

O-091-14

TRADE MARKS ACT 1994

In the matter of registration nos 2324873 and 2486402

in the name of Mathew Street Festival Limited

of the trade marks:

MATHEW STREET FESTIVAL and Mathew Street Fringe

and

the applications for rectification of the register

under nos 84716 and 84715

by

Liverpool's Mathew Street Music Festival Limited

1) The trade marks MATHEW STREET FESTIVAL and Mathew Street Fringe were applied for on 25 February 2003 and 1 May 2008 respectively. The registration procedures were completed on 12 September 2003 and 19 September 2008 respectively. The trade marks were both applied for in the name of Mathew Street Festival Limited, hereinafter MSF, and are still registered in that name. The trade marks are registered for the same services:

clothing; footwear; headgear,

arranging, organising and managing of festivals; music festival services.

2) On 18 April 2013 Liverpool's Mathew Street Music Festival Limited, hereinafter LMS, applied to rectify the register in respect of the two registrations. LMS states that it was incorporated on 14 June 1995. It claims that it made the applications to register the two trade marks but that owing to an administrative error their proprietorship was incorrectly recorded as MSF. LMS states that on 28 December 2011, a company unrelated to it was incorporated under the name of Mathew Street Festival Ltd, hereinafter referred to as the new company. LMS states that this new company has claimed ownership of the trade marks without entitlement so to do. LMS states that it made the applications and paid for them. It states that it has never made an assignment of the trade marks to the new company.

3) LMS has adduced three statements in support of its applications. Two of the statements, from Mr McEntegart and Mr McKechnie, are not in the correct format of a witness statement as per Practice Direction 32 of the Civil Procedure Rules. In particular, instead of the statements of truth being "I believe that the facts stated in this witness statement are true", they read "I believe the above statement to be true and accurate". However, the statements will be treated as being valid, as there is a form of a statement of truth. In the event of an appeal, LMS may wish to consider putting these two witness statements into the appropriate form.

4) Dr Diane Wardley makes a statement in respect of -873. Dr Wardley is a partner at Forresters, patent and trade mark attorneys. On 1 October 2008, Forresters merged with the patent attorneys, Potts Kerr & Co, the latter taking on the former's name.

5) In February 2003 Potts Kerr & Co were instructed to make the application now the subject of registration -873. The file for the application had the client details as Mathew Street Festival Limited c/o The Cavern Club. All letters and invoices from Potts Kerr & Co were addressed to MFS. It was believed, therefore, that a company with that name was the client of Potts Kerr & Co. Dr Wardley states that as no such company existed at that time, in retrospect, Forresters believe that the "correct" company was LMS. Forresters have not acted for the new company nor represented William Blasbery, its sole director, at any time.

6) A statement made by Francis McEntegart is in relation to -402 only. Mr McEntegart is a barrister and director of McEntegart Legal Limited (formerly Chime Management Limited). Mr McEntegart states that LMS created and organised an outdoor music event entitled the Mathew Street Festival, which included fringe festivals and events. He states that LMS was incorporated on 14 June 1995 and has traded under the name Mathew Street Festival. Mr McEntegart states that in April 2008 he was instructed by LMS to make the application which is registered under -402. Mr McEntegart states that he was instructed that the proprietor's name was MSF with an address at 41, North John Street, Liverpool.

7) Mr McEntegart states that in 2012 it came to the attention of the directors of LMS that an error had been made in the instructions provided in April 2008 as the proprietor should have been recorded as LMS. Mr McEntegart states that he was informed in 2012 that the new company had been incorporated on 28 December 2011. Mr McEntegart states that the new company is neither owned nor controlled by any of the directors or shareholders of LMS. However, the new company has benefitted from the administrative error made in April 2008. Consequently, LMS has made the application for the rectification of the register.

8) Alex McKechnie makes a statement in respect of both registrations. Mr McKechnie states that he is a director and shareholder of LMS. He states that his fellow directors and shareholders are Bill Heckle, Richard Blasbery and Dave Jones.

9) Mr McKechnie states that LMS was incorporated on 14 June 1995. He states that LMS has created and organised an outdoor music festival called the Mathew Street Festival. Mr McKechnie states that in February 2003 LMS instructed the trade mark attorneys Potts, Kerr & Co to register the trade mark Mathew Street Festival, now registered under -873. In April 2008 LMS instructed McEntegart Legal (then called Chime Management Ltd) to make an application for the trade mark which is now registered under -402. Mr McKechnie states that it came to his attention in 2012 that the proprietor details of the two trade marks were incorrect. He states that the trade marks should have been registered in the name of LMS which had given the instructions for the applications, was trading under the trade marks and which had paid for the application and the legal fees.

