

## TRADE MARKS ACT, 1996

### Decision

IN THE MATTER OF an application for the revocation of the registration of Trade Mark No. 177204 and in the matter of the registered proprietor's opposition thereto.

LIAM McNEILL

Applicant

SIR CHARLES COLTHURST

Proprietor

### **The registration**

1. SIR CHARLES COLTHURST of Blarney Castle, Co. Cork, Ireland is the registered proprietor of the trade mark BLARNEY, with a filing date of 8 February, 1996, in respect of the following goods in Class 32:

*Drinks included in Class 32; natural waters, mineral, spring aerated and still waters.*

### **The application for revocation**

2. On 15 August, 2008 LIAM McNEILL, an Irish citizen of Edificio Horizonte BL. 1, Apartamento R. Rua 25, De Abril, Olhos De Agua, 8200 Albufeira, Portugal, made an application for the revocation of the registration pursuant to the provisions of Section 51 of the Trade Marks Act, 1996 ("the Act"). On 19 November, 2009 the Proprietor filed a Notice of Opposition to the application together with evidence relating to reasons for the non-use of the mark. No further evidence was filed by either parties and both filed written submissions in lieu of attending a hearing in the matter. Both parties filed submissions in reply to the other party's written submissions.
3. Acting for the Controller, I decided to allow the application for revocation and revoked the registration with effect from 30 November 2005, in accordance with Section 51(6)(a) of the Act. The parties were informed of my decision by way of letter dated 9 August, 2011. I now state the grounds of my decision and the materials used in arriving thereat in

response to a request by the Proprietor in that regard pursuant to Rule 27(2) of the Trade Mark Rules 1996, filed on 5 September, 2011.

### **Statement of Case**

4. In the Statement of Case accompanying its applications for revocation, the Applicant stated that:

*“As far as the Applicant can determine, the mark, the subject of trade mark registration no. 177204, is not currently in use by the proprietor thereof in Ireland, nor has it been used in the State in the last five years and thus should be removed from the Register:*

*a. for the reason that within the period of five years following the date of publication of the registration, the trade mark has not been put to genuine use in the State, by or with the consent of the Proprietor, in relation to the goods for which it is registered and that there are no proper reasons of (sic) non-use; and/or*

*b. that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.”*

5. In the Statement of Grounds the Applicant also made statements regarding one of the Applicant’s own trade marks, including sales figures, and to other proceedings in which the parties are engaged, and attached material in support of these statements.

### **Notice of Opposition**

6. In its Notice of Opposition the Proprietor stated that,

- (i) In the Applicant’s Statement of Grounds, it states that the application is being made under Section 51(4) of the Act, which simply sets out the appropriate person to whom the application for Revocation must be addressed. As the Application for Revocation has not adequately identified the basis for this Revocation action and the Statement of Grounds does not adequately identify the grounds upon which Revocation of trade mark no. 177204 is sought, the Proprietor submits that there is no case to answer.

- (ii) The Proprietor denies and refutes every allegation contained in the Application for Revocation in their entirety.
- (iii) The Proprietor is the owner of Blarney Castle and that it owns a significant reputation and substantial goodwill in the names BLARNEY, BLARNEY CASTLE and THE BLARNEY STONE.
- (iv) In March 2007 the Proprietor commenced investigations to ascertain the availability of the BLARNEY name with respect to various non-alcoholic beverages. These investigations lead ultimately to the acquisition of Trade Mark Registration Nos. 208955 and 177204 and the assignment of these rights to the Proprietor, by virtue of a Deed of Assignment dated 26 February, 2008, was recorded on the Register on 19 March, 2008. Appended to the Notice of Opposition under “Appendix 1” were redacted samples of communications between the Proprietor’s agent and the agent for the then rights holder during the period of negotiation for the transfer of the property rights in the trade mark BLARNEY.
- (v) The Proprietor believes that the circumstances prevailing in this case require the matter to be determined in accordance with the Court of First Instance (CFI) decision in *Armin Häupl v. Lidl Stiftung*<sup>1</sup>, 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.
- (vi) Given the Proprietor did not have the trade mark No. 177204 in his ownership until 19 March, 2008 it was not possible for him to initiate the intended use of the BLARNEY trade mark in connection with the goods covered by the registration, without infringing the registered rights of the recorded owner, and that such conditions constitute proper reasons for non-use.
- (vii) Since at least as early as 1990 the Proprietor has been interested in supplying bottled drinking water, table water, mineral water, sparkling water and the like

