

O-260-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2198822
IN THE NAME OF CAT MEDIA PTY LIMITED**

OF THE TRADE MARK:

RETANNEW

IN CLASS 3

**AND THE APPLICATION FOR REVOCATION
THEREO UNDER NO 82625
BY AVON PRODUCTS, INC**

Trade Marks Act 1994

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in the name of Cat Media Pty Limited
of the trade mark:
RETANEW
in class 3
and the application for revocation
thereto under no 82625
by Avon Products, Inc**

1) Section 46 of the Trade Marks Act 1994 (the Act) reads as follows:

“(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 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.”

Section 100 of the Act states:

“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.”

Consequent upon section 100, in revocation for non-use proceedings the onus is upon the registered proprietor to prove that it has made genuine use of a trade mark, or that there are proper reasons for non-use.

2) An application to register the trade mark RETANEW was filed on 29 May 1999. The trade mark was registered on 12 November 1999. At all times it has been in the ownership of Cat Media Pty Limited (Cat). The trade mark is registered for the following goods:

soaps, perfumery, essential oils, cosmetics, hair lotions.

The above goods are in class 3, of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) On 13 September 2006 Avon Products, Inc (Avon) filed an application for the revocation of the trade mark on the grounds of non-use under sections 46(1)(a) and (b) of the Act. In its grounds for revocation Avon states that although it is clear from the Internet that the trade mark is used in Australia there is no evidence of its use in Europe. Avon believes that the trade mark has never been used in the United Kingdom. Its claim under section 46(1)(b) of the Act relates to the period 11 September 2001 to 11 September 2006, which is, in fact, five years and one day. In response to the question as to from when Avon wanted the registration revoked, it stated “[a]s soon as possible”. On 19 September 2006 the Trade Marks Registry wrote to Avon to advise that if successful the effective dates of revocation would be 12 November 2004 under section 46(1)(a) of the Act and 11 September 2006 under section 46(1)(b) of the Act. As the registration process was completed upon 12 November 1999 the earliest date from which the registration can be revoked is 13 November 2004, as per the decision of Mr Geoffrey Hobbs QC, sitting as the appointed person, in *BSA by R2 Trade Mark* [2008] RPC 22 and as per practice direction TPN 1/2007. As the section 46(1)(b) period is five years and one day, the registration can be revoked from 11 September 2006, the five year period ending on 10 September 2006. As the application was received on 13 September 2006 use of the trade mark between 11 September and 12 September 2006 may be taken into account as per section 46(3) of the Act. As no notice was given to Cat these two days can be taken into account. In fact, nothing turns upon these two days or on the change in the date from which revocation can take place under section 46(1)(a) of the Act.

4) A convenient summary of the criteria relating to genuine use was given by the Court of First Instance (CFI) in *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-191/07:

“99 In interpreting the concept of genuine use, account should be taken of the fact that the ratio legis of the requirement that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-2811, paragraph 38, and judgment of 8 November 2007 in

Case T-169/06 Charlott v OHIM – Charlo (Charlott France Entre Luxe et Tradition), not published in the ECR, paragraph 33).

100 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 registration (Case C-234/06 P Il Ponte Finanziaria v OHIM [2007] ECR I-7333, paragraph 72; see also, by analogy, Case C-40/01 Ansul [2003] ECR I-2439, paragraph 43). In that regard, the condition of genuine use of the mark requires that the mark, as protected on the relevant territory, be used publicly and externally (Silk Cocoon, paragraph 99 above, paragraph 39; VITAFRUIT, paragraph 99 above, paragraph 39; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 34; see also, by analogy, Ansul, paragraph 37).

101 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 those goods or services, the characteristics of the market and the scale and frequency of use of the mark (VITAFRUIT, paragraph 99 above, paragraph 40; Charlott France Entre Luxe et Tradition, paragraph 99, paragraph 35; see also, by analogy, Ansul, paragraph 100, paragraph 43).