10) Mr McKechnie states that this error would not have been a problem and the register could have been simply rectified but for a company being set up on 28 December 2011, the new company, which is falsely claiming the ownership of the trade marks based upon this administrative error.

11) Mr McKechnie states that the new company was set up by the former accountant of LMS, Bill Blasbery, who was engaged by LMS to produce the annual accounts and all of the annual company paperwork for HMRC and Companies House. Mr McKechnie states that Mr Blasbery had access to all of

the files of LMS, including those relating to the two trade marks. Mr McKechnie states that Mr Blasbery had knowledge of the administrative error in relation to the proprietor's name and deliberately created the new company so as to benefit from the administrative error. Mr McKechnie states that LMS is the rightful owner of the two trade mark registrations.

12) A witness statement has been filed by William Wellington Blasbery to contest the application for rectification by LMS. Mr Blasbery is a director of Phonebill Limited which he states is authorised to act on behalf of MSF, which has the same address as Phonebill Limited. This MSF is the new company. Phonebill Limited is registered under the Money Laundering Regulations 2007, no 12398071.

13) Mr Blasbery is the sole director of the new company which was registered on 28 December 2011. He states that the new company has never traded and is listed at Companies House as being dormant.

14) Mr Blasbery states that Phonebill Limited was instructed by LMS in 2002 to prepare financial statements for LMS for each of the years from 2001 to 2011 (sic) and that this was done.

15) Mr Blasbery states that the records of the Intellectual Property Office, hereinafter IPO, will show that a previous application for rectification was made by McEntegart in or around April 2012 on the basis that an error was made in respect of the name of the registered proprietor. It is assumed that by McEntegart, he is referring to McEntegart Legal Limited, which is acting for LMS in these proceedings.

16) The records show that on 7 March 2012 Mr Blasbery filed an application to change the address of MSF to that of Phonebill Limited. Mr Blasbery was advised by the IPO on 23 March 2012 that the address of MSF had been changed as requested. On 27 April 2012 an application was filed by McEntegart Legal Limited to change the name of the proprietor to LMS. On the form Mr McEntegart made a declaration that there had been no change in the ownership of the trade marks. On 21 May 2012 the IPO wrote to McEntegart Legal Limited to advise that it could not effect the change requested as there appeared to be a change in legal ownership of the trade marks. It was noted that the new company and LMS were different legal entities and that the appropriate action was to request assignment of the trade marks to LMS. On 8 June 2012 an application was received from LMS, filed by McEntegart Legal Limited, to assign the trade marks to LMS. On the form it was stated that the change of ownership took place on 29 May 2012. On 12 June 2012 Mr Blasbery wrote to the IPO for the new company advising that Mr Blasbery was the only person authorised to act upon the new company's behalf. The letter stated that the new company did not wish to transfer the registrations to another party. On 27 June 2012 the IPO wrote to Mr McEntegart to advise that the requested assignment had been

recorded. On 11 July 2012 the IPO wrote to Mr Blasbery advising of the filing of the application for assignment filed by McEntegart Legal Limited and that if he felt that the assignment had been made in error, he could make an application to rectify the register. On 18 July 2012 Mr Blasbery on behalf of the new company wrote to the IPO stating that the assignment of the trade marks was not authorised by the new company and that Mr McEntegart had not been appointed to act for the new company. Mr Blasbery wrote that he considered that the application for assignment had been fraudulent. Enclosed with the letter was a form to rectify the register to put the registrations in the name of the new company. On 15 January 2013 the IPO advised that it considered that the assignment had been erroneous and, consequently, the registration was put into the name of the new company.

17) It appears that the IPO was under the misapprehension that the new company was the original applicant for the trade marks; as they have the same name. They could not be because at the time of the applications the new company did not exist.

18) Mr Blasbery states that McEntegart Legal Limited on its website lists Cavern City Tours Limited as a client. He states that two of the directors of Cavern City Tours Limited, William Heckle and David Jones, are also directors of LMS. A recommendation of McEntegart Legal Limited's services by Mr Jones appears on the website.