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<sup>1</sup> *Armin Häupl v. Lidl Stiftung & Co. KG* case C-246/05

originating from the Blarney Estate and to that effect commissioned an investigation, in May 1990, of ground water conditions at the estate. A copy of the report of the investigations was attached to the Notice of Opposition under “Appendix 2”.

- (viii) The Proprietor commissioned, in late 2008, a design for labels bearing the trade mark BLARNEY to be applied to bottles of water and attached to the Notice of Opposition, at “Appendix 3”, copies of an e-mail exchange regarding this work (the earliest communication being dated 25 September, 2008).
  - (ix) Still and sparkling water bearing the BLARNEY trade mark were offered for sale on 23 February, 2009 and between that date and the date of the Notice of Opposition (19 November, 2009) sales of 7,276 bottles of still water and 456 of sparkling water were achieved. Photographs of the actual bottles featuring the BLARNEY trade mark were attached to the Notice of Opposition under “Appendix 4”.
  - (x) The Applicant makes statements in its Statement of Case, regarding other proceedings and one of the Applicant’s trade marks, which are utterly irrelevant and spurious for the purposes of these proceedings and should be dismissed.
  - (xi) The Application for Revocation is vexatious and unfounded and that the Proprietor has no case to answer and requests the Controller to dismiss the application and make an award of costs in the Proprietor’s favour.
8. No further evidence was filed and the parties were, in due course, invited to elect whether to attend a hearing or to file written submissions in lieu of attending at a hearing. Both parties elected to file written submissions and did so, with both subsequently filing further written submissions in reply.

**Written submissions by the Applicant**

9. In its written submission the Applicant refers to CFI Case C-246/05 and argues that the Proprietor or the Assignor of the trade mark could have, with a simple change of strategy (including the Assignor granting consent to the Proprietor to use the trade mark), put the

mark to genuine use prior to the application for revocation. In support of that argument the Applicant referred to paragraph 54 of the CFI judgement which is written in the following terms:

*“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.”*

10. The Applicant also made a number of other points, which I summarise as follows:

- a. The Proprietor has no reputation in relation to the goods covered by Registration No. 177204.
- b. No evidence could be found that the Proprietor sells beverages on the [www.blarneycastle.ie](http://www.blarneycastle.ie) website.
- c. Any actions taken by the Proprietor to commence use of the trade mark after the date of the Application for Revocation are irrelevant.
- d. In any case the trade mark used by the Proprietor on bottled water sold since 23 February, 2009 is not the mark at issue in these proceedings.

#### **Written submissions by the Proprietor**

11. In its written submission the Proprietor restated its arguments and objections in relation to the admissibility of both the application as a whole and certain of the contents of the Applicant’s Statement of Case and supporting materials.

12. The Proprietor also restated its arguments with respect to there being proper reasons for non-use and referred to, and attached a copy of, a decision of the UK Intellectual Property

Office in a revocation action concerning the mark **InoTheScore**<sup>2</sup>, wherein the Appointed Person found that negotiations for a licence constituted proper reasons for non-use.

**Written submissions in reply on behalf of the Applicant**

13. In its written submissions, filed in reply to the Proprietor's written submissions, the Applicant argued that the present proceedings are not analogous with the circumstances that exists in the **InoTheScore** case for the following reasons:

- a. Negotiations to grant the licence commenced within the five-year period allowed for initiating use of the mark.
- b. The parties involved in the **InoTheScore** revocation proceedings were the same parties as those involved in the licence negotiations, which is not repeated in these proceedings.
- c. In any event the mark **InoTheScore** was put to use by the Proprietor within the five-year period allowed, albeit on a limited basis, whereas no evidence whatsoever of any use of the BLARNEY mark for the goods in question has been adduced.

