

O-069-13

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2388572**

**IN THE NAME OF**

**ARTBANK.COM LIMITED**

**OF THE TRADE MARK:**

**ARTBANK**

**IN CLASS 42**

**AND THE APPLICATION FOR REVOCATION**

**THERE TO UNDER NO 84294**

**BY**

**ARTBANC INTERNATIONAL LTD, INC**

1) Section 46 of the Trade Marks Act 1994 (the Act) states:

“(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) The registration procedure for the trade mark ARTBANK was completed on 3 February 2006. The application for registration was made by Artbank.com Limited (ACL), which is still the registered proprietor. The trade mark is registered for:

*creating and maintaining websites for the sale and resale of items*

The above services are in class 42 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 1 February 2012 ArtBanc International Ltd, Inc (ABI) filed an application for the revocation of the registration under sections 46(1)(a) and (b) of the Act. Under section 46(1)(b) of the Act, ABI claims that the trade mark has not been used from 1 February 2007 to 31 January 2012. Revocation is sought from 4 February 2011 under section 46(1)(a) of the Act, and from 1 February 2012 under section 46(1)(b) of the Act.

4) ABI states that investigations that it has made suggest that to the extent that there has been any use of ARTBANK, such use has been in the context of a business buying and selling artworks rather than a business involving the provision of the services of the registration.

5) ACL filed a counterstatement in which it denied the grounds of revocation, stating that it had used the trade mark for the services of the registration in the material periods.

6) Both sides filed evidence.

7) A hearing was held on 8 February 2012. ACL was represented by Stuart Baran of counsel instructed by Forrester Ketley & Co. ABI was represented by Linda Harland of Reddie & Grose LLP.

### ***Evidence***

8) Both parties have adduced evidence in relation to the initial examination of the application for registration.

9) The specification originally entered upon the application form was for:

*sale of advertising space on the Internet; providing an online, interactive website for promotion, sale and resale of items via a global computer network*

in class 35.

10) An examination report was issued on 16 May 2005, in which the examiner objected to the registration of the trade mark under section 5(2) of the Act. The objection was based on three earlier trade marks, two in class 35 and one in classes 35, 36 and 38. On 3 June 2005 ACL responded to the examination report. The following, inter alia, appeared in the letter:

“We enquire whether a restriction of the specification to “Providing an online, interactive website for sale and re-sale of items by global computer network”, thereby deleting all references to “advertising” and “promotion” services would enable the citations to be overcome.....

.....In David Hood’s conversation with Mathew Healey, Mr Healey indicated that the client’s key service of interest was an “e-Bay” – type style website which enabled consumers to buy and sell goods over the Internet. Against that background we assume that the revised wording is both sufficiently clear for the Registry’s purposes and correctly classified, but look forward to the Examiner’s suggested re-wording if we are incorrect to the point.”

11) An official letter was issued on 8 June 2005 in reply to the letter of 3 June 2005. The following appeared in the letter:

“I advise that, for the restricted specification proposed, I would be willing to waive the cites and allow the case to proceed to acceptance, though the owners of cited marks, since the marks are still very close, may wish to oppose the mark’s acceptance.

With the ‘Advertising’ aspect of the specification deleted, this focuses attention on the provision of a website for sale and resale. This is either a website (Class 42) or retail (class 35) service.

Please advise whether you would prefer (in Class 35) ‘The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from a general merchandise internet website.’

or transfer to Class 42 for ‘Creating and maintaining websites for the sale and resale of items.’

I may say that ‘Electronic bulletin boards’ (should that be relevant) are classified in Class 38”

ACL responded to this letter on 28 July 2005. In this letter it wrote:

“Please amend the specification of the Application to your proposed re-wording in Class 42, namely “Creating and maintaining websites for the sale and resale of items”.”

12) An official letter of 27 September 2005 advised ACL that the requirements for registration appeared to be met and so the application had been accepted. The application was to be published with the specification as per the letter of ACL of 28 July 2005.

