TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 83032
BY STEADFAST ASSET MANAGEMENT LIMITED
FOR REVOCATION OF TRADE MARK No. 2297052
STANDING IN THE NAME OF
STEADFAST CAPITAL MANAGEMENT LP**

BACKGROUND

1) The following trade mark is registered in the name of Steadfast Capital Management LP.

Mark	Number	Registered Date	Class	Specification
STEADFAST	2297052	06.09.02	36	Financial services including establishing and managing mutual funds; investment management; asset management and mutual fund administration.

2) By an application dated 13 September 2007 Steadfast Asset Management Limited applied for the revocation of the registration under the provisions of Section 46(1)(a) & 46(1)(b) claiming there has been no use of the trade mark on the services for which it is registered in the five year period post registration or in the period 13 September 2000-12 September 2007. Revocation dates of 7 September 2007 & 13 September 2007 were sought.

3) On 19 December 2007 the registered proprietor filed a counterstatement denying the applicant's claims.

4) Both sides filed evidence. The matter came to be heard on 23 March 2010 when the registered proprietor was represented by Mr Malynicz of Counsel instructed by Messrs Marks & Clerk and the applicant was represented by Ms Reid of Counsel instructed by Boult Wade Tennant.

REGISTERED PROPRIETOR'S EVIDENCE

5) The registered proprietor filed two witness statements and two affidavits. The affidavits, dated 15 December 2007 and 23 October 2008, are both by Joseph M. Carney who describes himself as "a principal" of Steadfast Capital Management LLC a position he has occupied since 2001. His role is to protect his company's trademarks throughout the world. He states that Steadfast Capital L.P. is an affiliate company which began fund management operations on 1 July 1997 in the USA and has used the mark since this time. He states that Steadfast Capital L.P., Steadfast International Ltd and American Steadfast L.P. are investment funds managed by his company in the USA, UK and Europe.

6) He states that the name STEADFAST is recognised in the fund management/ alternative investment arena and his company has built a reputation for financial expertise in these fields. The registered proprietor's portfolio of investments includes companies located in the UK and several investors in the UK have substantial investments in Steadfast's funds. He states that historically his company holds substantial investments in UK companies, at the date of the affidavit these holdings were over US$1.1 billion. These investments were carried out throughout the relevant periods. He states that continuously since 2001 "a principal of my company has

routinely visited and spent a substantial amount of time in the United Kingdom at least four times a year and often more, making known the STEADFAST Trade Mark known to entities such as Lloyd's of London." He further states that his company owns a participation in MAP Capital which is located in London and trades at Lloyds as part of a private syndicate. Mr Carney states that his company's analysts also visit the UK to meet with corporate management teams and to participate in investor conferences and have done so throughout the relevant periods. He also states that his company has dealt with companies such as Morgan Stanley, Barclays and Citibank. At exhibit JMC A he provides a letter from MAP Capital, dated 11 May 2007, which states that Steadfast Capital LLC is known in the UK insurance investment sector and has been a major capital provider to MAP for seven years.

7) Mr Carney states that his company markets its fund to UK investors and also that UK investors do invest in their fund. At exhibits JMC B-E he provides copies of various documents which are said to show use of the mark in the UK, however they are so heavily redacted that they serve little or no purpose. Mr Carney states that his company manages over US$150 million in funds for UK investors. He states that he has travelled to the UK on a number of occasions during the relevant period and that although they are not known to the public they are well known within the financial community from whence they draw their customers.

8) At exhibits JMC F&G he provides two letters, the first, dated 30 June 2008, is from Barclays Commercial Bank in London and addressed to an office in New York. It states that the bank has had a relationship with Steadfast Capital LLP since May 2004 and have, since that time provided "a Funds at Lloyds letter of credit facility where the beneficiary is the Society of Lloyds". The second letter, dated 7 August 2008, is from Citgroup Global Markets Limited (there is no address for this company on the letter) to Steadfast Capital LLC in New York. It states:

> "We hereby confirm that we, Citigroup Global Markets Limited, have engaged in certain financial services activities with a number of companies in your Steadfast family of investment companies, including Steadfast Capital LP, set up with us as from 1 October 2002, Steadfast International Ltd as from 12 March 2003 and American Steadfast LP as from 21 May 2003 including in the United Kingdom. In our capacity as finance provider to these funds we also have dealt directly with Steadfast Capital Management LLC in its capacity of Investment Advisor to Steadfast International Ltd as well as Steadfast Advisors LLC in its capacity of Investment Advisor to American Steadfast LP and Steadfast Capital LP. We can therefore confirm that we have been aware of the use of the name STEADFAST in our financial dealings with the funds above in the United Kingdom since the dates indicated, respectively, for each fund."

