

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION UNDER NUMBER 10411
BY THE NATIONAL MAGAZINE COMPANY LIMITED
FOR REVOCATION OF TRADE MARK NUMBER 773912
IN THE NAME OF SUSAN MARKIN**

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BACKGROUND

1. Trade mark registration number 773912 is in respect of the mark SHE and is registered in Class 3 for a specification of:-

All goods included in Class 3; but not including hair lacquers being goods sold in containers adapted to dispense their contents in aerosol form, and goods of the same description.

2. The mark was registered in 1958 and the registration stands in the name of Susan Markin.

3. By an application dated 19 November 1998, The National Magazine Company Limited applied for the registration to be revoked on the ground that:

"the trade mark under registration number 773912 was not put to genuine use in the United Kingdom by the registered proprietor or with her consent in relation to the registered goods for an uninterrupted period of five years and that there are no proper reasons for non-use."

This goes to Section 46(1)(b) of the Act.

4. The registered proprietors filed a counterstatement in which they deny the grounds of the application and state that the mark in suit has been put to genuine use in the UK. The applicant for revocation and the registered proprietor both ask for an award of costs in their favour.

5. Both parties filed evidence but no hearing was requested.

REGISTERED PROPRIETORS EVIDENCE

6. This consists of affidavits dated 25 February 1999 and 11 May 1999 from Susan Markin, the registered proprietor of UK trade mark registration numbers 773912, 878810 and 930683 for the mark SHE, and also the Managing Director of She Australia Enterprises Pty Ltd.

7. Ms Markin states that her company first commenced use of the SHE trade mark in Australia in February 1996 and that it has been continuously in use in Australia since that date on a wide range of cosmetic products and toiletries which she details at Exhibit PWJ - 1 to her first affidavit. Ms Makin also provides details of sales and marketing in Australia, showing that for the years 1996 to 1998 total sales in Australia under the SHE trade mark amounted to AUS \$2,229,902 with the total estimated promotional expenditure amounting to AUS \$109,500. Ms Markin goes on to say that the SHE trade mark has made a strong impact upon Australian consumers and has come to enjoy a substantial reputation and prominence in the market place.

8. Next, Ms Markin states that her company has marketed and supplied goods to a number of other countries and that her company first investigated entering the market in the UK in 1997 but was prevented from supplying goods under the trade mark as use of the trade mark was blocked by three registrations for the trade mark SHE in Classes 3 and 5, owned by Reckitt & Colman Products Limited. Consequently, her company approached Reckitt & Colman Products Limited with a view to acquiring the three registrations and they were purchased by her company in August 1997.

9. Since taking control of the SHE trade marks in 1997, Ms Markin states that her company has been actively working to establish a presence in the UK market and has used the trade mark in relation to the goods and in relation to training manuals, promotional literature, product sample packages, providing media features and releases, brochures and labels. At Exhibit PWJ - 5 to her first affidavit, Ms Markin provides samples of her company's use of the

trade marks, which relate to use in Australia.

10. Ms Markin continues by stating that her company has actively pursued several initiatives to penetrate the UK market and sell the goods. These include:-

- (i) Correspondence with Lillian Kulhavicz with a view to sourcing a distributor in the UK whereby it was suggested that Ms Kulhavicz undertake a project to find a distributor. A full sales kit with brochures and training manual together with samples of the goods were also sold to Ms Kulhavicz.
- (ii) Correspondence with a director (Ms Jacqueline Wake) of the UK company Arbitrage since July 1997 with a view to Arbitrage distributing the goods in the beauty salon market in Southern England.
- (iii) Correspondence with the UK company Parnell Limited with a view to Parnell distributing the goods. An informal meeting was held with a representative of Parnell Limited in Melbourne, Australia on 20 December 1998, following which four telephone discussions were held in February 1999.
- (iv) Telephone conversations with Mr Patrick Fontana of Kusco Murphy between June 1998 and January 1999 with a view to the agent distributing the goods in the UK. A meeting was scheduled in Melbourne with this agent for 26 February 1999.