*Witness statement of Andrew James Thornton of 16 August 2012*

13) Mr Thornton is a director of ACL.

14) ACL was incorporated on 11 March 2005. It operates the website artbank.com.

15) Mr Thornton states that ARTBANK provides an online platform (website) for third party customers to advertise artworks owned by them for sale to potential buyers. The seller will be a professional dealer or a person wishing to sell on the secondary market, the service is not for artists to sell their own work. Mr Thornton states:

“Artbank also provides a gallery section providing a directory service for galleries in the UK and further afield and its software enables it to generate individual websites for galleries advertising in its directory listings section. Thus, the Artbank site has built in functionality which would allow a gallery to create its own “mini-site” within the Artbank site. Thus a gallery which appears in the Gallery listings section would have a “home page” within the Artbank site which would carry basic information and a photo for the gallery. In addition, when a gallery loads art onto the site it shows up on their “home page”. The built in functionality also allows for the creation of more extensive mini-sites within the Artbank site where a gallery could create multiple pages, choose colours, layout and the like.”

ACL has never purchased or sold an art work.

16) A customer wishing to advertise a work of art must first acquire a credit. Initially the model was for the credits to be purchased. Later, credits were offered for free; ACL would be able to derive a commercial return from the sale of advertising space. Having acquired a credit, a customer can upload to the website a piece of art that is for sale. Once a customer had completed the upload process the proposed advertisement would trigger an approval procedure, requiring the administrator of the site to approve the piece of work for public display. Once approved, the advertisement would appear on the website under the art for sale section. Exhibited at AJT3 are copies of the pages which allow for uploading, emanating from 18 June 2012. The first pages are for adding an art posting, the last pages for adding an artist. Buttons at the top of the pages are entitled: home, art for sale, galleries, artists, sell your art, my Artbank, services and FAQs. The pages bear the name ARTBANK. If a visitor to the site is interested in purchasing an art work he/she sends a message to the seller via the website; exhibit AJT4 is a copy of the pertinent page, emanating from 18 June 2012. Once the message has been sent, the vendor and potential purchaser communicate directly between themselves; ACL has no involvement in this communication. ACL takes no rôle in any transaction which may have been effected as a result of an introduction generated by the site.

17) Mr Thornton states that ACL received art items by way of upload until the middle of 2009. Exhibited at AJT5 are pages downloaded from the website; they are from the pages entitled “posting manager”. The details are all redacted. The pages show postings from 2006 to 2009. On a number of the pages ARTBANK appears, however, the pages were downloaded on 18 June 2012. The number of individual pieces of art uploaded was as follows:

2006	266
2007	424
2008	221
2009	26

In mid-2009 ACL, owing to a dispute between ACL and ABI, the website ceased accepting uploads. Mr Thornton states that building a new website to replace the current website was put on hold owing to the dispute. However, new customers have continued to register at the website. The number of new registrations has been as follows:

2006	570
2007	714
2008	772
2009	569
2010	408
2011	472
2012	75

(to 31 March)

There are currently 1,730 registered users of the website in the United Kingdom; there are also registered users from other territories.

18) Exhibited at AJT7 are copies of screenshots from the ARTBANK website, made on 15 June 2012. Artbank appears on the pages, as do third party advertisements. At the top of page 156 the legend “Buy and Sell Fine Art with Artbank” appears. Also appearing on this page are the words “[s]ource and buy art directly from artists at our sister site Artistbank.com. Please click one of the links below”. Mr Thornton states that all of the features seen in the exhibit were present during the material periods. He refers to the following features: art for sale, listings of galleries and art dealers, artist biographies, resources and guides relating to art, information relating to fine art schools and colleges, an FAQ section and details of ARTBANK’s affiliate programme. At page 157 is a page relating to galleries and art dealers. It is headed “free gallery listing”. The names of art galleries are given with indications of their specialities; there is a button for gallery details. Page 158 relates to the Houldsworth Gallery; details of location, opening hours and the type of art sold are given.

