

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 82515

IN THE NAME OF ALLIED TELESYN INC.

FOR REVOCATION OF

TRADE MARK REGISTRATION No. 2235699

IN THE NAME OF RAPIER 1 LIMITED

D E C I S I O N

United Kingdom Trade Mark Registration No. 2235699

1. The designation **RAPIER** was registered in the name of Rapier 1 Limited (*'the Proprietor'*) on 2 February 2001, with effect from 12 June 2000, as a trade mark for use in relation to the following goods and services:

Class 9:

Computer programs; magnetic cards, discs, tapes, wires and integrated circuits all for use in data recordings; optical discs; data carriers bearing or incorporating machine readable data; parts and fittings for all the aforesaid goods; all included in Class 9; but not including any such goods for use in connection with controlling guided missiles and not including optical fibres or optical fibre cables.

Class 42:

Computer programming; systems analysis; consultancy, research, information and advisory services, all relating to information technology, computers and computer programs;

all included in Class 42; but not including any such services relating to the control of guided missiles.

Community Trade Mark Registration No. 1924950

2. On 12 October 2000 the Proprietor applied to register the designation **RAPIER** as a Community trade mark for use in relation to the following goods and services:

Class 9

Computer programs; magnetic cards, discs, tapes, wires and integrated circuits all for use in data recordings; optical discs; data carriers bearing or incorporating machine readable data; parts and fittings for all the aforesaid goods; all included in class 9, but not including any such goods for use in connection with controlling guided missiles and also not including optical fibres or optical fibre cables.

Class 42

Computer programming; systems analysis; consultancy, research, information and advisory services, all relating to information technology, computers and computer programs; all included in class 42; but not including any such services relating to the control of guided missiles.

The application proceeded to registration on 8 January 2002. It is registered with a claim to seniority based on United Kingdom trade mark registration number 2235699.

The claim to seniority

3. A valid claim to seniority based on an earlier trade mark registered in a Member State has the consequences and effects specified in Article 34 of Council Regulation 40/94 of 20 December 1993 on the Community trade mark (*'the CTMR'*):

1.

2. Seniority shall have the sole effect under this regulation that, where the proprietor of the Community trade mark surrenders the earlier trade mark or allows it to lapse, he shall be deemed to continue to have the same rights as he would have had if the earlier trade mark had continued to be registered.

3. The seniority claimed for the Community trade mark shall lapse if the earlier trade mark the seniority of which is claimed is declared to have been revoked or to be invalid or if it is surrendered prior to the registration of the Community trade mark.

4. The operation of these provisions was explained in paragraphs 14 to 21 of the decision of the Third Board of Appeal of the Community Trade Marks Office in Case R 1219/2000-3 Sara Lee/DE Espana SA v. Power Health Products Limited (17 October 2001):

Seniority

14. The opponent argues that he claimed the seniority of various trade marks registered in or for Member States for his Community trade mark application. In his opinion seniority has a similar effect to priority.

15. In accordance with Article 29 CTMR, a person who has duly filed an application for a trade mark in or for any State party to the Paris Convention or to the Agreement establishing the World Trade Organization shall enjoy, for the purpose of filing a Community trade mark application for the same trade mark in respect of the same goods or services, a priority right during a period of six months from the date of filing of the first application. Article 29 CTMR is widely identical with Article 4 of the Paris Convention. When 'earlier trade marks' are defined for the purpose of opposition proceedings in Article 8(2) CTMR, priorities claimed in respect of earlier national trade marks are taken into consideration. In

the present case, neither of the parties invoked such a priority right.

16. In accordance with Article 34(2) CTMR, seniority shall have the sole effect that, where the proprietor of the Community trade mark abandons his earlier national mark, he shall be deemed to continue to have the 'same rights' as he would have had if the earlier trade mark had continued to be registered.
17. The purpose of seniority, though not stated in the preamble to the CTMR, is clear: it is to make the Community trade mark an attractive option for persons who have already registered a particular trade mark in a number of Member States. For such persons the advantages of the Community trade mark system, in terms of financial saving and administrative convenience, would be impaired if they had to maintain their national registrations in addition to a Community trade mark. On the other hand, they might be reluctant to abandon their national registrations unless they could be certain of retaining whatever rights they enjoyed as result of those national registrations. Thus, a grant of seniority allows the applicant for a Community trade mark to retain the advantages of a national registration without the expense and inconvenience of periodically renewing it (Decision R 5/1997-1 of the First Board of 15 May 1998 – Viceroy, paragraph 29).
18. In legal doctrine different concepts are discussed regarding the consequences of seniority in opposition or cancellation proceedings on national level or on the level of the Community trade mark, in particular when a Community trade mark application was doubled by another Community trade mark application, which proceeds to registration even before the first application was published and for which the Community trade mark owner validly claimed the seniority of an earlier trade mark in accordance with article 34 or 35 CTMR. Problems may arise in particular in relation to the request for proof of use, but which do not need to be solved in the present case.

19. It appears from the clear conditions of a valid seniority claim for a national trade mark in accordance with Article 34(2) and (3) CTMR that, firstly, the identical Community trade mark must have been registered for identical goods and services in the hands of the same proprietor, and, secondly, that subsequently the national trade mark was abandoned by means of surrender or non-renewal.
20. In the present case, all the national trade marks for which seniority was claimed are still valid. The fact that the opposition was limited to the Community trade mark does not affect the validity of those national trade marks. The conditions for a valid seniority claim were therefore not met and the opponent had no right which was earlier than the Community trade mark application. The Board points out nevertheless, notwithstanding the absence of appreciation of likelihood of confusion between the two trade marks, that a request for cancellation under article 52 CTMR remains possible after registration of the applicant's trade mark.
21. As the opponent has no valid earlier rights, his arguments relating to 'misuse' of a request to prove the existence of national rights is of no relevance to the case.