11. Ms Markin goes on to say that some sales of the goods under the SHE trade mark have been made in the UK, although these sales have not been significant due to her company's relatively short time in the UK market. At Exhibit PWJ - 9 are samples of sales invoices for the goods sold to Lillian Kulhavicz and Parnell Limited, totalling AUS \$263-28. Ms Markin also explains that her company plans to send a representative to the UK in Spring 1999 for the purpose of establishing contacts and penetrating the UK market.

APPLICANT'S EVIDENCE

12. This consists of two statutory declarations, one each by Helen Ann Patricia Cullen and Jacqueline Margaret Lake, dated 17 December 1999 and 12 January 2000 respectively.

13. Ms Cullen is the Trade Mark Attorney acting for The National Magazine Company Limited (the applicant for cancellation). She explains that her client is the registered proprietor of the trade mark SHE, registration number 721023, in respect of "printed publications" and that the SHE trade mark has been used for a woman's magazine in the UK since at least 1953 and is extremely well known. Her client wishes to use the trade mark SHE on a wide range of goods in Classes 3 and 5 and has applied to register the marks in these classes. However, the registration in suit, No. 773912, presented a bar.

14. Ms Cullen's client, through solicitors, instructed private investigators to investigate use of SHE on the goods covered by registration No. 773912 in the UK. At Exhibit HAPC 2 to Ms Cullen's declaration is a copy of the Investigators' Report dated 2 July 1998, which concludes that Ms Markin has not marketed any SHE product in the UK but has sent sample products to potential UK clients.

15. Ms Cullen criticises the affidavits filed on behalf of the proprietor on a number of counts, stating that use of the mark in Australia should be disregarded. In relation to Ms Markin's correspondence with Lillian Kulhavicz, Ms Cullen instigated a private investigation and a copy of the Investigator's Report is at Exhibit HAPC 3 to her declaration. This report, dated 18 May 1999, concludes that:-

"between two and three years ago Susan Markin sent a package of SHE cosmetics to her friend Lillian Kulhavicz as a present, indicating that she would be interested in finding possible clients in the UK and that Lillian Kulhavicz did not pursue the matter, nor was she pressed to do so by Susan Markin."

16. Turning to the registered proprietor's correspondence with a director of the UK company

Arbitrage, Ms Cullen states that Arbitrage is in fact a pretext used by the private investigators instructed by the applicant's solicitors and that Jacqueline Wake (to whom a letter is addressed by Ms Markin) is one of the directors of the private investigators.

17. On the correspondence with Parnell Limited, Ms Cullen states that the letter of 20 December 1998 and the sales invoices to Parnell are outside the relevant period (being after the application for revocation. She adds that there is no supporting documentation regarding the conversations with Patrick Fontana of Kusco Murphy.

18. Ms Cullen concludes that the trade mark SHE has not been used in the United Kingdom on the registered goods covered by registration 773912 during the five year period up to the application for revocation for non-use ie. between 19 November 1993 and 19 November 1998.

19. In her declaration, Ms Lake explains that she is a Director of Francombe International Limited, a firm of commercial investigators. She states that on 7 May 1999 she was instructed by Ms Helen Cullen of Wildbore & Gibbons to conduct commercial investigations into the business activities of Ms Lillian Kulhavicz, in particular to ascertain whether she had traded in SHE cosmetics. A copy of the report submitted to Wildbore & Gibbons is attached at Exhibit JML 1 to Ms Lake's declaration. It's contents are summarised in paragraph 15 of this decision.

20. This concludes my summary of the evidence filed. I now turn to the decision.

DECISION

21. 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) 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 case the application is made to the registrar, he may at any stage of the proceedings refer to 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."

22. In addition Section 100 of the Act is relevant. It reads:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

23. The applicant's ground of attack goes to Section 46(1)(b) of the Act and the relevant uninterrupted period of five years non-use is claimed to be the five years prior to the making

of the application for revocation ie. the five years prior to 19 November 1998. Once this application was made, the effect of Section 100 was to place the onus on the registered proprietor to show the extent and nature of the use made by them of the mark; as noted by Mr Clarke QC sitting as the Appointed Person in *Crysotheroque Zolotas* (0/464/99) and *Floris* (0/465/99).

