O/0946/26

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00912862942
BY EMERALD ISLES TOBACCO LLC

FOR THE TRADE MARK:



IN CLASSES 34 AND 35

AND

AN APPLICATION FOR REVOCATION
UNDER NO. 507451
BY FIFTY-SIX HOPE ROAD MUSIC LIMITED

BACKGROUND AND PLEADINGS

1. Emerald Isles Tobacco LLC is the registered proprietor ("the proprietor") of the following trade mark:



UK registration no. UK00912862942[1]
Filing date: 9 May 2014
Registration date: 7 May 2019
Registered for goods and services in:

Class 34: Tobacco; smoker's articles; matches; ashtray's for smokers; cigar and cigarette cases; chewing tobacco; cigar cutters; cigar holders; cigar lighters, cigarette filters, cigarette paper; cigarette tips; cigarettes; electronic cigarettes; cigarillos; cigars; humidors; match boxes; match holders; pipe cleaners for tobacco pipes; pipe racks for tobacco pipes; pipes; tobacco pouches; snuff, snuff boxes.

[1] On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all right holders with an existing EUTM. As a result of the opponent's EUTM numbered 12862942 being protected as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable UK mark now recorded on the UK trade mark register has the same legal status as if it had been applied for and registered under UK law, and retains its original international registration date as its filing date.

Class 35: Retail services connected with the sale of cigar and cigarette cases, chewing tobacco, cigar cutters, cigar holders, cigar lighters, cigarette filters, cigarette paper, cigarette tips, cigarettes, cigarillos, cigars, humidors, match boxes, match holders, pipe cleaners for tobacco pipes, pipe racks for tobacco pipes, tobacco pouches, snuff, snuff boxes.

2. Fifty-Six Hope Road Music Limited ("the applicant") made an application to revoke the registered mark on 21 June 2024. The applicant seeks revocation of the registered mark under sections 46(1)(a) and (b) of the Trade Marks Act 1994 ("the Act"); the application is directed against all of the registered goods and services.

3. The applicant claims non-use under section 46(1)(a) in the five-year period following the date on which the mark was registered, i.e. 8 May 2019 to 7 May 2024 (the "first relevant period"). The applicant requests an effective date of revocation of 8 May 2024.

4. Non-use is also alleged under section 46(1)(b) for the five-year period between 21 June 2019 and 20 June 2024 (the "second relevant period"), seeking an effective revocation date from 21 June 2024.

5. The proprietor filed a counterstatement defending its registered mark for all the goods and services for which non-use is claimed, claiming proper reasons for non-use. The proprietor claims that it was locked into a legal dispute with the previous owner of the mark which started around 2019 and dragged on until June 2024. Further, the dispute stalled the regulatory approval application to His Majesty's Revenue and Customs ("HMRC") for entry to the Raw Tobacco Approval Scheme.

6. Both parties filed evidence in these proceedings.

7. The applicant is professionally represented by Mishcon De Reya LLP; the proprietor is professionally represented by IPITeC**.**

8. The proprietor requested a hearing and later in the proceedings, it was agreed that a short format hearing would take place. The hearing took place before me on 28

July 2026 by videoconference. At the hearing the proprietor was represented by Mr Aaron Wood; the applicant chose not to attend.

Relevance of EU law

9. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Evidence and submissions

10. The proprietor filed evidence in the form of the witness statement of Fortis Andrianakos, who is the controlling shareholder of the proprietor. The witness statement is dated 11 November 2024 and is accompanied by exhibits FA1 to FA15. The purpose of the evidence is to explain why there has been non-use of the mark within the relevant periods.

11. The applicant filed evidence in the form of the witness statement of James Holland (being the applicant's representative in these proceedings), dated 4 February 2025. The witness statement is accompanied by exhibits JH1 to JH3. The purpose of this evidence is to provide information regarding the Raw Tobacco Approval Scheme along with the accompanying regulations.

12. The applicant provided further evidence in the form of a witness statement of Jean Kelsick, a partner of Kelsick and Kelsick, Attorneys of Law in Monserrat. The purpose of this evidence was to provide knowledge of the legal system in Monserrat to address the comments made in Mr Andrianakos' witness statement referred to above.

