

O/1032/22

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 900435438

IN THE NAME OF

VIÑA CONCHA Y TORO S.A

IN RESPECT OF THE TRADE MARK:

PATAGONIA

IN CLASS 33

AND

THE APPLICATION FOR REVOCATION UNDER

NO. 504500

**BY CAMARA DE BODEGAS
EXPORTADORAS DE LA PATAGONIA
ARGENTINA ASOCIACION CIVIL**

Background and pleadings

1. Trade mark number 900435438 for the trade mark “PATAGONIA” stands in the name of Viña Concha y Toro S.A. (“the proprietor”) in respect of “Wine, sparkling wine and liqueurs.” in class 33.

2. The mark was registered at the European Union Intellectual Property Office (EUIPO) on 3 September 2001. On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing EUTM. As a result of the contested mark being registered as a EUTM at the end of the Implementation Period, it was automatically converted to a comparable UK trade mark. The comparable UK mark is now recorded on the UK trade mark register and has the same legal status as if it had been applied for and registered under UK law, and the original filing date remains.

3. On 13 January 2022, Camara De Bodegas Exportadoras De La Patagonia Argentina Asociacion Civil (“the applicant”) applied for the trade mark to be revoked on the grounds of non-use under section 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”). The revocation under both of these grounds is directed against all of the goods in the specification. The applicant says that the trade mark has not been used in the five-year period following registration, i.e., 4 September 2001 to 3 September 2006 (“the first relevant period”), and that it should be revoked under s. 46(1)(a) with effect from 4 September 2006. The claim under s. 46(1)(b) is there has been no use of the trade mark in the periods 5 September 2006 to 4 September 2011 (“the second relevant period”), 5 September 2011 to 4 September 2016 (“the third relevant period”) and 5 September 2016 to 4 September 2021 (“the fourth relevant period”). Accordingly, the applicant says that the trade mark should be revoked with effect from 5 September 2011, 5 September 2016 and 5 September 2021, respectively.

4. The proprietor filed a form TM8(N) and counterstatement defending the registration in full. It accepts that there has been no use of the mark but claims that there are proper reasons for non-use. It says that the proprietor has been party to a worldwide dispute for a number of years and has been subject to a number of

oppositions and revocation actions against their various PATAGONIA trade marks across various territories, including the UK. As a result, the proprietor has suffered longstanding uncertainty over the legal standing of its applications and registrations for the PATAGONIA marks. Given this, it has not been financially or commercially possible to establish the necessary distribution and supply agreements necessary to put the challenged trade mark to use in the UK, given the uncertainty of the legal status of the trade mark application/registrations for the marks. As such, the proprietor submits that the revocation action should be dismissed in its entirety.

5. The applicant is represented by HGF Limited whereas the proprietor is represented by Marks & Clerk LLP. Only the proprietor filed evidence in these proceedings. No hearing was requested however the applicant did file written submissions in lieu. This decision is taken following a careful perusal of the papers.

6. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Evidence

7. The proprietor filed its evidence in the form of a witness statement dated 6 June 2022 in the name of Hernán Rios with one accompanying exhibit. Mr. Rios states that he is a Principal Associate at Marks and Clerks LLP and the legal representative of the proprietor in these proceedings.¹

8. As noted above, the applicant filed submissions in lieu.

9. Whilst I do not propose to summarise the evidence and submissions here, I have taken them into account in reaching my decision and will refer to them below where necessary.

¹ See para 1 of the witness statement of Hernán Rios

DECISION

Legislation and case law

10. Section 46 of the Act states:

“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 purpose of subsection (1) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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) [...]

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existing at an earlier date, that date”.

11. Where the mark is a comparable mark, paragraph 8 of part 1, schedule 2A is relevant. It reads:

“8.— Non-use as defence in infringement proceedings and revocation of registration of a comparable trade mark (EU)

(1) Sections 11A and 46 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the period of five years referred to in sections 11A(3)(a) and 46(1)(a) or (b) (the "five-year period") has expired before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union.

(3) Where [IP completion day]² falls within the five-year period, in respect of that part of the five-year period which falls before [IP completion day]—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark, are to be treated as references to the corresponding EUTM ; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union”.