102 As to the extent of the use to which the earlier trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use (VITAFRUIT, paragraph 99 above, paragraph 41, and Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 36).

103 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237, paragraph 71).

104 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case (VITAFRUIT, paragraph 99 above, paragraph 42; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 37; see also, by analogy, Ansul, paragraph 100 above, paragraph 39).

105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT) [2002] ECR II-5233, paragraph 47).”

In *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-416/04 P* the European Court of Justice (ECJ) stated:

“72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A de minimis rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

The CFI considered *The Sunrider* principles in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“32 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court has stated that use of the earlier mark need not always

be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned in order to maintain or create a share in the market for the goods or services protected by the mark (*VITAFRUIT*, paragraph 27 above, paragraph 42, and *LA MER*, paragraph 26 above, paragraph 57; see, by analogy, *Ansul*, paragraph 24 above, paragraph 39, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21).

33 The Court of Justice also added, in paragraph 72 of the judgment in *Sunrider v OHIM*, paragraph 27 above, that it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not, which means that a *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down. Thus, the Court of Justice has held that, when it serves a real commercial purpose, even minimal use of the trade mark can be sufficient to establish genuine use (*LA MER*, paragraph 26 above, paragraph 58)."

The use has to be warranted in the economic sector concerned. In *La Baronia de Turis, Cooperativa Valenciana v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-323/03* the Court of First Instance (CFI) stated:

"43 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 those goods or services, the characteristics of the market and the scale and frequency of use of the mark (*HIPOVITON*, cited above, paragraph 34; see also, by analogy, *Ansul*, cited above, paragraph 43).

44 Concerning the extent of the use made of the earlier mark, account must be taken, in particular, of the commercial volume of all the acts of use on the one hand and the duration of the period in which those acts of use occurred, and the frequency of those acts, on the other. Thus, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness (*HIPOVITON*, cited above, paragraphs 35 and 37)."

The CFI stated in *Kabushiki Kaisha Fernandes v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-39/01*:

“47. In that regard it must be held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned.”

4) A good deal of evidence has been filed in relation to this application for revocation. Parts of the evidence of the proprietor relate to the period after 12 September 2006 or is without clear provenance as to date. This evidence of itself cannot establish genuine use in the relevant periods, however, it does help to set the picture of the nature of use and the nature of the product that is being sold. RETANEW has clearly been used by the proprietor or with its consent in the United Kingdom. I do not consider that this is or can be contested by Avon. The key issues in this case turn on whether there is evidence of genuine use of the trade mark in the United Kingdom on or before 12 September 2006 (as per section 46(3) – see above), if there has been genuine use of the trade mark is it use in relation to goods included in the specification, if it has been used in relation to goods within the specification what is a fair description for the goods upon which it is used? I will concentrate on the evidence in relation to these issues.

Has there been genuine use of the trade mark in the United Kingdom?

5) In relation to the use of the trade mark in the United Kingdom the most telling evidence comes from Mr John Nolan-Neylan. Mr Nolan-Neylan is the managing director of The Naturaceutical Company Limited (Naturaceutical). Naturaceutical obtained the right to distribute Cat's SKIN DOCTORS branded cosmetic products in the United Kingdom and Ireland in October 2005. Mr Nolan-Neylan states that Naturaceutical has distributed RETANEW branded products in the United Kingdom since July 2006. Exhibited at JN7 is an invoice from Naturaceutical to Boots Payments Plc. The invoice is dated 4 September 2006 and the delivery date for the product is 6 September 2006. The invoice is for 864 units of RETANEW 50 ml at a cost of £13,219.20. Mr Nolan-Neylan confirms that the invoice was paid by Boots and that the goods were received by Boots. Exhibited at JN2 is a purchase order dated 10 July 2006 from Naturaceutical to Cat. The order includes an order for 1008 units of RETANEW. Exhibit JN3 is a purchase order dated 8 August 2006 from Naturaceutical to Cat which includes 1008 units of RETANEW. Exhibited at JN4 is a copy of an invoice from Cat to Naturaceutical dated 12 July 2006, it has a shipment date of 23 August 2006. The invoice is for, inter alia, 1008 units of RETANEW and 133 RETANEW posters. Exhibit JN4 is a copy of an invoice from Cat to Naturaceutical dated 13 August 2006, it has a shipment date of 7 September 2006. It includes, inter alia, 600 units of RETANEW. Exhibited at JN6 are details of sales of RETANEW by Naturaceutical to other undertakings in the United Kingdom. The details are in date order, beginning on 18 July 2006 and ending on 8 September 2006, so all on before 12 September 2006. Full details of the undertakings concerned are given, in all the record details the sale of 1141 units of RETANEW, 10 units were