9) Mr Carney states that the type of investment funds that his company offers in the UK are commonly known as "hedge funds" or unregulated funds. It is market practice, he states, for such funds to limit promotion, indeed he explains that in the USA and the UK there are considerable legal restrictions placed upon promoting these funds. Broadly, such funds can only be offered to specific identified clients who are high worth or sophisticated investors.

10) The first witness statement, dated 18 December 2007, is by Richard Sumner the Finance Director of Managing Agency Partners Ltd (MAP) based in London, a position he has held since November 2000. He states that MAP is a Lloyd's Managing Agent which manages two Underwriting Syndicates. He states that one of the Lloyd's syndicates uses Steadfast Capital management LLC through Steadfast International Limited to provide investment services and has done so continuously since 2 January 2007. He further states:

> "In October 2006, MAP distributed a circular to investors in the United Kingdom regarding proposed investments in Steadfast LLP, such circular being sent out under my name as Finance Director of MAP."

11) A copy of this note is provided at exhibit RS1. This merely states that MAP is considering an investment in Steadfast LLP. Mr Sumner states that throughout his career in the UK he has been aware of the STEADFAST name and trade mark used by Steadfast Capital Management LLC and the investment funds owned by this company under the names Steadfast Capital LP, Steadfast International Ltd and American Steadfast L.P.

12) The second witness statement, dated 28 October 2008, is by Dawn Moodie the registered proprietor's Trade Mark Attorney. She refers to the applicant's allegation that the registered proprietor would need to be approved by the FSA. She provides, at exhibit DM2, a copy of a letter, dated 11 June 2008, from Glynn Berwick a solicitor at the London firm of Ashurst LLP in which he states:

> "On the basis of the information provided to me, although SCM carries out significant marketing and investment activities in the United Kingdom, the nature if these activities, such as, for example, the large-entity status of its investor pool, render SCM's activities outside the scope of the authorisation requirements of the Financial Services and Markets Act 2000, and as such the FSA authorisation referred to by Boult Wade and Tennant is not required. Therefore Boult Wade and Tennant's assertion that a lack of FSA authorisation indicates no business activity in the UK is incorrect. It is possible for entities such as SCM to carry out substantial activities using their brand in the UK without being subject to the specific requirements of this Act."

APPLICANT'S EVIDENCE

13) The applicant filed a witness statement, dated 27 March 2009, by Richard John Cameron Everett a solicitor and partner of Lawrence Graham LLP. He states that before joining his current firm he worked for the Financial Services Authority (FSA) and its predecessor the Securities and Futures Authority. He states that until July 2005 he was a member of the FSA's General Counsel's Division, which is responsible for providing legal advice to the FSA on matters relating to regulatory responsibilities. He is also the co-editor of the Butterworth's New Law Guide to the Financial Services and Markets Act 2000, and a contributor to various publications including a loose-leaf commentary on the FSA's regulations. He comments:

> "2. The scheme of regulation in the United Kingdom is that it is a criminal offence to carry on a "regulated activity" by way of business in the United

Kingdom without authorisation from the FSA or an exception provided under FSMA 2000 (section 19, FSMA 2000). The principal exemptions are for EU and international institutions and central banks, for investment exchanges (such as the London Stock Exchange) and for certain professional firms whose activities are governed by rules from the particular professional bodies (such as the Law Society for England and Wales, the Royal Institution for Chartered Surveyors). It is unlikely, in my view, that an exemption would apply to a firm carrying on a business of marketing and managing a collective investment vehicle (such as a mutual fund) for clients unconnected with that firm.