12. In this instance, the proprietor has accepted that it has made no use of the mark within the relevant periods. I therefore only have the proprietor’s defence, that there are proper reasons for non-use, to consider within this decision.

13. In the judgement of *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05 the Court of Justice of the European Union (“CJEU”) held that:

52. In particular, as correctly stated by the Advocate General in [79] of his Opinion, it does not suffice that “bureaucratic obstacles”, such as those pleaded in the main proceedings, are beyond the control the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53. It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales

outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

54. It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as “proper reasons for non-use” of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55. Having regard to the foregoing considerations, the answer to the second Proper question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.

14. In *Naazeen Investments Ltd v OHIM*, Case T-250/13, the General Court (“GC”) held that on-going litigation was not necessarily a proper reason for non-use. The court stated that:

“70. As regards the revocation proceedings brought on 5 December 2008 by a third party against the mark at issue, the applicant complains that the Board of Appeal took the view that the proprietor of the mark at issue ought to have assessed and calculated the risks, that is to say, of using the mark despite the risk of having to pay damages or of backing down and abstaining from using the mark, and consequently, of cancellation proceedings being brought. According to the applicant, while revocation proceedings were pending

against the mark and its validity was called in question, it would have been unreasonable to make additional investments, or to carry out marketing or sales activities and negotiations with interested business partners or potential licensees or sub-licensees.

71 It must be pointed out, first, that the fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it.

72 Second, it is indeed always possible that, should such revocation proceedings lead to the revocation of the mark, an action for damages might be instituted. However, an order to pay damages is not a direct consequence of the revocation proceedings.

73 Furthermore, OHIM states, rightly, that it is for the proprietor of a trade mark to conduct an adequate assessment of its chances of prevailing in the revocation proceedings and to draw the appropriate conclusions from that assessment as to whether to continue to use its mark.

74 Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the revocation proceedings brought in 2008 by a third party did not constitute a proper reason for non-use of the mark at issue.”

15. The judgment of the General Court was upheld on further appeal to the CJEU: see Case C-252/15 P.

16. The proprietor’s evidence reiterated the points made in the counterstatement stating that the ongoing litigation they faced meant that the proprietor had suffered longstanding uncertainty over the legal standing of its applications. As a result, the proprietor has been unable to establish the necessary distribution and supply agreements necessary due to financial and commercial uncertainty resulting from the legal status of their marks.²

² See paras 3-4 of the witness statement of Hernán Rios

17. The proprietor filed a list of the ongoing proceedings in exhibit HR1. As this is the only piece of evidence filed by the proprietor, it is reproduced in full as shown below:

Country	Proceedings	Proprietor's Challenged Trade Mark	Mark forming basis of challenge	Date of challenge	Opponent/Revocation Applicant
South Korea	Revocation	PATAGONIA	PATAGONIA	26-08-2019	PATAGONIA, INC/U.S.
Norway	Revocation	PATAGONIA	PATAGONIA	06-01-2020	PATAGONIA INC
United States of America	Revocation	PATAGONIA CONCHA Y TORO	PATAGONIA	31-01-2020	PATAGONIA INC
Finland	Opposition	PATAGONIA CONO SUR	PATAGONIA	15-03-2021	PATAGONIA, INC.
Taiwan	Revocation	PATAGONIA	PATAGONIA	10-04-2021	PATAGONIA INC.
Sweden	Opposition	PATAGONIA CONO SUR	PATAGONIA	12-04-2021	PATAGONIA INC
Sweden	Opposition	PATAGONIA CONO SUR	PATAGONIA PROVISIONS	12-04-2021	PATAGONIA PROVISIONS INC
UK	Opposition	PATAGONIA CONO SUR	PATAGONIA	15-04-2021	PATAGONIA PROVISIONS
UK	Opposition	PATAGONIA CONO SUR	PATAGONIA	15-04-2021	PATAGONIA INC
Poland	Opposition	PATAGONIA CONO SUR	PATAGONIA	10-05-2021	PATAGONIA INC
EU	Revocation	PATAGONIA	PATAGONIA	14-05-2021	PATAGONIA INC
UK	Revocation	PATAGONIA	PATAGONIA	10-06-2021	PATAGONIA INC
China	Opposition	PATAGONIA CONO SUR	PATAGONIA	07-12-2021	PATAGONIA INC
China	Revocation	PATAGONIA WINES	PATAGONIA	13-12-2021	PATAGONIA, INC.

