

detail all of this however it is useful I believe to provide some of the background.

History (1990-2004) leading up to the assignments in issue of the relevant rights

The Patent

- 5 Mr Hall is the inventor of a hearing device. On 21st December 1990 Northern Light Music Limited (NLML) filed a patent application, GB9027784.9 for the device.
- 6 On 31st July 1991 NLML assigned the rights in GB9027784.9 to Select Hearing Systems Limited (Select Hearing). Mr Hall was at the time a director of Select Hearing. Pursuant to that agreement Select Hearing agreed to pay NLML royalties in respect of the invention. According to Mr Hall NLML was a vehicle to essentially collect a variety of royalty payments payable to him.
- 7 In December 1991, Select Hearing filed patent application GB9312798.3 naming Mr Andrew Hall as the sole inventor and claiming priority from GB9027784.9. The application was published as GB 2267412 ("the patent") and was granted on 12th October 1994. The firm of Wilson Gunn & Ellis was specified as the agent and address for service for GB9312798.3 though shortly before grant this was changed to Wilson Gunn M'Caw & Co ("WGM").
- 8 In 2001 the rights to the patent passed to Sense-Sonic Limited by virtue of an assignment dated 6 April 2001. According to Mr Hall Sense-Sonic continued to pay royalties to NLML until it became insolvent in February 2003.
- 9 An agreement was made on 15th September 2003 between Sense-Sonic, its administrative receivers and a buyers group that comprised Elitesound Limited, Tonewear Limited and Websound Limited. According to that agreement the intellectual property rights belonging to Sense-Sonic, including GB2267412 were sold to Tonewear Limited.
- 10 At some point it appears that Mr Hall stopped receiving royalty payments for his invention. On 26th August 2004 Mr Hall wrote to the Office to enquire whether the register in respect of GB2267412 could be amended to show that the priority document was filed by NLML and assigned to Select Hearing. He also indicated that he would like to file a copy of the original Assignment of Patent Application GB9027784.9 to Select Hearing. In a response dated 1st September 2004 the Office advised Mr Hall to file a Form 21/77 with the appropriate evidence of the assignment. Mr Hall responded on the 3rd September 2004.
- 11 A copy of the letter of 1st September was sent to WGM who were considered at the time to be the address for service of the then registered proprietor, Sense-Sonic Limited.
- 12 WGM responded on 9th September by filing a Form 21/77 and requesting registration of the assignment of the patent from Sense-Sonic to Tonewear Limited (Tonewear). On 20th September 2004 the Office registered Tonewear

Limited as the proprietor of patent GB2267412. It is the regularity of that registration that is at the heart of this dispute. On 16th December 2004 the register was changed again to show that the name of the registered proprietor had changed to Conversor Products Limited (Conversor).

The Trade Marks and Registered Designs

- 13 The ownership of the trade mark, for the mark "Conversor" and the registered designs for aspects of the design of the hearing aid followed similar paths to that of the patent. More specifically the trade mark and registered designs were applied for by Select Hearing Systems Limited. The proprietor was then changed to Sense-Sonic in 2001, and to Tonewear and then Conversor in 2004. Again it is the regularity of the Office decision to register the assignment to Tonewear that I am particularly concerned with.

PART II – THE NATURE OF AND LEGAL BASIS FOR THE REVIEW

- 14 I issued a preliminary evaluation setting out my initial views on the issues raised by this review in November 2011 and invited all interested parties to comment on it. I received responses from Mr Hall and from Conversor.
- 15 In his response Mr Hall refers to a number of other transactions registered by the Office. I have, where appropriate, taken these observations to be in support of arguments advanced by Mr Hall in respect of the assignments in issue here. The Office has written to the individuals named in respect of these other assignments to advise them that this review is not considering the regularity of those assignments. Rather it is limited to the assignment of the various IP rights from Sense Sonic to Tonewear.

Legal Basis for Review

- 16 The review is conducted in accordance with Rule 107 of Patent Rules 2007, Rule 74 of the Trade Mark Rules 2008 and Rule 38 of the Registered Designs Rules 2006.
- 17 These read as follows:

Rule 107 of Patent Rules 2007

- (1) Subject to paragraph (3), the Comptroller may, if he thinks fit, authorise the rectification of any irregularity of procedure connected with any proceeding or other matter before the Comptroller, an examiner or the Patent Office.
- (2) Any rectification made under paragraph (1) shall be made -
 - (a) after giving the parties such notice; and
 - (b) subject to such conditions, as the Comptroller may direct.
- (3) A period of time specified in the Act or listed in parts 1 to 3 of Schedule 4 (whether it has already expired or not) may be extended under paragraph (1) if, and only if -

- a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the Comptroller, an examiner or the Patent Office; and
- b) it appears to the Comptroller that the irregularity should be rectified.

Rule 74 of the Trade Mark Rules 2008

- (1) Subject to rule 77, the Registrar may authorise the rectification of any irregularity in procedure (including the rectification of any document filed) connected with any proceeding or other matter before the Registrar or the Office.
- (2) Any rectification made under paragraph (1) shall be made—
 - a) after giving the parties such notice; and
 - b) subject to such conditions,
 as the Registrar may direct.

Rule 38 of the Registered Designs Rules 2006

- (1) Where the Registrar thinks fit, he may rectify any irregularity of procedure—
 - a) after giving the parties such notice, and
 - b) subject to such conditions,
 as he may direct.

Meaning of “irregularity of procedure”

- 18 The legislation does not define the phrase “irregularity of procedure” though in Rule 107 of the Patent Rules it does refer to a default, omission or other error by the Comptroller. Previous decisions of the Comptroller and of the Courts indicate that an irregularity of procedure includes, though is not necessary limited to -
 - i. A failure of the Office to do something which it can be said there is some sort of obligation to do” see for example “*M’s Application*” [1985] R.P.C. 249.
 - ii. A neglect of some well-established and generally well known practice on which it is known or may be assumed that all those dealing with the Patent Office can be said to rely - “*M’s Application*” [1985] R.P.C. 249.

PART III – THE TRANSACTIONS IN ISSUE

- 19 At issue is the assignment of the following rights from Sense-Sonic Ltd to Tonewear Limited (“the assignments in issue”):

Right	Form & Filing Date	Assignment registered
Trade mark – 1488225	Form TM16 filed 17 September	27 September 2004 – TM Journal 6553

	2004	22 Oct 2004
Patent – GB 2267412	Form 21/77 filed 9 Sept 2004 by fax.	20 September 2004
Design No's 2022759 & 2027609	Form 12A filed 17 September 2004	24 September 2004

Copies of the forms and supporting documents filed in respect of these assignments are included in Annex 1.

PART IV - THE LAW AND PRACTICE OF THE OFFICE AT THE TIME THE TRANSACTIONS WERE REGISTERED

- 20 The relevant law that applied at the time that the assignments were filed and registered is set out in Annex 2.

The practice of the Office at the time that the assignments were registered

- 21 Details of aspects of the practice of the Office at the time, so far as again relevant to the issues before me, were set out in the relevant practice manuals. These were:

- a. The Manual of Patent Practice (MoPP)
- b. The Manual of Trade Mark Practice

Relevant extracts are set out in Annex 3.