3. I have been shown a copy of the details for UK Trade Mark Registration No. 2297052, the subject of this dispute, a copy of the affidavit of Joseph Carney dated 23 October 2008, and a copy of a letter from Glynn Barwick of Ashurst to Dawn Moodie of Marks and Clerk dated 11 June 2008. I note that the services covered by registration 2297052 are "Financial services including establishing and managing mutual funds; investment management and mutual fund administration". I agree with Mr Carney and with Mr Berwick that it is permissible to market the funds they describe (referred to by them as "hedge funds) without the need for authorisation by the FSA, provided that the relevant restrictions are complied with. However, under the FSMA 2000 promotion of investment products is a distinct activity controlled by that statute. It is not, in itself, a regulated activity (although it may form part of the regulated activity of arranging transactions in financial instruments).

4. Each of establishing and managing a collective investment scheme (including a mutual fund) and investment management (as particularised in the Class 36 specification in registration 2297052) are (subject to certain exclusions specified under FSMA 2000 in the Regulated Activities Order 2001, SI 2001/544, as amended) regulated activities and would therefore trigger the need for FSA authorisation. I understand that Steadfast Capital Management LLC have not suggested that an exemption or exclusion applies to their business- other than in relation to the marketing of their products in the United Kingdom.

5. In my view, the appropriate inference to be drawn from the nature of the activities described in the trade mark registration, the regulatory regime under the FSMA 2000 and the fact that there is no suggestion of exemption or other disapplication of the need for FSA authorisation, is that Steadfast Capital Management LLC is not conducting business in the United Kingdom that amounts to investment management or establishment and management of a mutual fund. Carrying on such business outside the United Kingdom would not require authorisation from the FSA."

PROPRIETOR'S EVIDENCE IN REPLY

14) The registered proprietor filed four witness statements and an affidavit. The affidavit, dated 17 June 2009, is by Mr Carney who has already provided evidence. He states that the two management companies Steadfast Capital Management LP (formerly known as Steadfast Capital Management LLC) and Steadfast Advisors LP and the three funds that they run Steadfast Capital LP, Steadfast International Ltd and American Steadfast LP are all known and referred to simply as STEADFAST. He

states that the three funds are sold and marketed in the USA, UK and Europe. At exhibit JMCI he provides various documents such as financial statements, marketing materials, and communications to investors etc, which refer mostly to the companies and funds by their respective full titles but do also, use the shortened version "Steadfast".

15) Mr Carney provides details of meetings with various individuals from organisations such as the Wellcome Trust, Oxford University Endowment Trust, and John Lewis Pension Trust Limited. At exhibit JMC J & K he provides a full list of his monthly visits to the UK during 2007. Also as part of exhibits K & L he provides copies of e-mails referring to these meetings.

16) The first witness statement, dated 10 June 2009 is by Sandra Robertson the Chief Investment Officer at Oxford University Endowment Management Ltd a position she has held since September 2007. Prior to this she was Co-Head of Portfolio Management at the Wellcome Trust and has been involved in institutional investment for sixteen years. She became aware of Steadfast in 2007 and met with Mr Carney in London in January 2007, and she has subsequently met with him in her role with Oxford University, also in London in 2007. On both occasions she was provided with literature which bore the Steadfast trade mark. She provides exerts of this literature at exhibit XX1. She states that during the discussions with Mr Carney, he often referred to "Steadfast" rather than giving the full formal name of either the company or fund. She states that she regards Steadfast as trading in the UK and that she has had meetings with other hedge funds which have offices in the UK and are in direct competition with the registered proprietor. The exhibit provided is very similar to that filed by Mr Carney and refers to the companies and funds by their full names and also in the shorthand version "Steadfast".

17) The second witness statement, dated 11 June 2009, is by Andrew Chapman the Pension Investment Manager at the John Lewis Partnership Pension Trust Limited, a position he has held since 2003. He has worked in the investment management industry since 1978. He states that he was informed about the registered proprietor by a third party and instigated contact in July 2007. Contact was initially via telephone calls and e-mails, but subsequently by a meeting in New York on 26 July 2007. Following this meeting he states that he was provided with literature bearing the Steadfast trade mark. At a meeting in London in September 2007 he and his colleagues were provided with additional literature which also bore the mark in suit. He makes very similar statements regarding the manner in which Mr Carney used the name Steadfast, and the issue of competition from UK based companies. He provides as exhibits examples of the literature that he was supplied and these are again similar to those filed by Mr Carney. The exhibits show that John Lewis Partnership invested £25 million in Steadfast.