5. In accordance with paragraphs 19 to 21 of this decision, the Proprietor's Community trade mark registration number 1924950 could not be assimilated with United Kingdom trade mark registration number 2235699 unless and until the latter registration was abandoned by means of surrender or non-renewal.

The 2006 Statutory Instrument

6. The Community Trade Mark Regulations 2006 (SI 2006 No. 1027) (*'the 2006 Regulations'*) came into force on 29 April 2006. Regulations 3 and 4 provide as follows:

Determination of invalidity and liability to revocation in relation to claims of seniority

3. (1) Where the proprietor of a Community trade mark claims the seniority of a registered trade mark which –
- (a) has been removed from the register under section 43, or
 - (b) has been surrendered under section 45,

any person may apply to the registrar or to the court for the declaration set out in paragraph (3).

(2) ...

(3) The declaration is that if the trade mark had not been so removed or surrendered, it would have been liable to be revoked under section 46 or declared invalid under section 47.

(4) ...

(5) Where the trade mark has been surrendered in respect of some only of the goods or services for which it is registered (or protected), paragraph (1) or (2) shall apply in relation to those goods or services only.

Procedure for declaration that trade mark would have been liable to be revoked or declared invalid

4. (1) In proceedings on an application under regulation 3(1) or (2) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration.

(2) In the case of such proceedings before the registrar, the provisions of rules 31 to 37, 54 to 62, 67 to 69 and 72 of the Trade Marks Rules 2000, with necessary modifications, shall apply.

(3) In the case of such proceedings before the court, the registrar is entitled to appear and be heard, and shall appear if so directed by the court.

(4) Unless otherwise directed by the court, the registrar may instead of appearing submit to the court a

statement in writing signed by him...and the statement shall be deemed to form part of the evidence in the proceedings.

(5) Anything which the registrar is or may be authorised or required to do under this regulation may be done on his behalf by a duly authorised officer.

The non-renewal or surrender of a United Kingdom trade mark registration is therefore no bar to an application for a declaration which would, if granted, be effective under Article 34(3) of the CTMR to knock out a claim to seniority made on the basis of that registration.

Revocation Application No. 82515

7. On 31 May 2006 Allied Telesyn Inc. (*'the Applicant'*) applied for revocation of United Kingdom trade mark registration number 2235699 on the ground of non-use. The application was made under Sections 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994. In its Form TM26(N) filed under Rule 31(1) of the Trade Marks Rules 2000 (as amended) the Applicant identified the non-use period on which it relied for the purposes of its claim under Section 46(1) as *'the five year period up to 28 February 2006'*. It applied for revocation with effect from *'31 May 2006'*.

8. The Registry required clarification of the claim. This resulted in amendment of the Form TM26(N) and the filing of a Revised Statement of Grounds.

9. The Form TM26(N) was amended in manuscript within the Registry so as to change the non-use period on which the Applicant relied for the purposes of its claim under Section 46(1)(b) to *'the five year period up to 31 May 2006'* and also so as to

claim revocation with effect from '*2 February 2006 or 31 May 2006*'. These amendments introduced errors into the pleadings. The earliest possible date for revocation under Section 46(1)(a) was 3 February 2006 (the day following the fifth anniversary of registration) and the end date of the non-use period under Section 46(1)(b) could be no later than 30 May 2006 (the day before the filing of the application for revocation): see BSA Company Ltd v. Brands Holdings Ltd (BL O-144-07; 29 May 2007). I understand that the amendments were made at the instigation of the Registry, with the consent of the Applicant. They are not dated and the Applicant does not appear to have had a copy of the Form TM26(N) as amended until it was provided with one at the hearing which took place before me.

10. The Revised Statement of Grounds is dated 23 June 2006. It confirms that the application for revocation was directed to all goods for which the Proprietor's trade mark was registered in Class 9 other than '*computer programs and data carriers bearing or incorporating machine readable data, all relating to works and asset management systems*' and all services for which the trade mark was registered in Class 42 other than '*systems analysis and consultancy services, all relating to works and asset management systems*'.

11. The amended Form TM26(N) and the Revised Statement of Grounds were sent to the Proprietor by the Registry under Rule 31(2) on 29 June 2006. The Proprietor was required to file a Form TM8, Counterstatement and evidence of use (or reasons for non-use) of its trade mark under Rule 31(3) within a non-extendable period of three months expiring on 29 September 2006.

12. On 4 September 2006 the Proprietor filed a Form TM22 under Section 45 of the Act in accordance with Rule 26. This gave notice of surrender of trade mark number 2235699 for all goods and services in respect of which it was registered. In paragraphs 25 to 36 below I consider the purpose and effect of that filing.

13. The Registry wrote to the Proprietor's agents of record on 6 September 2006. The letter referred to the filing of the Form TM22 requesting surrender of the registration. With reference to revocation application number 82515 filed on behalf of the Applicant on 31 May 2006 it stated:

The total cancellation has been agreed to and the file has been passed to the relevant section to be processed. In view of this the revocation proceedings have now been marked off.

14. I was told by the Proprietor's representative at the hearing before me that the filing of the Form TM22 was expected to have no effect on the pending application for revocation. The position adopted by the Registry in its letter of 6 September 2006 therefore came as something of a surprise. The Proprietor queried the position in a letter to the Registry dated 13 September 2006:

Your letter indicated that the revocation proceedings have now been "marked off".

Can you confirm that this means that official form TM8 and counterstatement together with evidence of use previously due to be submitted on **29th September 2006** are no longer required, and revocation action 82515 is concluded?

This is of some importance as the deadline cannot be extended and we do no (sic) wish this revocation action to affect the corresponding seniority based on British trade

mark registration no. 2235699 which is now entered against European Community Trade Mark registration no. 1924950 **RAPIER.**

The Registry responded in a letter dated 20 September:

I can confirm that official Form TM8 and counterstatement together with evidence of use due to be submitted on 29 September 2006 are no longer required and that revocation action 82515 is concluded.

