

## TRADE MARKS ACT, 1996

### Decision in Hearing

IN THE MATTER OF an application for the revocation of the registration of Trade Mark No. 211018 and in the matter of the registered Proprietor's opposition thereto.

HBI BRANDED APPAREL ENTERPRISES, LLC

Applicant for Revocation

DUNNES STORES IRELAND COMPANY

Proprietor

#### **The registered trade mark**

1. Dunnes Stores Ireland Company of 46-50 South Great George's Street, Dublin 2 is the registered Proprietor of the trade mark 'BARELY THERE'. The mark is registered under No. 211018 in respect of "*Articles of clothing; articles of underclothing; footwear and headgear*" in Class 25.
2. The application for registration of the mark was filed under the Trade Marks Act, 1996 (the "Act") with an application date of 30 October, 1998 which is deemed to be the date of registration. Publication of the registration of the mark appeared in Journal No. 1896 on 9 August, 2000.

#### **The application for revocation**

3. On 17 October, 2012 HBI Branded Apparel Enterprises, LLC, an American Corporation of 1000 East Hanes Mill Road, Winston-Salem, NC 27105, USA ("the Applicant"), made an application for the revocation of the registration pursuant to the provisions of Section 51 of the Trade Marks Act, 1996 ("the Act"). The application is grounded on claims that up to the date three months before the date of the Application for Revocation, a continuous period of five years had elapsed following the date of publication of the registration and during which Trade Mark No. 211018 had not been put to genuine use in the State, by or with the consent of the Proprietor, in relation to any of the goods for which it is registered, and there are no proper reasons for non-use.

## Notice of Opposition

4. On 19 July, 2013 the Proprietor filed a Notice of Opposition to the application together with evidence supporting its claims of use of the mark; such evidence consisting of a Statutory Declaration, dated 17 July, 2013 of Thomas Sheridan, Company Secretary of the Proprietor, and three accompanying exhibits marks “TS1”, “TS2” and “TS3”.
5. In its Notice of Opposition the Proprietor rejects the claims made in the application for revocation and claims that it used its BARELY THERE trade mark in Ireland, the United Kingdom (including Northern Ireland) and Spain in relation to ranges of underwear products, and that use of the Mark in relation to the goods was genuine and has not been suspended for an uninterrupted period of five years, prior to the filing of the Application for Revocation.
6. In his Statutory Declaration Mr. Sheridan states that his Company first adopted its BARELY THERE trade mark in and around 1998. His Company’s head office moved premises some years ago, and in this move older documentation and materials were not kept but were destroyed, which included materials relating to the use of the mark BARELY THERE by his Company. He states that within the retail trade the changeover in products and designs occurs on a regular basis as fashion trends change and, as such, older materials relating to previous fashion lines are not normally kept. In addition the supplier of products to his Company under the brand BARELY THERE has since gone out of business and his Company cannot obtain evidence of labelling, packaging and paperwork produced by them for his Company.
7. Mr. Sheridan states the turnover of his Company’s products sold under its BARELY THERE trade mark is classified business information, which, if included in his Statutory Declaration, may potentially damage the business of his Company. However, he does provide aggregate turnover figures which he confirms provide a representation of the value of sales of products under the BARELY THERE trade mark as follow:

Year	Sales
2004	In excess of €3 million
2005	In excess of €2.6 million
2006	In excess of €2.7 million
2007	In excess of €2.1 million
2008	In excess of €0.5 million

8. Mr. Sheridan states his Company filed an opposition against Community trade Mark (CTM) Application No. 001182351 BARELY THERE, filed in the name of Sara Lee Corporation. He says a letter of understanding was executed between the parties whereby Sara Lee Corporation agreed to the use and registration by his Company of the mark BARELY THERE in Ireland and the United Kingdom. The mark in Ireland is registered under No. 211018, the registration the subject of these revocation proceedings. His Company held a copy of the signed letter of undertaking, but due to the head office of his Company moving, there is no current record of the letter of undertaking. However, he attaches at Exhibit “TS1” copies of letters issued by his Company’s then Trade Mark Agent confirming the completion of the letter of undertaking by both parties.
9. Mr. Sheridan states that CTM No. 001182351 was assigned from Sara Lee Corporation to the Applicant for Revocation in March, 2007. Mr. Sheridan attaches at Exhibit “TS2” extracts from the CTM Register attesting to the assignment and the current ownership by the Applicant of CTM No. 001182351. He states the letter of undertaking was binding on associated companies, subsidiaries and successors in title of Sara Lee Corporation and, therefore, the Applicant is bound by the provisions of the undertaking. He attaches at Exhibit “TS3” printouts from the website of the Applicant confirming it is a wholly owned subsidiary of Hanesbrands, Inc. and a list of the Board of Directors of this firm which, he says, confirms that Hanesbrands, Inc. is a spin-off company of Sara Lee Corporation. Mr. Sheridan states, accordingly, the application for revocation by the Applicant is contrary to the undertaking entered into by Sara Lee Corporation with his Company, the terms of which the Applicant is bound by.
10. The Application for Revocation became the subject of a hearing before me, acting for the Controller, on 17 July, 2014. The parties were notified on 30 July, 2014 that I decided to revoke the mark in respect of all goods for which the mark was registered. I now state the grounds of my decision and the materials used in arriving thereat in response to a request by the Opponent in that regard pursuant to Rule 27(2) filed on 29 August, 2014.

