O/777/19

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NOS. 860632 AND 860561
IN THE NAME OF ABANKA d.d.

ABANKA

And

ABANKA

IN CLASS 36

AND

THE APPLICATIONS FOR REVOCATION THERETO UNDER NOS. 502030 AND 502031
BY ABANCA CORPORACIÓN BANCARIA, S.A.

Background

1. This is the second time that international registrations ("IRs") 860632 and 860561, owned by Abanka d.d. ("the holder") have been the subject of applications to revoke them on the grounds of non-use by Abanca Corporación Bancaria, S.A. ("the applicant"). The first applications resulted in an Intellectual Property Office ("IPO") decision dated 6 December 2016, which found that there had been no genuine use in the periods alleged by the applicant.[1] The IRs were revoked with effect from 7 May 2014. That decision was appealed to the High Court by the holder. Mr Daniel Alexander QC, sitting as a Deputy Judge of the Chancery Division, allowed the appeal in respect of one part of the class 36 specifications:

> "86. It follows that I consider that the hearing officer's analysis was too narrowly focussed and that there was use of the mark ABANKA in the relevant period either by Abanka or an undertaking authorised by it in respect of the issue of Euro denominated bonds."[2]

2. Mr Alexander QC directed the holder to provide a draft specification reflecting the use shown. A further hearing was held before the deputy judge, resulting in his second judgment.[3] He stated:

> "**Conclusion on scope of specification**
>
> 27. In my view, the appropriate specification for the mark on the basis of the use proven is:
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> **"Class 36: Issuing corporate bonds".**
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> 28. The marks in issue (International Trade Mark Registrations Nos 860632 and 860561) stand revoked for all other services."

[1] BL O/572/16
[2] *Abanka d.d. v Abanca Corporación Bancaria, S.A.* [2017] EWHC 2428 (Ch)
[3] *Abanka d.d. v Abanca Corporación Bancaria, S.A.* [2017] EWHC 3242 (Ch)

3. As a result, the two IRs now stand protected in the UK for "Issuing corporate bonds", in class 36. This is what is recorded on the IPO trade mark register.

4. The applicant filed its second revocation applications against 860632 and 860561 on 6 April 2018 and 9 April 2018, respectively. It had given the holder notice that it would file the applications on 12 January 2018, shortly after the second of the two High Court judgments was handed down. Under section 46(1)(b) of the Trade Marks Act 1994 ("the Act"), the applicant claims that the IRs were not put to genuine use in the UK between 2 January 2013 and 1 January 2018 ("the relevant period"), claiming a revocation date of 2 January 2018.

5. The holder filed defences and counterstatements, denying the ground and stating that, in the alternative, there are proper reasons for non-use.

6. The matter came to be heard by video conference on 5 November 2019. Mr Daniel Selmi of Counsel, instructed by Innovate Legal Services Limited, represented the holder. Mr Andrew Norris of Counsel, instructed by Potter Clarkson LLP, represented the applicant.

Preliminary points

7. A few days prior to the hearing, the holder sent a letter to the IPO[4] saying that its primary position was that its evidence establishes genuine use of its IRs for "Issuing corporate bonds"; i.e. the specification decided by Mr Alexander QC in the second High Court judgment. The holder, nevertheless, ventured a fall-back specification of "Issuing government bonds".

8. Along with the revocation proceedings, I also heard submissions on an opposition[5] brought by the holder against a request for protection of IR 1243627 filed by the applicant. The revocation and opposition proceedings had previously been consolidated, but I directed that the opposition would not be consolidated with the revocations at a case management conference held on 31 October 2018 by

[4] Dated 29 October 2019
[5] Opposition number 405507

telephone. The applicant had resisted consolidation. My letter confirming the outcome of the case management conference is reproduced below:

> "1. I refer to this morning's case management conference, held by telephone conference. Mr Simon Malynicz QC represented the opponent, and Mr Andrew Norris represented the applicant. There were three issues requiring direction:
>
> (i) The opponent's request to file further evidence relating to similarity of services, now that the specifications had been reduced to "issuing corporate bonds" following the decisions of Mr Daniel Alexander QC, sitting as a Deputy Judge in *Abanka d.d. v Abanca Corporación Bancaria S.A.* [2017] EWHC 2428 (Ch) and [2017] EWHC 3242 (Ch). The applicant objects to the request.
>
> (ii) The opponent's request to add section 5(4)(a) as a ground of opposition (currently the opposition is based on section 5(2)(b)) and to file evidence to support the ground. The applicant objects to the request.
>
> (iii) The registry's case management decision to consolidate the opposition with two new revocation actions filed by the applicant against the parts of the earlier marks which survive following the appeal ("issuing corporate bonds"). The applicant objects to the consolidation.
>
> 2. The opponent, having had all but the smallest part of its earlier marks revoked, now wishes to add a passing off claim, relying on use in the UK since December 2009 of its marks in relation to advance payment guarantees, cheques, internet banking services, credit cards, issuing of corporate bonds, foreign exchange transactions, money market transactions, fixed income securities. Some of these services were considered in my decision, and again on appeal, and were revoked from 7 May 2014, there having been no use in the relevant period; i.e. since 2009. In other words, the opponent now

claims that it had goodwill in the UK as of 8 May 2014 (the relevant date of the contested IR) in relation to services which include those for which there has been found to have been no genuine use in the UK between 2009 and 2014.

3. The opponent submits that it had not needed, originally, to run a passing off ground as this would have been narrower than its section 5(2)(b) ground. The reasoning in its Form TM7G includes "It is now necessary to add the ground due to the judgment of the High Court holding that the mark had not been used for some of the services" and "The new ground could be added in a declaration of invalidity in any event and should therefore be added now to avoid a multiplicity of proceedings".

4. It can be seen from this that it was the outcome of the appeal which provided the catalyst for requesting amendment. Looked at from that perspective, the request was made as soon as possible. Avoidance of a multiplicity of proceedings can be a powerful argument for allowing an additional ground to be pleaded. However, such an argument could always be made when a party wishes to amend its pleadings. Neither of these factors mean that amendments will always be allowed.

5. Mr Alexander noted in his first judgment that it was significant that no section 5(4)(a) ground had been pleaded, alleging passing off, nor had it been suggested that it had built up sufficient goodwill in the UK to bring such a claim. Mr Alexander returned to passing off later in his decision, at paragraph 96, in connection with the law in relation to passing off and genuine use, saying (having reviewed the Supreme Court's judgment in *Starbucks v British Sky Broadcasting* [2015] FSR 29): "That suggests that there is no fundamental problem in using these areas of law to some degree as a cross-check on each other, given that they are serving broadly similar purposes."

6. I do not say that the evidence will be the same, but I do regard the issues and the relevant dates as similar enough to view the request to add the passing off claim as another bite at the evidential cherry. Although the opponent made its request, on one view, as early as possible, requests to add

grounds are clearly normally made prior to a substantive decision being issued. That is not the case here, because of the appeal. The opponent has had the holes in its evidence exposed firstly by me and then by Mr Alexander. It does not seem fair to the applicant that the opponent should now get a further chance to improve its evidence and attack the applicant from another, related, angle.

7. My decision in relation to the request to add section 5(4)(a) as a ground of opposition is that it is **refused**. The opposition remains as a 5(2)(b) only opposition based upon the earlier rights for "Issuing corporate bonds".

8. The Registry's decision to consolidate the opposition and the two new revocation actions was based upon its preliminary view to allow the addition of the section 5(4)(a) ground. The reason behind this was economy of process with regard to the filing and review of evidence which would be required both for the passing off ground and to resist the applications for non-use. There is no reason now for the two new revocations to be consolidated with the opposition, since they have no bearing upon the outcome of the opposition (if successfully revoked, they would have been extant on the register at the relevant date for the opposition). The two revocations will remain consolidated with each other, but not with the opposition.

9. In his first judgment, Mr Alexander referred to the greater of lesser degree of specialism in issuing bonds, depending on the final specification, which was then determined in his second judgment. The opponent wishes to file evidence going to similarity of services and the nature of the average consumer. I would find it helpful to have evidence from the parties on the similarity or otherwise of the opponent's "issuing corporate bonds" with the applicant's services; in particular, the way trade in these services is conducted, who is involved and the nature or identity of the average consumer(s). That is the extent to which permission to adduce further evidence is allowed; it does not extend to the opponent's own use other than with regard to demonstrating similarity of services.