18) The third witness statement, dated 12 June 2009, is by Fabian Thehos an investment manager at the Wellcome Trust a position he has held since September 2006. He confirms the evidence of Ms Robertson regarding the meeting between the Wellcome Trust and the registered proprietor, firstly in New York and subsequently in London during 2007. He provides copies of e-mails referring to the meetings and makes similar comments regarding the use of the mark STEADFAST by Mr Carney in meetings as well as on literature. He provides copies of the literature as exhibits

which are similar to those filed by Mr Carney. He also comments on the fact that he has met other UK based trust funds who are in direct competition with the registered proprietor. The exhibits show US$85 million being invested.

19) The fourth witness statement, dated 29 June 2009, is by David Fear the President of ZBI Europe a position he has held since 2000. He states that he has been involved in the investment sector for fifteen years. He states that his company provides recommendations to investment partnerships regarding public equities in the UK and worldwide. He states that he has been aware of the registered proprietor since 2001 when Steadfast invested in MAP. He states that a company that he is personally affiliated to invested in Steadfast between 2002 and 2008 and still has some investments in the fund. He states that Steadfast participates in some of the same equity markets as ZBIE. He states that the market is international and that the registered proprietor trades as Steadfast in the UK and elsewhere.

CROSS EXAMINATION

20) The following witnesses were examined under oath during the hearing. All the witnesses appeared to me to be credible, truthful witnesses who did their best to answer the questions put to them in a straightforward and helpful manner. I note that the independent witnesses all hold senior positions where they make or recommend investments relating to very substantial amounts of money. To reach these positions it is reasonable to assume that they have demonstrated their integrity over a number of years, and one must assume that their individual remuneration is somewhat above the average salary in the UK. That they were willing to provide evidence and also to make themselves available for cross examination cannot, I would submit, be lightly dismissed. The following is a summary of the main points of their evidence.

Mr Carney

21) Mr Carney confirmed that his company was not registered with the FSA but is nonetheless regulated by the FSA. As Ms Reid asked me to ensure that I considered Mr Caney's answers very carefully I reproduce his replies to the relevant questions below:

> "Q. But you are not regulated by the FSA in the UK?
> A. That is not correct. We are regulated by the FSA in the UK and we comply with all FSA regulations. We are not registered with the FSA, nor do we need to be, or so I am advised by our counsel located here in the UK.
> Q. So you have been given advice about this?
> A. I have been.
> Q. And what was that advice?
> A. The advice was, and continues to be, that if we market our services to a sophisticated group of investors, who have a minimum threshold of at least £5 million in net assets, that we are potentially exempt from registration which is meant to be a watchdog over marketing practices to the High Street. We are dealing with sophisticated institutional investors whose minimum net worths are surely north of £5 million.
> Q. So you would accept you are not authorised by the FSA?
> A. Can you define "authorised". I am not sure what "authorised" means.
> Q. Do you have an authorisation? Have you applied for an authorisation with the FSA?

A. To the best of my knowledge, I have not applied for authorisation."

22) Later, the transcript shows the following exchange:

"MS. Reid: You accept that you cannot lawfully provide regulated activities in the UK without authorisation. Is that correct?
A. That is not correct. I can provide regulated activities to institutional investors of a certain sophistication.
Q. You have not provided any earlier indication that you were regulated in this way, have you?
A. That is not correct. We file regulated statements with the FSA as per our long UK holdings and our short UK listed holdings.
Q. Mr. Carney, in this case, your affidavits contain no evidence that you are regulated by the FSA. Is that correct? You have your affidavits. You have just been taken to them.
A. I assume that is correct. However, for the public record, there will be filings of FSA statements on long holdings here in the UK.
Q. In this case, though, Mr. Carney, you have not put in any evidence that you are regulated by the FSA?
A. That is correct."

23) Mr Carney confirmed that his company does not have a website and that it does not pay marketers although there are UK consultants who are quasi marketing the proprietor's fund to institutions located in the UK. It became clear that the documents filed as exhibits were not the exact versions sent to the individuals, they were slightly later versions but were exactly the same in their format but certain details such as company employees and the level of funds managed would have been different. I note that in his witness statement Mr Carney does state that the documents exhibited are "the same as" those sent, which in essence given his explanation, is correct. The documents were updated quarterly but differed only in the details of the funds managed and employees. In some instances however, the documents exhibited are the exact documents supplied to the other witnesses. There was some doubt cast by Ms Reid over the dates but as Mr Carney explained some documents were dated when agreement was anticipated to be reached even though they may have been sent out the end of the previous month. He also explained that there would be numerous versions of ostensibly the same document being sent back and forth between the parties and although he stated that the correspondence began in one month the document provided might be a later version and so carries a date after that stated in his statement. He also confirmed that all the staff are located either in the USA or in the Caymen Islands; and that he met with Ms Robertson in London in January 2007, July 2007 and then in September 2007. The last meeting with Ms Robertson was in her new capacity with Oxford University.

