

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for revocation of the registration of Trade Mark No. 159959 and in the matter of the Registered Proprietor's opposition thereto.

TRAVEL HURRY PROJECTS LIMITED,
of 10 Station Road, Earl Shilton,
Leicestershire LE9 7GA, United Kingdom

- Applicant for Revocation

STEFKOM S.P.A.,
of Via Bocchi 233/235, 55013 Lammari,
Lucca, Italy

- Registered Proprietor

The registered trade mark

1. Stefcom S.P.A., a joint stock company organised and existing under the laws of Italy, of Via Bocchi 233/235, 55013 Lammari, Lucca, Italy, is the registered proprietor of the trade mark LELLIKELLY, which is registered under No. 159959 in Class 25 in respect of clothing, including boots, shoes and slippers. The application for registration of the mark was filed on 11 March, 1994 under the Trade Marks Act, 1963 and, by virtue of Section 27 (1) of that Act, the mark is registered as of that date, which is deemed to be the date of registration. Publication of the registration of the mark appeared in Journal No. 1768 on 6 September, 1995.

Application for revocation

2. On 31 May, 2002, Travel Hurry Projects Limited, of 10 Station Road, Earl Shilton, Leicestershire LE9 7GA, United Kingdom, applied under Section 51 of the Trade Marks Act, 1996 (the Act) for revocation of the registration of the mark and included with the application a statement of the grounds on which it was made.
3. On 8 October, 2002, the Proprietor filed a Notice of Opposition to the application together with evidence of the use that had been made of the mark. On 14 April, 2003,

the Applicant for Revocation filed a Counter-Statement to the Proprietor's Notice of Opposition. On 14 January, 2004 and on 2 March, 2004, the Proprietor filed further evidence of the use that had been made of the mark.

4. The application for revocation became the subject of a hearing before me, acting for the Controller on 23 November, 2004. The parties were notified on 18 February, 2005 that I had decided to refuse the application and to allow the registration to remain in effect. I now state the grounds of my decision and the materials used in arriving thereat.

Grounds of the application

5. In its Statement of Grounds in support of the application for revocation, the Applicant states that investigations conducted on its behalf have established that the mark registered under No. 159959 has not been put to genuine use in the State. The Applicant therefore claims that,

- (i) within a 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 there are no proper reasons for non-use, and
- (ii) any use which might have occurred within that five year period has been suspended for an uninterrupted period of five years and there are no proper reasons for such non-use.

Notice of Opposition and evidence of use

6. In its Notice of Opposition to the application for revocation the Proprietor states that the trade mark has been put to genuine use in the State and exhibits the following documents in support of that assertion:

- (i) Seven copy invoices in respect, *inter alia*, of goods identified by the trade mark addressed to companies within the State and bearing dates between November, 1997 and August, 2002.

- (ii) Four copy invoices (three of which mention the trade mark) addressed to the Proprietor and bearing dates between March, 1997 and May, 1998 which the Proprietor states relate to advertising campaigns on Sky TV channels and on Channel 4.
- (iii) A copy of a brochure relating to footwear, which bears the trade mark and which the Proprietor says is distributed in Ireland for the purpose of promoting its goods to potential customers.

Applicant's Counter-Statement

7. In its Counter-Statement filed on 14 April, 2003, the Applicant for Revocation asserts that the Proprietor's evidence of use of the trade mark reflects miniscule sales, suggesting an unsuccessful attempt to interest an Irish distributor in the Proprietor's footwear or token use in an attempt to stave off an attack on the registration on grounds of non-use. It also claims that any advertising of products bearing the trade mark carried on Sky TV or Channel 4 was not directed at consumers in this State and it notes that the brochure exhibited by the Proprietor (see item paragraph 6 (iii) above), and which the Proprietor claims to have been distributed in the State, is an invitation to a trade fair in the United Kingdom. The Applicant exhibits a copy of a Statutory Declaration of Attilio Attilieni filed on behalf of the Proprietor in opposition proceedings between the parties in which the deponent states, in October, 1997, that "*at no stage during the opposition has it been claimed that my company has used its Trade Mark LELLIKELLY in the Republic of Ireland*". The Applicant contrasts that statement with the claims now made on behalf of the Proprietor as regards use of the trade mark in this jurisdiction.

