OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)

Cancellation Division

C491A

Alicante, 24/09/2010

REVOCATION PROCEEDINGS: NOTIFICATION OF A DECISION TO THE APPLICANT

Address of the applicant / representative:	Brandconcern BV c/o Walter Scheffrahn Herengracht 23-II NL-1015 BA Amsterdam THE NETHERLANDS
Reference:	LAMBRETTA (OAMI 21)
Fax number:	00 31-205244526
Community trade mark concerned:	001618982 LAMBRETTA
OHIM reference:	**000002555 C**
Language of the proceedings:	English

Please see attached the decision terminating the revocation proceedings referred to above. It was delivered on 24/09/2010.

Agnieszka SADLON CHWASTEK
On behalf of
Miriam SANCHEZ FUNES

Attached: 10 pages including cover page

DECISION
of the Cancellation Division
of 24/09/2010

IN THE PROCEEDINGS FOR A DECLARATION OF REVOCATION

OHIM reference:	**2555 C**
Community trade mark concerned:	1 618 982 LAMBRETTA
Language of the proceedings:	English
APPLICANT:	**Brandconcern BV** c/o Walter Scheffran Herengracht 23-II 1015 BA Amsterdam The Netherlands

against

COMMUNITY TRADE MARK PROPRIETOR:	**Scooters India Limited** Post Bag No 23 Saronjini Nagar Lucknow 226 008 India
REPRESENTATIVE:	**Field Fisher Waterhouse LLP** 35 Vine Street London EC3N 2AA United Kingdom

THE CANCELLATION DIVISION

composed of: Alexandra Apostolakis, Magnus Ahlgren and Stephan Hanne has taken the following decision on 24/09/2010:

(1) The rights of the proprietor of Community trade mark No 1 618 982 are revoked as of 19/11/2007 in respect of all the goods for which the CTM is registered.

(2) The CTM proprietor bears the costs incurred by the applicant for cancellation.

The costs are fixed as follows:

EUR 700 – invalidity fee.

FACTS AND ARGUMENTS

(1) The Community trade mark No 1 618 982 “LAMBRETTA” (word mark) (hereafter “the CTM”) was filed on 19/04/2000 and registered on 11/09/2001 for the following goods:

Class 6: *Badges and signs of metal, metal rods, bars, tubes and pipes; non-electric cables and wires; non-electric cables and wires of common metal; iron mongery, small items of metal hardware; nuts and bolts; screws, shims, washers and rivets; metal boxes and containers; fuel tanks; locks, padlocks and keys; chains, safety chains; springs.*

Class 7: *Engines; alternators; ball and roller bearings; dynamos, brake linings and shoes; carburettors; catalytic converters; clutches, control cables; crank cases, crank shafts and cranks; cylinders and cylinder heads, dynamos and generators; sparking plugs and glow plugs; vehicle jacks; lubricators; magnetos; pistons, cylinders; cylinder heads; connecting rods; speed governors; springs; starters for motors and engines.*

Class 28: *Games and playthings; gymnastic and sporting articles not included in other classes.*

(2) On 19/11/2007, the applicant filed a request for revocation.

(3) The grounds for the request are those of Article 51(1)(a) of Council Regulation (EC) No 207/2009 on the Community trade mark (“CTMR”), i.e. the trade mark has not been put to genuine use in the Community in connection to any of the goods for which it is registered within a continuous period of five years.

(4) The applicant files its request for a declaration of revocation in respect of all the goods covered by the trade mark.

(5) On 29/11/2007, the CTM proprietor was notified of the request and was given a period of three months to submit its observations and file proof of use of its trade mark.

(6) Following an extension of the time limit, on 29/04/2008, the representative of the CTM proprietor's licensee in the United Kingdom submitted observations and documents to prove the use of the contested mark. The evidence is presented and examined below under the heading "on the substance".

(7) In its observations submitted on 31/07/2008 and 17/05/2009, the applicant questioned the veracity of the documentation submitted. This with a view to showing that the purported use was not carried out by the CTM proprietor or with its consent. In support of its position, the applicant submitted comprehensive excerpts from correspondence between itself and the CTM proprietor, suggesting that the CTM proprietor was in fact not even aware of the current proceedings.

(8) A new representative, appointed by the CTM proprietor was registered by the Office on 14/08/2008. On 15/06/2009, this representative submitted additional evidence of use on behalf of the CTM proprietor.

(9) In reply to an invitation by the Office to the CTM proprietor's representative to file a signed authorisation from the CTM proprietor, a document was filed on 07/10/2009, relating to two cases between the same parties, namely 2555C and 2560C. The same document was thereafter filed on the two following days. The applicant argued that the time limit set was 07/10/2009 and claimed that the document in question had been submitted out of time and hence it should not be taken into account by the Office in accordance with Rule 76(4) CTMIR. As a consequence; all documentation submitted by the representative in question should be disregarded according to the applicant.