sent out without charge; so in all 1151 units of the product were sent out. Exhibited at JN8 is a copy of an e-mail that confirms the collection by UPS from Cat's Australian warehouse of 1,008 units of RETANEW, 100 RETANEW counter units and 133 RETANEW A1 posters on 25 August 2006. Exhibited at JN11 are copies of e-mails in relation to the entry of RETANEW in the *The Pure Beauty Awards 2006*, the closing date for the entry of the product was 25 August 2006; exhibited at JN10 is a copy of a page from the publication for October 2006 which has RETANEW as winning an award for the best premium anti-aging launch. Exhibited at JN13 is a copy of a page from *Pure Beauty* for September 2006 on which there is an article about the launch of RETANEW. JN11 includes a press release stating that RETANEW will be available from 1 August 2006.

6) Mr Michael Holtzer who is the Chief Operating Officer of Cat also gives evidence. Included as exhibits to his evidence are copies of invoices from Cat to Naturaceutical which show sales of RETANEW. They have document dates and shipping dates as follows:

Document date	Shipping date
12 July 2006	23 August 2006
13 August 2006	7 September 2006
14 August 2006	27 September 2006
13 August 2006	10 November 2006
14 August 2006	10 November 2006
31 August 2006	10 November 2006

Mr Holtzer states that RETANEW was launched in Australia in June 2006 and in the United Kingdom in July 2006. A copy of an invoice from Cat to Naturaceutical dated 12 July 2006 with a shipping date of 7 September 2006 shows 100 counter units for RETANEW. A copy of an invoice from Cat to Naturaceutical dated 12 July 2006 with a shipping date of 5 August 2006 shows 1000 RETANEW brochures, 100 jumbo RETANEW cartons, 67 A1 RETANEW posters and 24 units of RETANEW.

7) The evidence shows use of RETANEW before the date of application for revocation. There is nothing token about the use. The unrebutted evidence is that the use commenced in July 2006, full disclosure of the purchasers in the United Kingdom is given by Mr John Nolan-Neylan. It is clear that Naturaceutical had the permission of Cat to sell RETANEW in the United Kingdom. As the use only commenced in July 2006 there was not a lot of time for the product to build on its sales. However, the sales were not trivial; the sales included one of the best known retailers in the United Kingdom, Boots and the use of the trade mark was clearly external. Cat had five years to commence use of its trade mark, its use began very much towards the end of that period but it cannot be penalised for that' at the date of the application for revocation the marketing of goods under the trade mark in the United Kingdom was very much in full swing. **I have no**

doubt that before 13 September 2006, or before 11 September 2006, use of RETANEW was such as to create an outlet for goods sold under the trade mark and that there was genuine use of the trade mark. The evidence from after the material date, including press articles relating to the product, confirm that there was nothing sham about the activity of Cat or Naturaceutical, it was not simply attempting to maintain a registration.

Is the RETANEW product a class 5 or class 3 product?