Mr Sumner

24) Mr Sumner confirmed that the registered proprietor owns approximately 15% of his company's stock and one of the directors of the registered proprietor sits on his company's board as a non-executive director.

Ms Robertson
25) Ms Robertson confirmed that she knew Mr Thehos but had not previously met Mr Chapman. She confirmed that she was sent a draft wording, which in her experience with legal documents is usual; she then amended it as she felt necessary and signed it. She confirmed that in signing the document she adopted the language provided.

Mr Chapman
26) Mr Chapman agreed that he had been provided with a template for his statement but he went onto say "I adjusted that and I signed it in good faith because they were my words, they became my words once I accepted the tenor of the discussion and also, as you can see the differences between my statement and, I assume, the other witnesses' statements, those differences are completely my words and, if you like, in addition". Mr Chapman was clear that he met with the registered proprietor in July 2007 and accepted that some of the exhibits he provided were later versions of the originals that he received at the meeting. It was also clear that the issue of where the registered proprietor company was registered was of no concern.

Mr Thehos
27) Mr Thehos confirmed that he had received a blueprint for his statement and that he had written the important bits himself whilst adopting those parts which remained unchanged. It became clear that the exhibits provided were received between the initial meeting in January 2007 and the investment decision in September and that the exhibits were merely excerpts from an array of documents that would have been required before a substantial investment was agreed.

28) That concludes my review of the evidence. I now turn to the decision.

DECISION

29) At the hearing Mr Malynicz stated that his client would not be seeking to defend its registration with regard to Mutual funds as the evidence clearly shows that they do not offer such a service. The revocation action is based upon Section 46(1)(a) & (b) of the Trade marks Act 1994, the relevant parts of which read as follows:

> "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."

30) The applicant alleges that the mark has not been used in the five years subsequent to registration or in the five years prior to the date of the application for revocation. The periods in question are, therefore, 7 September 2002 – 6 September 2007 for Section 46(1)(a) and 13 September 2002-12 September 2007 for the Section 46(1)(b) ground.

31) Where the registered proprietor claims that there has been use of the trade mark, the provisions of Section 100 of the Act make it clear that the onus of showing use rests with him. It 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."

32) The applicant also contended that the registered proprietor could not legally operate in the UK as it is not registered with the Financial Services Authority (FSA). This contention was said to be supported by the evidence of Mr Everett who until July 2005 worked for the FSA General Counsel Division. He offers his opinion that the registered proprietor cannot be conducting business in the UK "that amounts to investment management or establishment and management of a mutual fund". He agrees that the registered proprietor could offer a hedge fund but questions whether the promotion of this fund would be legal without FSA authorisation. Ms Reid invited me to accept the opinion of Mr Everett as meaning that the registered proprietor could not conduct business in the UK legally. Whilst Mr Everett's evidence is unchallenged, under cross examination Mr Carney stated that although his company is not registered with the FSA it does file statements with the FSA and complies with its regulations. Mr Carney's evidence was that his company had sought its own legal opinion prior to doing business in the UK and that opinion was that provided the registered proprietor restricted its operations to high worth or sophisticated investors then its operations were legal.

33) The FSA is not a supine body; it actively polices the UK market seeking those who are in breach of its regulations. If the applicant believed that the registered proprietor was breaching the rules of the FSA then one wonders why they did not raise the issue with the FSA at the same time as filing the application for revocation.