15. At this point it is necessary to observe that the decision notified in the official letter of 6 September 2006 was irregular for lack of compliance with the requirements of Rule 54:

Decisions of registrar to be taken after hearing

54. (1) Without prejudice to any provisions of the Act or these Rules requiring the registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings before her, give that party an opportunity to be heard.

(2) The registrar shall give that party at least fourteen days' notice of the time when he may be heard unless that party consents to shorter notice.

The decision to treat the revocation application as concluded was plainly adverse to the Applicant. In the absence of proper notice or any proper opportunity to be heard, the Applicant was entitled to challenge the decision under Rule 66:

Correction of irregularities of procedure

66. Subject to rule 68 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct.

16. However, the Applicant did not challenge the decision. It sent a letter to the Registry by fax on 8 September 2006 raising a claim for a declaration under Regulation 3 of the 2006 Regulations in respect of the (ex hypothesi) surrendered registration:

Registration No: 2 235 699 is the basis for a seniority claim in Community Trade Mark Registration No: 1 924 950. Accordingly, and pursuant to the provisions of Statutory Instrument 2006 No: 1027, Paragraph 3(1), we hereby apply for the declaration set out in Section 3(3) that the registration, had it not been surrendered, would have been liable to revocation under Section 46 of the Trade marks Act 1994, as called for in the Statement of Grounds for Revocation No: 82515. We also ask that the seniority claim from Registration No. 2 235 699 be correspondingly revoked.

17. Unfortunately, for reasons internal to the Registry, this letter did not reach the Law Section until 25 September 2006. By then, of course, the Proprietor had been assured in writing that it was no longer required to file a Form TM8, Counterstatement and evidence of use (or reasons for non-use) by the deadline of 29 September 2006 which would have governed the situation if revocation application number 82515 had not been treated as concluded.

18. The Registry acted upon the Applicant's letter of 8 September 2006 in an official letter dated 27 September 2006 which stated as follows:

[The applicant's] letter requests the registrar to issue a declaration pursuant to the provision of Statutory Instrument 2006 No. 1027.

The registry must therefore follow the procedure for revocation, as set out in paragraph 4 of the above Statutory Instrument. The revocation action shall therefore continue.

As indicated in the telephone conversation between your Mr. Buehrlen and Mr. Attfield of this office, you should therefore complete form TM8 and counter statement and return it with two copies of the evidence of use or reasons for non-use on or before **29 September 2006**.

The decision notified in this letter was, once again, irregular for lack of compliance with the requirements of Rule 54. It was plainly adverse to the Proprietor. In the absence of proper notice or any proper opportunity to be heard, the Proprietor was entitled to challenge the decision under Rule 66.

19. The Registry sent a further letter on 28 September 2006 stating:

Following surrender of trade mark registration 2235699, currently the subject of revocation action, you requested a declaration under paragraphs 3(1)(b) and 3(3) of the Community Trade Mark Regulations 2006 (Statutory Instrument 2006 No. 1027).

Given that an application for revocation, No. 82515, has already been filed it is our preliminary view that this be adopted on the basis of paragraph 3(1)(b) of the above mentioned S.I. The registered proprietor therefore has until 29 September 2006 to file their defence.

A period of **14 days from the date of this letter** i.e. on or before **12 October 2006** has been allowed to provide full written arguments against the preliminary view and to request a hearing under Rule 54(1).

20. Taken together, the statements that *'The revocation action shall therefore continue'* (official letter of 27 September) and *'Given that an application for revocation,*

No. 82515, has already been filed it is our preliminary view that this be adopted on the basis of paragraph 3(1)(b) of the above-mentioned S.I.’ (official letter of 28 September) amounted to a decision-cum-preliminary view on the part of the Registrar:

- (1) to revoke the decision notified in the official letter of 6 September 2006;
- (2) to reinstate the application for revocation filed under number 82515;
- (3) to treat the filing of the Applicant’s letter of 8 September 2006 as sufficient in and of itself to initiate the procedure specified in Regulation 4(2) of the 2006 Regulations for claiming a declaration in the Registry under Regulation 3 of those Regulations;
- (4) to integrate the supervening application for a declaration under Regulation 3 of the 2006 Regulations with the reinstated application for revocation under Sections 46(1)(a) and 46(1)(b) of the 1994 Act filed on 31 May 2006; and
- (5) to integrate the supervening application with the reinstated application on the timescale of the latter so as to achieve for the supervening application a retrospective filing date of 31 May 2006 for the purposes of Rule 31(1), a retrospective transmission date of 29 June 2006 for the purposes of Rule 31(2) and a non-extendable deadline of 29 September 2006 for the filing of a defence in accordance with the requirements of Rule 31(3).

21. I must at this point say that the position adopted by the Registry appears to me to have been ill-considered. The Applicant’s letter of 8 September 2006 had not asked for the irregular decision of 6 September 2006 to be revoked, nor did it seek to contest the surrender which underpinned the irregular decision. The letter of 8 September 2006

specifically raised a request '*pursuant to the provisions of* Regulation 3 of the 2006

Regulations:

we hereby apply for the declaration set out in [Regulation] 3(3) that the registration, had it not been surrendered, would have been liable to revocation under Section 46 of the Trade Marks Act 1994, as called for in the Statement of Grounds for Revocation No: 82515.

The answer to that request was clear and simple. The letter of 8 September 2006 did not constitute and could not be accepted as a valid and effective application for a declaration under Regulations 3(1)(b), 3(3) and 4(2) of the 2006 Regulations having regard firstly to the provisions of Section 66 of the 1994 Act and Rules 3 and 31(1) of the Trade Marks Rules 2000 and secondly to the fact that the procedure for surrender under Section 45 and Rule 26 had not yet been completed in relation to trade mark registration number 2235699. That, in essence, is what the Registry should have said in response to that letter.

22. The offer of an opportunity to be heard in relation to the Registrar's decision – cum – preliminary view was of no immediate assistance to the Proprietor. It could not ignore the non-extendable deadline of 29 September 2006 which had been reinstated at short notice.

