

O-177-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO APPLICATIONS FOR PARTIAL REVOCATION
ON THE GROUNDS OF NON-USE
UNDER NOS. 81324, 81326 AND 81327
BY OMEGA ENGINEERING INC
OF REGISTERED TRADE MARKS NOS. 770899, 1456849 AND 1456850
IN THE NAME OF OMEGA SA (OMEGA AG) (OMEGA LTD)**

TRADE MARKS ACT 1994

IN THE MATTER OF an interlocutory hearing in relation to applications for partial revocation on the grounds of non-use under Nos. 81324, 81326 and 81327 by Omega Engineering Inc of registered trade mark Nos. 770899, 1456849 and 1456850 in the name of Omega SA (Omega AG) (OMEGA LTD)

Background

1. On 27 June 2003, Bromhead Johnson (then Bromhead & Co), on behalf of Omega Engineering Inc (“the applicant”) and under the provisions of Section 46 of the Act, filed applications for partial revocation of trade mark registration Nos. 770899, 1456849 and 1456850.
2. In line with registry practice, the applications for revocation were examined and, as a result, the registry wrote to the applicant on 4 July 2003 pointing out that the applications had been made on incorrect forms and seeking further clarification of the grounds of attack. The applicant was allowed until 25 July 2003 to file the correct forms and amended statements of case.
3. Amended documentation was filed 18 July 2003. These were considered to be acceptable and were processed. Under cover of separate but identical letters dated 23 July 2003, copies of the documentation were sent by the registry to the registered proprietor at its address for service, Mewburn Ellis.
4. Each of the letters contained the following paragraphs:

“If you wish to defend the registration, you should complete the enclosed Form TM8 and return it together with the counter-statement and either a) two copies of evidence of use made of the mark; or b) provide reasons for non-use of the mark, within **three months** of the date of this letter. The TM8 and counter-statement with enclosures should therefore be received on or before **23 October 2003**.

If you do not file the aforementioned papers within the three month period, (**a period which cannot be extended**), the application for revocation will be granted, under the terms of Rule 31(3) of the Trade Marks Rules 2000, and the mark will be removed from the register.

If you defend the registration, you should indicate in the counter-statement whether it is your intention to defend the full range of goods (services) covered by the registration. If the mark has only been used on some of the goods (services) covered by the registration, you may wish to give an indication of whether you would agree to a partial surrender of the mark.”

5. On 21 October 2003, the registered proprietor filed Forms TM23, a notice of partial surrender on each of the three registrations. Because of a query with the wording of the partial surrender in respect of one of the registrations, there was a slight divergence in the handling of each of the three requests at this point.

6. In respect of registration Nos. 770899 and 1456850 the wording of the partial surrenders were considered acceptable to the registry. By way of letters dated 5 November 2003 the applicant was advised of this and asked to confirm whether the partial surrender was acceptable to it and whether the revocation actions could now be terminated.

7. The applicant replied confirming the partial surrenders were acceptable, subject to them being deemed effective as of the date of revocation requested in the applications for revocation.

8. The registry responded by way of a letter dated 10 December 2003. It stated:

“The Registrar proposes that the partial surrender should be actioned given that the Form TM23 was received before the due date for the filing of the Registered Proprietor’s defence. However, I must inform you the Registrar can only implement a partial surrender which will apply from the date upon which the Application for Revocation was filed. There is no provision for the back dating of a full or partial surrender to an earlier date, as was requested by yourselves.

Given this, you will need to confirm whether you wish to withdraw your Application for Revocation unconditionally on the basis of the part surrender being actioned, or whether you wish to continue with your Application for Revocation against the specification remaining once the partial surrender has been actioned.”

9. In respect of registration No. 1456849 the registry did not consider the wording of the partial surrender to be acceptable. The registered proprietor was advised of this by way of a letter dated 5 November 2003. The letter allowed the registered proprietor until 19 November 2003 to file a further Form TM23. A further Form TM23 was filed on 14 November 2003. The wording set out on the replacement form was considered acceptable to the registry. A letter was then issued to the applicant on 19 November 2003 advising them of the partial surrender and asking whether the revocation action could now be terminated.

10. The applicant replied querying the wording of part of the specification of services which were to remain on the register. It indicated that subject to a minor change to that wording and the partial revocation being deemed effective as of the date of revocation requested in the application for revocation, the partial surrender was acceptable.

11. As had been the case with the other two registrations the registry replied (this time by way of a letter dated 20 January 2004). The letter included the following:

“the Registrar is unable to backdate a surrender to an earlier date than the date upon which the Revocation action was filed”.