14. The Applicant argued that, contrary to the Proprietor's assertions, there were no obstacles having a direct relationship with the trade mark which made its use impossible or unreasonable and which were independent of the will of the Proprietor or the predecessors in title.

15. The Applicant also states that as use of the trade mark did not commence within the five-year period following the date of publication of the registration and, therefore, the relevant period for these proceedings is the five-year period from 29 November 2000 to 28 November 2005 and not the five-year period prior to the Application for Revocation (i.e. from 16 August, 2008 back to 16 August 2003). It is the Applicant's position that the relevant section of the Act is Section 51(1)(a) and that Section 51(1)(b), concerning suspension of use of the trade mark, does not apply. I have taken this as a formal abandonment of the Application for Revocation grounded on Section 51(1)(b) and I will, therefore, decide the matter based on the provisions of Section 51(1)(a) alone.

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<sup>2</sup> Jeremy Kerner v Stewart Walters case O-088-09

16. The Applicant cast doubt on the Proprietor's claim that the Proprietor, on being assigned the trade mark, immediately commenced preparations for designing artwork for the product and putting the Registration into use, stating that the Assignment date was 26 February, 2008 but the first mention of any design for labels was in an e-mail dated 25 September 2008 - some seven months later. As the Application for Revocation was made six weeks before the design work was initiated the Applicant suggested that it is irrelevant and that it was only the filing of the Application that spurred the Proprietor into action. In any event the Applicant claimed the commissioned artwork does not appear to show the trade mark in question.

### **Written submissions in reply on behalf of the Proprietor**

17. The Proprietor, in reply to the Applicant's written submissions, argued that the only relevant criteria in revocation proceedings are those provided for in Section 51 of the Act and there is absolutely no need for the Proprietor to prove a reputation in connection with these proceedings. The Proprietor is, of course, correct and I am happy to dismiss, without further ado, the Applicant's comments regarding reputation.

18. The Proprietor rejected the Applicant's comments that the Proprietor could have sought to use the mark with the consent of the Assignor prior to the completion of the transfer as pure speculation. The Proprietor suggested that *"it is extremely unlikely that the new owner of the Trade Mark would be prepared to accept the initiation of use by the registered proprietor of the Mark when he is attempting to purchase it for himself. Similarly, it seems extremely unlikely that the owner of a Registration, who was preparing to sell a Registration, would go to the expense of launching a product, or initiating use of a Mark purely to preserve its right."*

### **Admissibility of application**

19. Before I deal with the substantive issue I must address the admissibility questions. The heading on the Applicant's application is written as "Application for Revocation under Section 51(4) and Statement of Case", which indeed does not refer to the appropriate section of the Act – that section being Section 51(1). However, there is no requirement whatsoever for the Applicant to include a heading on its application for revocation – and the fact that, in doing so, the Applicant has quoted the wrong section of the Act, cannot in any way deem the application inadmissible. Neither is there a requirement for the Applicant to mention specifically the number of the relevant section of the Act in the

body of the application. What the Applicant is required to do is state the grounds on which the application is made. In this case the Applicant has provided all the necessary details in the body of the document to leave no doubt that this is an application for revocation and has stated clearly the grounds on which that application is based.

20. I have reproduced the contents of paragraph 4 of the Applicant's Statements of Case at paragraph 4 above and these passages refer clearly to Section 51(1)(a) and (b) of the Act, as they are identical to those subsections save for the addition of the words "*For the reason*" at the start of (a) and the addition of "*and/or*" at the end of (a). Therefore, the applicant identifies clearly the legislative basis for the application.
21. Also, at all stages of these proceedings the Proprietor has defended its registration against claims of non-use, arguing, as he is entitled to do under Section 51 of the Act, that proper reasons for the non-use exist; which can only lead me to conclude that the Proprietor was clearly aware of the grounds of the application. Therefore, I have no hesitation in deeming the application valid and, accordingly, that the Proprietor must answer the charge.