In the intervening 30 months the FSA would probably have determined the legality or otherwise of the registered proprietor's operation. At the very least they could have sought an opinion from the FSA and entered this into the action as evidence. Mr Everett's evidence regarding Mutual Funds is unequivocal. However, his comments on other financial services seem to imply that the comments of Mr Carney under cross examination are correct and that the management of hedge funds does not require companies to be registered with the FSA. The issue of marketing these funds also appears to be uncertain as Mr Everett seems to acknowledge that there are exemptions within the rules governing such activities. It is clear from the conflicting legal advice received by the two parties that this is a highly complex issue, and is one which to my mind is not for this tribunal to determine. However, as the issue has been raised I must consider the matter. I believe that it is reasonable to assume that the FSA is aware of the activities of the registered proprietor given that according to Mr Carney's testimony his company files statements with the FSA on a regular basis. I also note that the clients of the registered proprietor are very high profile companies, such as those represented by the witnesses, who invest very substantial sums of money. It also seems reasonable to me to assume that the activities of the registered proprietor have come to the attention of the FSA over the years. The evidence filed by the applicant for revocation regarding the regulation of mutual funds is clear in that a company offering such funds must be registered with the FSA. The legal opinion on hedge funds is far less certain and refers to exemptions. I do not need to make a ruling relating to mutual funds, as it is clear from the testimony of Mr Carney that they do not offer such a fund in the UK and indeed this part of the specification was ceded by Mr Malynicz at the hearing. Turning to consider the specification of "Financial services; investment management; asset management", on the balance of probabilities I find it difficult to accept that the actions of the registered proprietor are illegal. It seems far more reasonable to assume that, on the balance of probabilities, they are undertaking their business in the UK in strict observance of the stringent rules of the FSA, and, by targeting only the sophisticated investor with their hedge fund are within the rules set out by the FSA, including those relating to marketing.

34) The consequence of this finding is that should I find that the registered proprietor has made genuine use of the mark in suit in the UK during the relevant periods outlined in paragraph 30 above, such use will be regarded as being legal use.

35) In determining the issue of whether there has been genuine use of the mark in suit I take into account the guiding principles from *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. From these cases I derive the following main points:

> - genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
>
> - the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
>
> - it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);

- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);

- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);

- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);

- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);

- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);

- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);

- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);

- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

36) I also take note of the CFI (now the General Court) case T-334/01, *MFE Marienfelde GmbH v OHIM* (HIPOVITON) where at paragraph 37 they stated:

> "37. However, 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."

37) The applicant referred me to a number of cases. In the Judgment of the Court of First Instance (now the General Court) in the case of *Vitakraft – Werke Wuhrmann & Sohn GmbH & Co. KG* (T356/02) paragraphs 26 & 33 the Court said:

> "26. As is apparent from the judgment in Case C-40/01 Ansul [2003] ECR I2439, paragraph 43, there is genuine use' of a mark where it 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. Furthermore, the condition of genuine use of the mark requires that the mark, as protected on the relevant territory, be used publicly and outwardly (see Ansul,

paragraph 37, and Case T-174/01 Goulbourn v OHIM - Redcats (Silk Cocoon) [2003] ECR II-789, paragraph 39).” and

“33. It follows from the case-law cited in paragraph 26 above that it is appropriate to examine whether the intervener has shown, in the proceedings before the Office, that its earlier marks B and C2, as protected, were used on the relevant territory publicly and outwardly for the purpose of creating or preserving an outlet for those goods or services covered by the marks. Pursuant to Rule 22(2) of Regulation No 2868/95, that proof must relate in particular to the extent of that use. Finally, it is not sufficient for genuine use to appear probable or credible; actual proof of that use must be given.”

38) Mr Arnold Q.C. (as he was) acting as the Appointed Person in *POLICE* [2004] RPC 35 said:

“50. As I read paragraphs 37-39 of the judgment in *Ansul*, what the Court of Justice is saying is that the key question is whether the use is real, that is to say, whether the purpose of the use is to create or maintain a market for goods or services marketed under or by reference to the trade mark in question. In assessing the genuineness of any use that has been made, regard must be had to all relevant facts and circumstances, and in particular (but without limitation) the nature of the goods or services, the characteristics of the market for those goods or services and the scale and frequency of the use. It follows that the extent of the use is a relevant consideration, and in a borderline case it may be an important factor. In my judgment this does not mean that use which would otherwise qualify as genuine can fail to be genuine merely because it is on a small scale.”

39) I was also referred to *SAND* CTM R 40/2004 paragraphs 26 and 27, *PICKWICK* CTM R 335/2004-1paragraph 31; *The Sunrider Corp v OHIM (VITAFRUIT*) T 203/02 paragraph 42 and *Adrenaline* SRIS O/336/99.