18. In response, the applicant submits that the existing opposition and revocation actions does not make use of the contested mark by the proprietor impossible or unreasonable. They go on to state that the ongoing actions outside of the UK are irrelevant as the outcomes of these actions have no bearing on these current proceedings. It is also added that the ongoing proceedings evidenced by the proprietor have been raised by different entities with no connection to the applicant. Moreover, they claim that while external factors can give rise to 'proper reasons', these must have a direct relationship with the contested mark to such an extent that use of it depends on the outcome of the action concerned. It is finally submitted that the contested registration was filed in 1997 and the above ongoing proceedings evidenced in HR1 are all dated 2021 (I acknowledge, however, the earliest date listed above to be 2019) and therefore the proprietor has failed to provide any evidence of use or proper reasons for non-use for the previous 20 plus years.

19. I agree for the most part with the applicant's submissions. In *Cernivet Trade Mark* [2002] RPC 30, Mr Geoffrey Hobbs K.C (formerly Q.C) sitting as the Appointed

Person explained that proper reasons for non-use must have been operative during the relevant period. Bearing that in mind, the above list of proceedings starting as early as 2019 will not assist the proprietor in showing any genuine reasons for non-use in respect of the first three relevant periods. I also consider that trade mark rights are territorial. Without further evidence showing why it might be the case, I do not find that ongoing actions filed outside the UK will have any bearing on the proprietor's ability to reasonably make use of its mark in the UK (or the EU where applicable).

20. Further, whilst I note that the two UK oppositions and the single UK revocation action were filed a few months prior to the conclusion of the fourth relevant period in these proceedings, as stated in the above case law, the fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it. I also note for completeness that I do not consider that opposition proceedings brought against two alternative marks owned by the proprietor will have any impact on its ability to use the mark subject to these proceedings. Whilst the proprietor has stated that the ongoing actions against their registration have prevented them from establishing the necessary distribution and supply agreements necessary to put the challenged trade marks to use in the UK, it is still unclear from the evidence before me why this is the case. I do not consider the proprietor to have provided any sort of explanation as to why the mark concerned in these proceedings had not been used within the initial period of over four and a half years of the fourth relevant period or for the duration of the three earlier relevant periods, and there is no evidence that there has been any attempt to establish the distribution and supply agreements referred to, or that these were then prevented from progressing by the actions filed. In addition, as referred to in the case law above, it is for the proprietor of a trade mark to conduct an adequate assessment of its chances of prevailing in the revocation proceedings and to draw the appropriate conclusions from that assessment as to whether to continue to use its mark, and I do not consider it would have been impossible or unreasonable for the proprietor to make use of its mark or attempt to make appropriate arrangements to make use of its mark during that time.

21. After considering the proprietor's evidence, I find that none of the reasons provided qualify as "proper" reasons for non-use. That is, they are not "obstacles

having a sufficiently direct relationship with a trade mark, making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark”.³

Conclusion

22. Overall, my conclusion is that no use of the mark has been made and the proprietor has failed to establish proper reasons for non-use within the meaning of the law. The application for revocation on the grounds of non-use therefore succeeds under both Sections 46(1)(a) and 46(1)(b). The registration will be revoked in respect of all goods for which it is registered.

23. The effective date of revocation is 4 September 2006, the earliest date claimed.

Costs

24. As the applicant has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£900** as a contribution towards its costs. The sum is calculated as follows:

Official fees:	£200
Filing an application for invalidation and considering the counterstatement:	£200
Preparing submissions and considering evidence:	£500
Total:	£900

³ See *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05

25. I therefore order Viña Concha y Toro S.A to pay Camara De Bodegas Exportadoras De La Patagonia Argentina Asociacion Civil the sum of £900. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 23rd day of November 2022

Catrin Williams
For the Registrar