8) Mr Joseph M Letang, a trade mark attorney representing Avon, gives evidence. Mr Letang states that RETANEW contains retinol, which is another name for vitamin A. He states that according to the Intellectual Property Office's classification database vitamins, vitamin preparations and pharmaceutical preparations containing vitamins are in class 5. He exhibits extracts from the website of the Royal Pharmaceutical Society of Great Britain. On one page Retin-A preparations are listed as prescription only medicines. A further page states that there are exceptions to vitamin A being available on prescription only, these exceptions relate to external use of vitamin A and an internal dosage limit. He exhibits packaging and instructions from RETANEW that was purchased from Boots in Brighton on 8 May 2008. Mr Letang does not state from which section of the Boots store he purchased the product. He notes that the product is part of the SKIN DOCTORS range and considers that the presence of the word DOCTORS in the trade mark is of significance. He notes that the product contains "control released retinol" and the directions on the side of the packet refer to "an active dose of retinol on every application". He also notes that the directions on the packet include the statement that "[t]his form of retinol is too powerful to use every day. Begin by applying twice a week as a treatment before bed and increase as your skin adapts to renewal process". He states that the product is described as "control released retinol" and that this informs the customer that the product is retinol. He exhibits pictures of packaging for ANEW which is described as a cream, DNAGE eye cream, Lancôme repositioning cream, Clinique cream.

9) Mr Letang exhibits a copy of a decision by Mr Richard Arnold QC (BL O/070/08), sitting as the appointed person, in which he states that:

"Even on this basis, I consider that "medicated" goods in class 5 must at least be goods which have, or are claimed to have, some medicinal property. It seems to me that this is reflected in the distinction between the class 5 and the class 3 specifications of the opponent's CTMs: the class 3 goods are "for cleaning of the skin and astringent purposes" whereas the class 5 goods are "for treatment of irritated skin."

Mr Arnold goes on to state:

“it appears that both Mr Fowler and his company were using the expression “mediated skincare to embrace products for cleaning of the skin and astringent purposes as well as for the treatment of irritated skin. In other words, they were using the word “ medicated” somewhat loosely.....

....More specifically, these products are promoted as caring for irritated skin, and in particular the effects of bites, stings, rashes and sunburn. In my judgment this falls with the opponent’s class 5 specification and not its class 3 specification.”

10) Mr Letang exhibits an extract from *Collins English Dictionary* which describes medicine as “any drug or remedy for use in training, preventing, or alleviating the symptoms of disease”. He also exhibits from the same dictionary a definition of acne , which is described as “a chronic skin disease common in adolescence...” Mr Letang exhibits an article from the *Sunday Mirror* on the use of retinol. The article relates to various anti-ageing products that use retinol. In the article a Dr Patterson states:

“However, products you buy over the counter only convert to a small amount of retinoic acid. They’re not the same as putting prescription retinoic acid cream on your face”.

The article then lists various anti-aging products that use retinol: Matis Caviar Retinol, MD Formulations VitAPlus Anti-Aging Serum, Avène Rétrinal, Emergin C Multi-Vitamin Retinol Serum, Tesco Skin Wisdom Restructuring Night Cream, RoC Retin-Ox Intensive Anti-Wrinkle Moisturiser, Skin Doctors Retanew Contol Released Retinol, Trilogy Booster Capsules.

11) Mr Michael Halter, Group Operations Manager of Pharmacare Laboratories Pty Limited (Pharmacare) and a director of Cat, gives evidence. Cat is a subsidiary of Pharmacare.

12) Mr Halter states that RETANEW is an anti-aging skin care product that is priced at the higher end of cosmetic skin care price ranges. It is marketed and sold as a cosmetic or beauty product by retailers. He exhibits a print from the Debenhams’ website, downloaded on 23 February 2009, which includes the following:

“By using Retanew just twice a week you will notice a reduction in age spots, enlarged pores, UV damage, dull skin, freckles, wrinkles and crows’ feet”

A copy of a page from Timesonline of 1 August 2007 is exhibited; it is headed "Beauty jury: Pro-retinol products" and includes the following.

"Pro-retinol stems from a group of medicines called retinoids. The active retinoid is called retinol, or vitamin A. It sends a message to cells telling them to start producing more uniformly and rapidly. This corrects some features of damaged skin and stimulates the cells on the outer layers to produce new collagen and elastin.