23. In the event the Proprietor complied with the requirements of Rule 31(3) as best it could by 29 September 2006. It then objected to the course of action the Registry had taken and requested a hearing in letters sent to the Registry on 3 October 2006 and 10

October 2006. The hearing subsequently took place before Mrs. Ann Corbett acting on behalf of the Registrar of Trade Marks on 23 November 2006.

The surrender of the trade mark registration

24. Section 45 of the Act provides:

Surrender of registered trade mark

45.(1) A registered trade mark may be surrendered by the proprietor in respect of some or all of the goods or services for which it is registered.

- (2) Provision may be made by rules -
 - (a) as to the manner and effect of a surrender, and
 - (b) for protecting the interests of other persons having a right in the registered trade mark.

Rule 26 provides:

Surrender of registered trade mark; s.45 (Forms TM22 & TM23)

26.(1) Subject to paragraph (2) below, the proprietor may surrender a registered trade mark, by sending notice to the registrar -

- (a) on Form TM22 in respect of all goods or services for which it is registered; or
 - (b) on Form TM23, in respect only of those goods or services specified by him in the notice.
- (2) A notice under paragraph (1) above shall be of no effect unless the proprietor in that notice -
- (a) gives the name and address of any person having a registered interest in the mark, and

- (b) certifies that any such person -
 - (i) has been sent not less than three months' notice of the proprietor's intention to surrender the mark, and
 - (ii) is not affected or if affected consents thereto.
- (3) The registrar shall, upon the surrender taking effect, make the appropriate entry in the register and publish the same.

25. As I have said, the Proprietor filed a Form TM22 on 4 September 2006 giving notice of surrender of trade mark number 2235699 for all goods and services in respect of which it was registered. This was done with a view to ensuring that the requirements identified in paragraphs 19 to 21 of the decision of the Third Board of Appeal of the Community Trade Marks Office in Case R 1219/2000-3 (above) were satisfied in relation to the claim to seniority made in respect of Community trade mark registration number 1924950 on the basis of United Kingdom trade mark registration number 2235699.

26. The Form TM22 was actioned by the Registry. The surrender was entered and published as required by Rule 26(3). It was published in Issue 6654 of The Trade Marks Journal on 13 October 2006.

27. The effect of surrender during the pendency of an application for revocation of the surrendered registration on the ground of non-use was considered by the Registrar's Hearing Officer (Mrs. Ann Corbett) in Omega Engineering inc. v. Omega SA and others (BL O-177-04; 21 June 2004). The applicant, Omega Engineering Inc., had applied for revocation of three registrations. In each case the registered proprietor filed a Form

TM33 giving notice of partial surrender of the registration in question. A hearing took place to determine the status of the Forms TM23 (partial surrender) and the consequent effect on the future of the partial revocation applications. It was decided that the Forms TM23 were valid and should be actioned by the Registry and that the revocation proceedings should continue notwithstanding the partial surrender of the registrations in question.

28. In relation to the validity and effectiveness of the Forms TM23 the Hearing Officer said this:

31. The registered proprietor can file for partial surrender at any time after registration, whether or not the registration is subject to revocation.

32. Notices were sent to the registrar in the prescribed form. The wording of the surrenders were deemed acceptable (albeit only after an amendment in respect of one of them), and the requirements of rule 26(2) had been complied with. Despite this, the registrar did not publish the surrender in accordance with the requirements of rule 26(3).

...

34. Whilst I accept the registrar was correct to inform the applicant of the filing of the partial surrenders it was, in my view, wrong to continue that correspondence in such a way as to suggest the effective date of partial surrender is something that is “open for negotiation” and if no date is agreed, the partial surrender should be treated as a “nullity”. If the notice of surrender is in order and complies with the requirements of rule 26, the registrar must put the surrender into effect. The registrar does this by making the appropriate entry of the surrender in the register and publishing that entry as set out in rule 26(3).

35. In my view the effective date of the surrender is the date the entry in the register is published in the Trade Marks Journal. I am supported in my view by *Kerly’s Law of Trade*

Mark and Trade Names 13th ed. at page 265 para. 9-03(c) which states:

“(c) A surrender would appear to take effect from the date when the Registrar publishes the amended entry in the register, i.e. after the Registrar has approved the application to surrender.”

36. As the Form TM23s were in order, I do not consider the registrar has any discretion to refuse to action them. Consequently, the registry was in error to deem the forms a nullity. The registered proprietor has given no indication that it does not wish to continue with the partial surrenders. My decision was therefore that the partial surrenders, having been filed in the prescribed form and complying with the requirements of rule 26(2) are valid and should be actioned. The amended entry in the register should be published in the Trade Marks Journal with the effective date of that amendment being the date of publication.

In relation to the continuation of the revocation proceedings she said this:

46. For the reasons set out earlier in this decision, I am of the view that the notices of partial surrenders were in order and should have been actioned and that the effective date of those partial surrenders is the date the amendment of the register is published in the Trade Marks Journal.

...

50. The registered proprietor has made it clear that it always intended to defend the registration. It filed the notices of partial surrender to remove the goods under attack and in an attempt to answer that attack in what was intended to be the most cost effective and time saving way.

51. Although revocation and surrender of a registration are separate actions, surrender of a registration is a not uncommon response to revocation proceedings and will often lead to an agreed and early conclusion of those proceedings. In these proceedings it did not. The applicant has indicated its intention to continue with the proceedings

seeking revocation from an earlier date and I accept that it is entitled so to do.