- 22 In addition there was also a variety of other guidance in the form of desk notes that were provided to Office staff. These included:

- c. Patent Assignment Section Desk Notes
- d. Designs Assignment Section Desk Notes
- e. Trade Marks Assignment Section Desk Notes

- 23 Identifying the precise desk notes in existence at the time the assignments in issue were considered is not easy given that at that time the patent and design desk notes were not always dated and the version control of these documents was not as robust as it is today. Furthermore the Office does not maintain a readily accessible archive of these instructions. The Office has however provided to Mr Hall copies of what it considered were the relevant versions of these desk notes in response to numerous Freedom of Information requests made by Mr Hall.

The Patent Assignment Desk Notes

- 24 The patent desk notes prior to 2005 apparently consisted of a series of individual documents. An index of these together with what appears to be the relevant sheets is included in Annex 3. Also included are patent desk notes dated 15 June

2005. All of these desk notes have been the subject of a considerable amount of correspondence between the Office and Mr Hall. Mr Hall believes that the Office not only changed its practice at various significant points in the period surrounding the filing of the transactions in issue but also that it has sought to hide evidence of this from him. He has made a number of serious allegations relating to this. To the extent that Mr Hall believes that any crime has been committed then that is a matter he should pursue with the appropriate body.

- 25 For the purposes of this review I will initially proceed on the basis that the desk instructions that existed at the time are those comprising the collection of individual sheets set out at the front of Annex 3. I have also tried where appropriate to take account of any differences in the guidance that Mr Hall believes to have been in existence at the time.

PART V - REGISTRATION OF THE ASSIGNMENT OF THE PATENT FROM SENSE-SONIC TO TONEWEAR

Was there any irregularity in procedure in the registering of the assignments in issue?

- 26 The simple answer to this from the Office's perspective, at least in respect of the registering the assignment of the patent is yes. Indeed the then Chief Executive Officer of the Office, Mr Ian Fletcher, wrote to Mr Hall on 12 November 2007 admitting as much. The relevant part of his letter reads:

"As you know, our procedures are that we accept a properly completed and signed Form 21/77 as sufficient evidence of an assignment. Patent attorneys and others are not required to send any supporting documents, but may choose to do so. In this case, we received a Form 21/77 which referred to "an Assignment dated 15 September 2003" and which was duly signed by WGM who were the registered address for service for Sense-Sonic. If this was all we had received, then we would have been correct to register the assignment. However, we also received an extract of the full "agreement relating to the sale and purchase of certain assets" which, if we had checked more carefully would have raised a question as to whether this was an assignment or a sale agreement. Having identified that there was some doubt we should then have written to WGM asking for clarification. If they had not satisfied us that the transaction was an assignment as described on the Form 21/77, then we would still have registered the transaction, but as a sale agreement not an assignment.

I therefore offer my apologies that we did not follow our standard procedures, and so did not identify that there was some doubt as to the nature of the transaction and did not pursue it further when the application was made. We simply took the Form 21/77 at face value and did not follow our normal procedure of looking at all the evidence which had been presented to us."

- 27 So in respect of the assignment of the patent there was a procedural irregularity. Mr Hall has however queried a number of other aspects of these registrations.

This together with the need to determine what if any remedies I might need to put in place, has led me to conclude that I should look afresh at all aspects of the registrations of the patent, trade mark and designs. This is what I will now do.

Procedure for registering the assignment of a patent

- 28 The normal procedure for processing patent assignment requests is set out in the MoPP and the associated desk instructions. The first step on receipt of an application to register an assignment of a patent is for an Assignment Assistant in the Assignment Section of the Office to check that the correct form and fee have been presented. In this instance the correct form, Form 21/77, was used. At that time there was no fee in respect of Form 21/77.
- 29 The contents of the request should then be examined to check that the assignor is empowered to request the assignment. In this instance part 4 of the Form 21/77 stated that the request was being made by Tonewear (the assignee).
- 30 Part 5 of the form asks for details of the transaction including the names of all parties involved. The completed form refers in this part to the transfer of ownership of the Patent from **Sense-Sonic Ltd** to **Tonewear Ltd** by virtue of an Assignment dated 15 September 2003.
- 31 Part 6 of the form identifies **Wilson Gunn M'Caw** (WGM) as the agent for Tonewear.
- 32 Rule 46 of the Patent Rules 1995 provided at the time that the form should be signed by or on behalf of the parties or by the assignor only. If it was not signed by the parties or the assignor then documentary evidence was required to establish the transaction. Footnote e) on the Form 21/77 used in this instance notes that "Part 7 of the Form should be signed and dated on behalf of the person(s) making the application. Documentary evidence sufficient to establish the transaction should accompany the form if part 7 is not also signed by or on behalf of the other parties named in part 5." The footnote was clearly inconsistent with the relevant legislation. Nothing I believe turns on the contents of this footnote. Part 7 contains only one signature – that of WGM.

Status of WGM

- 33 WGM was however registered as the address for service for Sense-Sonic at the time that the request was made and had clearly acted as its agent. Mr Hall has questioned whether WGM was actually empowered to sign on behalf of Sense-Sonic. He has provided a letter from the administrators for Sense-Sonic in which they state that they can find no record of them having appointed WGM to act for Sense-Sonic whilst they were acting as receivers.
- 34 There is nothing before me to cast any doubt on what the administrators have said to Mr Hall. However this does not of course mean that WGM did not become empowered to act for Sense-Sonic prior to that company going into administrative receivership. To understand whether it was necessary I believe to examine some of the earlier transactions. Indeed I will start with the filing of the patent

application in the Office.

- 35 Wilson Gunn & Ellis was named as address for service and acted as agent on the original patent application filed by Select Hearing. Wilson Gunn and Ellis was registered as being renamed Wilson Gunn M'Caw & Co on 28 February 1997. A further change in the name to Wilson Gunn M'Caw (WGM) was registered on 28 February 1997.
- 36 WGM filed a Form 21/77 on 30 May 2001 in respect of a change in proprietor of the patent from Select Hearing Systems Limited to Sense-Sonic Limited. This application was made by the assignor – Select Hearing – and listed in part 6 WGM as its agent. The “address for service in the United Kingdom to which all correspondence should be sent” was also stated in part 6 to be WGM.
- 37 There is nothing **explicit** on this Form 21/77 or the covering letter to show that WGM was authorised to act for Sense-Sonic. WGM was as noted identified as the address for service in part 6. The design of the form as it existed then does not in my view help the parties especially when as is the case there it was the assignor making the request and not the assignee. The reference in the first part of part 6 to the name of “Your agent” clearly seems to relate to the party making the request. The request for the “address for service in the United Kingdom to which all correspondence should be sent” in the same part of the form could quite easily be construed as being the address for “Your Agent”. It is I believe in fact intended to identify the address of the new owner (the assignee) to which future correspondence should be sent. This clearly is what the Office needs to know. When the requester is the new owner then part 6 fulfils its required purpose. When the requester is the existing owner, it doesn't.
- 38 There is therefore a question as to whether part 6 of this form clearly identified WGM as either agents or address for service for Sense-Sonic. There was a further opportunity on the form for WGM to have made it clear that it was authorised to act on behalf of Sense-Sonic. This was in part 7 relating to signatures. The form invites each signatory to enter its status if relevant. On the Form in respect of the assignment from Select Hearing to Sense-Sonic there was only one signature – that of WGM. The presumption must I believe be that that signature was signed by WGM on behalf of the requester, Select Hearing. Support for this comes from the related TM assignment form filed at the same time which shows no entry in the box specifically provided for the signature of the new owner - Sense-Sonic.
- 39 Hence I am not persuaded that the Form 21/77 alone was sufficient to conclude that WGM was authorised to act for Sense-Sonic or was its address for the service.
- 40 However subsequent to the filing of the Form 21/77 and prior to the later assignment request, WGM clearly acted as agent for Sense-Sonic in respect of a post-grant amendment of GB 2267412. So in practice it seems clear that WGM was acting for Sense-Sonic in the period preceding the filing of the transaction in issue here.