The letter also sought confirmation of whether the application would be withdrawn unconditionally or would continue.

12. Action in respect of all three applications then converged again and the applicant replied to the registry’s letters by way of letters dated 27 January 2004. The Registrar was asked by the applicant:

“to consider whether, if the proprietor will agree to the earlier date, it is then possible for the Registry to deem that partial revocation took place from that earlier date.”

The letters requested the applications for revocation continue if the Registry was unable to request such agreement, or if the proprietor was in any case unwilling to agree to the earlier date requested.

13. These letters crossed in the post with letters from the registry dated 29 January 2004. The registry’s letters included the following paragraph:

“Given that the application for revocation (which was not contested) predated the request for partial surrender, it is the Registrar’s intention to provide the relief sought by the applicant for revocation by way of a non-contested revocation decision. This revocation decision will have effect from the earlier dated stipulated in the applicant’s Form TM26. In view of this, the registered proprietor’s request for surrender is regarded as a nullity.”

14. The letter allowed until 29 February 2004 for either party to provide written comments and request a hearing if it wished to challenge this course of action.

15. The registered proprietor responded by way of a letter dated 26 February 2004 essentially contesting the registry’s proposed course of action and requesting a hearing.

16. A hearing was appointed to take place before me on 13 May 2004. At the hearing, held via videoconference, Ms Arenal of Mewburn Ellis represented the registered proprietor. Mr Crouch of Bromhead Johnson represented the applicant. Prior to the hearing both parties filed skeleton arguments, that of the registered proprietor being supported by a witness statement.

17. The hearing was to determine the status of the Forms TM23 (partial surrender) and the consequent effect on the future of the partial revocation actions.

18. At the conclusion of the hearing, I advised the parties of my decision which was that the Forms TM23 were valid and would be actioned. I also decided that the revocation proceedings should continue despite the partial surrender and that the registered proprietor should be allowed a period of time to file a counter-statement (and evidence of use or reasons for non-use) if it wished to defend the registrations.

19. On 14 May 2004, Bromhead Johnson filed a Form TM5 in which they requested a written statement of the grounds for my decision. These I now give.

Hearing

20. At this point it is convenient to refer to the witness statement that accompanied Ms Arenal's skeleton argument. This is a witness statement of Stuart Ritchie Nield and one exhibit and is dated 4 May 2004. Ms Arenal requested that the witness statement be admitted to the proceedings under Rule 31(8) of the Trade Mark Rules.

21. At the hearing I indicated that I did not consider the content of the evidence to be relevant to the substantive issues involved in the revocation actions. This being so I did not consider admitting it under 31(8) to be appropriate. However, as the evidence merely sought to support the submissions in respect of the interlocutory issues, did not prejudice the applicant and the applicant did not dispute its contents, I was prepared to admit it under rule 57. I do not intend to summarise Mr Nield's evidence but will refer to it as necessary.

22. As the issues in each of the three actions were the same, I heard a single set of submissions from each representative and gave a single decision. A single confirmatory letter was also issued.

23. There were essentially three issues to be determined:

- the status of the Forms TM23 notice of partial surrender
- if valid, the effective date of the partial surrender
- the effect of the above on the future conduct of the revocation actions

Grounds of decision

24. The revocation is brought under the grounds of Section 46(1)(a) and (b). These state:

“46.-(1) The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c).....”

25. Also relevant is Rule 31 which states:

“31.-(1) An application to the registrar for revocation under section 46(1)(a) or (b) of the registration of a trade mark shall be made on Form TM26(N) together with a statement of the grounds on which the application is made; the registrar shall send a copy of the application and the statement to the proprietor.

(2) Within three months of the date on which a copy of the notice and statement is sent by the registrar to the proprietor, the proprietor may file a counter-statement, in conjunction with notice of the same on Form TM8 and either:

- (a) two copies of evidence of use made of the mark; or
- (b) reasons for non-use of the mark.

Where such notice and counter-statement, and evidence of use of the mark or reasons for non-use of the mark, are filed within the prescribed period, the registrar shall send a copy of the Form TM8 and the counter-statement, and the evidence of use of the mark or the reasons for non-use of the mark, to the applicant.

(3) Where a counter-statement, in conjunction with a notice of the same, on Form TM8, and evidence of use of the mark or reasons for non-use of the mark, are not filed by the proprietor within the period prescribed by paragraph (2), the registrar may treat his opposition to the application as having been withdrawn.