29. I agree with the views expressed by the Hearing Officer in the passages I have quoted from her decision. The same approach is evident in Decision 69C/000670042/1 of the Cancellation Division of the Community Trade Marks Office in Laboratoires Décléor SA v. Lancôme Parfums et Beauté et Cie [2001] ETMR 89, p. 981 at paragraphs 12 to 21. I think that the approach is right in principle. It leads to the conclusion that a duly filed request for surrender of all or part of a registration should be processed in accordance with Section 45 and Rule 26 without prejudice to the continuation of any application for revocation that may have been filed prior to the filing of the trade mark proprietor's TM22 or TM23 as the case may be. The surrender takes effect *ex nunc*, not *ex tunc* and does not of itself render the pending revocation application moot or academic. I see no reason why the power conferred upon the Registrar by Section 46(6) of the Act should cease to be exercisable in relation to the surrendered registration:

(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.

30. I am aware that the Registrar's Hearing Officer (Mr. M. Reynolds) came to a different conclusion in paragraphs 25 to 34 of his decision in Skaga UK Ltd v. Skaga AB (BL O/134/03; 15 May 2003).

31. At paragraph 29 he said:

In the absence of submissions to the contrary I am of the view that the effective date of surrender would be the date of receipt of a properly received request (certainly in this case no earlier date has been requested even if it were possible).

This appears to me to treat surrender as a matter of offer and acceptance. I do not think that is the correct way of looking at the operation of Section 45 and Rule 26. The process of surrender ends with publication of the entry which the Registrar has made in the Register in response to the proprietor's notification. Irrespective of whether there is an earlier point of no return (as to which I say nothing) the surrender remains pending until it has been entered and published by the Registrar. Entry and publication appear to me to be necessary steps in the extinction of rights pursuant to the proprietor's notification. Publication of the relevant entry is, in my view, the point at which the Registrar becomes functus officio under Rule 26 and is for that reason the point at which surrender takes effect.

32. At paragraph 34 the Hearing Officer said:

Success for the applicants on any of the other actions they have brought would have the effect of removing the registration from dates (albeit different in each case) anterior to the filing of the surrender request. The consequence of that would be to make the surrender request a nullity.

I do not agree with the view that a notice of surrender which complies with the Act and the Rules can be treated as actually or potentially null and void, just because the relevant registration might subsequently be declared invalid or revoked on final determination of a

claim made in proceedings commenced prior to the filing of the notice of surrender. To accept that view would be to place limits on the operation of Section 45 and Rule 26 without any need or justification for doing so. On a conventional approach to the matter, surrender should not of itself be taken to deprive a court or tribunal of the power it possesses to adjudicate upon the merits of a claim raised and resisted in proceedings commenced prior to surrender of the registration in suit. That approach, which supports and maintains the right of access to justice, does not appear to me to be precluded by the scheme or language of the Act and the Rules.

33. In On Demand Information Plc (in administrative receivership) and another v. Michael Gerson (Finance) Plc and another [2002] UKHL 13, [2002] 2 All ER 949 the House of Lords was called upon to decide whether claims for relief against forfeiture under four finance leases were ‘defeated’ when the equipment supplied under the leases was sold pursuant to an order of the court (made at the request of the claimants) during the pendency of the proceedings claiming relief against forfeiture. The proceedings were commenced by means of a writ issued on 4 March 1998. The order for sale was made by Harman J. on 5 March 1998. The equipment was sold on 6 March 1998. The House of Lords rejected the defendants’ contention that the sale should be taken to have deprived the claimants of their right to pursue their claim. Lord Millett (with whom the other members of the House agreed) said this:

38. It is self-evident that the court cannot make an order granting relief from forfeiture of a lease after the lease has been determined otherwise than by the forfeiture in question. Harman J’s order did not in itself make it impossible for the court to grant relief from forfeiture; this remained possible until the moment the equipment was sold. But the sale

brought the leases to an end independently of the antecedent forfeiture against which relief was sought.

39. But the fact that by the time the case was heard the court could no longer give the lessee the particular relief claimed in the writ does not mean that it was bound to dismiss its claim. If (i) the lessee would have been entitled to the relief claimed in the writ immediately before the sale, and (ii) the only reason that the court could not grant that relief was that the equipment had since been sold pursuant to an order of the court which was not intended to affect the parties' rights, then it should give effect to those rights by making whatever order in relation to the proceeds of sale best reflects them. This is not to ignore the fact that the equipment had been sold or to grant relief as if it had not been sold, but to recognise that the sale was not to effect the parties' substantive rights, and that substantive rights can be given effect in more than one way.

I see these observations as a strong endorsement of the principle that properly constituted proceedings are not rendered moot or academic by events occurring *pendente lite* if the proceedings are not thereby rendered pointless for lack of any continuing purpose or effect.

34. A further example of the application of that principle is provided by the decision of the House of Lords in R (on the application of Bushell and others) v. Newcastle upon Tyne Licensing Justices and another [2006] UKHL 7; [2006] 2 All ER 161. Proceedings for judicial review were commenced on the basis that the respondent public authority had misinterpreted and misapplied the provisions of Section 15 of the Licensing Act 1964. The claimants succeeded at first instance and on appeal to the Court of Appeal. The respondents were permitted to appeal to the House of Lords. During the pendency of the appeal the 1964 Act was repealed by the Licensing Act 2003. The subject matter of the appeal (a removed on-licence) disappeared with the 1964 Act. No decision of the House

of Lords could bring it back. It was contended that the appeal had become moot and should be dismissed without a hearing. The House of Lords rejected that contention and proceeded to a determination of the appeal upon its merits. Lord Hoffmann (with whom the other members of the House agreed) said:

5. In these circumstances Mr. Steel says that the appeal has become moot and the House should dismiss it without a hearing. But the appeal is not moot in the sense that its outcome can have no practical consequences for the parties. There remain two respects in which it may affect their rights and obligations. The first is in relation to the costs which Ultimate incurred or was ordered to pay in the hearings before Lightman J and the Court of Appeal and the costs of the appeal to this House. The second arises out of a cross-undertaking which one of the objectors, Rindberg Holding Co Ltd, gave in return for, first, an undertaking by Ultimate not to commence trading until an application for leave to apply for judicial review had been heard, and then, an order to stay the continuation of the hearing before the justices. Ultimate say that the delay caused them loss of profit and have started proceedings to enforce the cross-undertaking. But those proceedings would be doomed to failure if the House agreed that the justices had no jurisdiction under s 15 and dismissed the appeal.