## **The Hearing**

11. At the Hearing the Applicant for Revocation was represented by Ms. Niamh Hall, Trade Mark Attorney of FRKelly, and the Opponent (Proprietor) by Mr. Simon Gray, Trade Mark Attorney of Tomkins & Co.

## **Arguments of the parties**

12. Ms. Hall opened her arguments stating that under Section 99 of the Trade Marks Act, 1996 the onus of proving use lies with the proprietor. In this regard she directed me to *Laboratoire de la Mer*<sup>1</sup> wherein Jacob J had this to say at paragraph 9:

*“In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye - to ensure that use is actually proved - and for the goods or services of the mark in question. All the t's should be crossed and all the i's dotted.”*

13. Ms. Hall described the Statutory Declaration of Mr. Sheridan as carefully drafted, with loose language and vagueness, in an attempt to camouflage the fact that no evidence of use has been provided. For example, while Mr. Sheridan claims the mark was used in Ireland, the UK and Spain, and claims the mark was used by the Proprietor, or its subsidiary companies, between 17 October 2007 and 17 October 2012, he does not connect these two claims; i.e. that the place in which the mark was used during the period was Ireland. In any evidence no evidence whatsoever has been provide to support either claim.
14. As regards Mr. Sheridan's claims that documentation was lost during an office move, Mr. Hall argued that even if physical materials are not retained indefinitely, electronic records (e.g. of designs, invoices, advertisements) are generally retained for many years, yet none have been provided. Ms. Hall argued the period in question concerns the 5 years prior to October 2012, which is very recent. She stated there is an obligation on companies to retain business records such as invoices for at least 6 years for the Revenue Commissioners and it is telling that no such invoices from the last 6 years have been submitted.

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<sup>1</sup> *Laboratories Goemar SA v La Mer Technology Inc.* [2002] ETMR 34

15. While Mr. Sheridan claimed the company that supplied goods bearing the BARELY THERE trade mark had gone out of business and, as a consequence, the Proprietor could not access that company's records, Ms. Hall argued the Proprietor should have its own copy of such records. Furthermore, Ms. Hall poured cold water on Mr. Sheridan's contention that turnover figures for products bearing the mark are classified business information, the provision of which would damage the Proprietor's business, arguing the Proprietor could have provided samples of materials, without disclosing anything of a confidential nature.
16. Ms. Hall contended that Mr. Sheridan's use of language, when quoting "the value of sales of products" bearing the trade mark, was very loose. In particular that he did not state what the products were, nor did he claim that all, or even some, of the sales were in Ireland.
17. Ms. Hall also argued that Mr. Sheridan's claims about a letter of undertaking prohibiting the Applicant from taking the revocation action against the Proprietor cannot be relied upon as, in the absence of a copy of the legal contract, is cannot be relied upon or have any relevance in these proceedings. Ms. Hall laid out other arguments regarding the claimed letter of undertaking, but I need not refer to them as Mr. Gray, in his oral submission, conceded the Proprietor was no longer relying on the letter of undertaking as part of its opposition to the application.
18. In conducting a legal analysis of the evidence Ms. Hall argued the onus of proving use lies with the Proprietor and no supposition is entitled to be made in that regard. This is clear from case law where, in Vitakraft<sup>2</sup>, the Court had this to say at paragraph 28:
- "... 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."*
19. Ms. Hall maintained that there is no evidence whatsoever that the BARELY THERE trade mark has been used in Ireland for goods in Class 25. If the Proprietor had made sales of such products then substantive evidence to that effect, such as order forms, invoices, sample labels, tags, or even specifications showing the requirements of the Proprietor in relation to clothing manufactured on their behalf and bearing the trade

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<sup>2</sup> Vitakraft-Werke Wührmann & Sohn GmbH & Co. KG v OHIM, Case T-356/02

mark should have been submitted. None was, and it must be concluded that no genuine use has been proven.