41 Should the office have required WGM to file a Form 51/77 as evidence that they were duly authorised to act for Sense-Sonic?

42 Rule 90 of the Patent Rules provides that –

(2) Where after a person has become a party to proceedings before the Comptroller he appoints—

(a) an agent for the first time, the newly appointed agent shall file Patents Form 51/77 on or before the first occasion when he acts as agent; or

(b) one agent in substitution for another, the newly appointed agent shall file in duplicate Patents Form 51/77 on or before the first occasion when he acts as agent and the Comptroller shall send one copy of the form to the previously appointed agent.

43 There is perhaps a question as to when Sense-Sonic first became a party to proceedings before the Comptroller. If for example it is considered to be when it requested on behalf of Sense-Sonic the post grant amendment on 11 October 2011 then no Form 51 would seem necessary. The only situation that would clearly have required the filing of a Form 51 would have been if Sense-Sonic was considered to have become a party to proceedings when it was registered as the new owner of the patent and at that time WGM was not its agent. Even if that was the situation, and I doubt it was, then the most likely remedy for any such irregularity of procedure on the part of the Office in not requesting a Form 51 would be to now seek to obtain such a Form retrospectively. I would also add that whether the Office was right to recognise WGM as acting for Sense-Sonic at the time that the application was made to register the assignment to Tonewear, does not in my view alter significantly the nature of the irregularity in procedure by the Office in respect of that assignment. I will explain why.

44 Before doing so and for the avoidance of doubt, I should note that I can see prima facie nothing procedurally wrong with the registration of the change of ownership of the patent from Select Hearing to Sense-Sonic given that the request included what appears to be sufficient supporting evidence.

45 I turn back now to the assignment in issue namely that from Sense-Sonic to Tonewear. This was signed in part 7 by WGM. In light of the contents of the form and previous actions before the Office, the Office recognised WGM to be authorised to act for both the assignor and assignee.

46 That the same agent represents both sides to an assignment is not that unusual. The agent would obviously have a responsibility to ensure that there was no conflict of interest in acting for both parties to an assignment. Where this may lead to problems, as here, is in clearly understanding who the agent is acting for in a given situation. The requirements for registering an assignment vary depending on who has signed the relevant form. It is therefore essential that the agent filling in the form makes it clear who he is representing at any particular point. Where there is any doubt then the Office should seek clarification. I note that the relevant trade mark form includes dedicated boxes for both the current proprietor and the new proprietor or their representatives to sign.

- 47 The Form 21/77 here had a single signature in part 7. There was nothing explicit to identify whether this was a signature on behalf of the assignee or assignor or both. The more probable status of the single signature is in my view that of the person making the application i.e. the assignee Tonewear. Of course WGM may have considered a single signature sufficient for both parties or indeed may have been signing it on behalf of the assignor Sense-Sonic. What matters however is not what WGM thought or intended but whether on the basis of the information provided that the Office could be sufficiently certain that the signature was on behalf of the assignor Sense-Sonic.
- 48 I should perhaps note at this point that the form to register the corresponding change in the proprietor of the trade mark which was filed a few days later than the F21/77 was signed by WGM on behalf of the registered proprietor who was then Sense-Sonic. WGM did not however also sign on behalf of the new proprietor Tonewear.
- 49 Returning to the Form 21/77, then if this had clearly been signed by or on behalf of Sense-Sonic then it might have been arguable given the guidance in the MoPP that no supporting documentary evidence would have been required. In my view however the Form was not clearly signed by or on behalf of Sense-Sonic. It follows that I am at present uncomfortable with the suggestion in Mr Fletcher's letter that the form in the state in which it was filed and on its own would have constituted sufficient evidence of the assignment. Procedurally I would have expected the Office to query at least whether WGM was signing the form on behalf of Sense-Sonic if the form had been the only evidence filed. The pre 2005 desk notes in the section on "regular irregularities – acceptable signature on Form 21/77" notes that "signatures must be written and must be against identifiable parties (assignee/assignor)". I do not believe it was here.
- 50 But in this instance supporting evidence was submitted in the form of the "Certified extract of the assignment". That the requester thought it necessary to provide supporting documentation might suggest it also did not believe that the signature was on its own sufficient.
- 51 What the Office did or said it would do in 2004 when supporting documentation is submitted is not entirely clear to me. Clearly if the signatures are not sufficient then the supporting documentation will be required to demonstrate that the transaction has taken place. But what happened if supporting documentation is filed together with a form that is considered to be properly signed? A practice note on assignments was included in The Patents and Designs Journal in February 1999 (see Annex 4). This stated that if the declaration in part 7 of Form 21/77 was acceptably signed, then any supporting documentation submitted will simply be placed on the file as part of the record available to the public. This suggests that it might not even have been subject to any form of cursory inspection. Was that still the practice in 2004 when the Form 21/77 in issue was filed? The MoPP is not of any real assistance. It refers generally to the need to check various things but does not refer specifically to checking supporting documentation.

- 52 Mr Hall is of the opinion that the Office practice was to completely disregard documents filed with suitably signed forms. He has support for this in the Patent Assignment Desk Notes that are dated 15 June 2005. In section 2.02 Assignments, subparagraph 5 on signatures notes that "If the Form 21/77 is filed correctly we can ignore the evidence provided". This guidance was subsequently amended to require that any evidence filed with an apparently correctly completed form should at least be scanned. This change was because experienced staff were doing this even though the guidance said it could be ignored.
- 53 For the purposes of this review I do not believe I need to determine what the desk notes really said at the time. This is for two reasons. Firstly I have already concluded that the Office could not have been certain that the Form was properly signed. The second reason is that even if I am wrong on the status of the signatures on the Form 21/77 and that it was in fact a properly signed form, then since the applicant had deemed it necessary to submit the supporting documents, and irrespective of what the guidance notes said, the Office should have at least scanned these documents for any inconsistencies with the Form. This appears to be what experienced staff were doing and it is also consistent with what Mr Fletcher indicated in his letter should have happened.

The supporting document

- 54 The covering lettering filed with the request for registration notes as follows:

"We enclose herewith an application to record a transfer of ownership of the above UK Patent. In support of this application we enclose herewith-

1. Patents Form No 21/77.
2. A certified copy of an extract of a certified copy of the agreement dated 15 September 2003.

Part 5 of the Form 21/77 referred as, I discussed above, to the transfer of ownership "by virtue of an Assignment dated 15 September 2003".

- 55 The coversheet of the supporting document states it is an "agreement relating to the sale and purchase of certain assets". The agreement is between Sense-Sonic Limited (the seller), Stephen Leonard Conn and Andrew Dick, (the joint administrative receivers of the seller) and Elitesound Limited, Tonewear Limited and Websound Limited (the buyers).
- 56 The operative part of the agreement is section 2 titled "Sale and Purchase". Subsection 2.1 reads:

Subject to the terms and conditions of this agreement the Seller shall sell and the Buyers Group shall buy whatever right, title or interest (if any) the Seller may have in the following Assets as follows:

- a)
- ..
- ii) the Intellectual Property Rights;
- ..