Proprietor's further evidence

8. On 14 January, 2004, the Proprietor filed a Statutory Declaration (and Exhibit CC1) dated 13 January, 2004 of Claudio Casotti, a Director of the Proprietor, who states that the advertising campaigns in respect of which copy invoices were previously exhibited related to the advertisement of the Proprietor's goods bearing the trade mark LELLIKELLY and that the television stations used were widely available in the State at the relevant time. He exhibits a statement of a Mr. Paulo Manzi of the advertising firm B&A srl supporting these assertions.

9. On 2 March, 2004, the Proprietor filed a Statutory Declaration dated 27 February, 2004 of James P. Brown, of Brackloon, Swinford, Co. Mayo, a distributor of footwear and related products. He states that, in or around March, 2002, he was appointed by the Proprietor as distribution agent of the Proprietor's products in Ireland and that he has distributed goods bearing the trade mark LELLIKELLY and having a total retail sales value of approximately £6,200 to retail footwear stores in the State.

The hearing

10. At the hearing the Applicant for revocation was represented by Mr. Norman MacLachlan, Trade Mark Agent of MacLachlan & Donaldson and the Proprietor by Mr. Kieran Heneghan, Trade Mark Agent of F.R. Kelly & Co.
11. Mr. MacLachlan argued that the onus was on the Proprietor to defend its registration in the face of the present application for revocation by adducing clear and convincing evidence that it has used the registered mark in the State within the relevant period as a trade mark for the goods of the registration. He asserted that the Proprietor had failed to do so as the volume of sales disclosed by the relevant invoices was miniscule and insufficient to establish anything other than token use, which was not to be regarded as "genuine use" for the purposes of the Act. Nor had the Proprietor shown any use of the mark on the actual goods for which it is registered nor any advertising or promotion of the mark directed at consumers in this jurisdiction or reasonably likely to come to the notice of such consumers. In light of the fact that the goods of the registration are everyday items used by consumers generally, a reasonably large volume of sales, in terms both of numbers and value, may be expected if the mark has been put to genuine use but the Proprietor's evidence does not even establish a moderate level of usage of the mark; it is as near to no use at all as makes no difference.
12. Mr. Heneghan, in response, conceded that the level of sales of goods under the mark achieved by the Proprietor within the relevant period was not large and that this was a borderline case but one which he argued should, nevertheless, be decided in favour of the Proprietor. He asserted that it was sufficient for the Proprietor to show some actual use of the mark (which it had done) in order to defeat the application for

revocation and that any such use must be taken into account unless it had been shown to be contrived or otherwise not genuine (which it had not).

The law

13. The relevant parts of Section 51 of the Act, insofar as the present application is concerned, read as follows:

“(1) The registration of a trade mark may be revoked on any of the following grounds –

(a) that, within the period of five years following the date of 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;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

.....

(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.”

The issue to be decided

14. The publication of the registration of this trade mark occurred on 6 September, 1995.

The application for revocation was made on 31 May, 2002. Those dates define the start and finish, respectively, of the “the relevant period” for the purposes of the present application. The question to be decided is whether there was genuine use of the mark within that period and, if so, whether that use was suspended for an uninterrupted period of five years and not recommenced within the relevant period.

“Genuine use”

15. The Act does not define the words “genuine use” of a trade mark for the purposes of Section 51 but the words have been considered by the European Court of Justice (ECJ) in Case No. C-40/01, *Ansul BV and Ajax Brandbeveiliging BV*, to which the Agents representing both the Applicant for Revocation and the Registered Proprietor each referred in the course of their comprehensive oral submissions. In that case the ECJ stated that,

“... there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.”