19) Mr Blasbery states that LMS was incorporated on 14 June 1995 under company registration no 03068668. The registered office was changed on 20 January 2004 to that of Cavern Club which is owned by Cavern City Tours Limited. Mr Blasbery states that LMS is a private company limited by guarantee with no share capital and so no shareholders. He states that the maximum liability of each director is £10. Mr Blasbery states that LMS's bankers are HSBC which holds a charge on its assets under an outstanding debenture dated 15 February 2001. The founding members of LMS were Richard Alan Blasbery, the son of Mr Blasbery, and Steve McGriskin. Mr McGriskin resigned as a director and secretary on 29 April 2002. The current directors of LMS are Richard Alan Blasbery, William Heckle, Alexander McKecknie and David Jones. Mr Heckle is also the secretary.

20) Mr Blasbery states that the Cavern Club organises a Beatles Week which ends at the bank holiday weekend when the Mathew Street Festival takes place. The nature of LMS's business is listed as being to "support activities to performing arts" and it was specifically established as a non-profit organisation in order to obtain sponsorship and donations to provide finance for the Mathew Street Festival event, which commenced in 1992. Mr Blasbery states that in particular "it" was aimed at obtaining funds from the European Regional Development Fund and was successful in that aim up to and including the 2001 festival. From the outset Liverpool City Council has promoted and supported the

Mathew Street Festival. Mr Blasbery states that the council estimated that the cost to the council for the festival was in excess of £900,000, which included expenditure for policing, security and public safety.

21) Mr Blasbery states that from and including 2003 LMS has entered into an annual licensing agreement with the council, which specifically includes the right to use the trade marks the subject of the registrations. Mr Blasbery states that LMS would receive a “supplier’s fee” for this use.

22) Mr Blasbery states that in February 2003 an application was made to register the trade mark the subject of registration -873. Exhibit A2 contains an invoice from Potts, Kerr & Co dated 21 October 2003 for work in relation to the trade mark application. The invoice is addressed to MSF at 41 North Street, Liverpool. Mr Blasbery states that Liverpool City Council was “promptly” advised of the application for registration by Mr Jones, whom he describes as being of Cavern City Tours Limited. Mr Blasbery states the council then corresponded with Mr Jones, whom he again describes as being of Cavern City Tours Limited, and believed that it had reached an agreement with MSF for the use of the trade mark Mathew Street Festival in any format for promotional and sponsorship purposes. This is hearsay evidence and Mr Blasbery is not in a position to state what the council “believed”. Mr Blasbery states that the agreement was to run to 1 January 2009 for the consideration of a one-off payment to MSF of £5,000 which was paid subsequent to a letter dated 28 January 2003 from MSF confirming the terms of the agreement¹.

23) Exhibited at A3 is a copy of a letter from Liverpool City Council dated 29 June 2006. The letter is addressed to Mr Jones at Cavern City Tours Limited at 31, North John Street. The letter relates to a licence fee for Mathew Street Festival. The letter refers to an earlier agreement with Mathew Street Festival under which the council paid £5,000 and to an offer to pay £25,000. Mr Blasbery states the council agreed to an annual “supplier’s fee” of £37,500 exclusive of VAT.

24) Mr Blasbery states that in 2008 McEntegart Legal Limited was instructed to apply to register Mathew Street Fringe as a trade mark. He states that McEntegart Legal Limited concurrently reviewed the 2008 annual licensing agreement between the council and LMS in which both trade marks are licensed to the council in consideration for a “supplier’s fee”. Exhibited at A4 is an invoice from Chime Management Limited dated 4 December 2008 sent to Mr Jones of LMS. The invoice is for the reviewing and redrafting of the licensing agreement with the council.

25) Mr Blasbery then falls into giving a submission rather than evidence of fact. He submits that McEntegart Legal Limited would have been aware that the trade marks were in the name of MSF and that it would have been incumbent for McEntegart Legal Limited to prepare a separate agreement for the directors of

¹ The letter has not been adduced into the proceedings.

MSF to license or otherwise grant LMS rights to the trade marks. Mr Blasbery opines that the legal department of Liverpool Council would have insisted upon such a document. Mr Blasbery submits that at this point it would have been clear to McEntegart Legal Limited and the directors of LMS that LMS did not own the trade marks. Mr Blasbery goes on to give further opinions and ask a rhetorical question. Mr Blasbery states that LMS did not receive any income from the licensing of merchandise nor from the -402 trade mark.