6. The case therefore does not fall within the principle upon which the House has previously refused to entertain appeals when the outcome could have had no effect upon the position of the parties. For example, in *Sun Life Assurance of Canada v Jervis* [1944] 1 All ER 469, [1944] AC 111, a dispute over a life insurance policy in which the insured had been successful in recovering the sum he claimed, the Court of Appeal ([1943] 2 All ER 425) gave the company leave to appeal upon an undertaking 'to pay the costs as between solicitor and client in the House of Lords in any event and not to ask for the return of any money ordered to be paid by this order'. The House declined to hear the appeal because, as Viscount Simon LC pointed out, neither side had any monetary interest in its outcome. It was an essential part of the reasoning of the Lord Chancellor that the terms upon which leave had been given disposed of the question of costs as well as the actual sum in dispute. Likewise in *Ainsbury v*

Millington [1987] 1 All ER 929, [1987] 1 WLR 379n, not only had the subject matter of the dispute (a council house tenancy) ceased to exist but both parties were legally aided with nil contributions and so immune from any order as to costs.

35. Examples of the same basic principle being applied in the field of intellectual property law include the following. Widespread publication destroyed the confidentiality of the information in issue in an action for breach of confidence without depriving the claimant of its right to proceed to a final determination of its claim for breach: Attorney General v. Guardian Newspapers Ltd (No.2) [1990] 1 AC 109 (HL). The expiry of a patent during the pendency of an action for infringement and counterclaim for invalidity did not deprive the claimant or the counterclaiming defendant of the right to proceed to a final determination of their respective claims: Glaverbel SA v. British Coal Corporation [1995] RPC 255 (CA). Cessation of infringing activity during the pendency of an action for infringement of registered trade mark did not deprive the claimant of the right to seek a declaration of liability with liberty to apply for an injunction in the event of repetition: Reed Executive Plc v. Reed Business Information Ltd [2004] RPC 40, p.767 (CA). Neither lapse nor surrender was sufficient to defeat a substantive objection to the acceptability of a patent application or patent since both operated ex nunc and not, as did an order for revocation, ex tunc: Turner v. Newall Ltd's Patent [1984] RPC 49; IBM Corporation (Barclay & Biggar's) Application [1983] RPC 283.

36. Further examples could be cited. I think the ones I have mentioned are sufficient to support the correctness of the approach adopted by the Registrar's Hearing Officer in the Omega case (above).

The hearing on 23 November 2006

37. The purpose of the hearing on 23 November 2006 was to consider the correctness of the decision-cum-preliminary view communicated to the parties in the Registry's letters of 27 and 28 September 2006 (see paragraphs 18 to 20 above).

38. It was common ground at the hearing before me that no question was raised at the hearing on 23 November 2006 as to the regularity of the surrender of trade mark registration number 2235699 which had by then been published in accordance with Rule 26(3) on 13 October 2006.

39. The Proprietor contended that revocation application number 82515 could not be and/or had not been validly and effectively converted into a claim for a declaration under Regulations 3(1) and 4(2) of the 2006 Regulations. The Applicant maintained that the revocation application could and should be taken to have been validly and effectively converted into a claim for a declaration under those Regulations, with the consequences specified in the official letters of 27 and 28 September 2006.

The Hearing Officer's Decision

40. The Hearing Officer wrote to the parties on 24 November 2006 advising them of her decision in the following terms:

The hearing was to consider the registrar's preliminary view that the application for revocation of the registration should continue and be treated as an application for a declaration under the Community Trade Mark Regulations 2006. I do not consider it possible to "convert" an application for

revocation of a registered trade mark into an application for a declaration of liability to revocation under the Community Trade Mark Regulations 2006 and therefore my decision is to overturn the preliminary view. That however, is not the end of the matter.

From my review of the papers, it is clear that following the receipt of the request to surrender the registration, the Trade Marks Registry actioned that request and subsequently recorded the withdrawal of the revocation proceedings. The request to surrender appears to have been actioned without any consideration being given to the ongoing proceedings. Similarly, the proceedings themselves were recorded as withdrawn by the Trade Marks Registry without any consideration being given to the possibility of revocation from a date anterior to the requested surrender and, crucially, with no request from the applicant to do so. It seems to me that in carrying out both of these actions in this way, the Trade Marks Registry fell into error and that these errors constitute an irregularity in procedure which should be corrected.

I therefore intend, insofar as it is possible, to put the parties back to the position they would have been in had the errors not occurred. Invoking the provisions of rule 66, and subject to any appeal against my decision, I direct:

- the recordal of the surrender of the registration be rescinded and the registration restored to the register;
- the recordal of the withdrawal of the application to revoke the registration also be rescinded and these proceedings restored;
- the request for surrender be stayed pending the outcome of the application for revocation;
- the application for revocation continue on the basis of the claims as set out in the previously amended statement of grounds dated 23 June 2006.

The position will then be that there is a live registration and live revocation proceedings against that registration.

41. In the first paragraph of her letter, the Hearing Officer upheld the Proprietor's contentions and rejected the Applicant's contentions with regard to the attempt to raise a claim for a declaration under the 2006 Regulations by means of the letter which the Applicant had sent to the Registry on 8 September 2006. It followed inevitably that the contested decision-cum-preliminary view communicated to the parties in the Registry's letters of 27 and 28 September 2006 had to be overturned. That, without more, would leave intact the surrender of the registration (which had not been challenged by the Applicant) and the official decision to treat the revocation application under Sections 46(1)(a) and 46(1)(b) as concluded (which had also not been challenged by the Applicant).