Retinol had been found to be effective in improving ageing and sun-damaged skin as well as acne. Those with sensitive skin that is prone to irritation or women who are pregnant should avoid using it."

Five pro-retinol products are then commented upon – Boots No 7, Matis Regenerating Cream, Environ Début, RETANEW and Alpha-H Act Kit.

The review of RETANEW states that the product is:

"Great for rejuvenating and renewing ageing, dull and weathered skin....."

13) Mr Halter states that he has been informed that RETANEW is not a pharmaceutical product because it does not fall within the definition of a medicinal product under section 130 of the United Kingdom Medicines Act 1968. He exhibits a copy of section 130. The relevant part of the section reads as follows:

"(1)Subject to the following provisions of this section, in this Act "medicinal product" means any substance or article (not being an instrument, apparatus or appliance) which is manufactured, sold, supplied, imported or exported for use wholly or mainly in either or both of the following ways, that is to say—

(a)use by being administered to one or more human beings or animals for a medicinal purpose;

(b)use, in circumstances to which this paragraph applies, as an ingredient in the preparation of a substance or article which is to be administered to one or more human beings or animals for a medicinal purpose.

(2)In this Act "a medicinal purpose" means any one or more of the following purposes, that is to say—

(a)treating or preventing disease;

(b)diagnosing disease or ascertaining the existence, degree or extent of a physiological condition;

(c)contraception;

(d)inducing anaesthesia;

(e)otherwise preventing or interfering with the normal operation of a physiological function, whether permanently or temporarily, and whether by way of terminating, reducing or postponing, or increasing or accelerating, the operation of that function or in any other way.

(3)In paragraph (b) of subsection (1) of this section the reference to use in circumstances to which that paragraph applies is a reference to any one or more of the following, that is to say—

(a)use in a pharmacy or in a hospital;

(b)use by a practitioner;

(c)use in the course of a business which consists of or includes the retail sale, or the supply in circumstances corresponding to retail sale, of herbal remedies.”

Mr Halter states that in the United Kingdom a pharmaceutical product would require marketing authorisation or a product licence from the Medicines and Healthcare Products Regulatory Agency before it can be distributed. He states that as RETANEW is not a medicinal product it does not require a licence or authorisation. The product is for sale in shops such as Boots who would certainly require evidence of a licence or authorisation if it were required. Mr Halter has been advised by Mr Gary Snook who is responsible for Pharmicare’s regulatory affairs in the United Kingdom that RETANEW is not treated as a cosmetic product for the following reasons:

- It does not have a physiological effect on the skin/body.
- It does not treat skin conditions, it merely improves the appearance of the skin at a superficial level.
- It does not have a permanent effect on the skin.
- It is on sale worldwide as a recognised cosmetic brand.

RETANEW is classified in Australia by the Therapeutic Goods Administration as a cosmetic product and not as a pharmaceutical product.

14) Mr Halter exhibits copies of pages from the *International Cosmetic Ingredient Directory and Handbook* that give details of the various ingredients in RETANEW, including retinol. He states that all of these ingredients are catalogued in the book as cosmetic ingredients. The list of uses for retinol include: skin care preparations, blushers, make-up bases, bath oils, hair sprays, nail polish, lipsticks and bubble baths.

15) Mr Halter states that Mr Letang in his evidence seeks to show that RETANEW is promoted as a pharmaceutical product by virtue of the fact that the packaging describes the product as “control released Retinol” and not as a cream or moisturiser. Mr Halter states that this is incorrect. He states that more and more complex ingredients are being used in cosmetic products and accordingly, cosmetic products are being marketed using complex and sophisticated terms and descriptions. He exhibits various materials in relation to this matter.

16) Mr Halter refers to the article from *The Sunday Mirror* of 10 June 2007 which is referred to by Mr Letang in his evidence. He specifically refers to the comments of a Dr Patterson in the article:

“All the different forms of retinol convert into the active form (retinoic acid) when you put them on your skin.... However, products you buy over the counter only convert to a small amount of retinoic acid. They’re not the same as putting prescription retinoic acid cream on your face.”