#### **Admissibility of certain statements and material**

22. As stated above the Applicant included in its Statement of Case references to one of the Applicant's own trade marks and to other proceedings in which the parties are engaged, and attached material in support of these references. The Proprietor argued in its Notice of Opposition and in its subsequent submissions that this material is irrelevant and spurious for the purposes of these proceedings and should be ignored.
23. The only section of the Act which provides for the revocation of a registered trade mark is Section 51. Grounds upon which an application for revocation can be made are (i) five years of unjustified non-use, (ii) the trade mark has become the common name in the trade for a product or service for which it is registered, or (iii) because of the use of it in relation to the goods or services for which it is registered it is liable to mislead the public.
24. This application is based on non-use and therefore all statements and materials relating to other trade marks or other unrelated proceedings involving the parties are irrelevant to these proceedings and I have no hesitation in dismissing and ignoring them in their entirety.

## **The law**

25. The relevant section of the Act is Section 51, which is written in the following terms:

*“(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 publication of the registration, the trade mark has not been put to genuine use in the State, by or with the consent of the proprietor, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;*

...

*(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 State includes affixing the trade mark to goods or to the packaging of goods in the State solely for export purposes.*

*(3) The registration of a trade mark shall not be revoked on the ground mentioned in paragraph (a) or (b) of subsection (1) 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; but, for this purpose, any such commencement or resumption of use occurring after the expiry of the five year period and 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.”*

## **Decision**

26. The publication of the registration occurred on 29 November, 2000. The Proprietor is required to put the trade mark to genuine use in the State within the period of five years following that date, failing which the registration is liable to be revoked on grounds of non-use. The basic principle underlying any trade mark registration is “*use it or lose it*”. Trade mark proprietors must make genuine use of their trade marks to keep them alive, and face the possibility of losing their monopolies if they do not.

27. I must determine this matter according to the relevant dates. Section 51 of the Act sets out the revocation time limits and provides strict conditions which must be met in order to defeat a revocation action. These conditions are detailed in the table below, which also shows the significances of the relevant dates in these proceedings:

	<b>Date</b>		<b>Significance / Condition</b>
1	29 November 2000	Date of publication of registration	Five-year clock starts ticking
2	28 November 2005	Five years after date of publication of registration	Last day for initiating use
3	29 November 2005	Five years + 1 day after date of publication of registration	Date from which an attack on the grounds of non-use may be launched.
4	16 May 2008	Three months prior to date of Application for Revocation	Use must have commenced prior to this date in order to defeat the attack on grounds of non-use.
5	15 August 2008	Date of Application for Revocation	Date after which use or preparations for use are irrelevant. If use commenced between 16 May, 2008 and this date, then preparations for use must have begun prior to the Proprietor becoming aware that the Application for Revocation might be made.

28. The Proprietor has not adduced any evidence whatsoever of use of the mark in the State, within the five year period following the publication of the registration, in relation to the goods for which it is registered. Therefore, I must conclude that the mark was not put to genuine use in the State, within the time allowed. However, a trade mark is not removed from the Register after a continuous period of five years of non-use unless a third party initiates an attack on it. In such circumstances the Proprietor lives under a constant threat that an attack may be launched at any time. In this case that threat materialised on 15 August, 2008.

29. In defence of the Registration the Proprietor has offered reasons for the non-use. However, the Application for Revocation is grounded on Section 51(1)(a) of the Act and it is clear from the provisions of that section that proper reasons for non-use can be

argued only in respect of the five-year period following the date of publication of the registration. The Act does not envisage an indefinite period during which proper reasons for non-use can be claimed. Once the five-year period for initiating use has expired, and there are no proper reasons for the non-use, then it is incumbent on the Proprietor to make genuine use of the mark prior to an attack being launched.