42. The Hearing Officer appears to have decided to reverse the surrender and revoke the official decision of her own motion and without prior notice or warning to the parties. The Proprietor was entitled to object to that course of action on the basis of procedural irregularity under Rules 54 and 66.

43. The Proprietor's agents of record wrote to the Hearing Officer on 29 November 2006:

Thank you for your kind correspondence of 24th November 2006. You have chosen to reinstate the now surrendered British trade mark registration in view of possible procedural errors at the Registry. As my client's opposition B 486441 before the European Office for Harmonisation is entirely dependent on this seniority claim, I have no choice but to appeal your decision.

You will be aware from my submissions at the hearing that a seniority claim is not valid if the national mark has not been surrendered or otherwise lapsed. For the purposes of clarity

on this point I enclose a copy of the Office for Harmonisation's decision of the Third Board of Appeal of 17th October 2001 in Case R 1219/2000-3 and refer you directly to paragraphs 19 and 20 on page 5. My client is attempting to comply with these conditions.

In the interim, we have also received a letter from the Office for Harmonisation with respect to opposition B 4865441 of 21st November 2006 indicating that no further observations will be accepted in the opposition proceedings, and therefore a decision is expected at any time. In these circumstances we request confirmation that our client's pursuit of an appeal has a suspensory effect and that the surrender of the British trade mark registration no. 2235699 published in Trade Marks Journal 6654 on 13th October 2006 currently remains in place for the purposes of the Office for Harmonisation.

The Registry Hearings Clerk replied on 7 December 2006 stating:

... the Hearing Officer ... has asked me to contact you to thank you for your letter of 29 November 2006 and enclosures. Having given her decision the registrar is, of course *functus officio* and therefore she does not intend to comment on the Third Board of Appeal's decision you enclosed. She has also asked me to respond to the other issues raised in your letter.

I can confirm that the filing of an appeal will have a suspensory effect on the decision taken following the interlocutory hearing. Whilst no appeal has yet been filed, you have given a firm indication that you intend to appeal the decision. Of course this is an action which you cannot take until such times as you receive the statement of the grounds of the Hearing Officer's decision.

44. In her full statement of reasons issued under reference BL O-013-07 on 9 January 2007 the Hearing Officer adhered to the position outlined in her decision letter of 24 November 2006.

45. Having considered the applicable legislative provisions, she found that the Applicant's letter of 8 September 2006 should not have resulted in the decision-cum-preliminary view to which the Proprietor had objected:

33. The registered proprietor's letter dated 8 September 2006 received on 25 September 2006 is not a Form TM26(N) nor is it a replica of that form. The Form TM26(N) filed on 31 May 2006, was filed before the registration was surrendered. Neither the letter dated 8 September 2006 nor the form filed 31 May 2006 set out any statement of the reasons for seeking an application for a declaration under the Community Trade Mark Regulations 2006. I was not persuaded by Ms Széll's argument that the inclusion of the words "with necessary modifications" in Regulation 4(2), enabled me to "convert" an application for revocation of a registration on the grounds of non-use and filed on Form TM26(N) before the filing of a request to surrender a registration, into an application for a declaration that a registration which has been surrendered, would have been liable to revocation under Regulations 3 and 4 of the Community Trade Mark Regulations 2006. I therefore overturned the registrar's preliminary view.

46. She then expressed her concerns about the way in which the Registry had responded to the Proprietor's notice of surrender:

40. Following receipt of the Form TM22 which sought surrender of the registration, the Trade Marks Registry took action on it with no apparent consideration being given to the ongoing revocation proceedings, nor to the possibility of the applicant wishing to continue those proceedings and nor to the fact that if they continued the proceedings and were successful, it would lead to revocation of the registration (insofar as revocation was sought) from a date anterior to the date of the request for surrender. It appears to me that the Trade Mark Registry simply recorded the surrender and assumed that this would lead to the death of the revocation action. It did so of its own violation and without having made any enquiries of the applicant to ascertain what its

intentions were. Certainly the applicant give no indication that it would wish to withdraw its application for revocation.

41. It seemed to me that in handling matters as it did, the Trade Marks Registry fell into error.

This finding formed the basis of her ruling under Rule 66:

43. It further seemed to me that the Trade Marks Registry's errors should be rectified. In invoking the provisions of Rule 66, my intention, insofar as it was possible, was to put the parties back to the position they would have been in had the errors not occurred.

For that purpose she considered it appropriate to reverse the surrender of the registration and revoke the official decision to treat the revocation application as concluded. She therefore confirmed the directions set out in her letter of 24 November 2006 (paragraph 40 above).

47. Her ruling under Rule 66 was a new development in the proceedings. Consistently with that being the position she sought to redress the stop/go effect of the Registry's letters of 6 September 2006 and 27 September 2006 (see paragraphs 13, 14 and 18 above) by giving the Proprietor an opportunity to make up for lost time. On the basis that the lost time had amounted to just over three weeks, she set a period of four weeks from the date of her decision letter of 24 November 2006 within which it would be open to the Proprietor:

- (1) to confirm that it did not wish to defend the application for revocation; or
- (2) to confirm, should it wish to defend the application for revocation, that it wished to rely on the Form

TM8 and accompanying material which had been filed on 29 September 2006; or

- (3) to file a replacement Form TM8, counter-statement and evidence of use (or reasons for non-use) (in which case the material already filed would be returned).

She confirmed that outcome in paragraph 44 of her Decision dated 9 January 2007.

The Appeal

48. The errors and irregularity of the Registry's decision-cum-preliminary view were redressed by the Hearing Officer's decision to overturn it. The Applicant did not appeal against that decision.

49. The Proprietor appealed against the Hearing Officer's ruling and directions under Rule 66 contending, in substance, that they were wrong and irregular in the context of the hearing which had been convened:

- (1) because the hearing had been convened for the purpose only of considering the correctness of the Registry's decision-cum-preliminary view; and
- (2) because nothing remained to be determined once the Hearing Officer had reached the conclusion that the Registry's decision-cum-preliminary view should be overturned.