Mr Halter exhibits copies of pages from the Intellectual Property Office’s on-line classification guide in relation to various goods that are classified in class 3. The list includes acne creams, skin-lightening compositions and cosmetics for use in the treatment of wrinkled skin.

17) Mr Letang refers to the decision of Mr Arnold (see above) to support his claim that the goods upon which use of the trade mark has been shown are appropriate to class 5 and not class 3. In that case Mr Fowler and his company were specifically referring to their products as being medicated and they were promoted for caring for irritated skin and in particular for the effects of bites, stings, rashes and sunburn. This is not the case with RETANEW which is primarily promoted as an anti-aging and anti-wrinkle cream, even if reference is made to acne. It is also to be noted that some acne products are to be found in class 3, ie the non-medicated ones. I do not see the case is on a par with the case upon which Mr Arnold was deciding.

18) Mr Letang does not state from which section of Boots he purchased the product which I find of note, I am sure if he had purchased it from amongst the medicines and pharmaceuticals he would have stated this. The *Sunday Mirror* article to which he refers makes a clear distinction between prescription retinoic acid and anti-aging creams that contain retinoic acid. The article lists RETANEW amongst a number of anti-aging products, it does not distinguish it from these; it clearly sees it as part and parcel of the range of anti-aging products. The article is clearly about cosmetic products designed to hide the effects of aging. Mr Letang considers that it is of significance that RETANEW is part of the SKIN DOCTORS range of product, the word doctors having significance for him. SKIN DOCTORS is a trade mark, it is designed to give an impression, to create an aura or image around products, it is not designed to give an indication that

whether goods sold in this range fall within the parameters of section 130 of the United Kingdom Medicines Act 1968. The product certainly does not fall within those parameters. The uncontroverted evidence is that Boots do not sell the product on the basis that it is a medicine or consider that it requires the licensing that a medicine will require. It is difficult to imagine an undertaking in the United Kingdom better versed than Boots in the trades of both selling medicines and cosmetics.

19) Mr Letang sees significance in that the product is described as “control released retinol” and not described as a cream. The description simply advises what the product is supposed to do, to have controlled release of retinol; according to the product’s promotional material this means that there is less dissipation of the effects of the retinol. Many products contain retinol, not only anti-aging products eg nail varnish, lipsticks and bubble bath. The presence of retinol in a product tells one nothing about the nature of the product. Mr Letang also considers that there is significance in that the user of the product is advised that the product is “too powerful to use every day”. I cannot see any significance in this warning. In the leaflet supplied with the product there is no list of contraindications and no advice about consulting a pharmacist or doctor, advice that, in my experience, is included with medical products.

20) RETANEW is promoted essentially as an anti-aging product. It competes with other cosmetic anti-aging products and is compared with them. It is not subject to section 130 of the United Kingdom Medicines Act 1968. It is not sold as a medicated product. It is not treated as a medicine by Boots. I have no doubt that retailers treat RETANEW as a cosmetic product and the average consumer for anti-aging products will see it as a cosmetic product¹. I cannot envisage the average consumer who is concerned about wrinkles and crows’ feet considers that they are suffering from a medical problem that requires a medicine to treat it. The average consumer will see the RETANEW product as one among many products that are used to beautify and the more educated consumer will view it as one among a number of beautifying products that contain retinol. RETANEW has won an award in the *Pure Beauty* awards, indicating that the trade view the product as a cosmetic. *Collins English Dictionary* (5th Ed 2000) defines cosmetic, inter alia, as:

“n. 1. any preparation applied to the body, esp. the face, with the intention of beautifying it. “

I have no doubt that RETANEW has been marketed, traded and sold as a cosmetic product, as a product that is designed to beautify, and the goods which have been sold under the trade mark are included in the general term cosmetics

¹ In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 Aldous LJ stated: “In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the **way that the public would perceive the use.**” (my emphasis)

in the specification. **The product sold under the trade mark RETANEW is a class 3 product and is covered by the term cosmetics in the specification.**