16. It is clear from the foregoing that “genuine use” may be equated with actual use, provided that such use has been more than mere token use and that the use in question has brought the mark to the notice of the relevant class of consumers of the goods for which it is registered. It is not necessary for the purpose of proving genuine use of a mark to establish that the use in question has been continuous or extensive or that it has resulted in the mark becoming well-known to the relevant consumers. It is sufficient to show that the mark has been used as a trade mark for the goods within the relevant period and that it has, as a result, come to the notice of consumers of those goods.

17. Having said that, the reference in the passage quoted to the matter of whether use made of a mark *is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods protected by the mark* may be taken

as implying usage that is above the level of *de minimis*. However, the ECJ pointedly declined to impose a *de minimis* rule in its subsequent decision in Case No. C-259/02, La Mer Technology Inc. and Laboratoires Goemar SA, in which it addressed the specific question of whether any amount of use, however small, is sufficient to establish “genuine use” of a trade mark. In that case, the ECJ stated,

“... it is not possible to establish a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.”

18. In light of the foregoing, I am satisfied that the Proprietor’s opposition to the present application for revocation should succeed if it can establish actual use of the registered trade mark as a trade mark for the goods of the registration within the relevant period, provided such use was for the purpose of creating or preserving a share in the market for the goods and would have been likely, on the balance of probabilities, to have done so. I regard that test as consistent with the overall purpose and intent of the Act, whereby an applicant for registration of a mark who declares that he has a *bona fide* intention to use it as a trade mark for the goods of the application is afforded a specified period following the publication of its registration to realise that intention by making actual and *bona fide* use of the mark. Commercial success in goods traded under a mark is not required to justify its continued registration but neither is non-trading to be tolerated while the mark stands as a potential bar to the entry of other marks onto the Register.

Facts shown by Proprietor’s evidence

19. The following table summarises the transactions in LELLIKELLY branded footwear in the State as evidenced by the copy invoices filed with the Proprietor’s Notice of Opposition.

DATE	TO	QUANTITY (pairs)	VALUE (€)
28/11/97	Dunnes Stores Ireland Co., 67 Upper Stephen Street, Dublin 8	2	24
13/12/99	Dubarry of Ireland, Glentaun, Ballinasloe, Co. Galway	8	78
20/12/00	Dubarry Shoes Limited, Ballinasloe, Co. Galway	5	49
21/12/01	Dubarry Shoes Limited, Ballinasloe, Co. Galway	6	54
24/04/01	Papillon, 21 Abbey Street, Ennis, Co. Clare	90	1,525
30/08/02	Paul Byron Shoes, Athlone Road, Roscommon	180	3,963
30/08/02	Murphy, Slaney St., Enniscorthy, Co. Wexford	18	384
30/08/02	Tom Finn Footwear, Main St., Ballyhaunis, Co. Mayo	32	671.94

20. Given the quantities involved, I cannot imagine that the first four of the invoices listed relate to sales of goods to retailers in the State whose purpose in purchasing the goods in question was to sell them on to consumers here. It is far more likely, in my opinion, that these transactions were, for the recipients of the goods, for the purpose of acquiring samples of the Proprietor's goods for reasons other than re-sale, perhaps for examination as to quality, finish, style, etc. and perhaps with a view to a possible relationship with the Proprietor as supplier of product on a commercial basis. To that extent, I would not be inclined to think that the specific goods to which these invoices relate ever reached the consumer or end-user in this jurisdiction. That is not to say that there is anything irregular about the transactions in question or that the Proprietor's reliance on them as evidence of its use of the trade mark is in any way illegitimate. The sale by a manufacturer of small quantities of marked goods to a retailer or other distributor who may be considering acquiring larger stocks of those

goods is a normal commercial transaction and, as far as the use by the manufacturer of its trade mark on the relevant goods is concerned, I would regard it as “genuine use” of the trade mark. It is, for the Proprietor, use for the purpose of creating a share in the market for the goods identified by its trade mark and it is use that is reasonably likely to achieve that result, if the marked goods are such as to attract the interest of the retailer, distributor or other intermediary, as the case may be.