Summary of directions

10. The opponent's request to add section 5(4)(a) as a ground of opposition is refused.

11. The two revocations (502030 and 502031) remain consolidated with each other but are no longer consolidated with opposition 405507. The Registry will write separately regarding the evidence timetable for the revocations.

12. The opponent is permitted to file further evidence in accordance with paragraph 9 of this letter. Any such evidence must be filed by 31 December 2018. The applicant will have two months to file evidence in reply, or to make submissions about the opponent's further evidence."

9. Mr Selmi made a request to consolidate the opposition proceedings with the two revocation actions. I refused the request, since agreeing to consolidation would be to reverse my own decision not to consolidate the opposition with the revocations, which I made at the case management conference on 31 October 2018. I do not have the power to reverse my own decision: see the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *TWG Tea Company Pte Ltd v Mariage Frères SA*, BL O/396/15.

Evidence

10. The holder filed two witness statements from Mr Jure Gedrih, its Director of Treasury, and one from Ms Cherry Raynard, who is a journalist specialising in the financial sector. The applicant filed a witness statement from Mr Arturo Bermudez Cachaza, the applicant's Head of Origination.

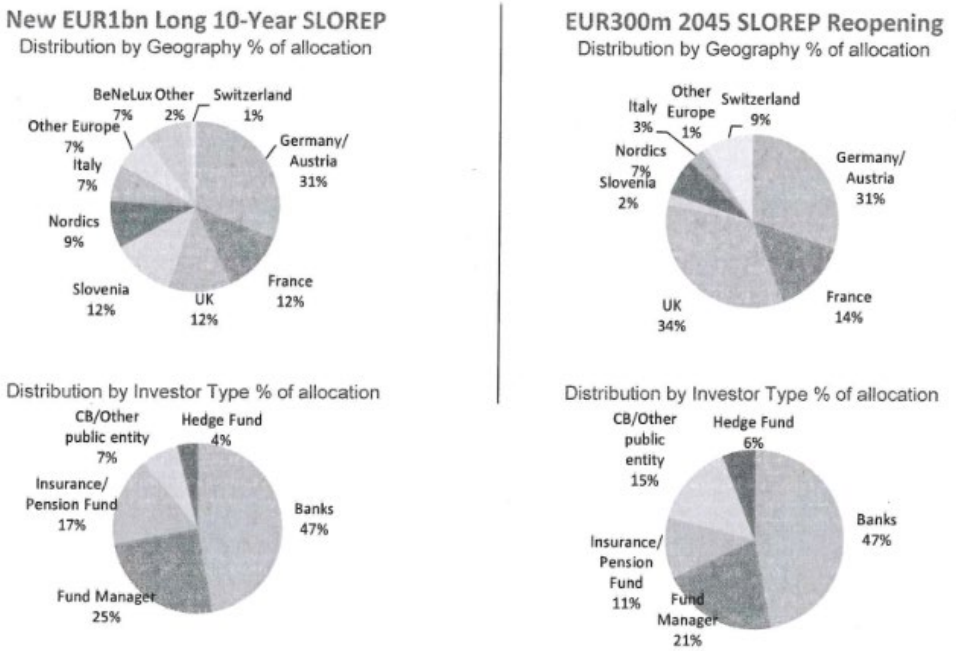
11. Mr Gedrih's first witness statement is dated 6 February 2019. He states that the holder is the third largest bank in Slovenia. Mr Gedrih states:

"4. The major bond issue in which the holder was involved during the relevant period was its cooperation in early 2017 with a number of banks (including the

UK-based banks Barclays and HSBC) in the organisation of a new issue of sovereign bonds for the Republic of Slovenia. I refer to the Offering Circular for these bonds, a copy of which is shown as my Exhibit TK-1. A significant proportion of these bonds were allocated to and subsequently taken up by investors in the UK. A copy of a graphic showing the relative proportions of these bonds allocated to the investors in the different countries is shown as my Exhibit TK-2."