19) Exhibited at AJT8 are copies of pages from web.archive.org. The pages emanate from each year between 2006 and 2011. All of the pages show ARTBANK. The pages include the following:

“Buy and Sell Fine Art with Artbank  
Contact the sellers directly! Artbank is the independent platform to source, buy and sell featuring works from art galleries & dealers and private and corporate owners – present fine art from the primary & secondary art markets”.

(The ends of the lines are missing, probably as the result of the exhibited pages being print screens.)

20) Mr Thornton describes AJT9 as containing copies of invoices relating to the building of the ARTBANK website. All of the invoices are from Moodia Ltd. They relate, inter alia, to design and development of the website, website design, client testing, stand-alone gallery websites and user manual creation. Mr Thornton refers specifically to the invoices exhibited at pages 203 and 204 which relate to “gallery subscriptions, WYSIWYG editions and stand alone gallery websites”. Mr Thornton states that these relate to “functionality allowing for the creation and maintenance of individual stand alone gallery websites within the Artbank website”. Exhibited at AJT10 are copies of invoices which relate to the hosting of the website and “offsite backups”; the services were provided by Moodia Ltd.

21) Mr Thornton states that there was only limited activity which might be regarded as conventional promotion. ACL incurred costs in relation to search engine optimisation and Google Adwords. Exhibited at AJT11 and 12 is material relating to costs incurred in relation to promotion. There are no exhibits showing the services that were being promoted.

22) The rest of the statement consists of submissions. The submissions are borne in mind but will not be rehearsed here as they are not evidence of fact.

*Witness statement of Steven John Wake*

23) Mr Wake is a trade mark agent acting for ACL.

24) Mr Wake exhibits material relating to the examination of the application which has been considered above. The rest of Mr Wake’s statement is submission. It is borne in mind but will not be rehearsed here as it is not evidence of fact. However, the following is considered of note in consideration of the case:

“I therefore suggest that the wording finally adopted for the services covered by the UK trade mark registration No. 2388572 “creating and maintaining websites for the sale and resale of items” should be read as directly equivalent to “providing an online interactive website for the sale and resale of items via a global computer network”.

*Witness statement of Linda Jane Harland*

25) Ms Harland is a trade mark attorney acting for ABI.

26) Ms Harland also exhibits material relating to the examination of the application which has been considered above.

27) Ms Harland notes that ACL is also the registered proprietor of United Kingdom registration no 2410891 of the trade mark ARTISTBANK. The application for registration was filed on 12 January 2006. It is registered for:



*promotional and retail services connected with the sale of works of art provided via an Internet website.*

Exhibited at LJH3 is a page downloaded from the ARTBANK website on 31 August 2012 on which there is a reference to “our sister site Artistbank.com”. Ms Harland understands that ARTISTBANK provides the same kind of service as ARTBANK.

28) ACL also owned a now expired registration for the trade mark ARTBANK, filed on 31 May 1994. The trade mark was assigned to ACL on 26 January 2006. The registration was for:

*agency services for graphic artists; licensing of reproduction rights; advisory services relating to all the aforesaid services; all included in Class 42.*

### **Decision**

29) The Court of Justice of the European Union (CJEU) in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 stated:

“36. “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in

particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the General Court (GC) stated:

“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).”

30) The claimed use must be considered within the context of the specification. In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade<sup>i</sup>”. Words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>ii</sup>. In *YouView TV Limited v Total Limited* [2012] EWHC 3158 (Ch) at paragraph 12 Floyd J stated:

“Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for

straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

The class of the goods in which they are placed may be relevant in determining the nature of the goods or services<sup>iii</sup>. In relation to the consideration of services, Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 Aldous LJ stated:

“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 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.”

31) Mr Baran submitted that the view of the examiner as to the specification should have persuasive effect. The examiner was not au fait with the business of ACL. He was advised that it was an eBay type service; the evidence of Mr Thornton shows that the service offered is very different from that of eBay. The examiner offered various options, including electronic bulletin boards. ACL chose the class 42 services. This choice did not reflect the view of the examiner of ACL's business but the choice of ACL. “[A]n “e-Bay” – type style website which enabled consumers to buy and sell goods over the Internet” is not what is covered by the specification of the registration. What is covered by the specification is creating and maintaining of websites for a particular purpose.