50. It was common ground that: (i) the Registry's decision to treat the revocation application as 'marked off'; and (ii) the Hearing Officer's decision to revoke the

surrender of the registration in suit; were both irregular for lack of compliance with the requirements of Rule 54.

51. It was also common ground that the Applicant's letter of 8 September 2006 represented its considered response to the official letter of 6 September 2006 in which the Registry had notified the parties of its decision to treat the revocation application as 'marked off'. On reading and re-reading the parties' written submissions and the transcript of their oral submissions at the hearing of the appeal, I note that it was repeatedly contended on behalf of the Proprietor and not contradicted on behalf of the Applicant that the hearing before the Hearing Officer on 23 November 2006 was the first point in time at which the Applicant had contended that revocation application number 82515 should continue as contemplated by the (now overturned) decision-cum-preliminary view. Up until then, the Applicant's only response to the official letter of 6 September 2006 had been (as per its letter of 8 September 2006) to raise a claim for a declaration under the 2006 Regulations.

Summary

52. The Proprietor was entitled to surrender its United Kingdom trade mark registration in accordance with the provisions of Section 45 and Rule 26. The notice of surrender remained pending from 4 September 2006 until 13 October 2006. The Applicant was aware that notice of surrender had been given and raised no objection to it. The Hearing Officer unilaterally decided to reverse the surrender and notified the parties of her decision to that effect in her letter of 24 November 2006. That decision was irregular for lack of compliance with the requirements of Rule 54. It was also

incompatible with the exercise of the Proprietor's right to surrender its registration, unopposed by the Applicant, for the legitimate purpose of consummating its claim to seniority in relation to Community trade mark registration number 1924950.

53. The Registry unilaterally decided that revocation application number 82515 should be 'marked off' as a result of the filing of the notice of surrender. The parties were informed of that decision in the official letter of 6 September 2006. The decision was irregular for lack of compliance with the requirements of Rule 54. It also appears to have been made on the erroneous assumption that the pending application for revocation under Sections 46(1)(a) and 46(1)(b) of the Act was rendered redundant by the filing of the Form TM22.

54. The Applicant did not challenge the Registrar's decision to treat revocation application number 82515 as 'marked off'. On 8 September 2006 it wrote to the Registry raising a request for a declaration under Regulations 3(1)(b) and 3(3) of the 2006 Regulations. The Registry responded to that request in its official letters of 27 and 28 September 2006. These letters contained a decision-cum-preliminary view covering the matters I have identified in paragraph 20 above. As part and parcel of its decision-cum-preliminary view the Registry unilaterally decided to revoke its decision of 6 September 2006 and reinstate revocation application number 82515 with immediate effect.

55. The hearing on 23 November 2006 was convened at the request of the Proprietor for the purpose of considering the correctness of the Registry's decision-cum-preliminary view. The Proprietor objected to the Registry's response to the Applicant's letter of 8 September 2006. The Applicant supported the Registry's response. The Hearing Officer

decided that the Registry's decision-cum-preliminary view should be overturned. There is no appeal against that determination.

56. The Registry's unilateral decision to reinstate revocation application number 82515 was part and parcel of its decision-cum-preliminary view and fell with it. There could have been a request on the part of the Applicant or a proposal on the part of the Registrar for the Registry's decision of 6 September 2006 to be revoked on the basis of procedural irregularity under Rules 54 and 66. No such request or proposal was put forward for consideration at the hearing on 23 November 2006. The Hearing Officer unilaterally decided to revoke the Registry's decision of 6 September 2006 and notified the parties of her decision to that effect in her letter of 24 November 2006. The latter decision was irregular for lack of compliance with the requirements of Rule 54. It should not stand. I do not think either of the parties should be required to forgo the protection of Rule 54 in the context of the events I have been describing.

Determination

57. The Hearing Officer's ruling and directions under Rule 66 will be set aside.

Costs

58. I understand that the parties wish me to deal with the costs implications of my decision in accordance with the usual practice.

59. The Proprietor has succeeded in reversing the consequences of the process set in train by the Applicant's letter of 8 September 2006. In principle, it is entitled to an award

of costs. I would regard an award of £1750 as appropriate for the time and effort required to reach the position that has now been reached.

60. However, the Applicant is not 100% responsible for the consequences that had to be reversed. The consequences were in large measure attributable to the way in which the Registry chose to deal with the matter. Looking at the case in the round, I think the Applicant's contribution to the outcome which the Proprietor was required to challenge should be put at 40%. I therefore direct the Applicant to pay £700 as a contribution towards the Proprietor's costs within 21 days after the date of this decision.

61. I have no power to make an award of costs against the Registrar in proceedings to which the Registrar is not a party: BAT OUT OF HELL Trade Mark BL O-398-02, 23 September 2002, paragraph 30; Hi-Tec Sports UK Ltd v Nicholas Dynes Gracey BL O-397-02, 23 September 2002, paragraphs 29 to 32.

62. I think it is possible for the terms on which an error is rectified under Rule 66 to include terms intended to make the rectification complete by providing for the payment or repayment of costs and expenses occasioned or thrown away by the error in question. However, the power conferred by Rule 66 is exercisable by the Registrar in the first instance. It is not exercisable de novo by the Appointed Person under Sections 76 and 77 or Rules 63 to 68. In addition, it cannot be exercised in a manner that would be inconsistent with the exclusion of liability for official acts contained in Section 70 of the Act.

63. I am prepared to say that I think this is a case in which the Registrar might properly give sympathetic consideration to any request for ex gratia compensation that might be made on behalf of the Proprietor in relation to the way in which the matter has been dealt with in Registry. Beyond that I am not prepared to go.

Geoffrey Hobbs QC

13 June 2007

Mr Rowland Buehrlen of Messrs Beck Greener appeared on behalf of the Proprietor

Ms Kate Szell of Messrs Lloyd Wise appeared on behalf of the applicant.

The Registrar was not represented.