40) Ms Reid contended that as all of the staff of the registered proprietor are based either in the Bahamas or in the USA then a service was not being provided in the UK. It was further contended that all investment decisions are ultimately made/approved by Mr Pitts, the founder of the registered proprietor, who is based in New York and there is no evidence that he has ever visited the UK. These facts are clear from the evidence filed by the registered proprietor, were freely acknowledged and known to their clients. I do not believe that the geographical location of the staff precludes them from providing a service in the UK.

41) Ms Reid’s forensic examination of the evidence showed that a number of the exhibits filed by the registered proprietor’s witnesses post dated the events said to have occurred. However, I note that the witness statements usually referred to the documents being “the same as” those exhibited. This issue was clarified in the cross examination where it became apparent that the documents were subtly amended during the course of negotiations but remained substantially the same, particularly in the use of the term Steadfast upon these documents. Thus, although the documents exhibited were dated after the events referred to in the witness statements the documents were said by the witnesses not to have changed, other than on issues which

have no bearing in the instant case. I am therefore content to rely upon the exhibits filed by the witnesses as being an accurate portrayal of the use to which the mark in suit has been put.

42) The applicant also contended that I should give little weight to the evidence filed by the independent witnesses as they had clearly been supplied with a template and had simply personalised certain aspects. In Re Christiansen's TM [1885] 3 RPC 54 at 60 Lord Esher MR stated:

> "Now, to my mind, when you have evidence given upon affidavit, and you find a dozen people, or twenty people, all swearing to exactly the same stereotyped affidavit, if I am called upon to act upon their evidence, it immediately makes me suspect that the affidavits are then not their own views of things and that they have adopted the view of somebody who has drawn the whole lot of the affidavits, and they adopt that view as a whole and say 'I think that affidavit right' and they put their names to the bottom."

43) In the instant case each witness amended a considerable amount of their statement, and when cross examined they were very robust in pointing this out and stating that they would not sign anything which they did not agree with. The fact that they had decided to adopt the wording provided in certain paragraphs instead of simply substituting different words whilst maintaining the overall sense of the sentence meant that it was easier to detect precisely what had occurred. I also take into account the positions that the witnesses occupy, their integrity and the fact that even under cross examination they contended vehemently that when signing their statement each of them understood that they were simply adopting a form of language which accurately reflected their views, and that they carefully considered the statement and the language it contained before signing. They are all used to being provided with draft documents which they amend as they feel necessary and then sign once they are content, this was simply an extension of that behaviour. To my mind, in these circumstances, I should not give less weight to this evidence.

44) The applicant contended that the registered proprietor does not market their services on a website or by third party marketers. This was accepted by Mr Carney under cross examination. The applicant also contended that the registered proprietor could not create a market in the UK due to the restrictions on marketing financial products imposed by the FSA. It was accepted that the registered proprietor could not advertise its services generally as the hedge fund investment it offers cannot be provided to the general public but only to "sophisticated" investors with a very high net worth. The registered proprietor therefore carries out no advertising of its services at all, relying upon consultants and financial advisers who are aware of the company and its fund management to inform clients as to the existence of the registered proprietor. It was also stated that the registered proprietor attended selected financial seminars and conferences. They also have a presence, via a third party at Lloyds. It is clear from the confidentiality agreements and non-disclosure clauses which litter the registered proprietor's evidence that the registered proprietor prefers to keep a very low profile. However, given that their service is only available to a minute proportion of the population of the UK who would qualify as being high net worth sophisticated investors this is not surprising. It avoids the company having to fend off those who do

not qualify to invest in their fund and allows the registered proprietor to target those it views as potential customers.

45) The registered proprietor has a total fund of approximately US$1.1billion of which approximately US$150million is from UK investors. Mr Carney stated in his cross examination that his company's total fund was "de minimis" in the context of the hedge fund market in the USA which is in the trillions of dollars. My attention was drawn to the fact that the USA market was used as the measure by Mr Carney and it is clear that the registered proprietor company thinks of itself as a USA company. Correctly so as it is just this, but this does not automatically preclude it from doing business in the UK. I was invited to note that very little evidence of actual investment had been produced, and great store was made that one of the investments did not occur within the relevant periods despite discussions beginning within the relevant periods. Given the nature of the investments concerned it is hardly surprising that the actual investment will take a considerable amount of time after the initial meeting. It is clear from the evidence that numerous meetings, phone calls and correspondence occurs between the initial contact and the decision point. As clients are investing substantial sums (£25 million in the case of John Lewis Partnership and US$85 million from Wellcome Trust) one would expect them to take a considerable amount of time and care to ensure that their decision was the correct one. To my mind the activity leading up to a decision to invest must be taken into account, even if the actual investment is outside the relevant period.