26) Exhibited at A5 is one page of an agreement made on 17 February 2009 between Liverpool City Council and LMS. The agreement advises that LMS also trades as Liverpool Mathew Street Music Festival Limited. LMS which is described as the supplier is “the owner or licensee of the Supplier’s Intellectual Property Rights (as defined below) and has used such rights to present and promote the Mathew Street Music Festival. The Supplier wishes to allow LCC to use the Supplier’s Intellectual Property Rights and to pass to LCC the right to produce and host the Event (as defined below).”

27) Mr Blasbery states that in preparing the financial statements of LMS “various queries started to arise and I became disappointed with the lack of response and broken promises from Dave Jones” of Cavern City Tours Limited. He states that in one instance a transfer of some £18,000 was made to HMRC for VAT due by Cavern City Tours Limited from the bank account of LMS. Mr Blasbery states that owing to this seeming “lack of due propriety” he looked further into matters. He examined the annual licensing agreements that were in the paperwork that he had and looked to establish if LMS either owned the trade marks or had the authority to license them. Mr Blasbery searched the trade mark register of the Intellectual Property Office and discovered that the trade marks were registered in the name of MSF. He then conducted a search at Companies House and ascertained that MSF was not registered as a company. Mr Blasbery states:

“On the assumption that anybody could register a Company named Mathew Street Festival Limited and “inherit” the Trade Marks I registered a company in that name in December 2011 only to safeguard the Trade Marks.”

28) Mr Blasbery states that he raised the matter with the directors of LMS at a meeting on 17 April 2012. Exhibited at A6 and A7 are copies of e-mails between Mr Blasbery and Mr McKechnie. The e-mails primarily relate to the trade marks not being registered in the name of LMS and Liverpool City Council paying the “supplier’s fees”. One e-mail also refers to an instruction to transfer the ownership of the trade marks to LMS. Mr Blasbery states that he made it clear to LMS that it could use the trade marks by way of an informal agreement. He did not receive a response to this offer. Mr Blasbery states that whilst he was awaiting a response from LMS, McEntegart Legal Limited made the application to put the trade marks into the name of LMS. He states that when -873 became due for renewal, he paid the renewal fee.

29) Mr Blasbery states that he ascertained that for many years the sale of merchandise relating to the Mathew Street Festival had been licensed to a third party but that there is no trace of a licensing agreement in the records that have been provided to him, nor of any income derived from such an agreement.

30) Mr Blasbery goes on to make various submissions. He states that none of the directors of LMS have suffered, or will suffer, any loss whatsoever by the registration of the new company. He states that from 2013 the Mathew Street Festival has been cancelled and that the directors of LMS have no interest in Mathew Street Fringe Festival. Mr Blasbery exhibits at A8 a letter from the four directors of LMS addressed to him. The letter is shown below:

The purpose of this letter is to confirm to you, for once and for all, that we the undersigned, have shared all information regarding The Mathew Street Festival and all of the relevant matters relating to the Festival, since its inception in 1993. At no time have any of the undersigned individually or collectively entered into any dialogue, agreement contractually or otherwise re -The Mathew Street Festival without recourse to the other Directors. Furthermore the only contract that the Company or its individual Directors have ever entered into over the last 10 years, is the annually re- newable contract with Liverpool City Council to deliver the festival. There are categorically no other contracts which the Directors have authorised or signed. There is no remunerations to any of the Directors either individually or collectively to separately deliver the Fringe Festival. This is an autonomous body that has delivered the Mathew Street Fringe Festival under the auspices of Liverpool's Mathew Street Music Festival Ltd. and funded directly by the Liverpool City Council. None of the Directors have been collectively nor separately remunerated for this. The aim of such a Fringe Festival was to have ultimate control over it, so that it would never adversely affect the main festival, but to allow its own independence in order for it to flourish and take a new direction. It would appear that you have picked up on an anomaly within our records, contracts and trademarks. We wish it be made quite clear by all of the undersigned that this is merely an error and has been made collectively without any ulterior motive. It is something that we are now rectifying to bring all of our relevant trademarks and company property under the correct umbrella.