24. The registered proprietor is required to show genuine use of the mark within the relevant period if the registration is to be defended successfully (there being no claim that there are proper reasons for non-use). In the following passage from *Euromarket Designs Incorporated v Peters and another*, 2000 ANER (D) 1050 (The *Crate & Barrel* Case), Jacob J considered the question - what is meant by genuine use?:-

"Assume, however there were these three things, namely the packaging on a few items posted at the US customer's request to the UK, gift registry sales, and a tiny amount of spillover advertisements in what the reader in the UK would know are US journals. Do they individually or collectively amount to "genuine use" of the UK registered mark? Miss Vitoria contends they do. She says the reference to "genuine use" of the UK registered mark? Miss Vitoria contends they do. She says the reference to "genuine" is merely in contradistinction to "sham". Small though the use may have been, there was nothing fake about it. The mark appeared in the UK in connection with genuine transactions and that is enough.

I disagree. It seems to me that "genuine use" must involve that which a trader or consumer would regard as a real or genuine trade in this country. This involves quantity as well as the nature of the use. In part it is a question of degree and there may be cases on the borderline. If that were not so, if Miss Vitoria were right, a single advertisement intended for local consumption in just one US city in a journal which happened to have a tiny UK distribution would be enough to save a trade mark monopoly in this country. Yet the advertisement would not be "sham." This to my mind shows that Miss Vitoria's gloss on the meaning of "genuine" is not enough. And the only stopping place after that is real trade in this country. I think all the examples

relied upon are examples of trade just in the US."

25. There has clearly been no actual use of the mark in suit in the UK in the sense that goods have not been offered for sale to the public as such. However, this is not necessarily fatal and the registered proprietor submits that contacts with potential distributors and the sale of goods or samples (albeit on a small scale) to potential distributors, constitutes use. In the extract from the *Crate & Barrel* case, referred to earlier, Jacob J was of the view that genuine use "must involve that which a trader or consumer would regard as a real or genuine trade in this country."

26. Where do the registered proprietors stand in the light of the above? In her affidavits, Ms Makin provided four specific examples of her company's initiatives to penetrate the UK market and sell the goods. My observations are as follows:-

- (i) The letters to Lillian Kulhavicz are dated 6 February 1997 and 7 May 1997 and the invoices for goods are dated the same as the letters. These dates are before Ms Makin claims that the marks were purchased by her company from Reckitt & Colman Products Limited ie August 1997 (see paragraph 8 of this decision). Accordingly, these "initiatives" (such as they were) do not constitute "use by the proprietor or with his consent" as required by Section 46(1).
- (ii) The correspondence with Arbitrage does not assist as Arbitrage was merely a pretext used by private investigators employed by the applicants for revocation.
- (iii) The meeting with Parnell Limited took place on 20 December 1998 with correspondence, invoices and telephone conversations all following the meeting. These events are subsequent to the date of application for revocation (the relevant date) and fall outside the five year period.
- (iv) The contacts with Kusco Murphy are unsupported by any documentary evidence and there is no evidence of any use of the mark in the UK as a result

of these contacts.

27. In my view the evidence does not establish any use of the mark by the proprietor thereof, or with their consent, during the relevant period. However, in the event I am wrong on this I go on to consider, in the alternative whether any use would amount to genuine use of the mark. The proprietor's evidence does not demonstrate that any business relationships have developed or indeed, or likely to develop from their discussions with potential distributors or from any other actions on their part. Furthermore, any sales of the goods have been limited to a few potential distributors and have involved very small amounts of goods and very modest sums of money which cannot be regarded as commercially significant, especially given the nature of the goods at issue. In my opinion the registered proprietor cannot be said to have a genuine trading presence in this country.

28. I do not mean to imply that occasional sales by an overseas firm direct to a UK importer, distributor or retailer cannot constitute genuine use. There will be circumstances where the genuineness of such trade will not be in doubt. The matter must be considered in its totality, taking into account the proprietor's circumstances, the nature of the goods and the market to be served. However, the small amount of trade in the current case and the surrounding circumstances, leads me to the view that, in the current case, genuine use of the mark has not be established.

29. The application for revocation under Section 46(1)(b) of the Act is successful. Accordingly, the registration will be revoked with effect from the date of the application for revocation, that is 19 November 1998.

30. The applicants are entitled to a contribution towards their costs and I order the registered proprietors to pay the applicants the sum of £700. 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 13 day of July 2001

J MACGILLIVRAY

For the Registrar

the Comptroller-General