46) Although the evidence put forward by the registered proprietor is limited I do find it compelling. The fact that they have managed to get statements from two highly reputable companies stating that they have invested in a hedge fund, and then being prepared to be cross examined upon their evidence should not be taken lightly, particularly in view of the recent vilification of such funds and investors in the press lately. The witnesses hold positions of considerable authority within their own company and their evidence was not undermined in any way by the cross examination. They confirmed that they had met with representatives of the registered proprietor in the UK on a number of occasions leading up to their decision to invest and had held regular meetings in the UK subsequently. The service that the registered proprietor offers is an investment service. The actual investment does not have to be held in the UK, indeed even if a UK based company had been chosen it is likely that much of the investment would have been spread worldwide in order to lessen risks and also improve yields. It has been clearly shown that the registered proprietor met with actual and prospective clients in the UK during the relevant periods and in my opinion these meeting amount to the provision of an investment service.

47) I must now determine whether the mark in suit was actually used as a trade mark or simply as the name of the company. I was referred to the comments in *Celine Sarl v Celine SA* Case C1706 [2007] E.T.M.R 80 where at paragraphs 20-23 the ECJ said:

> "20 It is clear from the scheme of Art.5 of the Directive that the use of a sign in relation to goods or services within the meaning of Art.5(1) and (2) is use for the purpose of distinguishing the goods or services in question, whereas Art.5(5) is directed at "the use which is made of a sign for purposes other than distinguishing the goods or services" (Case C-63/97 Bayerische Motorenwerke AG v Deenik [1999] E.C.R. I-905 at [38]).

21 The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 Robelco NV v Robeco Groep NV [2002] E.C.R. I-10913 at [34], and Anheuser-Busch at [64]). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being "in relation to goods or services" within the meaning of Art.5(1) of the Directive.

22 Conversely, there is use "in relation to goods" within the meaning of Art.5(1) of the Directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, Arsenal at [41], and Adam Opel at [20]).

23 In addition, even where the sign is not affixed, there is use "in relation to goods or services" within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party."

48) The instant case is not on all fours with *Celine* as the evidence shows that the company and its fund are both referred to by the name STEADFAST. The registered proprietor does not sell a service or a product under any other name other than that of the company. The independent witnesses did not distinguish between the two. They were content that they were sold an investment service under the trade mark STEADFAST. I accept that the registered proprietor has shown only two clear instances of actual investors but this cannot be regarded as anything other than genuine use and certainly it cannot be regarded as token use when one considers the client's involved and the sums invested, even if on a global scale the sums form a miniscule part of the overall market.

49) The registered proprietor has, in my opinion, shown that the mark in suit STEADFAST has been used on a hedge fund in both the relevant periods. At the hearing Mr Malynicz stated that his client would not attempt to defend its registration in respect of mutual funds. I must therefore consider the specification which should remain upon the Register.

50) The correct approach to reducing a specification has been considered in a number of cases that have been before the High Court and Court of Appeal. Richard Arnold QC (as he was), sitting as the Appointed Person, considered and accumulated authorities in *Nirvana Trade Marks*, BL O/262/06. I gratefully adopt the following propositions that he derived from his consideration of the case law:

(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

51) The original specification was "Financial services including establishing and managing mutual funds; investment management; asset management and mutual fund administration." Adopting the test above I believe that the specification should be reduced to "Investment management".

52) As the registered proprietor has been successful it is entitled to a contribution towards its costs. However, there are a number of issues which have occurred in this case, including an abandoned hearing which the applicant has requested be taken into account and the abandonment of part of the specification at the hearing; and from the registered proprietor the issue of cross examining witnesses, which they say had no effect on the outcome of the proceedings. Neither side would appear content with a simple cost award within the normal scale I therefore give both sides fourteen days from the date of this decision to provide details submissions of the costs that they seek.

Dated this 29 day of July 2010

George W Salthouse
For the Registrar,
the Comptroller-General