(4) Within three months of the date upon which a copy of the Form TM8 and counter-statement is sent by the registrar to the applicant, the applicant may file such evidence as he may consider necessary to adduce in support of the grounds stated in his application and shall send a copy thereof to the proprietor.

(5) If the applicant files no evidence under paragraph (4) above in support of his application, he shall, unless the registrar otherwise directs, be deemed to have withdrawn his application.

(6) If the applicant files evidence under paragraph (4) above or the registrar otherwise directs under paragraph (5) above, the proprietor who has filed a notice and counter-statement under paragraph (2) above may, within three months of the date on which either a copy of the evidence or a copy of the direction is sent to him, file such further evidence as he may consider necessary in support of the reasons stated in the counter-statement and shall send a copy thereof to the applicant.

(7) Within three months of the date upon which a copy of the proprietor's evidence is sent to him under paragraph (6) above, the applicant may file evidence in reply which shall be confined to matters strictly in reply to the proprietor's evidence, and shall send a copy thereof to the proprietor.

(8) No further evidence may be filed, except that, in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit.

(9) Upon completion of the evidence the registrar shall request the parties to state by notice to her in writing whether they wish to be heard; if any party requests to be heard the registrar shall send to the parties notice of a date for the hearing.

(10) When the registrar has made a decision on the application she shall send the parties to the proceedings written notice of it, stating the reasons for her decision; and for the purposes of any appeal against the registrar's decision the date when the notice of the decision is sent shall be taken to be the date of the decision."

26. In accordance with rule 31(1) the registrar sent the registered proprietor copies of the applications and statements under cover of a letter dated 23 July 2003. The letter, set out at paragraph 4 above, indicated, quite properly, that if the registrations were to be defended, the relevant documentation should be filed on or before 23 October 2003 in line with rule 31(2).

27. Two days prior to the end of this period, i.e. on 21 October 2003, the proprietor filed Forms TM23 seeking partial surrender.

Partial Surrender

28. Partial surrender is provided for under Section 45 of the Act. This states:

"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."

29. The relevant rule is Rule 26 which states:

"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 the 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, or

(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.”

30. The registered proprietor filed Forms TM23 seeking partial surrender in accordance with rule 26(1). As is clear from the wording of rule 26(2), the surrender of a registration, whether in whole or in part, is subject to some limitations. In each of these current cases, the registered proprietor has indicated on the Forms TM23 that there is no-one with a registered interest in the registrations and has therefore complied with the requirements of the rule.

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).

33. Instead, the registrar got into a round of correspondence with the applicant regarding the partial surrenders and their effective dates. The correspondence, set out earlier in this decision culminated in the registrar advising the parties that the revocation would be granted in full and the registered proprietor's requests for partial surrender were regarded as a nullity.

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.

Revocation actions

37. Having made my decisions in respect of the partial surrenders, I went on to consider the effect of those decisions on the revocation actions.

38. Mr Crouch confirmed that the applicant wished the revocation actions to continue as it was seeking to revoke the marks from earlier dates.

39. Ms Arenal submitted that it had always been the registered proprietor’s intention to defend each of the applications. But in doing so, it sought to pay due regard to the amount of time and cost involved for all concerned. It had therefore sought to surrender the registrations in respect of those goods and services attacked by the applicant in order to bring the actions to a swift close. The notices of partial surrender were filed on 21 October 2003, two days before the Forms TM8 became due.

40. Ms Arenal went on to say that on 23 October 2003, she was away from her office on sick leave. In her absence she had contacted a colleague, Mr Nield, and asked him to check matters with the registry. Mr Nield had conversed by telephone with an unidentified female member of staff from the registry’s Law Section. Mr Nield was, Ms Arenal said, left in no doubt that the forms seeking partial surrender had been received and would be actioned and that there would be no need to file a Form TM8. Mr Nield’s evidence, which I referred to earlier, supports these submissions.

41. Ms Arenal submitted that the filing of the Forms TM23 effectively put into place a stay of proceedings. The subsequent correspondence from the Law Section had been wrong to state that the revocation actions should be granted. There were, she said, a number of discretionary powers involved in revocation actions. The use of the word “*may*” in Section 46 made it clear that revocation was discretionary. Similarly, there was a discretion in relation to the date from which any revocation would be effective. In respect of the filing of a Form TM8 this was also discretionary (rule 31(2) refers). Revoking a mark was a serious matter. The telephone advice and correspondence relating to the partial surrenders from the Law Section was misleading and unfair. The registered proprietor had always intended to defend the revocation and was willing to file evidence but had sought to save time and cost by filing for surrender of those goods under attack –an attack launched without any prior warning- and had not sought to by-pass the rules in any way.