13. The proprietor filed evidence in reply to Mr Kelsick's witness statement in the form of a second witness statement of Fortis Andrianakos along with further exhibits FA16 to FA20.

14. As the proprietor's evidence in reply constituted new evidence, the applicant was afforded the opportunity to file further evidence in reply. Accordingly, the applicant filed a second witness statement of Jean Kelsick to address the new information provided.

15. Both parties elected to file skeleton arguments prior to the hearing. Whilst I will not summarise these here, I will refer to them as and where appropriate during this decision. This decision is taken following a careful consideration of all the papers before me and the oral submissions of Mr Wood at the hearing.

Preliminary issue

16. In his skeleton argument, Mr Wood raised issues with the witness statements of James Holland and Jean Kelsick. Objections were raised, firstly, on the basis that no permission had been given for expert evidence to be adduced. Secondly, in relation to Mr Holland's statement, it was argued that he did not have expertise in the area on which he had provided a statement. Thirdly, in relation to Mr Kelsick's second witness statement, it was argued that it contained mainly submissions and criticism of documents that were not presented in evidence with Mr Andrianakos' first statement, which Mr Wood submitted were inappropriate.

17. At the hearing, I highlighted the difficulty of raising objections to witness statements at such a late stage in the proceedings rather than when the evidence had first been filed in the evidence rounds. I informed Mr Wood that I had considered his objections but would not be striking this evidence out of proceedings. Whilst permission should have been sought to include expert evidence particularly in the case of Mr Kelsick's witness statements, the lateness with which the objection had been raised led me to conclude that the statements should remain as part of the proceedings. Further, whilst I acknowledge that the witness statements contain some submissions, I do not consider it too onerous a task to separate these from Mr Kelsick statements of fact. Therefore, I will adopt a pragmatic approach.

LEGISLATIVE PROVISIONS

18. 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***; (my emphasis added)
> >
> > (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 purpose of subsection (1) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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) […]

(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 existing at an earlier date, that date".

19. Section 100 is also relevant, which reads:

"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."

CASE LAW

20. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

"105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, 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], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], 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], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles 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]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(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]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(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]. 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].

(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]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(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]; *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].”

21. Further, proven use of a mark which fails to establish that the "commercial exploitation of the mark is real" because the use would not be "viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark" is not, therefore, genuine use.

22. In *Awareness Limited v Plymouth City Council*,[2] Mr Daniel Alexander, QC (as he then was), sitting as the Appointed Person, observed that 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".

23. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

> "21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in Matsushita Electric Industrial Co. v. Comptroller- General of Patents [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:
>
> > [24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order

[2] Case BL O/236/13

to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

24. As the proprietor has not claimed that the mark has been used on the market within the relevant periods, I have only to consider whether there were proper reasons for non-use of the mark within this timeframe. This means that, in the event that there are no proper reasons for non-use, the contested mark will be revoked from the earliest revocation date sought.

Case law relating to proper reasons for non-use.

25. In the judgment of *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05, the Court of Justice of the European Union ("CJEU") held that:

"52. In particular, as correctly stated by the Advocate General in [79] of his Opinion, it does not suffice that "bureaucratic obstacles", such as those pleaded in the main proceedings, are beyond the control of the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53. It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as

to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

54. It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as "proper reasons for non-use" of that mark. It must be assessed on a case-by case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55. Having regard to the foregoing considerations, the answer to the second Proper question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute "proper reasons for non-use" of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance."

26. In *Naazneen Investments Ltd v OHIM,* Case T-250/13, the General Court ("GC") held that difficulties in manufacturing a product was not outside the proprietor's control and therefore did not constitute a proper reason for non-use. The court stated that:

"66. According to the case-law, 'proper reasons' refers to circumstances unconnected with the trade mark proprietor rather than to circumstances associated with his commercial difficulties (see, to that effect, judgment of 9

July 2003 in *Laboratorios RTB* v *OHIM — Giorgio Beverly Hills (GIORGIO AIRE)*, T-156/01, ECR, EU:T:2003:198, paragraph 41). The problems associated with the manufacture of the products of an undertaking form part of the commercial difficulties encountered by that undertaking.

