obliquely to the goods. But it is not, to the best of my knowledge, a recognized typeface or method of presenting a word and to my mind creates a somewhat unusual and memorable effect. In short it would register subliminally with consumers exposed to the mark and is not a feature that is reduced to insignificance by the word SPRING itself. Furthermore, and importantly, it is not a feature that is found in the brochure use. In my view that is enough in itself to say that the brochure use is outwith Section 46(2). However, beyond that there is the presentation of the letter S, particularly the fishtail ending, in the brochure mark which introduces a feature not present in the registered mark. The combined effect of these differences confirms me in my view that the brochure mark like the other marks shown in the Exhibits does alter the distinctive character of the mark in the form in which it was registered.

25. That finding effectively disposes of the matter. However, in deference to Mr Malynicz's detailed submissions I will deal with his other principal point, namely that the evidence does not in any case show genuine use during the relevant period. His criticisms and those of Mr Potter can be summarised as follows:

- there is nothing to corroborate the mid-1998 date claimed for the brochure at Exhibit 1 or that it was distributed during the relevant period;
- furthermore Mr Malynicz says that the use shown is as part of a company name rather than as a trade mark and such use is not enough to save a registration (*Orient Express* [1996] RPC 25);
- Exhibit 2 (the sales figures) may have been created for the proceedings and in any case gives no indication as to how the goods were branded;
- Exhibit 3 (the invoice and ledger document) is strictly outside the relevant period. It probably relates to the commissioning of the brochure at Exhibit 1 but the dates do not quite align and the Exhibit is silent as to the mark or marks involved (save for a manuscript over-write);
- Exhibit 4 (the transfers and an invoice relating thereto) does not advance the proprietors' case. The transfers have already been considered above. The invoice from Tadema Designs refers to "Nostalgia (sic) BLUE" and not SPRING.

26. There is force to certain of the above submissions. In relation to the dating of the brochure (Exhibit 1) Mr Hilliard says that it was from June 1998. I pointed out at the hearing that there is a printer's reference which reads PRISM – 6/98 30.000/01/SC/MDPS. MDPS is likely to be a reference to MDP Siren, the brochure producers whose invoice is at Exhibit 3. Authority for payment of the invoice was made on 6 January 1998. It is not clear why the brochure was not produced until June of that year and, as Mr Malynicz rightly pointed out, it requires inference on my part to work out that the printer's reference to '6/98' means what I take it to mean. Even so I believe that taking Mr Hilliard's statement and the collective force of Exhibits 1 and 3 it is a reasonable inference.

27. I also have difficulty with Mr Malynicz's submission in relation to the company name or trade mark point. My difficulty is not with the legal distinction he sought to draw. He accepted that in any case a company name may serve as a trade mark. It is a question of fact in any given case as to whether it does. There is a reference at the bottom of the last page of the brochure to Spring Ram Bathrooms along with an address, telephone number etc. Had the matter rested on that usage I would have no hesitation in agreeing with Mr Malynicz. But it does not. The brochure has very clear references to SPRING BATHROOMS (in the fishtail S device form) in circumstances which would undeniably in my view be taken as trade mark usage. That usage is not undermined by the fact that further brands within the range (Silhouette, Nostalgia, Coral) appear within the body of the brochure.

28. So far as Exhibit 2 is concerned, it would indeed have been helpful to know the source of the sales figures but the figures are broken down between marks/goods/brands/dates in a rather more elaborate fashion than might have been expected if the documents were purely produced for these proceedings. I therefore, take the documents at face value. The picture created by the sales figures is of a declining trade consistent with Mr Hilliard's statement that the company had taken a decision to concentrate on its Niagara brand. Nevertheless, there is no question that this is a genuine trade and the sales achieved suggest that, even in decline, there has been some substance to the trade. Mr Malynicz, realistically in my view, accepted that this was the case. However, internal documents setting out sales figures do not in themselves give a clear indication as to how the goods were branded in the course of trade and in particular how they were presented to customers. In that respect I have to look to the other exhibits.

29. I have already commented on Exhibit 3 in dealing with the brochure. Strictly, the invoice and purchase ledger document are outside the relevant period. However, circumstances outside the relevant period may on occasion be taken into account in assessing the genuineness of use within the relevant period (see the Order of the ECJ in Case C-259/02 *La Mer Technology Inc and Laboratoires Goemar SA*).

30. Finally, I think Mr Malynicz is right to say that Exhibit 4 does not in itself advance the proprietors' case and has the opposite effect in so far as it points to different marks being used in the market place.

31. Making the best I can of the position I am persuaded that a trade of some substance has taken place albeit that it has been declining in scale. However, no information has been given as to the number of brochures distributed or whether they were routinely available to customers at retail outlets. The brochure was not re-printed. How long it remained available to the trade and consumers is not clear. No point of sale material was produced (paragraph 3 of Mr Hilliard's statement). If Exhibit 4 is fairly reflective of how the mark is applied to the goods then, for the reasons already given, the word SPRING has been incorporated into composite marks which are far removed from the mark as registered.

32. The *Ansul* case emphasizes that genuine use must be consistent with the essential function of a trade mark which is to guarantee the identity of the origin of the goods to consumers (*Ansul* paragraph 36). Furthermore, genuine use entails use of the mark in the market for the goods protected by that mark (*Ansul*, paragraph 37).

33. It is not apparent from the evidence that any sales have been made under the mark in the form registered or a mark that would entitle the proprietors to benefit from Section 46(2). The brochure mark is the closest they get but the uncertainties surrounding the distribution and availability of the brochure (and hence consumer exposure to the mark) leave me in considerable doubt as to whether the existence of the brochure assists the proprietors given that different (composite) marks have apparently been applied to the goods themselves. The internal documents setting out sales figures cannot in themselves resolve these uncertainties as to the mark or marks that have been used in dealings with the trade and customers. It follows that, even if I am wrong in relation to whether the brochure mark is within Section 46(2), the proprietors have not met these other criticisms of their evidence.

34. Accordingly, the registration falls to be revoked in relation to all the goods for which it is registered. The applicants have sought revocation under Section 46(1)(b). As they have not asked for revocation to take effect from an earlier date the registration will be revoked with effect from the date of the application for revocation, that is to say 14 January 2003.

35. The applicants are entitled to a contribution towards their costs. I order the registered proprietors to pay them the sum of £2000. 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 14th day of April 2004

**M REYNOLDS
For the Registrar
the Comptroller-General**