12. The final page of Exhibit TK-1, the Offering Circular, refers to the holder as being joint lead manager, along with Barclays Bank PLC (in London), Crédit Agricole Corporate and Investment Bank (in France), HSBC France (in Paris) and UniCredit Banka Slovenija d.d. (in Ljubljana, Slovenia). The Republic of Slovenia is listed as the issuer of the bonds. Note 2 of 'General Information' says that an application has been made for the offering to be listed on the bond market and traded on the EEA Regulated Market of the Ljubljana Stock Exchange.

13. Exhibit TK-2 is shown below:



14. Exhibit TK-3 comprises a press release which followed the bond issue. This is dated 7 January 2019, a year after the end of the relevant period and two years after the Offering Circular. The holder's name appears with other joint lead managers. Mr Gedrih states that the press release was published online in the UK by Bloomberg, based in London, which he describes as a major financial information and data provider. Other UK financial publishers, including EMEA Finance Limited, also reported the bond issue. The press release shows that 41% of investors were from the UK and Ireland. The investor types are categorised as "Banks/Treasuries, Fund Managers, HF/Trading, Pension Funds/Insurers and Central Banks/Official Institutions."

15. Mr Gedrih concludes his first witness statement by stating:

> "6. Finally, I can confirm that Abanka has traded extensively in corporate bonds issued by UK-based entities in the period 2 January 2013 to 1 January 2018, many of which involved transactions direct with UK-based banks. Abanka has also traded extensively during this period with UK-based banks in respect of bonds issued by non-UK resident corporates."

16. Ms Raynard's witness statement is dated 30 January 2019. She explains that there are different types of financial bonds, falling into three main types. The first category comprises bonds where a government or company sells bonds to borrow money. She states that institutions (or, very occasionally, individuals) lend the money, receive an interest payment and get their money back at the end of the term of the bond. The second category comprises bonds issued by property and infrastructure developers who want to raise finance. Ms Raynard states that this type of bond is aimed at retail investors: the general public. The bonds are marketed directly to retail investors by websites and print media, such as newspapers. The third category comprises fixed term savings products offered by banks and other financial institutions, offered to the general public. Ms Raynard states that such bonds are often managed online by consumers, through the retail bank of which they are customers.

17. Ms Raynard explains that the way in which retail-investor facing bonds are bought and sold has changed as the general public's confidence with online trading of financial products has grown. She states that certain types of corporate bond were once considered to be specialist products that could only be traded through brokers but that, nowadays, information about bonds is readily available to retail investors. Ms Raynard states that retail investors are "significant purchasers" of bonds through various distribution channels.

18. Ms Raynard states that government bonds (in the UK, gilts) are issued by governments to fund national debt, often with the assistance of banks who may administer the bond issue on behalf of the government. Around 25% of the UK's government debt is owned by banks, following the global financial crisis in 2009 when quantitive easing involved banks buying their own governments' debts.

19. Ms Raynard states that "Government bonds are usually sold at auction via dedicated brokers." The primary distribution is via institutional investors who buy up government debt; for example, large pension funds, other governments and sovereign wealth funds. Pension and insurance funds are institutional buyers of gilts. They are regulated to ensure they meet their obligations to retirees; consequently, these buyers purchase government bonds because they are considered to be low risk, since governments tend not to default on their repayments. International institutional buyers, such as sovereign wealth funds and other government investment vehicles, buy UK gilts if the yield looks attractive compared to other bonds with the same level of risk.

20. Private or financial institutions such as fund or wealth managers buy government bonds for use in investment portfolios. Some of these have dedicated government bond funds or portfolios for private clients. Fund or wealth managers also buy bonds in the secondary market.

21. Ms Raynard states that corporate bonds are issued by corporations to fund investment projects, to roll over existing debt, or to fund acquisitions. Buyers of corporate bonds include central banks, institutional investors, private/financial institutions and individual investors. Central banks bought corporate bonds as part

of their quantitive easing programmes, such as the Bank of England, the European Central Bank and the US Federal Reserve. The company issuing the corporate bond will usually use an investment bank to generate demand from investors, which makes presentations to investors about the company issuing the corporate bond.