67. In the present case, the marketing of the goods in question was stopped because those goods were defective. Given that it was for Gondwana to supervise and control the manufacture of the goods in question even though they were being manufactured by a third party, the interruption to the marketing of those goods cannot be regarded as independent of the will of Gondwana.

68. Furthermore, the applicant is wrong in claiming that it had no choice but to stop using the mark at issue or to put consumers' health in danger. As OHIM has observed, further products could have been manufactured and placed on the market within a reasonable period. Therefore, the applicant cannot claim that the change in strategy of the proprietor of the mark at issue made use of that mark unreasonable. The additional economic investments necessary for the manufacture of further products form, as OHIM states, part of the risks that an undertaking must face.

69. Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the difficulty encountered by Gondwana concerning the manufacture of the goods in question did not constitute a proper reason for non-use of the mark at issue (paragraph 36 of the contested decision)."

27. Furthermore, and more relevant to this decision, *Naazneen* also held that ongoing litigation was not necessarily a proper reason for non-use. The court stated:

"70. As regards the revocation proceedings brought on 5 December 2008 by a third party against the mark at issue, the applicant complains that the Board of Appeal took the view that the proprietor of the mark at issue ought to have assessed and calculated the risks, that is to say, of using the mark despite the risk of having to pay damages or of backing down and abstaining from using the mark, and consequently, of cancellation proceedings being brought. According to the applicant, while revocation proceedings were pending against

the mark and its validity was called in question, it would have been unreasonable to make additional investments, or to carry out marketing or sales activities and negotiations with interested business partners or potential licensees or sub-licensees.

71 It must be pointed out, first, that the fact that revocation proceedings have been brought against a trade mark does not prevent the proprietor of that mark from using it.

72 Second, it is indeed always possible that, should such revocation proceedings lead to the revocation of the mark, an action for damages might be instituted. However, an order to pay damages is not a direct consequence of the revocation proceedings.

73 Furthermore, OHIM states, rightly, that it is for the proprietor of a trade mark to conduct an adequate assessment of its chances of prevailing in the revocation proceedings and to draw the appropriate conclusions from that assessment as to whether to continue to use its mark.

74 Accordingly, the applicant cannot claim that the Board of Appeal was wrong to take the view that the revocation proceedings brought in 2008 by a third party did not constitute a proper reason for non-use of the mark at issue."

Alleged proper reasons for non-use during the relevant periods

28. Before I consider whether the circumstances justify there being proper reasons for non-use. I observe the applicant relied on an EUIPO decision provided earlier this year (dated 30 April 2026) which considered the same facts and, relying on *Naazneen* (referred to in that decision as *Smart Water*), concluded that the proprietor had not shown proper reasons for non-use. However, I am not bound by this decision and will continue to consider the case based on the evidence and submissions that I have before me.

Order preventing use of the trade mark

29. The first reason for non-use is that there was an order preventing the proprietor from using its trade mark during court proceedings. The court proceedings arose following concerns regarding the conduct of the directors of Montobacco Limited, following which, an investigation was ordered into the way the directors had run businesses including Montobacco Limited (the company that formerly owned the trade mark in question). In light of the findings of the investigators' report, subsequent court proceedings found that the directors including Mr Fagen and Mrs Allen had acted inappropriately and disqualified them from acting as directors. The court also presided over the winding up of Montobacco Limited until liquidation was concluded in August 2020 and the trade marks were ordered to be sold to Mr Andrianakos.

