

O-141-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2297238
IN THE NAME OF JOHN GILFILLAN
IN RESPECT OF THE TRADE MARK**

BreadTalk

IN CLASSES 29 & 30

AND

**AN APPLICATION FOR REVOCATION ON THE GROUNDS OF NON-USE
UNDER NO 83051
BY BREADTALK PTE LTD**

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in the name of John Gilfillan
in respect of the trade mark BreadTalk in classes 29 & 30**

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under no 83051
by Breadtalk Pte Ltd**

Background

1. On 16 October 2007 Breadtalk Pte Ltd (BPL) applied for the above trade mark registration to be revoked on the ground that it had not been put to genuine use in the five year period following the date of registration (30 August 2002) or in a specific five year period prior to the making of this application for revocation; the claim is based on sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”).

2. Mr John Gilfillan denies the allegation of non-use and provides evidence which, in his view, supports his assertion that he has made use of the BreadTalk trade mark. Mr Gilfillan also asserts that he has been unable, for a number of reasons, to use the trade mark as extensively as planned, but that there are reasons for this. I take this to mean that there are proper reasons for non-use in accordance with section 46(1) (a) and (b) if it is found that the actual use is not sufficient. The details of the trade mark registration the subject of these proceedings are:

Mark Details	Specification
UK Registration 2297238 for the mark: BreadTalk Filing date: 08 April 2002 Registration date: 30 August 2002	Class 29: Meat, fish, poultry and game, meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats, soups and potato crisps. Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle, yeast, baking powder; salt, mustard; vinegar, sauces (condiments), spices; ice, ice-cream.

3. Both sides filed evidence¹. Rather than summarise the evidence here, I will, instead, refer to it, where relevant and appropriate, in my decision. Neither side requested a hearing. BPL did, however, file written submissions in lieu of a hearing and also made submissions in its letters of 12 May 2008 and 23 October 2008. Although Mr Gilfillan filed no formal written submissions at the conclusion of the proceedings, he did make submissions as part of his evidence and in his counterstatement, and also in his letter of 15 July 2008. I will take all of these submissions into account when reaching my decision.

The legislation

4. The relevant part of the Act 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)

(d)

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(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 –

¹ The evidence comes from Mr Gilfillan himself and from Ms Peebles on behalf of BPL

- (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 existing at an earlier date, that date.”

Section 100 of the Act 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.”

The Leading Authorities

5. The meaning of genuine use was considered by the European Court of Justice (ECJ) in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] ETMR 85. When answering the question referred to it, the ECJ stated:

“1. Article 12(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that there is “genuine use” of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly 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, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark that 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.”

6. In *La Mer Technology Inc v Laboratoires Goemar SA* [2004] FSR 38, the ECJ provided further guidance when it stated:

“20. It follows from those considerations that the preservation by a trade mark proprietor of his rights is predicated on the mark being put to genuine use in the course of trade, on the market for the goods or services for which it was registered in the Member State concerned.

21. Moreover, it is clear from paragraph 39 of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.

23. Similarly, as emerges from paragraphs 35 to 39 of *Ansul* set out above, the characteristics of the market concerned, which directly affect the marketing strategy of the proprietor of the mark, may also be taken into account in assessing genuine use of the mark.

24. In addition, use of the mark by a single client which imports the products for which the mark is registered 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 of the mark.”

The relevant five year periods

7. Two periods of non-use are alleged by BPL, namely: 1) the five year period following the completion of the registration of the BreadTalk trade mark (I will refer to this as “Period 1”) and, in the alternative, 2) a specific five year period prior to its application for revocation (“Period 2”). The pleadings are based on sections 46(1)(a) and 46(1)(b) respectively. Therefore, the relevant dates I must consider are:

Period 1 – The period begins on 31 August 2002 and ends on 30 August 2007. Revocation is sought with effect from 31 August 2007.

Period 2 – The period begins on 3 October 2002 and ends on 2 October 2007. Revocation, if granted, will be effective from 3 October 2007.

Has there been genuine use of the mark?

8. Mr Gilfillan primarily bases his case on Exhibits JG12, JG13 and JG14 of his evidence, this, he says, supports his claim that his trade mark has been used. JG12 and JG13 are two copies of a newspaper, called "Metro", dated 15 and 16 February 2007 respectively. Both contain an advertisement for "BREADTALK". Appearing above the trade mark are the words "Discuss, Debate, Reveal, Revolt" and directly below is the phrase "Everything you should know (about bread) but probably don't!". There is then a reference to a website (www.breadtalk.co.uk) which the reader is invited to visit to find out more information. Exhibit JG14 is a print from that website. The website appears to be primarily directed at providing information about bread and related products. There are references to articles that have been written about bread, nutritional information, recipes, and a forum for discussion. There is also a "quick survey" function which invites the reader to cast a vote for their favourite type of bread. Mr Gilfillan advises that the development of this website was to act as a forum for discussion and that when a consumer sees "BreadTalk" they will associate it with an opportunity to talk about bread, which, Mr Gilfillan states, is the aim of the website (and the overall aim of the business). In Mr Gilfillan's view, his website shows use of the class 29 and 30 goods for which the mark is registered as the site is dedicated to informing and educating people about bread, pastry and dairy related products.