42. Because of the errors which had occurred, and in light of the fact that the applicant wished to continue with the actions, Ms Arenal submitted that the revocation actions should not merely be granted but that the registered proprietor should be allowed to defend them. To enable this to be done the provisions of rule 68(7) should be invoked allowing a period for the registered proprietor to file its defence. This would not be an extension of the period for filing the defence as this was explicitly disallowed under the legislation, but was rather a resetting of the period to take account of the Law Section errors which had occurred and which were unfair to her client.

43. Mr Crouch submitted that the registered proprietor should not be allowed to file a defence as the period for so doing was expired. To allow a defence to be filed would be to allow a prohibited extension of that expired period. These were not malicious applications and the date of revocation was important.

44. He went on to say that there is a point of public interest in revoking the registrations from the earliest dates. He added that the registered proprietor had not proved it is entitled to use the registrations on a broad range of goods from that earlier date. The applications for revocation should be granted in full, he submitted.

45. Through telephone conversations with and correspondence from the registry, both parties were led to believe that backdating the partial surrenders was possible to some extent and this clearly led to confusion as to the relationship between the partial surrender and the revocation actions. This misleading advice culminated in the registry's letter which deemed the partial surrenders a nullity and indicated that the revocations actions would be granted in full.

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.

47. It is clear to me that the registry made several mistakes in its handling of these proceedings. It was wrong to lead the registered proprietor to believe that no further action was needed in respect of the revocation actions once the partial surrenders had been filed. It was wrong to lead the applicant to believe the partial surrenders could be backdated which led to confusion as to whether it was the partial surrender or the revocation it intended to backdate. It was wrong to deem the partial surrenders a nullity and indicate the revocations would be granted. It is equally clear to me that these errors constitute an irregularity in procedure.

48. Correction of irregularities of procedure is provided for by way of rule 66. It states:

“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.”

49. Rule 68 states:

“68. –(1) The time or periods-

- (a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or
- (b) specified by the registrar for doing any act or taking any proceedings,

subject to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;

(b) is filed after the application has been published under rule 12 above the request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10(6) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rules 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (time for filing counter-statement), and rule 47 (time for filing opposition).

(4) Subject to paragraph (5) below, a request for extension under paragraph (1) above shall be made before the time or period in question has expired.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is satisfied with the explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.

(6) Where the period within which any party to any proceedings before the registrar may file evidence under these Rules is to begin upon the expiry of any period in which any other party may file evidence and that other party notifies the registrar that he does not wish to file any, or any further, evidence the registrar may direct that the period within which the first mentioned party may file evidence shall begin on such date as may be specified in the direction and shall notify all parties to the dispute of that date.

(7) Without prejudice to the above, in the case of any irregularity or prospective irregularity in or before the Office or the registrar which-

- (a) consists of a failure to comply with any limitation as to times or periods specified in the Act or these Rules or the old law as that law continues to apply and which has occurred or appears to the registrar as likely to occur in the absence of a direction under this rule, and
- (b) is attributable wholly or in part to an error, default or omission on the part of the Office or the registrar and which it appears to her should be rectified,

she may direct that the time or period in question shall be altered in such manner as she may specify upon such terms as she may direct.”

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.

52. Because it had filed for partial surrender and been led by registry staff to believe that these were in order and would meet the attack against the registrations, the registered proprietor failed to file counter-statements within the period specified in rule 31(2). Failure to file a counter-statement, however, does not result in the automatic granting of a revocation as rule 31(3) provides a discretion to continue the proceedings. I exercised that discretion in favour of the registered proprietor.

53. The period for filing a counter-statement cannot be extended (see rule 68(3) above). However, I believe the registered proprietor's failure to file counter-statements is attributable wholly or in part to an error, default or omission on the part of the Office and should be rectified under the provision of rule 68(7). I therefore allowed the registered proprietor until 11 June 2004 to file a Form TM8 and evidence of use (or reasons for non-use) in respect of each of the three registrations if it wishes to continue its defence of those registrations.

Costs

54. Both parties requested an award of costs. I declined to make such an award in respect of either party. Given the registry's poor handling of the actions, however, it seemed to me that both parties were at liberty to make written representations to the registrar for consideration of an ex gratia payment in respect of the costs associated with the hearing.

Dated this 21st day of June 2004

Ann Corbett
For the Registrar
The Comptroller General