30. I note that Mr Andrianakos states:

> "Pursuant to the Privy Council decision, the investigation into the former directors of Montobacco Limited is now concluded. It essentially confirms that litigation was pending between March 2018 and 5 August 2024 and during this period, I was expressly legally prohibited from selling, transferring, removing from Montserrat, or otherwise dealing with the tangible and intangible assets belonging to the respondent companies, including Montobacco Limited, the former owner of the UK Registration. Following the conclusion of the dispute in August 2024, only now am I legally entitled to use the NMS mark without restriction and may take all necessary legal and business steps to bring the goods and services marketed under the mark to the market, both in Montserrat and throughout the UK."[3]

However, there is no reference in the Privy Council decision[4] that expressly prohibits the sale or transfer of tangible and intangible assets either in Monserrat or in the UK, or a reference to the expiry of such order. Further, having considered the court orders that the proprietor relies on for demonstrating that it was

[3] First witness statement of Fortis Andrianakos, paragraph 16
[4] See Exhibit FA10

prevented from trading until the conclusion of Privy Council proceedings, the orders do not support this assertion.

31. The Monserrat High Court order dated 15 March 2018[5] ordered that certain parties including Montobacco Limited (the previous owner of the trade mark) and Mr Andrianakos '*are restrained from selling or transferring, removing from Monserrat or otherwise dealing with tangible and intangible assets belonging to the Respondent Companies* ***until the hearing and determination of the investigation herein pursuant to section 518 of the Companies Act.***'[6] (My emphasis added)

32. However, following this, there was a variation order dated 29 March 2018[7] which varied the 15 March 2018 order, which states:

> "*4. The ex parte Order granted in this matter on March 15, 2018 is varied in that:*
>
> a) *The Respondent Companies […] [which includes the former owner of the registered mark]* ***are allowed to continue trading and to carry out transactions through their bank accounts***." (Again, my emphasis added)

This would indicate that trading under the mark could still take place, whilst investigations were conducted even if there were still some restrictions on the transfer of the ownership of the mark itself.

33. Regardless, the order only lasted until the hearing and determination of the investigation which appears to have taken place by the time of the High Court order dated 31 July 2018.[8] The High Court, having held a hearing and considered the investigation report, ordered the companies (including the owner of the mark at the

[5] Exhibit FA16
[6] See point (2) of this order.
[7] Exhibit FA17
[8] Exhibit FA18

time) to be wound up. Therefore, it appears that the restrictions in these orders only lasted until 31 July 2018 which pre-dates the periods for non-use.

34. As such, I do not find this a proper reason for non-use as these events all occurred prior to the relevant periods I must consider.[9]

35. However, if I am wrong in that conclusion, at the very least it would seem that the restriction only lasted until the order dated 31 August 2020.[10] That is because the August 2020 order concluded the liquidation process of the former proprietor (Montobacco Limited).[11] Therefore, at the very latest the restrictive order would not have been in place following this final order concerning the liquidation of the company.

36. Further, the August 2020 court order stated that '*The [Natural Marley Spirit] materials, being the stock, packaging, and trademark, are sold to Andrianakos for $2000us, which is to be used to settle the claim of Lopez.*'[12] This contradicts any restrictions still being in place as the restrictions would have to be lifted for the court to order that the mark be sold, and subsequently for the assignment of the mark to take place as per the court order.

Legal dispute regarding the ownership of the trade mark

37. Despite the Monserrat High Court ordering that the ownership of the registered trade mark be sold to Mr Andrianakos (owner of the proprietor) it is claimed that there was still legal uncertainty as to the ownership of the mark which would make its use unreasonable. This is said to arise from the cease-and-desist email from Mr Fagen dated 18 November 2020,[13] and litigation brought by the previous directors of the liquidated company (Montobacco Limited) on 1 November 2021 disputing

[9] See *Cernivet Trade Mark* [2002] RPC 30 (AP) which confirms that proper reasons must have been operative during the relevant period.
[10] Exhibit FA19
[11] See exhibit FA19, page 29, where it states: '7 *The winding up order of 31.07.18 is declared fulfilled so that the liquidation process is now closed.'*
[12] Ibid, point 3.
[13] Exhibit FA20

ownership of the trade mark,[14] after the High Court in Monserrat ordered that the trade marks be sold to Mr Andrianankos in August 2020.