22. Ms Raynard states that corporate bonds pay a higher income than gilts. They are usually bought by large institutional insurance and pension funds. Purchase sizes are typically £2 million to £5 million. Fund or wealth managers also buy corporate bonds for investment portfolios. There are a number of dedicated corporate bond funds. Ms Raynard states that retail investors will often buy into a fund consisting of a number of corporate bonds from a fund management company or a bank with a fund management division.

23. Ms Raynard states that, as well as institutional corporate bonds, there are also retail corporate bonds aimed specifically at individual investors. The reputation of the company's brand may play a role in the retail investor's purchasing decision, or the decision may be based on the available income produced by the bond. Ms Raynard states that retail corporate bonds are generally bought through online investment supermarkets such as Hargreaves Lansdown. The secondary market for such bonds is managed by the London Stock Exchange, and the entry point is low: from £100. The issuing company's brand is usually present on its website where the bonds are offered, allowing retail investors to find information about the bond offering, such as information sheets and prospectuses. Examples are shown in Exhibit CR1.

24. Ms Raynard states that investors can buy government and corporate bonds and hold them until their term expires, or they can be redeemed early in the secondary market. Unlike an exchange-traded product, such as a share, there is no guarantee that there will be a buyer at the end. There is a limited secondary market that can be accessed by retail investors of retail corporate bonds, but they are generally unable to access the secondary market for other bonds.

25. Consumer-facing bonds have become popular as a half-way house between stock market investment and savings accounts. They are issued by select corporate

groups who want to raise finance; for example, property developers or renewable energy projects. A financial company lends the money, then sells the bonds to its investors at a lower rate, and the financial company keeps the margin as profit.

26. Ms Raynard states that cash-based bonds are not really considered to be bonds in the traditional sense; these are fixed term savings accounts issued by e.g. banks and building societies to retail investors. Investors get a marginally higher interest rate for not accessing the money for a fixed term, but it is a cash-based product rather than being a loan.

27. Mr Cachaza's witness statement is dated 29 April 2019. Mr Cachaza states:

> "Corporate Bonds are, in very general terms, Bonds which are issued by a corporate entity (a company or a corporation), and represent a form of financial facility for a corporation (the issuer) by means of which the issuer raises funds for various purposes from an investor base. This type of Bond differs substantially from Sovereign Bonds (or Government bonds), which are issued by a national or regional Government. Usually, Sovereign bonds (as they are public debt) are more general-public oriented, versus Corporate Bonds, which are, generally speaking, more specialized-investor oriented as they are, especially which issued domestically, a more risky instrument than the Sovereign which is, by nature, public debt.

28. Mr Cachaza states that Mr Gedrih's evidence refers to the issuance in January 2017 of sovereign bonds by the Slovenian Government. He states that this is not a corporate bond. Mr Cachaza states that when a foreign country or corporate body wants to place a bond issuance in the international capital markets using the London market they will appoint a team of well-known international banks, called joint lead managers. These have the role of directing the process. Appointing a domestic bank from the original country is the general practice in order to connect with domestic investors. Such a local bank would form part of the joint lead managers team. Mr Cachaza considers that this is the role of the holder. It is not possible to tell which bank has taken orders from investors, so it may be that the holder has not

had any active involvement with UK investors. Mr Cachaza states that the holder has not provided any evidence that it has had direct involvement with UK investors.

29. Mr Gedrih's second witness is dated 10 July 2019 and replies to Mr Cachaza's evidence. Mr Gedrih exhibits at Exhibit TK-5 an English press release which followed the issuing of the Slovenian Government's bonds on 17 January 2017. This was the press release picked up by EMEA Finance Limited, based in the UK. Mr Gedrih states:

> "It goes without saying that the reputation of ABANKA would have played a role in these purchasing decisions made by professional UK investors, such as personnel at insurers and pension funds, many of whom would have been based in the City of London, which is still by far the biggest centre in Europe for the capital markets."

Decision

30. Section 46 of the Act states:

> "(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 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 other case the application is made to the registrar, he may at any stage of the proceedings refer 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."

31. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

"114……The CJEU has considered what amounts to "genuine use" of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

32. The onus is on the holder to show use because Section 100 of the Act states:

"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."