21. As to the invoice dated 24 April, 2001 and addressed to Papillon of Ennis, Co. Clare, I think it must be assumed that this reflects a transaction in which the recipient of the marked goods purchased them for the purpose of resale. The number and value of the items to which the invoice relates are such as to effectively exclude any other conclusion. I think the invoice is evidence that the Proprietor had, to some extent at least, succeeded in its efforts at attracting interest in the products that it sells under the registered trade mark, which efforts may be inferred from its provision of small quantities of marked goods to other undertakings, as itemised in the other invoices listed above. Nor am I concerned at the fact that no evidence has been given of actual sales of marked goods to the ultimate end-user, i.e., the consumer. It is sufficient, in my view, if the Proprietor can show that it used the mark in a manner that is consistent with its essential function, i.e., to identify the origin of the relevant goods, and for the purpose of creating a share in the market for those goods. The Proprietor’s apparent use of intermediaries, such as retailers or distributors, for the purpose of bringing its goods to the market here is a normal and legitimate commercial practice among manufacturers and I think it is reasonable and correct to infer that goods supplied to such intermediaries must have reached the consumer; if they did not, then that would still not justify a finding that the Proprietor did not make genuine use of the trade mark under which it marketed the relevant goods.

22. It will be clear from the foregoing that I am satisfied that the Proprietor has shown that it made actual use of the registered trade mark as a trade mark for footwear within the relevant period. The amount of the use shown is admittedly very small but it is, nevertheless, “genuine” insofar as it served to identify the Proprietor’s goods to third parties with whom the Proprietor could reasonably have expected to develop a trading relationship for the purpose of creating a share in the market for its goods. It was not use that could be characterised as internal to the Proprietor and nor have I

any reason to believe that it was token use, intended merely to preserve the Proprietor's rights under the registration and to stave off an attack on grounds of non-use. While I regard this as a borderline case, I think that even the small amount of use of the mark shown by the Proprietor is sufficient to justify rejection of the application for revocation of the registration.

Proprietor's evidence not considered

23. I have not found it necessary in deciding this matter in favour of the registered Proprietor to take account of the evidence of advertising and promotion of the mark or of sales made after the relevant period. As to the former, I think the evidence is too vague to rely on as proof that goods marketed under the registered mark would have come to the notice of consumers here within the relevant period. With regard to sales achieved after the relevant period, I would not accept these as a basis on which the Proprietor could legitimately seek to defeat the application for revocation as the Act makes it clear that the obligation to use a registered mark must be fulfilled within the specified period following publication of its registration. Nevertheless, I think the Proprietor's use of the mark subsequent to the relevant period and, in particular, the appointment of an Irish distributor (Mr. Brown) in March, 2002, may be regarded as supporting the finding that its use of it prior to that time, while limited in extent, was a *bona fide* and earnest attempt to secure a market for the goods here.

Whether partial revocation is warranted

24. The Proprietor has only shown use of the mark in relation to items of footwear whereas the registration exists in respect of "*clothing, including boots shoes and slippers*". The question therefore arises as to whether partial revocation, effectively by the removal of "clothing" from the specification of goods, is warranted. In this regard, I note that the application for revocation does not contain, as it might have, a specific request for revocation of the registration in respect of some only of the goods covered by it. In its statement of grounds in support of the application for revocation, the Applicant states that it *distributes in the Republic of Ireland a range of footwear under the Trade Mark KELLYS and device*", which mark it has sought to register. I understood Mr. MacLachlan at the hearing to indicate that the Applicant's interest in this matter arose essentially from the inclusion of footwear in the goods covered by the Proprietor's registration. Given that I have found that the Proprietor has shown

genuine use of the mark in relation to footwear within the relevant period, and in the absence of a specific request for partial revocation of the registration, I have not found it necessary to alter the specification of goods covered by the registration by limiting it to the specific goods in respect of which the Proprietor has shown use.

Tim Cleary
Acting for the Controller

21 March, 2005