38. The cease-and-desist email, dated 18 November 2020, refers to the trade mark in question being '*Steven Fagan & Karen Allan's registered trademark*,' it further claims that '*all associate/related trademark filings since the beginning of 2014 have a packaging which clearly states "MADE UNDER AUTHORITY OF THE TRADEMARK OWNER" as per the terms of the Non-Exclusive Trademark Licensing Agreement that was granted to Montobacco Ltd, which expired in 2017. And that you have no legal or lawful right to the Natural Marley Spirit trademarks*.' It concludes that '*you are expected to desist from using the afore-referenced trademarks with immediate effect'*.[15]

39. However, at the time of the cease-and-desist email sent to the proprietor from one of the former directors, there had already been an order from the High Court dated 31 August 2020, discussed in detail above, directing that the trade marks originally owned by Montobacco Limited be sold to Mr Andrianakos, which had looked at the matter of ownership of the trade mark. It is clear from the subsequent High Court order dated 7 October 2022,[16] that it had already been found that the trade mark was the property of Montobacco Limited rather than the former directors, Mr Fagan and Miss Allan.[17] This being the matter at the heart of the ownership dispute. Therefore, it is clear from the papers that at the time of the cease-and-desist email and threat of potential litigation arising from such, the question of ownership had already been considered and determined.

40. I also note that prior to the cease-and-desist email and in accordance with the court order of 31 August 2020, the liquidators had already assigned the mark to the proprietor (Mr Andrainakos' company) on 18 September 2020, following payment for the mark.[18]

---

[14] The High Court order dated 7 October 2022 refers to the application having been made on 1 November 2021.
[15] Exhibit FA20, page 32
[16] See Exhibit FA5.
[17] Ibid, see specifically pages 58 and 59, under the hearing NOTING points 4a., 5 point 6.
[18] See the assignment document found at exhibit FA11

41. Additionally, I note that there was a period of almost a year following the cease-and-desist email before any litigation took place,[19] yet despite this, the proprietor still did not use the mark.

42. Regarding the litigation that was ongoing in 2022 involving contested ownership of the mark, Mr Wood argued it was entirely reasonable for the proprietor to wait for the matter to be resolved before engaging in use of the trade mark.

43. I observe from the evidence that the litigation referred to, dated 2022, is in relation to whether the former directors Mr Fagan and Miss Allan actually own the mark and Montobacco Limited was merely a licensee under a licence agreement. Or whether Montobacco Limited owned the mark as was recorded on the Monserrat Registry, and therefore, following liquidation of Montobacco Limited, the assignment to Mr Andrianakos was valid. I note that in those proceedings the Affidavit of Dulcie James,[20] an employee of the Monserrat Registry confirmed firstly that the application to register the trade mark in the name of Montobacco Limited was made by Mr Fagan as Managing Director of the company, and secondly no licence agreement was filed at the time of the application.

44. It is against these facts that I keep in mind the decision in *Naazneen* which upheld the Board of Appeals decision and agreed that it is for the proprietor of a trade mark to conduct an adequate assessment of its chances of prevailing in litigation proceedings and to draw the appropriate conclusions from that assessment as to whether to continue to use its mark.

45. Mr Wood attempted to distinguish the facts of this case from those in *Naazneen.* Whilst Mr Wood accepted a revocation case brought against a proprietor's trade mark is not a proper reason for non-use, he contended that other litigation, such as the litigation in this case, could be. To demonstrate this point, he relied heavily on a previous UKIPO decision, BL O/286/98 ("*House of Worth*"). However, I note that

[19] The High Court order dated 7 October 2022 refers to the application having been made on 1 November 2021.
[20] See exhibit FA4, paragraphs 7-9

his case involves only revocation proceedings[21] and moreover is over 25 years old, as such, it was considered well before the GC decision in *Naazneen*.

46. Furthermore, in *House of Worth,* additional revocation proceedings were brought immediately after the previous set of proceedings were found in the proprietor's favour. As a result of the first set of proceedings the proprietor could not use the mark as it could not obtain licensees, despite being involved in negotiations to do so. The extremely short time between the first and second set of proceedings also meant that negotiations that had started prior to the first set of proceedings taking place could not be concluded before the second set of proceedings began. Consequently, it could not show use for the subsequent period under attack. Those facts differ to the facts in the current case.