33. In the second EWHC decision, Mr Alexander QC said (my underlining):

> "14. … one important feature of these bonds is that they were issued to finance a private or listed company rather than being (for example) government bonds. These were corporate bonds. In my view, that is the appropriate sub-category, which is capable of being viewed independently. Although there is no evidence specifically addressed to this issue and Abanka rightly says that it is impermissible to take account of matters set out in Abanca's skeleton argument concerning the precise manner in which various securities are traded and the qualifications of those who may do so, it is a matter of common knowledge that there are bonds of different kinds, of which some are more commonly sold to ordinary consumers and others are more generally used as corporate financing instruments mainly directed at more specialised investors, of which corporate bonds form a well-recognised category. In this case, there is evidence of small sales of these bonds to institutions in this country and no evidence of retail sales. The Information Memorandum does not suggest that these were "retail" bonds in any sense.
>
> 15. There is no detailed evidence of the characteristics of the average consumer either. However, in making the evaluation, I have looked at the matter from the perspective of a person or undertaking with the characteristics indicated by the Information Memorandum, namely a prospective investor. The characteristics of such an investor indicated under the head "Risk Factors" in that document are sensible ones to apply. Such a person is assumed to be either a financial services professional or similar or expected to have consulted such professional advisors before making investment decisions. In my judgment, such a person would be likely to treat "issuing corporate bonds" as a sensible description of the kind of services provided by Abanka in this case and to treat this as the appropriate level of generality."

34. The evidence of use in relation to corporate bonds in the previous non-use cases, the subject of the two EWHC judgements, has not been filed in the present proceedings; unsurprisingly, because it pre-dated the five-year period in contention in the present proceedings. I have highlighted the first three sentences quoted in the

paragraph above because they set out clearly the deputy judge's finding that corporate bonds are a separate category (or sub-category) to government bonds.

35. Mr Alexander QC's finding accords with the evidence from Ms Raynard. I note that she states, in particular, that there are three different types of financial bonds. Ms Raynard describes the first type as government bonds, also known as sovereign bonds or gilts. Corporate bonds are the second type.

36. Mr Cacahza's evidence also corresponds with the view that government bonds are a separate category of bond compared to corporate bonds. He states that what the holder has done is perform the role of the Slovenian domestic market joint lead manager, for the issue of the Slovenian Government's sovereign bonds in 2017. The bonds were listed on the Ljubljana Stock Exchange. Mr Cachaza's view is that there is no evidence that the holder secured any of the investment from the UK, as opposed to the UK bank which was one of the joint lead managers (Barclays Bank Plc, in London). The holder has not answered this point, which appears to me to be a valid question; all the holder has said in reply is that the holder's reputation would have played a role in UK investors' purchasing decisions.

37. Reputation is not the same as use in the UK.[6] The burden is on the holder to show what use has been made of its marks. Mr Gedrih's evidence all relates to the issue of sovereign bonds by the Republic of Slovenia. Presumably, this accounts for the letter sent to the IPO shortly before the hearing proposing the fall-back specification of "Issuing government bonds" instead of issuing corporate bonds. The only mention of corporate bonds by Mr Gedrih comes at the end of his first witness statement, as a single paragraph:

> "6. Finally, I can confirm that Abanka has traded extensively in corporate bonds issued by UK-based entities in the period 2 January 2013 to 1 January 2018, many of which involved transactions direct with UK-based banks. Abanka has also traded extensively during this period with UK-based banks in respect of bonds issued by non-UK resident corporates."

[6] The first EWHC judgment, paragraphs 93 to 96.

38. It is difficult to assess the worth of this statement because there are no details at all supporting it.[7] This is not about questioning the truthfulness of Mr Gedrih's statement, but it is about whether what he has stated is sufficient. One would have thought that if, as Mr Gedrih states, the holder had traded "extensively" in UK-based corporate bonds during the relevant period and with UK-based banks that it would have been a relatively simple task to have given some details, such as figures, names and supporting documentation. There are none. In *Plymouth Life Centre*, O/236/13 Mr Daniel Alexander QC, sitting as the Appointed Person, observed that:

> "20. Providing evidence of use is not unduly difficult. If an undertaking is sitting on a registered trade mark, it is good practice in any event from time to time to review the material that it has to prove use of it. …
>
> The burden lies on the registered proprietor to prove use……..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

39. It appears to me that, to the extent that the holder has made use of its marks in the relevant period, it was in relation to government bonds, not corporate bonds

[7] See *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person and *CLUB SAIL Trade Marks* [2010] RPC 32, Mr. Geoffrey Hobbs QC sitting as the Appointed Person.