9. BPL argue that the use shown is not use in relation to the goods as registered. It further argues that the use, in any event, does not constitute genuine use as it is not sufficient to have maintained or created a share in the market. BPL, in its evidence from Ms Katrina Peebles, makes reference to exhibits which show that between 26 February and 7 March 2007, the "breadtalk" website was looked at (by her assistant Jennifer Uno) with Exhibit KP1 showing the result of this. This action was repeated on 15 March and Exhibit KP2 shows the result. Both exhibits are prints headed "eyeondomain.com" and do not show the "breadtalk" content set out by Mr Gilfillan. I note, however, that Mr Gilfillan did refer to having had some hosting problems in 2007.

10. BPL raise a fundamental point, namely, that the use (genuine or otherwise) is not in relation to the goods for which the mark is registered. *Ansul* and *Le Mer* refer to "the origin of the goods or services for which it is registered" and "on the market for the goods or services for which it was registered" respectively. For genuine use to be found, Mr Gilfillan must have created or maintained a market in relation to the actual sale of bread and the other goods for which the mark is registered. He would have to have shown BreadTalk being used as a trade mark for the goods themselves, for example, an advertisement or proof of sales for bread etc. The use on a website with a discussion forum cannot be said to be "warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark" (*Ansul*, para 47, emphasis added). Mr Gilfillan argues that his website and the associated discussion forum demonstrate use of the class 29 and 30 goods because these goods form the subject matter of the website and forum. I am not persuaded by this argument, the website and discussion forum

may be associated with bread but it does not relate to the sale of bread so it does not create or maintain a market in relation to the goods. **The use presented does not constitute genuine use in relation to the goods as registered.**

11. The, effectively, disposes of the issue of genuine use. However, I will also give my views, in case of appeal, on the significance of the use itself. The evidence shows that some use of the trade mark has occurred, use which falls within both relevant periods. There are two newspaper advertisements in evidence, with dates which show that they were placed for two consecutive days. However, the scale of this use is difficult to assess. No circulation figures for the relevant newspapers are given, although, I note from BPL's evidence that the edition of "Metro" in which the advertisements appear are circulated in the Newport, Cardiff and Swansea area of South Wales. Whilst this gives me more information, this does not help to establish the real scale in terms of readership. Looking at this evidence, I must conclude that the frequency of use during the relevant periods was extremely low, whilst its scale is unclear.

12. There is also website use to consider. However, it is unclear from the evidence as to when this website was launched and what kind of use has been made of it. No statistical information is provided to show when the website was available to the public and how much use was made of it. It is, therefore, of little assistance in assessing whether there has been genuine use.

13. There is also a letter, exhibit JG15, from Mr Ian Hay of the Scottish Association of Master Bakers to consider. Mr Hay confirms that during 2001/2002, Mr Gilfillan had spoken to him about his plans to establish a new business which was to be called BreadTalk and was to be related to bakery and other food products. Mr Hay also states that to help Mr Gilfillan assess the viability of the proposed business, he put him in touch with a relevant third party (Mr Peter Ford of Fords the Baker). Although this is a "to whom it may concern" letter and effectively hearsay (Mr Hay has not given evidence himself), I have taken its contents into account. This letter shows that there was a meeting between Mr Gilfillan and Mr Hay sometime during 2001/2002 and that Mr Gilfillan's business was to be "related to bakery and related food products". However, all this can show is Mr Gilfillan's intention to start his business rather than actual trade. It supports his evidence in terms of mapping out the origins of his business but not to the extent that it significantly enhances the genuineness (in the terms set out in *Ansul* and *Le Mer*) of the use. **Taking all of this into account, even if I could consider the use as use in relation to the goods, its significance is so limited that it would not have been sufficient to constitute genuine use.**

Proper reasons for non-use

14. In deciding whether Mr Gilfillan has proper reasons for non-use of his trade mark, I note the reference in *Kerly's*² which includes, *inter alia*, a reference to Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994:

² Kerly's Law of Trade Marks and Trade Names, 15th Edition, 2005

“References to “proper” reasons for non-use” need to be interpreted in accordance with Art. 19(1) of TRIPS which uses the expressions “valid reasons based on the existence of obstacles” to the genuine use which is required. “Circumstances arising independently of the will of the owner of the trademark, such as import restrictions on or other governmental requirements for goods and services protected by the trademark, shall be recognized as valid reasons for non-use”

15. Also, in its judgment in *Haupt v Lidl Stiftung & Co KG* the ECJ stated:

“It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as ‘proper reasons for non-use’ of that mark.”