47. In this case, there is no evidence that the legal proceedings prevented the proprietor from using its mark without changing its commercial strategy, which would be unreasonable. I have no evidence about the commercial strategy of the proprietor, i.e. whether it would manufacture the products itself or be reliant on licensees as the former company was. However, even if the proprietor was reliant on licensees, there is no evidence that the legal disputes in Monserrat prevented it from working with others and obtaining licences to get their products to market in the UK.

48. More authoritatively is the GC case *C=Holdings BV v EUIPO,* Case T-672/16, which I note was not considered in the EUIPO decision relied upon by the applicant which considered the same facts. This GC case follows the decision of *Naazneen* and highlighted that whilst the mere existence (or threat) of revocation proceedings is not a proper reason for non-use, the use by a third party of a misleading and fraudulent strategy in order to deprive the trade mark owner of his or her trade mark was considered to go beyond normal commercial difficulties. In this case the GC accepted that the use of misleading and fraudulent representations led to a "considerable interference" with the owner's normal business activities which seriously undermined their ability to use the trade mark. Therefore, it represented a proper reason for non-use.

[21] Noting that the initial application under the Trade Marks Act 1938 to rectify the register by the removal of the mark on grounds of non-use, is essentially the same as revocation based on non-use under the Trade Mark Act 1994.

49. In the case of *C=Holdings*, it was found that the third party submitted several false declarations to the US authorities, which the judge in the litigation proceedings found to be false and likely submitted in bad faith. These declarations were available online and could be accessed by the public meaning that they could be seen by anyone considering entering into contracts with the proprietor. Moreover, the third party continuously contacted licensees or potential licensees, claiming there was no dispute as to ownership and demanding that licensees pay them rather than the proprietor of the mark. This interference led to licensees freezing payment to the proprietor pending the decision in the litigation proceedings and potential licensees not entering or renewing contracts. Further the third party engaged in a series of manoeuvres to disrupt its trade and try to obtain ownership of the mark. It filed numerous proceedings against the owner of the mark in multiple jurisdictions, including fraudulently bringing proceedings in the name of a company that was found not to exist. Importantly, the judge in those proceedings found that 'the infringement committed by [the third party] was wilful, as evidenced by its flagrant attempts to fraudulently assert ownership over the brand.'[22] The judge also described the third party's actions as a 'two-year campaign of intentional infringement and deceit,'[23] and described the overall strategy of the third party as 'fraudulent', 'misleading' and 'intimidatory'.

50. In contrast, in the case before me, it is not pleaded that the former directors in litigating the matter in Monserrat acted fraudulently. Additionally, there is no evidence that the former directors whilst disputing ownership of the mark, acted fraudulently, or applied misleading tactics to try and deprive the proprietor of its mark. Whilst the directors were disqualified for their fraudulent actions in running the former company that had previously owned the mark, there is nothing in the court documents to suggest that either the High Court Judge, nor the Court of Appeal Judge found that the actions of the former directors were fraudulent, misleading or intimidatory in pursuing ownership of the mark.

[22] See paragraph 31
[23] Ibid.

51. As such, I do not consider the legal dispute in this case to constitute considerable interference that would disrupt the owner's normal business activities which in turn would seriously undermine its ability to use the trade mark. Rather in accordance with *Naazneen*, where there is ongoing litigation over the validity of the mark, it does not make use of the mark unreasonable. It is the responsibility of the proprietor to assess the risk of continuing to use the mark and decide whether or not to use it. After making an assessment, a decision not to use the mark is then a matter of choice instead of something that is beyond the proprietor's control. Consequently, failure to use the mark due to ongoing litigation regarding the mark is not a proper reason for non-use.

52. In any event, the issue as to ownership of the mark was concluded by the time of the Court of Appeal's order dated 23 February 2023,[24] which upheld the High Court Order dated 7 October 2022. However, no use was made of the mark even after litigation regarding the ownership of the mark had been concluded. Whilst I acknowledge that the proprietor claims that the matter was not resolved until the decision of the Privy Council in August 2024, this is clearly not the case as that decision, referred to above, only dealt with the matter of the director's disqualification, not the liquidation of the companies and/or ownership of the trade mark.