- v) the Inter-Company Debt
- b) the Assets shall be transferred to the Buyers Group as Follows
 - i) the Share of the Inter-Company Debt and the Goodwill to Ellitesound Limited
 - ii) the Intellectual Property Rights to Tonewear Limited

57 It is I believe clear from these parts of the agreement that this is a Sale and Purchase Agreement or in other words it is an agreement to assign. It may transfer beneficial ownership but it is not clearly an assignment. The Court in *Coflexip*¹ has made it clear that an agreement to assign is not itself an assignment or any other transactions, instruments or events listed in section 33 of the Patents Act. Hence whilst it was possible to register it, it should not have been registered as an assignment given that the documentary evidence submitted with the form did not clearly establish that an assignment had taken place.

Should the Office have spotted that it was an agreement to assign and not an assignment?

58 The Comptroller's officers who handle requests to register assignments are relatively junior staff and as noted by the Judge in *Coflexip* are "not legally trained and hence are not always able to summarise accurately the effect in law of documents such as assignments". However in this instance a scan of the supporting documents should have picked up that it may not have been an assignment within the terms of section 33. As recognised by Mr Fletcher in his letter of November 2007, the Office should have at least queried the nature of the agreement with Tonewear. It did not do this but rather instead proceeded to register the assignment.

Errors in the Register entries

59 Mr Hall believes that the Office has deliberately falsified the register in an effort to effectively "hide" the existence of unstamped documents that had been submitted with registration applications. The 20th September 2004 register entry on GB2267412 reads (with added emphasis by me) as follows:

TONEWEAR LIMITED, Incorporated in the United Kingdom, 37 Warren Street, LONDON, W1T 6AD, United Kingdom [ADP No. 08948580001] registered as Applicant/Proprietor in place of SENSE-SONIC LIMITED, incorporated in the United Kingdom, 3rd Floor, King Edward House, Jordangate, Macclesfield, Cheshire, SK10 1EE, United Kingdom [ADP No. 08162679001] by virtue of assignment dated 15.09.2004. **Form 21/77 filed on GB2267412.**

60 Clearly the register entry should not have been made for the reasons set out above. However Mr Hall also points to the reference to "Form 21/77 filed on GB2267412" arguing that this is incorrect. Rather it should have read "Form 21/77 and supporting documents filed on GB2267412". I agree with Mr Hall.

61 Mr Hall has also provided me with a number of other examples relating to other patents where the register entry did not clearly tally with what was provided in the

¹Coflexip Stena Offshore Limited's Patent [1997] R.P.C.

application. I do not propose to discuss these further although I note that in response to a query on one of these cases, the Office had responded that its staff sometimes relied on the default standard wording. I do not know whether that was the case here. It is conceivable that, given its initial opinion that the Form 21/77 was adequate on its own, it entered this on the register. Even if that was the practice at the time then it would still not in my opinion have been the correct entry.

- 62 The register entry in respect of Mr Hall's application to register the earlier agreements relating to the priority application and transfer of the invention also does not clearly reflect what was actually filed. There is for example no record of a Form 21/77 having been filed even though the Office had specifically requested one to be filed. The impression created is that the Office was at that time at least somewhat careless in properly recording the basis for the register entry. If the Office considered it necessary or appropriate for the register to record what was submitted then in my view it should do so accurately. In the case of the application to record Tonewear as the owner, the covering letter from WGM referred to the document being in support of the form. Hence even if the Office accepted the form was sufficient it should still have referred to either "Form 21/77 and supporting document filed" or just "Form 21/77 and document filed". This would then have clearly alerted anyone interested in the registration as to what had been filed. They could then inspect that document if they wanted to. That the register entry was in my view wrong is therefore a further procedural irregularity. I would however note I do not believe that any real harm was done in this instance as it is clear that Mr Hall did become aware of the agreement that was submitted in support of the application at an early stage and indeed queried aspects of this with the Office soon after it was registered.

Was there any procedural irregularity in respect of stamp duty?

- 63 The Office's practice in relation to stamp duty is perhaps best understood from two notices put in the Patents and Designs Journal in 1999 and 2000. These are reproduced in Annex 4.
- 64 Prior to 28th March 2000 stamp duty was payable on transactions involving intellectual property. The Office's practice was to inspect documents filed to ensure that they were stamped. If they were not properly stamped then the Office would not action it until it was stamped (see handling of the transaction in *Coflexip* where an unstamped document was returned by the Office). This practice was however changed as noted in the practice notice of 1999 such that if the declaration about stamp duty in part 7 of the Form 21/77 was signed by or on behalf of all the parties then there would be no further inspection of any supporting documentation submitted with the request. This change in practice may have reflected a desire to ease the burden on parties seeking to register assignments and might reflect that where the form is properly signed then no supporting evidence was considered necessary.
- 65 The requirement for stamp duty to be paid on an instrument exclusively for the sale, transfer or other disposition of intellectual property (as defined in section

129(2) of the Finance Act 2000) was removed with effect from 28th March 2000 (by s.129 of the Finance Act 2000). Stamp duty however remains chargeable on instruments which deal in part with intellectual property and in part with other property on which stamp duty is payable, as set out in schedule 34 to the Finance Act 2000.

- 66 The second journal notice sought to explain that the declarations about stamp duty on the relevant forms were in effect superfluous where the transaction sought to be registered related solely to intellectual property as defined by the Finance Act 2000. The note advised that these declarations no longer needed to be completed for such transactions (i.e. those consisting of only intellectual property as so defined). The notice did however go on to indicate that "the previous regime" (i.e. declarations) would still be required for transactions effected before the date of the effective abolition of stamp duty.
- 67 In respect of transactions composed of a mixture of intellectual and other kinds of transferrable property, the note observed that stamp duty was only abolished in respect of that portion attributable to the intellectual property and that the instrument might need to be stamped in respect of the remainder. The note was however silent on whether parties wishing to register the transfer of intellectual property rights as a result of a mixed agreement needed to make a declaration to the Office that any stamp duty had been paid. Neither the various desk notes nor any other document that I have seen offer any real guidance on this.
- 68 It seems clear to me that the Office did in 2004, and still does, have a responsibility to try to ensure that any necessary stamp duty has been paid in respect of any transactions it is asked to register. I do not take either of the notes as suggesting otherwise. This obligation is according to the notes referred to, met in the eyes of the Office if the declaration is signed by the assignee. Hence in the case of a mixed agreement that is subject to stamp duty then if the declaration at part 7 of the Form 21/77 is not amended (i.e. it still refers to the necessary stamp duty having been paid) and is signed by or on behalf of the assignee then this would be considered sufficient.
- 69 To the extent that the form was or is signed just by the assignor, as is clearly allowed, then it is unclear to me how the Office can satisfy itself that any stamp duty had been paid in respect of the transaction assigning the patent. So far as I can see all it can do is to assume that in such cases no stamp duty was payable. Quite what the Office would do if the details of the transaction provided by the assignor in section 5 of the form were such as to suggest that stamp duty might be an issue is also unclear. I would in such circumstances expect the Office to query this with the assignor.
- 70 A further consideration, and one that is particularly relevant to this case, is what did the Office do if supporting documents were filed with the form. The 1999 Notice makes it clear that if the Form is acceptably signed then any documentation submitted will simply be placed on the file as part of the record available to the public. The clear implication being that no check would be made of whether any agreements were liable for stamp duty and if so whether they are stamped.