Whatever the purpose of the websites, the specification is for the creation and maintaining of websites.

32) Beyond this, the views of the examiner are not pertinent to the meaning of the specification. The purpose of the specification is to define the extent of the rights of the owner with legal certainty so that third parties will clearly know what rights are engendered by the registration. The intent of the registrant cannot define those rights. It is also to be noted that the amended specification was chosen in order to overcome citations.

33) Mr Baran relied upon the ability of the website to create website for individual galleries. The invoice exhibited at page 204 refers, inter alia, to stand alone gallery websites. Mr Baran prayed in aid the gallery page exhibited at page 157. However, this page relates to free gallery listings. Page 158 shows the listing given for the Houldsworth Gallery. This is a simple listing that gives basis details of the gallery. The basis of a website, "mini" or otherwise, is that it consists of a number of related webpages; page 158 is a webpage of the ARTBANK website not a website. Mr Thornton states that there is the capability of creating "mini-sites" but in the extensive exhibits that he has submitted there is not one example of such a site; neither does Mr Thornton identify any actual "mini-site". In the exhibits of Mr Thornton there is nothing relating to the creation of "mini-sites". The one example of a gallery listing shows only a webpage relating to the Houldsworth Gallery; not a website, mini or otherwise. Mr Baran also submitted that the uploading of individual works of art is the creation of websites. The uploading of works of art is the input of certain data, it is not the creation of a website.

34) ACL has not advertised to create websites, it has never created a website; its own website was created by Moodia Ltd. There is nothing to suggest that ACL has the ability or facility to create websites. ACL has certainly not established that since the date of the completion of the registration procedure that it has created or preserved an outlet for the services of creating websites for the sale and resale of items which is warranted in the market place.

35) Mr Baran submitted that if ACL had not been creating websites it had been maintaining them through the maintenance of its own website and the "mini-sites". As stated above, there is no evidence that any "mini-sites" have ever been created and so this submission must fail. The maintenance by ACL of its own website is not creating and maintaining an outlet for this service. ACL has certainly not established that since the date of the completion of the registration procedure that it has created or preserved an outlet for the services of maintaining websites for the sale and resale of items which is warranted in the market place.

36) Applying *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd*, the services provided by ACL under the trade mark ARTBANK could not be described as

*creating and maintaining websites for the sale and resale of items* nor do the services it has provided under this trade mark in any way fall within the parameters of this specification. Quite patently, ACL neither creates nor maintains websites of any description, nor has it done so since the date of the completion of the registration procedure. The maintenance of its own website is not maintaining or creating a market for this service. Nowadays, businesses large and small have websites which they have to maintain; this maintenance is not the equivalent of maintaining or creating a market for the service of maintaining a website.

37) Ms Harland as well as submitting that there had been no use for the services of the registration, also submitted that, if the trade mark had been used for the services of the registration, it did not amount to genuine use as the use fell within the parameters of *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-495/07. Owing to the findings above it is not necessary to consider this line of argument.

**38) Within the period of five years following the date of completion of the registration procedure the trade mark of ACL had not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the services for which it is registered, and there are no proper reasons for non-use; nor was there any use after this date and prior to the date of the application for revocation. Consequently, it is revoked in its entirety with effect from 4 February 2011**

## **Costs**

39. ABI having been successful is entitled to a contribution towards its costs. Costs are awarded upon the following basis:

Revocation fee:	£200
Preparing a statement and considering the statement of ACL	£300
Filing evidence and considering evidence of ACL:	£750
Preparation for and attendance at a hearing:	£500
<b>Total:</b>	<b>£1,750</b>

40. Artbank.com Limited is ordered to pay ArtBanc International Ltd, Inc the sum of £1,750. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 13th day of February 2013**

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

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<sup>i</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>ii</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>iii</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.