(10) On 02/11/2009, the parties were informed that the adversarial part of the procedure was closed and that a decision would be taken.

GROUNDS FOR THE DECISION

On the admissibility

(11) The request complies with the formalities prescribed in the CTMR and the Commission Regulation (EC) No 2868/95 of 13 December 1995 (last amendment 1rst of May 2009) implementing CTMR ("CTMIR"), in particular in Article 56(1) CTMR and Rule 37 CTMIR and is, therefore, admissible.

(12) As far as the authorisation of the representative of the CTM proprietor is concerned, it is clear that the required document was submitted within the time line set by the Office. The Office's records show that the power of attorney designated to both the cases 2555C and 2560 was faxed by the CTM proprietor repeatedly and the first fax was received by the Office at 15:13 hours on 07/10/2009. Consequently, the documents submitted by the CTM proprietor's representative are admissible as such in accordance with Rule 76(4) CTMIR.

On the substance

(13) Pursuant to Article 51(1)(a) CTMR the rights of the proprietor of the Community trade mark shall be declared revoked on application to the Office, if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietors rights in a Community trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application which began at the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application may be filed.

(14) Pursuant to Article 55(1) CTMR, the Community trade mark shall be deemed not to have had, as from the date of the application for revocation, the effects specified in this Regulation, to the extent that the rights of the proprietor have been revoked. An earlier date, on which one of the grounds for revocation occurred, may be fixed in the decision at the request of one of the parties.

(15) Pursuant to Rule 40(5) in conjunction with Rule 22(3) CTMIR, the indications and evidence for the furnishing of proof of use shall consist of indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered and on which the opposition is based.

(16) The request for revocation was filed on 19/11/2007. The CTM was registered on 11/09/2001. Thus the CTM had been registered for more than five years at the date of the filing of the request and the relevant period for assessing use of the sign is between 19/11/2002 and 18/11/2007 inclusive.

On the proof of use – general remarks

(17) The term ‘genuine use’ has been defined by the Court of Justice of the European Union in the Judgment of the Court, Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV (‘Ansul’) [2003] ECR I-2439. At paragraphs 36-39, the Court mentioned the following:

(18) “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.

(19) 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.

(20) When assessing whether there has been genuine use of the trade mark, regard must be made 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.

(21) 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.

(22) Finally, Article 15(2) CTMR states that use of the Community trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor. This means that the owner must have given his consent prior to the use of the mark by the third party. A later acceptance is insufficient.

(23) A typical case of use by third parties is use made by licensees. Use by companies economically related to the trade mark proprietor, such as members of the same group of companies (affiliates, subsidiaries, etc.) is similarly to be considered as authorised use. Where the goods are produced by the trade mark proprietor (or with his consent) but subsequently placed on the market by distributors at the wholesale or retail level, this is to be considered as use of the mark.

(24) At the evidence stage it is *prima facie* sufficient that the CTM proprietor only submits evidence that a third party has used the mark. The Office normally infers from such use, combined with the CTM proprietor's ability to present proof of it, that the use has been made with the CTM proprietor's prior consent.

(25) This practice of the Office was confirmed by the General Court in *Vitafruit*, (see judgment of 8 July 2004 in Case T-203/02 *The Sunrider Corporation v OHIM* ('Vitafruit') [2004] ECR II-2811, at paragraphs 25-26). The Court pointed out that it is unlikely that the proprietor of a trade mark would be in a position to submit proof that the mark had been used against his wishes. There was all the more reason to rely on that presumption, given that the applicant did not dispute the opponent's consent.

(26) However, if there are doubts on the part of the Office or, in general, in cases where the applicant explicitly contests the existence of any consent, the burden is on the party claiming that there has been consent, to submit further evidence to show that prior consent has been given for the use of the mark.

(27) In subsequent practice, the Boards of Appeal has interpreted the above ruling from the General Court as a requirement for a business relationship between a CTM proprietor and the third party from which the evidence of the purported use emanates (see R 561/2007-1 par. 25, R 982/2008-2 par. 21 and R 25/2009-4 par 22).

The evidence

(28) In revocation proceedings on the grounds of non-use, the burden of proof lies with the proprietor because the applicant cannot be expected to prove a negative fact, namely that the mark has not been used during a continuous period of five years. It is thus the CTM proprietor which must prove actual and genuine use within the European Union, or present proper reasons for non-use.