- 71 This appears to have been what happened with the registration of the assignment to Tonewear. There is nothing on the file to indicate that the Office had any concerns relating to stamp duty. The Office appears to have accepted the request either on the basis of the signed declaration that any necessary stamp duty had been paid or on the basis that no stamp duty was payable.

Was there any procedural irregularity in what the Office did?

- 72 WGM signed the declaration in part 7 that stamp duty had been paid. As I have indicated above it seems reasonable to assume that this signature was made on behalf of the party making the application, in other words the assignee Tonewear. Hence there is a declaration made by the assignee that any stamp duty had been paid.
- 73 The practice set out in the Journal Notice says that is enough. Any documents submitted with the form would not be inspected in respect of stamp duty but simply placed in the open part of the file. Hence to the extent that the procedure was as set out in those notes then it could be argued that there was no procedural irregularity. I am not however convinced that was the case here.
- 74 I have indicated above that even if the form had been properly signed or if the Office had considered it properly signed, the Office should still have at least prima facie inspected any documents that the applicant has chosen to submit in support of its application. The purpose of such an inspection (or scan- it makes no difference) is to identify any obvious inconsistencies between the form and the documents. This should in my view include any obvious inconsistencies relating to the payment of stamp duty. As an official body the Office has a duty to ensure that stamp duty is paid. This is reflected in the sanctions that can be imposed on the Office for breaching section 14 of the Stamp Act and registering an instrument on the basis of unstamped evidence.
- 75 In this instance if such an inspection or scan had been carried out then it seems reasonable to expect that the Office staff should have been able to identify that the document was not stamped and that it didn't clearly relate solely to the transfer of intellectual property. In such cases even if the declaration was signed by or on behalf of the assignee then in my opinion the Office should still have queried with the applicant whether the document was subject to stamp duty and if indeed that duty had been paid². It did not do this and that in my mind is an irregularity of procedure. I would add only that I am not suggesting that the Office staff should be expert in stamp duty matters. Rather they should have enough knowledge to be able to identify the sort of issues that I have just referred to. I recognise that if this sort of check was carried out then it might in some instances place an additional burden on the applicant and possibly delay registration. This seems unavoidable given that the Office has an obligation to use its best efforts to ensure that any stamp duty has been paid on instruments put before it.

² HMRC has confirmed in a letter dated 5th February 2008 that stamp duty of £14000 was payable on the agreement and that as of that date no stamp duty had been paid.

- 76 The possible implications for the Office if stamp duty has not been paid are as follows. Firstly rule 46 of the Patent Rules provides that if the Form 21/77 is not properly signed then supporting evidence is necessary. The Stamp Act however clearly provides that no document that is subject to stamp duty can be given in evidence if it is not stamped. In this instance the form itself did not clearly meet the requirements of section (2) of rule 46 as I have discussed above. If the Office had realised this, which it didn't, then it should have looked at the document that the applicant had submitted with the request. However before it could be considered as evidence of the transaction, the Office should have checked whether any stamp duty had been paid. If it wasn't satisfied that any stamp duty had been paid, and as I indicated above, I think it is necessary to consider the entirety of the material submitted and not just rely on any declaration, then it should not consider the document as possible evidence of the transaction until the matter of the stamp duty had been resolved. That the Office as a body is competent to identify and demand the resolution of stamp duty issues is evident from for example the Coflexip case where it returned a document to the requester for stamping. Secondly if the Office registered a transaction on the basis of unstamped evidence then it may become liable to a fine under section 17 of the Stamp Act but any entry so made on the register is not nullified.

Other points on stamp duty

- 77 Mr Hall has raised a number of other concerns about the Office's practice with respect to stamp duty. He points out for example that it is simply not possible to provide secondary evidence of the payment of stamp duty. Hence the Office cannot accept the declaration on the form as evidence that stamp duty has been paid. In fact he argues that the declaration serves no legal purpose. He also argues that a declaration that stamp duty has been paid does not satisfy the Best Evidence rule when a stamped copy of the document is available. He has referred me to a number of authorities in support of this. I do not believe need to say anything on any of this given my conclusions above.

Registration of the assignment of the patent – other points raised by Mr Hall

Mr Hall's earlier request to amend the register

- 78 Mr Hall has also questioned whether the concerns he raised before the 20th September 2004 were such that the Office should have treated them as disputing the subsequent request for registration. Or failing that, were they sufficient to show that he might wish to oppose the registration? In either case should the Office have suspended the application by WGM to register the assignment to Tonewear?
- 79 On 26th August 2004 Mr Hall wrote to the Office requesting that the assignment of the priority patent application, GB9027784.9 from NLML to Select Hearing be entered on the register. In that letter Mr Hall recognised that he had assigned the priority application to Select Hearing and that the most recent recorded owner of GB9312798.3 was Sense Sonic. He goes on to observe that Sense-Sonic had been paying him royalties until it went into administration. He also notes that the

administrator had assigned the patent to "companies in the Bulldog Partners" Group. Mr Hall concluded the letter by indicating that he wanted to file the original assignment of the patent application and also have the record (i.e. the register) amended to show that the priority application was filed by NLML and assigned to Select Hearing.

80 He was advised on 1st September 2004 that the Office could see no reason why the assignment should not be recorded on the register and requested that Mr Hall file a Form 21/77 with the appropriate evidence.

81 On 3rd September 2004 Mr Hall filed a Form 21/77. The patent numbers "GB2267412 (GB9312798.3)" were entered by Mr Hall in the relevant box on the form. In box 5 of the form, that asks for the details of the transaction, Mr Hall had entered the following:

"By way of assignment of patent application dated 31st July 1991 and assignment of inventions dated 18th December 1991 Northern Light Music Limited assigned rights in the invention and the patent application to select hearing systems limited to enable the assignee to apply for a PCT claiming priority from Doc 9027784 in consideration for which the assignee and all future assignees are bound to make payments to Northern Light Music in respect of income derived from exploitation. "

Enclosed with the Form were copies of the two assignments.

82 On 8th September 2004 the Office wrote to WGM to inform them of Mr Hall's request to amend the register. WGM was assumed, given that it had arranged payment of the latest renewal fee on GB 2267412, to be still the recorded address for service for that patent. On 10th September 2004 WGM filed the application to register the assignment from Sense-Sonic to Tonewear. They did not comment on Mr Hall's request to register the assignment of the priority document. The Office sent out letters to both Mr Hall and WGM on the 20th September 2004 advising them that the records that they had each requested had been made.

83 The register entry in respect of Mr Hall's application read as follows:

"20.09.2004 On the 18.12.1991 Northern Light Music Limited of Aurora Studios, Grindleton, Clitheroe, Lancashire assigned the rights of priority application GB9027784.9 to Select Hearing Systems Limited of Audio house, Grindleton, Clitheroe, Lancashire. Official evidence filed on GB2267412."

84 The question before me is whether given the concerns raised by Mr Hall the Office should not have proceeded to register the assignment to Tonewear? Neither the contents of the letter of 26th August nor the application for registration filed on 2nd September 2004 however clearly in my mind dispute the assignment to Tonewear, which was part of the Bulldog Partners Group. Rather their purpose was to get on to the register the earlier assignment of the priority document and the basis and terms of that assignment. This was sought in an attempt to

hopefully strengthen Mr Hall's position with respect to the non-payment of the royalties that he felt were due to him. At best the intervention of Mr Hall could be considered as questioning the terms of the assignment to Tonewear. It doesn't in my view dispute that the assignment took place. Hence there was no need for the Office to suspend registration of the assignment to Tonewear and instigate its dispute management process.