20. For his part Mr. Gray focused his arguments on two areas – (i) proof of use of the Proprietor’s mark and (ii) the genuineness of that use. As regards proof of use, he argued that the Proprietor, who has 117 stores in Ireland, confirmed, in the Statutory Declaration of Thomas Sheridan, the nature and use of the mark BARELY THERE, within the prescribed five-year period in respect of underwear products. He focused on the content of the said declaration paying particular attention to the sales figures provided therein. He argued that the cumulative sales figures, which are in respect of the entire Dunnes Stores network of 156 stores, when apportioned across the 117 stores in Ireland, would indicate that 75% of all sales of goods bearing the BARELY THERE mark are to Irish consumers. Even if it is considered that sales for the relevant period should only be from October 2007, then sales during the relevant period would be in the order of 1000,000 units representing total sales of €1,000,00 (the average price of a product being €10). Therefore, during the period under examination, substantial sales of 75,000 units with a value of €750,000 were achieved.

21. Mr. Gray also repeated the reasons given by Thomas Sheridan for the lack of documentary evidence to support use, these being based on an office move, involving a clear-out of records, the fast-changing nature of the fashion industry, and the supplier of the products going out of business. While Mr. Gray accepted that the Proprietor’s sole evidence was the declaration of Mr. Sheridan’s, nonetheless, he argued its contents are both sound and reliable, and establish the necessary level of use of the mark in order to defeat the application for revocation. He argued that the General Court findings in *CENTROTHERM*<sup>3</sup> support this position, where at Paragraph 46 of its judgment the Court stated “*There is no limit on the methods and means of proving genuine use of a mark*”.

22. Furthermore, Mr. Gray argued that while the sole piece of evidence offered by the Proprietor was a Statutory Declaration, account must be taken of the person from whom the document originates. This was confirmed by the Court of Justice of the European Court (CJEU) who, in *SALVITA*<sup>4</sup> at paragraph 32 had this to say:

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<sup>3</sup> *centrotherm Clean Solutions GmbH & Co. KG, v OHIM* (Case T-427/09)

<sup>4</sup> *Lidl Stiftung & Co. KG, v. OHIM* (Case T-303/03)

*“It should be noted in that regard that, in order to assess the evidential value of a document, regard should be had first and foremost to the credibility of the account it contains. It is then necessary to take account, in particular, of the person from whom the document originates, the circumstances in which it came into being, the person to whom it was addressed and whether, on its face, the document appears sound and reliable.”*

23. Mr. Gray pointed out that the Declarant is a long term employee of the Proprietor and, as company secretary, has full access to all information and records of the company. As such the information contained in his declaration is clearly accurate and a true reflection and statement of the actions of the Proprietor.
24. In response to Ms. Hall’s arguments that the figures contained in the table of sales are not supported by any evidence and are mere assertion, Mr. Gray argued the CJEU found in the CAPIOX<sup>5</sup> case, that a list of sales is a reliable document and can be taken into account in determining the question of genuine use, where at paragraph 42 the Court stated *“the list of sales constitutes a reliable document and the Board of Appeal was right to take it into consideration in order to establish genuine use of the trade mark”*.
25. Mr. Gray referred me to the Statutory Declarations Act, 1938, in particular Sections 2 and 6 of that act. He maintained that because the declaration was attested, as is required by Section 2, this implies that both the document itself and the information contained therein are confirmed to be true and genuine. Also, as the making of a false and misleading declaration is an offence under Section 6 of that act, the declaration of Thomas Sheridan should be accepted as true by the Hearing Officer.
26. Having completed his arguments that the Statutory Declaration of Thomas Sheridan proves use of the mark, Mr. Gray turned his attention to arguing that such use was genuine use, as is required to defeat an application for revocation. He referred me to the general guidelines on the subject which flow from a number of decisions of the CJEU which I would summarise as follows:
- a. Genuine use means actual use of the mark by the Proprietor or third-party with authority to use the mark;
  - b. Use of the mark is not mere token use;

- c. The Use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods and services which enables the consumer or end-user, without any possibility of confusion, to distinguish the goods and services of one undertaken from those which have another origin;
- d. Use of the mark should be by way of real commercial exploitation of the mark on the market for the relevant goods and services;
- e. Use of the trade mark must be in relation to the goods and services for which registration has been sought;
- f. Use of the mark must be within the relevant period.