The Monserrat Registry's unwillingness to record the assignment transferring ownership

53. At the hearing, Mr Wood contended that the 'special fact' that must be considered in addition to the litigation is the interaction with the Monserrat Trademark Examination Registry, which it was argued created further uncertainty over the ownership of the mark. However, I do not consider this to be of much significance. The interaction referred to is an email exchange between Mr Andrianakos and an employee at the Monserrat Trademark Registry dated 2 May 2023. It states:

[24] Exhibit FA9

"*As you are aware the trade marks registered in Monserrat by Montobacco Ltd are subject to ongoing litigation. Therefore, all communications concerning these trade marks are handled by our lawyers i.e. the Attorney General Chambers and your legal representatives.*

Kindly therefore convey your question to the attorney that is representing you regarding these matters so the appropriate communication channel can be continued."[25] (my emphasis added)

54. This is not a response that answers Mr Andrianakos' question, nor refuses to register the trade marks in the proprietor's name. Rather, it is simply a request to redirect the question to the appropriate person with the authority to answer such. At the hearing, Mr Wood claimed that despite how the email may be interpreted, it is clear from Mr Andrianakos' witness statement that it was his impression that the email was a refusal to register the trade mark in the proprietor's name due to the ongoing litigation. It was submitted that Mr Andrianakos' evidence on this had not been subject to cross examination. Regardless, I do not accept that on any reading of this it would be reasonable for Mr Adrianakos to have understood the Registry's email as a refusal to register the mark. It is surprising that the proprietor would not have followed this up further with the appropriate person, the result of which is not in evidence.

55. However, even if the Monserrat Registry had refused to record the trade mark in the proprietor's name in accordance with the court order and subsequent assignment, this would not prevent the mark from being used in the UK where the registered owner of the mark was recorded on the UK Registry as the proprietor in January 2021. I acknowledge Mr Wood's submissions that merely because the proprietor had applied to record ownership of the trade mark in the UK and other countries does not mean that Mr Andrianakos conclusively knew that he was free to use the mark. It was submitted that it is not known what advice was given and it is not uncommon for solicitors in trade mark disputes to tell a client where there is a dispute over ownership to do something immediately to try to protect their rights.

[25] Exhibit FA15

Mr Wood stated that likewise, it is not unusual for the IPO to record an assignment, notwithstanding the fact that there is a dispute in the background that could unwind that recordal. Nevertheless, the fact remains that as named proprietor on the UK Register, it would have been reasonable for the proprietor to have chosen to use the mark in the UK within this period, despite the legal proceedings in Monserrat and any unwillingness of the Monserrat Registry to record the mark during that time.

Delayed application under the Raw Tobacco Approval Scheme

56. Finally, as I have not found the litigation discussed above to be a proper reason for non-use, it must follow that any delay, as a result of such litigation, in making an application to His Majesty's Revenue and Customs under the Raw Tobacco Approval Scheme (which I understand to be a legal requirement to the sale of tobacco) also cannot be a proper reason for non-use. Furthermore, not all the goods and services relied upon would be subject to this requirement, such as, for example, *match boxes*. On this point, Mr Wood took the position that it was reasonable for the proprietor to wait and not use its mark until it was able to use the mark on all the registered goods and services including tobacco. However, I do not agree with this position, again that would be a commercial choice and not a proper reason for non-use.

OUTCOME

57. The application for revocation on the grounds of non-use therefore succeeds in full. As a result, the trade mark is, subject to any successful appeal, hereby revoked for all the goods and services in classes 34 and 35. The effective date of revocation is 8 May 2024.

COSTS

58. The applicant was successful and is, therefore, entitled to a contribution towards its costs. I therefore award the following:

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the other side's evidence	£1,400
Preparing a skeleton argument for the hearing	£500
Total	**£2,200**

61. I therefore order Emerald Isles Tobacco LLC to pay Fifty-Six Hope Road Music Limited the sum of £2,200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the final determination of the appeal proceedings.

Dated this 22nd day of October 2026

Sarah Wallace
For the Registrar