(leaving aside Mr Cachaza's doubts as to the holder's UK involvement as a joint lead manager). Mr Alexander QC said in the first EWHC judgement at [27]:

> "In attempting to prove use in category A, it does not help to show there has been use in category B…".

40. The relevant law in relation to fair specifications was set out by Kitchin LJ in *Merck v Merck Sharp & Dohme* [2017] EWCA Civ 1834:

> "245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.
>
> 246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other subcategories.
>
> 247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.
>
> 248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.
>
> 249. This approach does strike an appropriate balance. It gives effect to the clear intention of the EU legislature that marks must actually be used or, if not

used, be subject to revocation. See, for example, Recital 9 of Directive 2008/95/EC ("the TM Directive") and Recital 10 of Council Regulation (EC) No 207/2009 ("the TM Regulation"). It is also fair to proprietors for it does not require a proprietor to prove that he has used his mark in relation to all possible variations of the goods or services covered by its registration but only those which are sufficiently distinct to constitute coherent categories or subcategories. I am also satisfied that it gives appropriate protection to the legitimate interest of a proprietor in being able in the future to extend his range of goods or services within the scope of the terms describing the goods or services for which its mark is registered. The trader has 'absolute' protection under s.10(1) of the 1994 Act (corresponding to Article 5(1)(a) of the TM Directive and Article 9(1)(a) of the TM Regulation) in relation to those goods or services for which he has used the mark (and other goods and services which fall into the same category or subcategory). He also has protection in relation to other goods or services in so far as it is able to establish a likelihood of confusion or the other requirements set forth in s.10(2) and s.10(3) of the 1994 Act (corresponding to Article 5(1)(b) and (2) of the TM Directive and Article 9(1)(b) and (c) of the TM Regulation)."

41. If there has been use within the relevant period, it was in relation to issuing government bonds. The marks are protected for issuing corporate bonds, which the deputy judge found was a separate sub-category to issuing government bonds. As the specification does not cover the services for which there was use, it is not possible to find that there was genuine use for the protected services. Although the holder has offered a fall-back specification of issuing government bonds, the protected specification does not cover these services. Further, this is a sophisticated market and the average consumer within that market would perceive government bonds to be a separate category or sub-category of financial bond, to corporate bonds. I find that there was no genuine use made of the marks in relation to issuing corporate bonds during the relevant period of 2 January 2013 to 1 January 2018.

42. Despite an alternative pleading of proper reasons for non-use, nothing was filed or said by the holder to support it. There are no proper reasons for non-use.

Outcome

43. The applications for revocation succeed in full. Under section 46(6)(b) of the Act, the international registrations are revoked from 2 January 2018.

Costs

44. At the conclusion of the hearing, Mr Norris requested costs off the scale. Most of the reasons related to the opposition case, which I also heard alongside the revocations. It would not be appropriate to factor those in to my assessment in relation to these proceedings, but I address them in my decision on the opposition.

45. This is the second time the holder has been required to prove it has made genuine use of its IRs and it knew full well the requirements placed upon it. Mr Norris submitted that there was a distinct lack of evidence relating to the holder issuing its own bonds and that the holder must have known that. Regrettably, patchy evidence is not unusual in proceedings before the Registrar. I do not think this is an appropriate reason to go off scale. Taking into account consolidation, the costs breakdown is as follows:

Official fees £200 x 2	£400
Preparing statements of case and considering the holder's counterstatements	£300
Preparing evidence and considering the holder's evidence	£1500
Preparing for and attending a hearing	£800
Total	£3000

46. I order Abanka d.d. to pay to Abanca Corporación Bancaria, S.A. the sum of **£3000**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of December 2019

Judi Pike
For the Registrar,
the Comptroller-General