(29) On 29/04/2008, the CTM proprietor submitted the following evidence of use:

- Witness statement by Steven David Filch, Finance Director of Fine White Line Limited (henceforth FWL), exclusive licensee in the United Kingdom of the registered CTM. In the statement, Mr Filch states that the license contract for the use of the sign Lambretta in the United Kingdom was originally entered into by Mr Derry Kunman Limited in March 1997. Subsequently, FWL took over the license contract on 08/09/2006 with an effective date of 01/04/2006. Furthermore, Mr Filch states that a settlement agreement was reached on 13/08/1999, involving the CTM proprietor, Derry Kunman Limited and the Lambretta Club of the United Kingdom regarding the use of the latter of the sign, Lambretta, in the United Kingdom. The CTM proprietor's licensee argues that the settlement agreement proves that the use of the sign Lambretta carried out by the Lambretta Club falls under Article 15(2) CTMR and hence should be accounted for as genuine use by the CTM proprietor.

- Copy of a license contract between the CTM proprietor Scooters India Limited (SIL) and FWL. The contract is dated 28 January 2005 and gives FWL an exclusive right to use the trade mark LAMBRETTA in a number of countries. As far as is relevant for the case at hand, the contract indicates the right of the licensee to use the trade mark for goods in classes 3, 9, 12, 14, 18, 25 and 26 in the United Kingdom. With regard to its duration and scope, the contract refers to two previous license contracts; the first between SIL and Derry Kunman Limited and the second between SIL and FWL. These contracts were dated 12/06/1998 and 18/09/2001. Furthermore the exhibit contains a copy of a license contract, dated 08/09/2006 between SIL and FWL. The annexed schedule, in addition to the previously mentioned goods for the United Kingdom, indicates that within the European Union, the license is based on the contested CTM and relates to use of the sign for goods in classes 6, 7 and 28 (Exhibit SDW1).

- Copy of a settlement agreement between the Lambretta Club of Great Britain and Scooters India Limited, Derry Kunman and Derry Kunman Limited. The agreement is dated 13/08/1999. In chapter 1, Mr Walsh of the Lambretta Club of Great Britain promises not to interfere with future use or registration of the mark in the United Kingdom by Scootering India Limited, by Mr Kunman or by Derry Kunman Limited. Moreover, the Club promises to use the Lambretta mark only in relation to goods offered by the club via mail order or at special scootering events; this restriction being without prejudice to the Club's freedom to provide services under the mark in the United Kingdom on a non-profit basis (Exhibit SDW2).

- Copies from the magazine Scootering. A cover page, dated January 2004, showing a Lambretta scooter. Furthermore advertising pages, partly dated January 2004, containing advertising for the Lambretta Club, first and foremost giving the contact details. There are also other advertisements, among others for spare parts to Lambretta scooters, where the Lambretta trade mark is shown, however with reference to a multitude of other dealers than any of the parties involved here. A second front cover of "Scootering", dated October 2007 contains the text "Lambretta 60th anniversary". Two advertising pages, seemingly relating to this issue, contain advertising for Lambretta scooter spare parts offered for sale by Resurrection Scooters UK (Exhibit SDW3).

- Four photographs of metal spare parts marked with the trade mark Lambretta. The photographs are undated and there are no references to the Lambretta Club or to any of the parties of the license contracts.

(30) In reply to the submitted evidence, the applicant, among others pointed out that the first license contracts regarding use of the sign Lambretta in the United Kingdom concerns goods in classes 3, 9, 12, 14, 18, 25 and 26. This means that it would be excluded from availing itself of any use of goods in classes 6 or 7, under the license in question, regardless of whether the use was with consent or not. Furthermore, the settlement agreement between FWL and others relate to the use of the sign Lambretta as registered in six registrations before the United Kingdom Intellectual Property Office. The registrations cover goods in classes 9, 12, 14, 16 and 18. Secondly, the applicant questioned whether the CTM proprietor was actually aware of the use referred to by the licensee and accordingly expressed its doubts as to the claimed consent.

Assessment

(31) The CTM proprietor did not show genuine use of the contested CTM for any of the goods for which it is registered. Firstly, the CTM proprietor did not even claim that its mark has been used for any of the goods in class 28. Accordingly, the CTM proprietor has not fulfilled the requirement for genuine use in relation to these goods.

(32) In addition, the CTM proprietor also failed to show that the contested CTM has been genuinely used for goods in classes 6 and 7. The reasoning by the GC in the Vitafruit case; that where a party has filed evidence of use, *prima facie* it can be taken that there is consent of use, does not apply to the current situation. Firstly, the applicant has disputed the consent. Secondly, the submitted evidence of use consists of copies from a magazine. Since magazines are normally accessible to the public, the presumption of access to proof of use being limited to consenting parties does not apply. In situations like this, the CTM proprietor, or effectively its licensee has the burden to prove the consent in question.