30. It cannot be the case that a change of ownership of a trade mark is a proper reason for its non-use. The trade mark in question had already changed ownership three times prior to it being transferred to the current Proprietor and no evidence of use by any of the previous owners was adduced. The marketplace must be protected by not allowing unused trade marks to remain on the Register and by not allowing trade marks to change hands as a defensive mechanism or justifiable reason for staving off potential attacks. I accept fully that the acquisition by the Proprietor was in good faith, but the fact of the matter is the five-year clock had stopped. The Proprietor commenced acquisition proceedings to gain ownership of the trade mark in March 2007 (these being successfully concluded in February 2008). I have some sympathy with the Proprietor, as, by then, the Registration was already liable to come under attack for non-use and the Proprietor was, perhaps unwittingly, acquiring a lame duck. Therefore, it was imperative that the Proprietor put the trade mark to genuine use immediately.
31. Section 51(3) of the Act affords the Proprietor a 'get-out clause' in that the Proprietor has up until three months prior to any Application of Revocation to put the trade mark to genuine use in order to keep the trade mark on the Register. However, no evidence of use between the date of assignment to the Proprietor and the date of Application for Revocation was provided. Therefore I must conclude that the trade mark was not put to use within the time allowed under this section.
32. Section 51(3) also speaks about 'preparations for use' and the Proprietor has suggested that the actions it undertook fall fairly and reasonably within that definition and are, therefore, an acceptable and justifiable defence of its Registration. I do not agree and I am satisfied fully that 'preparations for use', as provided for in Section 51(3), only become a factor when genuine use of the trade mark is made within the three-month period prior to the date of Application for Revocation. In this case there was no use of the trade mark prior to the date of the Application for Revocation so any preparations for use are meaningless.

33. While use of a trade mark requires either ownership or the consent of the owner, in my opinion, the act of becoming an owner *per se* does not equate to genuine use or preparations for use. Many trade marks are applied for, registered or assigned without ever been used subsequently. I accept that the Proprietor acquired the trade mark with the intention of using it, but he has not done so, nor did he make preparation to use it within the time allowed. The only evidence adduced in support of preparations for use concerned the design of labels, but this evidence post-dates the Application for Revocation and is therefore irrelevant. In any event the evidence was not in respect of the trade mark at issue.
34. I do not have to consider any UK IPO decision, but nevertheless, I have looked at the InoTheScore case. That case differs fundamentally in that the parties to the revocation proceedings were the same parties involved in negotiations to assign and/or sell the mark. The parties had reached a verbal agreement but at the last minute the Applicant for Revocation, instead of signing a written agreement, filed for revocation. In light of the foregoing and the fact that use of the InoTheScore mark, which was initiated post publication of its registration, was suspended purely because negotiations were being conducted between the Applicant for Revocation and the Proprietor, the UK IPO found that that was a proper reason for non-use. I am satisfied that the circumstances of that case are not repeated here.
35. Turning finally to *Armin Häupl v. Lidl Stiftung*, in which the court judged 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. However, the assessment to determine whether a change in the strategy of the Proprietor to circumvent the obstacle under consideration would make the use of that mark unreasonable must be carried out on a case-by-case basis. I have made that assessment in this case and, in my opinion, there were no obstacles put in the way of the former Proprietor, during the five year period post publication of the registration that could not have been overcome. During the period of negotiations for the assignment of the mark, it would not have been impossible or unreasonable for the parties to reach an agreement that would allow the current Proprietor to use the mark. Furthermore, no obstacles, which were independent of his will, such that they rendered use of the trade mark impossible or unreasonable, were put in front of the

current Proprietor between the date he acquired the mark and the date of Application for Revocation.

36. By virtue of Section 51(6) of the Act, the revocation of the registration of a trade mark has the effect that the rights of the proprietor shall be deemed to have ceased from (a) the date of the application for revocation, or (b) if the Controller is satisfied that the grounds for revocation existed at an earlier date, that date. In the present case I have concluded that there has been no use of the mark at issue in respect of any goods at any time.

37. Accordingly, I have decided that Registration No. 177204 should stand revoked in its entirety and that the effective date of that revocation, for the purposes of Section 51(6), is 30 November 2005.

Dermot Doyle  
Acting for the Controller  
1 November, 2011