Were documents filed with Form 21/77s hidden by the Office?

- 85 Mr Hall is convinced that at least one of the agreements that he submitted with his Form 21/77 on the 3rd September 2004 was in his words "hidden" away on the "not open to public inspection (NOPI) part of the Official file. Mr Hall believes that this is significant because something similar happened to the documents filed in respect of the registration of the transaction involving Sense-Sonic and Tonewear.
- 86 The first point that I would make is that these instruments currently reside on the "open to public inspection" (OPI) part of the Official file. This part of the file has a green folder. It is of course possible that these documents have been moved to the OPI part of the file at a later date having first been placed the NOPI part of the file. The NOPI part of the file is contained in a pink folder. The practice of the assignment section at the time was to treat documents that were considered to be "full agreements" as "inspection and return only" documents if they accompanied a short form agreement. Rule 93(4)(c) at the time provided that any document "for inspection or return only" should be treated as confidential and hence kept in the NOPI part of the file.
- 87 It is not clear to me why the Office should put any documents filed in respect of an assignment on the NOPI part of the file unless there are of course issues of confidentiality nor is it clear to me why the Office was inclined to treat full agreements filed with a short form agreement as "inspection or return". If the "full agreement" is not relevant to the issue of the assignment then the applicant does not need to send it in. If it is submitted then it seems to me that in the public interest we should retain at least a copy and that copy should be placed on the OPI part of the file. Such a practice would seem more consistent with the sentiments of Jacob J, in *Coflexip* where he noted:
- "One cannot expect the Comptroller's officers (who at this level are not legally trained) always to summarise accurately [on the Register] the effect in law of documents such as assignments. Anyone interested can always get a copy of the actual document, which is open for inspection on the public file."
- 88 In the case of Mr Hall's documents and the document filed in support of the Sense-Sonic to Tonewear register entry then it is possible that one or more of these documents might have been considered by the Office to be an "inspection and return" document. There is however no evidence before me that this is what happened. Even if it did, then I struggle to see how this has impacted on Mr Hall or in any way contributed to any irregularity in procedure in the registration of an assignment from Sense Sonic to Tonewear. In particular I note that Mr Hall contacted the Office on the 24th September 2004 saying that he had "studied the

agreement that WGM submitted as evidence". Hence even if the Office had placed the agreement on the NOPI part of the file then that clearly had not prevented Mr Hall from examining it.

- 89 I do not know whether either of the two assignments submitted by Mr Hall was placed on the NOPI part of the file. Neither of these was in my view a "full agreement" nor was there anything to suggest that they had been provided on an "inspect and return" basis. There is however nothing before me to suggest that any third party had been denied access to one or both of these agreements. That the Office had copies of the agreements is at least implied by the register entry which referred to "evidence" filed in support of the application. This should have alerted anyone interested. I would note at this point that the register entry should in my opinion have also referred to the Form 21/77 that Mr Hall had submitted as requested.

Delays in registering the assignment of the priority document

- 90 Mr Hall has also raised concerns that his request to amend the register was in some way put on hold or hidden. He refers in support of this to various record sheets used by the Office's assignment section that refer to "refile" and which record his Form 21/77 as a "R21". I can see nothing in any of this. There is no obvious irregularity of procedure. The practice was, and still is I believe, that each document sent or received by assignment section is allocated as specific number that comprises a unique identifier number and the week of the year. Hence in this case the first document received, which was the letter of 26th August was recorded as 115/36.04 – with 36.04 being the 36th week of 2004.
- 91 When Mr Hall subsequently filed his Form 21/77 as requested then this was recorded as a "refile" in response to the letter from the Office. The record sheet assigned the form the reference number 95/37.04 and recorded the Form as "R21" being a "Re-file" following on from the 26th August letter. This is consistent with the practice set out in the desk instructions.
- 92 I also do not think there is anything in the time it took to record the requested entry. The application including the Form 21/77 was made by Mr Hall on the 3rd September 2004. The Office as noted wrote to WGM, on the basis that they were the last recorded address for service notifying them of the request by Mr Hall to amend the register. Mr Hall was informed of the register change on the 20th September 2004, which was 12 working days after the request had been made. That does not seem to me to be an undue delay especially given that the Office felt the need to inform the address for service of the request. I would also note that Mr Hall, in an email to the office dated 23 September 2004, thanked the case officer for arranging the additions.
- 93 I should add that a further registry entry was made on 14 January 2005 following a number of further rounds of correspondence involving Mr Hall, WGM and the Office. This entry recorded that

" By virtue of the terms of assignments dated 31.07.1991 and 18.12.1991 Northern Light Music Limited is due royalty payments from any subsequent assignee. Evidence filed on

GB2267412".

- 94 I can see nothing procedurally irregular with this. From the correspondence it seems Mr Hall was content with this entry. It is also consistent with my conclusion above that Mr Hall's concern at that time was in securing registry entries to support his claim for royalty payments rather than to looking to raise questions of ownership.

Earlier correspondence

- 95 For completeness I should note that Mr Hall has also queried the Office reference given on a number of communications between the Office and WGM from November 2004 onwards. The reference cited is 17/16.04 which suggests that this correspondence was initiated in week 16 of 2004. That date clearly predates Mr Hall's initial request to amend the register. I have examined the Assignment Section computer log for that week (this consists of a Lotus 123 computer file) and the entry against number 17 in week 16 relates to a completely different patent number. The RS sheet on file for action 17 of week 46 of 2004 does refer to the correct patent number and also seems to clearly relate to the letter filed by WGM on 4th November. It is therefore my belief that the reference to 17/16.04 was simply a clerical mistake with a 1 being mistakenly transposed for a 4. The correct reference should have been 17/46.04.

Conclusion on the registration of the assignment of the patent from Sense-Sonic to Tonewear

- 96 I believe that there was an irregularity in procedure in the registering of the assignment of the patent from Sense-Sonic to Tonewear. More specifically the Office should not have registered the assignment based solely on the information provided in the original request.
- 97 The Office should have recognised that the application did not meet the requirements of Rule 46 of the Patent Rules 1995. In particular it was not clear that the signature on the Form 21/77 was by or on behalf of the assignor as required by Rule 46(2).
- 98 The Office also did not properly consider the documentation filed with the Form 21/77 notwithstanding that the Office thought the form was signed in line with Rule 46(2). In not considering the document, which the applicant described as being "in support" of the application, the Office failed to identify that the document most likely related to an agreement to assign (which is not within section 33) rather than an actual assignment.
- 99 In addition in not considering the documentation, the Office failed to identify that the agreement, which was unstamped, appeared to relate to the transfer of not just intellectual property rights and as such might be subject to stamp duty. Notwithstanding that the assignee had most likely signed the declaration that stamp duty had been paid, the Office should still have sought clarification on whether it was payable and if it actually had been paid.

- 100 The Office should have sought clarification on the points referred to above rather than simply registering it as an assignment.
- 101 There was a further procedural irregularity in that the register entry made in respect of the assignment from Sense-Sonic to Tonewear did not accurately reflect that the applications comprised a Form 21/77 and supporting document.
- 102 I can however find no irregularity in procedure arising from Mr Hall's attempt to register on the patents register various earlier instruments relating to the assignment of the invention and the priority document from NLML to Select Hearing other than a minor error in that the subsequent registry entry did not refer also to the Form 21/77 filed by Mr Hall.