A fair specification

21) It is necessary to decide upon a fair description for the goods for which genuine use has been shown and which fall within the parameters of the specification. I must not be over-pernickety². It is necessary to consider how the relevant public, which for these goods would be the public at large, describe the goods³. The CFI in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* held:

² *Animal Trade Mark* [2004] FSR 19:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

³ *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

"29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

22) There is no use in relation to *soaps, perfumery, essential oils, hair lotions* and so these goods will be struck out. This leaves how to describe the product for which use has been shown within the parameters of *cosmetics*. A variety of terms are used in relation to the purpose of the product. A sample of packaging of RETANEW advises that the product is for "accelerated skin renewal". It states that it has "visible effects" on wrinkles, dull weathered skin, skin pigmentation, enlarged pores, freckles/sun damage, elasticity/renewal. The packaging advises that retinol, which is an ingredient of the product, has been proved to reduce just about every sign of skin aging. The packaging also states "[m]aximum impact,

microencapsulated retinol for accelerated skin renewal.” The product is described as being used also in relation to crows’ feet, age spots, UV damage, skin elasticity, cell renewal, blackheads, dry and crêpey skin. Various descriptions of the product are given:

RETANEW “is the revolutionary one-step anti-ageing cream that helps prevents lines and wrinkles”.

“Retanew is an anti-aging renewal cream designed for twice-weekly use”.

It has “superior anti-aging results”.

“It is not just another anti ageing treatment”

“Stop premature aging the easy way with Retanew”

It is described as a “luxurious cream”

Mr Holtzer describes it as “a revolutionary luxury anti wrinkle cream”.

Chemist + Druggist of 30 September 2006 describes RETANEW as “a new anti-ageing product”.

It is also described as a “total skincare solution”.

23) Primarily the product is sold as an anti-aging cream and as preventing lines and wrinkles, however, the claims to its effects are not limited to this. *Cosmetics* represents a large category of goods, it encompasses such products as lipstick, mascara, blusher and nail varnish. RETANEW is a skin care product, this appears to me to be a recognisable sub-category of product, it is also how I would expect the average consumer for the product to view it. In its submissions Avon puts forward that if there is a partial revocation the specification should be limited to *creams for wrinkles, anti-ageing and acne*. This does not cover the full gamut of potential uses; it also strikes me as the sort of specification that is over picky in both terms of *Animal* and *Reckitt Benckiser (España)*. **I consider that a fair specification of the product is *cosmetic skin care products*.**

Average consumer

24) In this decision I have made various references to the average consumer for RETANEW. I should, therefore, define who I have had in mind. Taking into account the nature of the product and the marketing I consider that the average consumer for the product will be a female adult, quite possibly, but not necessarily, not in the first flush of youth.

Final outcome

25) There has been no use of the trade mark other than for *cosmetic skin care products* from the date of the completion of the registration to the date of the application for revocation. The partial revocation will, therefore, take place under section 46(1)(a) of the Act and so will take effect from 13 November 2004. **The registration is revoked with effect from 13 November 2004 in respect of all goods except for *cosmetic skin care products*.**

Costs

26) Cat has sought costs off the scale owing to what it considers the unreasonable attitude of Avon in these proceedings; especially in relation to the continuation of the proceedings after the evidence of Mr Nolan-Neylan was filed. It strikes me the evidence of Mr Letang was a somewhat desperate attempt to shore up part of the case following the filing of this evidence. However, it is to be born in mind that the vast majority of the specification has been revoked and so Cat cannot claim overall success. It has not offered to limit its specification even so far as concerns the “blue pencilled” goods. In the normal course of events I would have, it having been more successful, made a partial award of costs to Avon. However, I have taken into account the trouble and cost to which Cat has been put by the evidence of Mr Letang. Consequently, I have decided that each party should meet its own expenses.

Dated this 7th day of August 2009

**David Landau
For the Registrar
the Comptroller-General**