16. I also take into account the findings of the High Court in *Magic Ball Trade Mark* [2000] R.P.C. 439) where Mr Justice Park stated:

“As regards the new Act, there has been no discussion yet in the High Court or above of the words “proper reasons”. There is one earlier decision of a hearing officer in *Invermont Trade Mark* [1997] R.P.C. 125. The officer, in a passage cited and relied on by his colleague who decided the present case, said this:

“... bearing in mind the need to judge these things in a business sense, and also bearing in mind the emphasis which is, and has always been placed on the requirement to use a trade mark or lose it, I think the word proper, in the context of section 46 means: apt, acceptable, reasonable, justifiable in all the circumstances.

I do not think that the term “proper” was intended to cover normal situations or routine difficulties. I think it much more likely that it is intended to cover abnormal situations in the industry or the market, or even perhaps some temporary but serious disruption affecting the registered proprietor’s business. Normal delays occasioned by some unavoidable regulatory requirement, such as the approval of a medicine, might be acceptable but not, I think, the normal delays found in the marketing function. These are matters within the businessman’s own control and I think he should plan accordingly.”

On the facts of the INVERMONT case the decision was that the reasons for non-use were not “proper”. However, the facts were too different from the present case for the particular decision to afford any guidance. I have no disagreement with anything which the hearing officer said in the INVERMONT case. I would only add the comment that, while the adjectives which he puts forward--“apt, acceptable, reasonable, justifiable in all the circumstances”-- seem to me to be well chosen, it must not be forgotten that the statutory word which falls to be applied is “proper”, not any of the near-synonyms which the hearing officer suggested.”

17. Taking full account of these authorities, it is clear that proper reasons for non-use should not be accepted lightly. That the proprietor has a reason for non-use, from his own subjective point of view, does not automatically mean that it is a proper

reason. Assessing whether or not there is a proper reason is, in my view, an objective test. The authorities provide guidance that the test for “proper” reasons is whether there were obstacles, impediments or any other events which caused serious disruption to the running of the business and the use of the trade mark. Importantly, the authorities also make a distinction between events that are independent of the will of the proprietor and events that are within his control.

18. Mr Gilfillan’s argument is two-fold. Firstly, that he has experienced financial difficulties which prevented him from being able to invest in his business to the extent that he would have liked and as he had planned. Secondly, that there was “uncertainty” surrounding the trade mark and, therefore, it is unreasonable to expect him to invest significant sums of money into his business. By this, Mr Gilfillan is referring to the exchanges between the parties (referred to in his pleadings and evidence) prior to these proceedings relating to the possible sale of the BreadTalk trade mark. BPL’s counterargument is that there is no evidence of any valid reason as to why the use of the mark was not started following registration and that there have been no “abnormal situations” which have prevented use.

19. With regard to Mr Gilfillan’s financial difficulties, no evidence has been provided which show the nature or detail of these difficulties. It is, therefore, impossible to assess whether they constitute a proper reason for non-use. Furthermore, as a matter of principle, I doubt whether exchanges between parties regarding possible sale of the trade mark could ever constitute a proper reason for non-use. Even if this created uncertainty in Mr Gilfillan’s own mind, this should not, in my view, be considered as a proper reason in the terms I have set out above. However, irrespective of all this, there is a more fundamental problem, a problem which mirrors the fundamental problem identified in relation to genuine use. That is, I must be satisfied that had it not been for the reasons that prevented use, genuine use will have been made in relation to the goods as registered. There is no evidence to suggest that Mr Gilfillan ever intended to trade in relation to the goods. His own evidence explained that the business ethos was to provide an opportunity to inform about and discuss bread. Whilst Mr Hay referred to Mr Gilfillan’s business as being “related to bakery and related food products”, this does not necessarily equate to a business interest in a trade in such goods, particularly when this comment is contextualised against the evidence as a whole. **For this reason, I am not satisfied that proper reasons exist which have prevented use for the goods as registered.**

Conclusion

20. The consequence of my decision is that the application for revocation on the ground of non-use succeeds in its entirety. Mr Gilfillan’s registration is hereby revoked with effect (in accordance with Section 46(6)(b) of the Act) from 31 August 2007.

Costs

21. BPL has been successful and is entitled to a contribution towards its costs. I hereby order Mr Gilfillan to pay Breadtalk Pte Ltd the sum of £1100, which is made up as follows:

Filing the application and statement of grounds	£300
Official fee for the above	£200
Considering evidence	£100
Filing evidence	£200
Preparing and filing written submissions	£300
Total	£1100

Dated this 21st day of May 2009

**Louise White
For the Registrar
The Comptroller-General**