27. Mr. Gray argued that the Proprietor has passed the test in respect of every one of these guidelines. Actual use of the mark was evidenced by the level of sales of women's underwear bearing the mark during the relevant period. The volume of sales, in the order of €750,000 during the period under consideration, goes way beyond any definition of mere token use. The Proprietor has created and preserved an outlet for those goods. The level of use has been such that Irish consumers would have been exposed to the mark for a significant period of time both within the defined five-year and prior to it. The period throughout which goods bearing the mark were sold by the Proprietor in Ireland and the commercial value of such sales must be considered to be commercial exploitation of the mark.

28. Mr. Gray conceded that there is no evidence of use of the mark in respect of footwear and headgear. However, he argued there was clear evidence of use with regards to ladies underclothing, which justifies retaining the mark on the Register in respect of the remaining goods specified in the registration, namely "*articles of clothing; articles of underclothing*". While the Proprietor advanced evidence only in support of use of the mark on ladies underclothing, he maintained it would be unfair and unjustified to restrict registration of the mark to articles of underclothing only. Use of the mark is on garments which are by their definition considered articles of clothing. Therefore, the evidence of use of the mark BARELY THERE within the defined period establishes use of the mark with respect to "*articles of clothing; articles of underclothing*".

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<sup>5</sup> Boston Scientific Limited v. OHIM (Case T-325/06)

29. The Proprietor sold products extensively under the mark BARELY THERE up to 2008. While for commercial and strategic reasons it temporarily ceased use of its mark, at no time was it the Proprietor's intention to abandon its mark, a fact demonstrated by the relaunch of ladies underwear under the mark in June 2013. The temporary suspension in use has no bearing on the revocation proceedings as use during the required period, has been proven.

### **The law**

30. The relevant section of the Act is Section 51, which is written in the following terms:

*“(1) The registration of a trade mark may be revoked on any of the following grounds –  
(a) that, within the period of five years following the date of publication of the registration, the trade mark has not been put to genuine use in the State, by or with the consent of the proprietor, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;  
(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;*

### **Decision**

31. The Proprietor's BARELY THERE mark is registered in respect of clothing, footwear and headgear. Mr. Gray accepted that no evidence was submitted to demonstrate use, and no claims made that the mark was or is being used, for footwear and headgear. He stated the Proprietor did not wish to defend its registration with regard to those goods. Accordingly, the mark must be revoked in respect of footwear and headgear.

32. Turning now to the question of use of the mark on clothing. The relevant period is the five years immediately prior to the date of application for revocation, i.e. 17 October 2007 to 17 October 2012. The evidence submitted by the Proprietor to support its claims of use on clothing during this period consists solely of the Statutory Declaration of Thomas Sheridan. Mr. Gray argued that, because the declaration has been attested and, in light of it being an offence to make a false sworn declaration, the contents of the declaration must be accepted as truthful. Accordingly, the contents of the declaration contain sufficient proof of use of the mark in respect of clothing.

33. This issue does not rest on whether or not I accept the truth-worthiness of Mr. Sheridan's Statutory Declaration. I do not doubt the veracity of Mr. Sheridan's declaration and I

totally accept his declaration contains statements that, to his knowledge, are correct and that he believes to be true. The issue rests on whether or not evidence has been adduced by the Proprietor to prove that, on the balance of probability, the mark was used on clothing during the relevant period. What is telling in this case is not the contents of the evidence that was submitted, but the absence of evidence that one would expect to be adduced in support of the statements, regarding use of the mark, made by Mr. Sheridan in his declaration.

34. Mr. Gray directed me to a number of cases wherein he argued the Courts support his contention that the Statutory Declaration of Thomas Sheridan is sufficient proof of use. In my opinion, the cases mentioned by him do not provide the support he claims. The *CENTROTHERM*<sup>6</sup> case, wherein the Court stated “*There is no limit on the methods and means of proving genuine use of a mark*”, does not suggest that the minimum possible level of evidence (that being a Statutory Declaration without any supporting material) will suffice. My reading of the judgment is that the Court said that there is no upper limit on what may be adduced to support a claim of genuine use and that the deponent always has the latitude to submit whatsoever he or she desires to bolster their case.