(33) Moreover, the practice established by the Boards of Appeal is that consent in accordance with Article 15(2) CTMR requires some kind of business relationship between the third party using the mark, and the proprietor which is subjected to the use obligation. The settlement agreement from 1999 indeed involves the CTM proprietor as well as its licensee and the Lambretta Club of Great Britain. However, it is equally clear that the agreement aims at limiting the use of the sign to situations where it will not infringe the rights of the CTM proprietor. Thus it restricts the tolerable use of the sign Lambretta to specific contexts, namely mail sales and at scootering events where the club has a sales outlet. The agreement is one of conditioned coexistence rather than a mutual cooperation. In the Cancellation Division's view, this does not constitute a business relation in the sense that it is understood by the Boards of Appeal. Hence, Article 15(2) CTMR does not apply. Failing the necessary

consent, no use of the sign Lambretta carried out by the Lambretta Club Great Britain could possibly be considered genuine use of the contested CTM.

(34) Finally, as has been explained by the Boards of Appeal in case R1168/2005-4, the acts of use serve as a link between the CTM proprietor and the target public at which the goods and services as registered are addressed. If A organises a trade fair on which B displays shoes for sale, this is use for exhibition and trade fair services on behalf of A and for shoes on behalf of B, but not vice-versa. The fact that some of the spare parts dealers in their advertising affiliate themselves with the Lambretta Club Great Britain does not mean that the Lambretta mark is used by the Lambretta Club for the goods in question.

(35) Thus, from the evidence submitted, the Cancellation Division cannot draw any conclusion as for the use of the CTM in the relevant territory.

(36) Genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-356/02 *Vitakraft-Werke Wührmann* v *OHIM – Krafft(VITAKRAFT)* [2004] ECR II-3445, paragraph 28).

(37) The requirements set by Rule 22(3) CTMIR relating to the evidence of use consist of cumulative indications concerning the place, time, extent and nature of use of the trade mark for the goods and services in respect of which it is registered. The requirements relative to the proof of use were clearly not fulfilled.

(38) The Cancellation Division therefore concludes that use of the contested trade mark has not been sufficiently proven.

Conclusion

(39) Bearing in mind the above considerations, the Office deems that the CTM proprietor did not prove genuine use of the mark No 1 618 982 "LAMBRETTA" in the European Union in relation to all the goods for which it was registered, namely:

> Class 6: *Badges and signs of metal, metal rods, bars, tubes and pipes; non-electric cables and wires; non-electric cables and wires of common metal; iron mongery, small items of metal hardware; nuts and bolts; screws, shims, washers and rivets; metal boxes and containers; fuel tanks; locks, padlocks and keys; chains, safety chains; springs.*
>
> Class 7: *Engines; alternators; ball and roller bearings; dynamos, brake linings and shoes; carburettors; catalytic converters; clutches, control cables; crank cases, crank shafts and cranks; cylinders and cylinder heads, dynamos and generators; sparking plugs and glow plugs; vehicle jacks; lubricators; magnetos; pistons, cylinders; cylinder heads; connecting rods; speed governors; springs; starters for motors and engines.*
>
> Class 28: *Games and playthings; gymnastic and sporting articles not included in other classes.*

(40) Consequently, the trade mark No 1 618 982 shall be revoked for all the goods for which it is registered as of 19/11/2007.

COSTS

(41) Pursuant to Article 85(1) CTMR and Rule 94 CTMIR, the losing party in revocation proceedings shall bear the fees and costs of the other party. In November 2009, the applicant dismissed its representative. Accordingly, the CTM proprietor, as the losing party in the revocation proceedings shall only bear the applicant's fees.

(42) The amount of the costs to be paid by the CTM proprietor to the applicant pursuant to Article 85(1) CTMR in conjunction with Rule 94 CTMIR shall be: EUR 700 – invalidity fee.

THE CANCELLATION DIVISION

Alexandra Apostolakis	Magnus Ahlgren	Stephan Hanne

Notice on the availability of an appeal:

Under Article 59 CTMR any party adversely affected by this decision has a right to appeal against this decision. Under Article 60 CTMR notice of appeal must be filed in writing at the Office within two months from the date of notification of this decision and within four months from the same date a written statement of the grounds of appeal must be filed. The notice of appeal will be deemed to be filed only when the appeal fee of 800 euro has been paid.

Notice on the review of the fixation of costs:

The amount determined in the fixation of the costs may only be reviewed by a decision of the Cancellation Division on request. Under Rule 94(4) CTMIR such a request must be filed within one month from the date of notification of this fixation of costs and shall be deemed to be filed only when the review fee of 100 euro (Article 2 point 30 of the Fees Regulation) has been paid.