PART VI - REGISTRATION OF THE ASSIGNMENT OF THE TRADE MARK FROM SENSE-SONIC TO TONEWEAR

- 103 I turn now to the registration of the trade mark. In 2004 the relevant form (TM16) used to register assignments of trade marks was considerably fitter for purpose than either the patent Form 21/77 or the equivalent design Form DF12A. Most significantly TM16 provided separate signature boxes for the assignee and assignor hence it was at least clear on whose behalf the form had been signed.
- 104 The TM16 filed in respect of registering the trade mark transaction in issue was submitted by WGM on 17th September 2004. The covering letter does not indicate on whose behalf WGM were acting. WGM however signed the form in the box provided for the registered proprietor - Sense-Sonic. The "Signature of the new proprietor" box on the form was left empty. WGM indicated in part 7 of the form that it wished to be both "Agent" and "Address for service" for all transactions.
- 105 Rule 41 of the Trade Marks Rules 2000 provided that the application to register an assignment should be "signed by or on behalf of the parties to the assignment". TM16 clearly explains and facilitates this by as I have said providing dedicated boxes for the registered and new proprietors to sign. The relevant desk notes refer to the need to check that the form has been signed by both the old and the new proprietors.
- 106 In respect of the application to register the assignment of the trade mark from Sense-Sonic to Tonewear, the TM16 was not signed by or on behalf of all the parties to the agreement. It was signed only on behalf of the registered proprietor Sense-Sonic by WGM.
- 107 It is not necessary I believe for me to consider whether WGM was authorised to sign on behalf of Sense-Sonic, Tonewear or both. If it was authorized to sign for Tonewear then it should in my opinion have entered a signature in new proprietor box. It did not do this. Rather it included with its application a copy of the extract of the agreement. It did not refer in the covering letter to this being "in support of the application" as with the corresponding request to register the assignment of the patent. However I think it was reasonable to assume that the document had

been provided for that purpose. The requirement in Rule 41 was that if the form was not signed by or on behalf of the parties to the assignment, and it clearly wasn't in this instance, then it should be accompanied by such documentary evidence as suffices to establish the transaction.

- 108 The certified copy of the extract of the agreement filed with the TM16 was essentially the same as that provided a week earlier with the Form 21/77. It did however include an additional schedule, Schedule 1, but this does not add anything of significance to the matter before me. Consequently for the reasons set out above the supporting document filed with the TM16 was not in my view sufficient to establish that an assignment had taken place. A proper inspection of the document would have revealed this and that should at least have led to the Office seeking clarification from the party applying to register the transaction. This did not happen. Rather the Office accepted the request and duly registered the assignment. To do so on the basis of the material submitted was in my view an irregularity in procedure by the Office.

Was there any procedural irregularity in respect of stamp duty?

- 109 Form TM16 had been amended to remove the declaration that stamp duty had been paid or was not payable.
- 110 Rule 41(3) of the Trade Mark Rules 2000 required that where the transaction is effected by an instrument chargeable with duty the Registrar shall be satisfied that the instrument has been duly stamped. There is nothing on file to indicate that the Registrar had any concerns about stamp duty. It is possible that it was considered that no duty was payable. However as indicated above I think even on the basis of a quick scan of the document, it should have been clear that the agreement did not relate solely to the transfer of intellectual property and thus that stamp duty might be payable. Hence on the basis of the information in the application I do not see how the Registrar could have been "satisfied" that any stamp duty had been paid.

Conclusion on the registration of the trade mark from Sense-Sonic to Tonewear

- 111 I believe that there was an irregularity in procedure in the registering of assignment of the trade mark from Sense-Sonic to Tonewear. The Office should not have registered the assignment based solely on the information provided in the original request.
- 1.12 The Form TM16 was not signed by or on behalf of the "parties to the assignment" and as such in my view was not sufficient on its own to justify registration.
- 113 The document filed with the Form TM16 was either not considered at all or was not properly considered. If it had been then it should have been recognised that it related to an agreement to assign (which is not registrable under section 25) rather than an actual assignment. It is not sufficient documentary evidence to establish the assignment.
- 114 In addition it is not clear to me how the Registrar could have been satisfied that

any stamp duty had been paid in respect of the transaction set out in the document.

- 115 The Office should have sought clarification on the points referred to above rather than simply registering the assignment.

PART VII - REGISTRATION OF THE ASSIGNMENT OF THE REGISTERED DESIGNS FROM SENSE-SONIC TO TONEWEAR

- 116 The application to register the transfer of the registered designs was filed at the same time as the trade mark application. The relevant form DF12A was filed by Tonewear with WGM listed as its Agent and "Address for service" to which all correspondence should be sent. The form had a single signature. The applicant also provided a "Certified copy of the agreement of 15th September 2003". The wording used to describe this was slightly different to the other two forms which referred to a "certified copy of an extract of a certified copy of the agreement"(patent assignment) and "certified copy of an extract of an agreement"(trade mark assignment). The document submitted with the DF12A was however identical to that submitted with the TM16. Mr Hall however appears to believe that the Office has actually sought to hide the document from him because it was materially different. Having reviewed the correspondence it appears that the Office had resisted disclosing to Mr Hall the contents of the application to register the transfer of the registered designs. It did this however not I believe to hide anything but rather because it felt on the basis of an interpretation of the transitional provisions in the Register Designs Rules 2006 that it was prevented from disclosing the information. This is not an interpretation that I subscribe to. Rather in my view the particular provision relied on is intended to protect from disclosure the contents of pending applications for design registration. It does not apply to applications for registering assignments filed in respect of already registered designs. I therefore provided Mr Hall with copies of the DF12A and the supporting document.
- 117 The application to register the change in proprietor was as noted above made by WGM on behalf of Tonewear. WGM involvement with the designs appears to be as follows. It played no part in the initial application process for the Registered Designs. WGM sought to become the address for service for the Registered Designs by virtue of Designs Form 12A filed on 30th May 2001 in respect of a change in proprietor from Select Hearing Systems Limited to Sense-Sonic Limited. This application was made by the assignor – Select Hearing - and listed WGM as its agent. WGM stated on the form it wished to be the address for service to which all correspondence should be sent. The Office wrote to WGM on 4 June 2001 inviting it to complete Designs Form 1A if they were to be the agent acting on all matters in the future in respect of the two designs. According to the register WGM was registered as address for service for the designs in issue by virtue of a notification received on 29 June 2001. No copy of this notification could be found though there is a record of the filing of a Design Form 1A on the Office's OPTICS filing system. The Register was updated on 2 July 2001 to record WGM as the address for service.
- 118 WGM also subsequently acted for Sense-Sonic in respect of extending the period

for protection of the designs in May 2002. WGM was therefore in my view properly recognised by the Office as agents for both assignor Sense-Sonic and assignee Tonewear.