35. In *SALVITA*<sup>7</sup> wherein the Court found that account should be had of the person from whom the affirmation originates, the Court later in its judgment said the following:

*“Finally, it must be observed that the additional evidence which could have supported the information contained in the affirmation – for example, invoices, catalogues or newspaper advertisements – is not of a kind which it would have been difficult for the applicant to obtain. That evidence could have been presented to the Board of Appeal, particularly as the decision of the Opposition Division had already referred to the lack of sufficient evidence as to use of the mark. In the light of the above, and having regard to all the relevant factors, it must be held that the Board of Appeal was not wrong to hold that proof of the use of the earlier national mark had not been furnished.”*

36. Also, the circumstances in *CAPIOX*<sup>8</sup>, wherein the Court stated “*Accordingly, the list of sales constitutes a reliable document and the Board of Appeal was right to take it into consideration in order to establish genuine use of the trade mark*”, are not repeated in these proceedings. In that case the Court was considering the veracity of a list of sales

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<sup>6</sup> *centrotherm Clean Solutions GmbH & Co. KG, v OHIM (Case T-427/09)*

<sup>7</sup> *Lidl Stiftung & Co. KG, v. OHIM (Case T-303/03)*

<sup>8</sup> *Boston Scientific Limited v. OHIM (Case T-325/06)*

contained in a Statutory Declaration, and found that the veracity of the list was established because it was consistent with the contents of an invoice exhibited in evidence. The Court noted this in the sentence immediately preceding the one quoted by Mr. Gray. There the Court said “*It follows that the consistency and veracity of the list of sales is established, in particular, by the fact that certain elements of the invoice appear on it, including the date, the nature of the goods concerned and the exchange-value of the amount stated*”. So, in that case, any doubts about the veracity of the contents of the Statutory Declaration were dispelled by the exhibited invoice, unlike here, where no material to support the veracity of the declaration was exhibited.

37. In these proceedings not a single invoice, order, delivery note, label, tag, packaging, advertisement, poster, photograph, in-store display, item of clothing, or any other material bearing the mark at issue was submitted into evidence. There is an extraordinary lack of evidence. The lack of evidence is all the more striking bearing in mind the extent of the use claimed by the Proprietor (75,000 items of clothing sold in Ireland under the mark BARELY THERE during the period in question; such sales generating receipts of €750,000). The Proprietor has offered excuses for the lack of supporting material, but I find them not to be sufficiently compelling to enable me to disregard the obvious and telling shortcomings.

38. While the Proprietor may have had some difficulty gathering certain types of evidence, there are no good reasons for a total lack of all of the items mentioned above. I find the excuses of an office move and a clear-out of records to be weak. In her oral submission Ms. Hall argued that the Proprietor is required by the Revenue Commissioners to retain copies of invoices and other materials to ensure compliance with proper accounting and financial procedures. Ms. Hall also argued that even if paper records were destroyed or mislead, it is highly unlikely that a company the size of Dunnes Stores would not have electronic copies of the documentation. I agree with Ms. Hall and find the total absence of any documentation relating to sales to be of huge significance.

39. Another excuse advanced by the Proprietor is that turnover figures in relation to goods bearing the mark are classified business information and therefore cannot be included for fear of damaging the business of the Proprietor. This too is a weak excuse. Full documentation of all sales is not required in order to prove use. There was nothing to

prevent the Proprietor from providing some samples of invoices and other documentation relating to sales, which could be produced without disclosing any commercially sensitive information.

40. The Proprietor also claimed that the supplier of the goods bearing the mark went out of business and that no documents could be obtained from the supplier, though the Proprietor fails to even mention the name of the supplier. In any event, in my opinion, the failure of the supplier's business is not a valid reason for failing to provide documentation relating to the supply of clothing bearing the mark at issue. The Proprietor would be expected to have its own copies of such documentation. Furthermore, just because a particular supplier goes out of business it would not necessarily signal an end to trading in goods bearing the Proprietor's BARELY THERE mark. In my opinion, a company with the level of market penetration that Dunnes Stores has, must have the wherewithal to source clothing bearing the mark from another supplier.

41. The onus is on the Proprietor to prove use during the relevant period and it has clearly failed to do so. I cannot engage in supposition and make findings based on unsupported statements in the Statutory Declaration of Thomas Sheridan. In the absence of any other evidence I find the Proprietor has failed to use the mark in accordance with its essential function and, therefore, I must revoke the registration in respect of all goods.

42. By virtue of Section 51(6) of the Act, the revocation of the registration of a trade mark has the effect that the rights of the Proprietor shall be deemed to have ceased from (a) the date of the application for revocation, or (b) if the Controller is satisfied that the grounds for revocation existed at an earlier date, that date. In the present case the Applicant sought revocation for non-use within the five-year period ending on the date of application for revocation and I am happy to revoke the registration as of that date, namely 17 October, 2012.

Dermot Doyle

Acting for the Controller

3 November, 2014