We also wish to make it clear that we no longer want you to represent our company in any way whatsoever. We demand the safe return of all of our Company property that you have within 7 working days otherwise we will be forced to take legal action to recover same. Furthermore we ask that you transfer/assign all trademarks and company names that you have registered that bear any relevance to Liverpool's Mathew Street Music Festival Ltd. and its core business, back to the four Directors and Liverpool's Mathew Street Music Festival Ltd. Again failure to do so will lead to swift legal recourse.

31) Mr Blasbery states that he has a duty to undertake due diligence when dealing with clients' financial statements and accounts. He states that he has not been satisfied that he has received responses to all of the questions that he has

raised and where he has received an answer it has been disingenuous. Mr Blasbery states that he has not been able to establish where revenue for merchandise licences for the trade marks has gone. He states that it appears that the non-corporate body MSF has existed alongside LMS. Exhibited at A9 is a page without provenance which relates to the 2010 festival and refers to Mr Heckle as being the festival director of MSF. Mr Blasbery states that the applications for rectification are an attempt to hinder his enquiries and “if approved will leave me no option but to pass all the relevant documentation to Liverpool City Council and HMRC in order to protect myself under the Money Laundering Regulations”.

32) Section 64 of the Trade Marks Act 1994 (the Act) states:

“64.-(1) Any person having a sufficient interest may apply for the rectification of an error or omission in the register:

Provided that an application for rectification may not be made in respect of a matter affecting the validity of the registration of a trade mark.

(2) An application for rectification may be made either to the registrar or to the court, except that -

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(3) Except where the registrar or the court directs otherwise, the effect of rectification of the register is that the error or omission in question shall be deemed never to have been made.

(4) The registrar may, on request made in the prescribed manner by the proprietor of a registered trade mark, or a licensee, enter any change in his name or address as recorded in the register.

(5) The registrar may remove from the register matter appearing to him to have ceased to have effect.”

Section 22 of the Act states:

“A registered trade mark is personal property (in Scotland, incorporeal moveable property).”

33) The new company did not apply for the trade marks, it has not had the trade marks assigned to it. The trade marks are items of property and Mr Blasbery has tried to appropriate them to himself, for whatever reason, by means of registering a company with the name of the applicant for the trade marks. He makes various statements, which taking into account that neither he nor the company of which he is the controlling mind, has ownership of the trade marks are somewhat surprising. He states that he would allow LMS to use the trade marks by means of informal agreement. He states that none of the directors of LMS have suffered, or will suffer, any loss whatsoever by the registration of the new company. However, by registration of the new company, Mr Blasbery has tried to appropriate the trade marks. He states

“On the assumption that anybody could register a Company named Mathew Street Festival Limited and “inherit” the Trade Marks I registered a company in that name in December 2011 only to safeguard the Trade Marks.”

Mr Blasbery has an odd perception of inheritance. The new company has no rights in the trade marks and, consequently, the recordal of it as the owner is an error which should be rectified.

34) The trade marks cannot be in the name of MSF as it, as the applicant, has never been a legal entity. Only a legal entity can own property. MSF is not a legal entity. It may be that as the applications were made in the name of a non-legal entity, the applications were nullities ab initio. However, a rectification action cannot affect the validity of a trade mark and so this is not an issue which can be considered in this decision. The registrations cannot be in the name of the new company as it has no rights to them. LMS states that it was an administrative error that the applications were not made in its name. It was clearly an error that the applications were in the name of MSF, as it was not a legal entity. There is clearly a link between MSF and LMS and MSF would appear, despite the presence of limited at the end of its name, to be a trading name; a trading name of LMS. Consequently, the trade marks should have been registered in the name of LMS.

35) Under section 64 of the Act, the register should be rectified in respect of trade mark registration nos 2324873 and 2486402 so that they stand in the name of Liverpool’s Mathew Street Music Festival Limited of First Floor, Century Buildings, 31 North John Street, Liverpool, L2 6RG. The trade marks should have been in the name of LMS at all times and it is directed that it should be recorded as the registered proprietor from the dates of application, ie 25 February 2003 and 1 May 2008 respectively.

36) LMS having been successful is entitled to a contribution towards its costs. Costs are awarded on the following basis:

**Preparing statements and considering the evidence of the new company:
£300**

Preparing evidence: £300

Total: £600

Mathew Street Festival Limited is ordered to pay Liverpool's Mathew Street Music Festival Limited the sum of £600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated 28th February 2014

**David Landau
For the Registrar
the Comptroller-General**