- 119 As with the assignment of the patent it was however not entirely clear whether they were signing the form DF12A on behalf of both parties. The layout of the form is similar to that of the patent form. Again like the patent form, it invites each signatory to specify its status if relevant with reference to the footnote requiring the filing of documentary evidence if not signed by or on behalf of all parties. That the application again also included additional documents lends some weight to the proposition that the applicant itself did not consider the Form to be sufficient on its own.
- 120 The more probable status of the single signature on the DF12A is in my view that of the person making the application (i.e. the assignee Tonewear.) Of course WGM may have considered a single signature sufficient for both parties. However as with the Form 21/77, what matters is whether the Office could be sufficiently certain that the signature was on behalf of both parties. The design notes refer to an assignment checklist that is completed in respect of each request. Whether such a checklist was used when the assignment in issue was registered is not clear. There is no copy of the checklist currently on the file. Mr Hall believes that this has been hidden by the Office in an effort to possibly cover up its failings to undertake the proper checks. Irrespective of whether a checklist was used or not, it seems clear to me that the required checks were not adequately carried out. The desk notes relating to assignments of designs include the following:

“The form either needs to be signed by/on behalf of both parties or a copy of the deed provided. If there is only one signature on the form you need to write to the form filer and ask them to confirm that the signature is on behalf of both the old and the new proprietor”

- 121 There is nothing to indicate that such confirmation was sought in this case. Rather it appears that the Office treated the single signature as being on behalf of both parties and registered the assignment of both designs on that basis. That in my view constitutes an irregularity in procedure since as discussed it could not be sufficiently sure of the status of the signature.
- 122 However even if the Office had considered the single signature sufficient then for the reasons set out above it should still have at least cursorily inspected the supporting document. If it had then it should have recognised that it did not relate to an actual assignment. It should then have sought clarification on the nature of the document. That it did not do this would also constitute an irregularity in procedure.

Was there any procedural irregularity in respect of stamp duty?

- 123 I can be brief as the position with regard to stamp duty and the registered designs is essentially the same as discussed above in respect of the application to register the assignment of the patent. Notwithstanding that the declaration that

stamp duty had been paid was signed in all probability by the assignee, the nature of the document should have raised concerns about whether stamp duty was payable and whether it had been paid. This should have been clarified with the applicant.

Conclusion on Registered Designs from Sense-Sonic to Tonewear

- 124 I believe that there was an irregularity in procedure in the registering of the assignment of the registered designs from Sense-Sonic to Tonewear. The Office should not have registered the assignment based solely on the information provided in the original request.
- 125 The Office should have recognised that the application did not meet the requirements of Rule 42. In particular it was unclear whether the Form 12A was signed by or on behalf of the parties to the purported assignment.
- 126 In addition there was also a procedural irregularity in that the Office did not properly consider the documentation filed with the Form 12A notwithstanding that the Office thought the Form was signed in line with Rule 42. In not considering the document, the Office failed to identify that the document most likely related to an agreement to assign (which is not registrable under section 19) rather than an actual assignment.
- 127 In addition in not considering the documentation, it failed to identify that the agreement, which was unstamped, appeared to relate to the transfer of not just intellectual property rights and as such might be subject to stamp duty. Notwithstanding that the assignee had most likely signed the declaration that stamp duty had been paid the Office should still have sought clarification on whether it was payable and if it actually had been paid.
- 128 The Office should have sought clarification on the points referred to above rather than simply registering the assignment of the registered designs to Tonewear.

PART VIII - REQUEST TO CORRECT THE PATENT AND DESIGN REGISTERS

- 129 In addition to reviewing the actual registrations, I have also been asked to review Mr Hall's subsequent efforts to have the registers corrected. More specifically I have been asked to consider whether there were any procedural irregularities in how the Office handled those requests.
- 130 By two separate communications in December 2007 and January 2008, Mr Hall applied to have the patent and design registers corrected to delete the entry made on 20th September 2004 showing the assignment of the patent from Sense-Sonic to Tonewear Ltd.
- 131 The Office informed Mr Hall on 5th February 2008 that it was not minded to "correct" the patent and design registers as there was doubt as to whether either contained an error. This was confirmed in a further communication in June 2008.
- 132 The relevant legislation is Rule 50 of the Patent Rules 2007 which reads:

- (1) Subject to rule 49, any person may request the correction of an error in the register or in any document filed at the Patent Office in connection with registration.
- (2) The request must be—
 - (a) made in writing; and
 - (b) accompanied by sufficient information to identify the nature of the error and the correction requested.
- (3) If the Comptroller has reasonable doubts about whether there is an error—
 - (a) he shall inform the person making the request of the reason for his doubts; and
 - (b) he may require that person to furnish a written explanation of the nature of the error or evidence in support of the request.
- (4) If the Comptroller has no doubts (or no longer has doubts) about whether an error has been made he shall make such correction as he may agree with the proprietor of the patent (or, as the case may be, the applicant).

133 The decision rejecting Mr Hall's request to correct the register noted that the Office could not say without doubt that an error has been made nor could it say with certainty what the correct entry should be. It might seem odd that one of the reasons given for refusing the request was that the Office could not say without doubt that an error has been made. The Office had seemingly admitted that it shouldn't have registered the assignment as such on the basis of the material submitted. It had done this before the request to correct the register was made. The reasoning however appears to be based on the premise that Rule 50 was concerned with the contents of the register and not the process by which entries got there. Hence notwithstanding that the Office should not have registered an assignment to Tonewear on the basis of the Form 21/77 and supporting documents that were submitted, it couldn't be sure that Tonewear had not actually been assigned the rights as a result of that agreement. The decision refers to the possibility, if it had been requested, of Tonewear providing additional evidence to show that the transaction did in fact effect an assignment. I have some doubt about whether they were actually in a position to do that but it was nevertheless an arguable point and as such was enough to create doubt as to whether there was an actual error in the register. Having taken this position the subsequent conclusion that it wasn't clear what the correct entry should be naturally followed. If this approach to corrections is right, and I think it was then I think the decision not to allow the correction was also correct.

134 There is another point. Rule 50 is essentially about the correction of clerical type errors. This is evidenced by subsection 4 of the Rule which talks about the Comptroller getting the agreement of the proprietor to any change. I very much doubt that Tonewear would have agreed to the removal of the particular register entry or I suspect any other changes to that entry. The scope of subsection 4 was considered recently in *Virgin Atlantic Airways Ltd v Jet Airways (India) Ltd*³. In that case Premium Aircraft Interiors Group Limited ("Premium") applied to the Comptroller for correction of the UK register of patents in respect of the entry for European patent (UK) 1495908. The patent is in the name of Virgin Atlantic Airways Limited ("Virgin"). The request is to correct the register so as to remove the patent in question entirely from the register. In essence, Premium's position is that Virgin expressly excluded the UK as a designated state during the

³ 2012 EWHC 2153 (PAT)

prosecution of the patent application before the European Patent Office (EPO), with the consequence that no European patent (UK) ever existed and the mention of it in the UK register is erroneous. In upholding the Office's decision not to correct the register, Floyd J noted:

Sub-rule (4) [of Rule 50] restricts the power of the Comptroller under the rule to make corrections. The corrections he may make have to be agreed with the proprietor of, or the applicant, *for the patent*. This restriction makes it clear that the procedure under the rule is only suitable for corrections of the kind which are likely to be agreed with the proprietor of (or applicant for) the patent. The Act provides an alternative mechanism for rectification of the Register by the Court under section 34 . It must always have been clear to Premium that the correction which they sought would not be agreed by Virgin. Rule 50 was therefore an incorrect procedural choice for seeking correction of the Register.

135 This decision clearly post dates the decision of the Office not to allow Mr Hall's request to correct the register and the particular point of what subsection 4 might require was not I believe a material factor in the decision of the Office. The conclusion that the Office reached is however consistent with the conclusion in *Virgin Atlantic Airways Ltd v Jet Airways (India) Ltd*.

136 I turn now to Mr Hall's request to correct the Design Register which was refused by the Office for the same reasons that were given in respect of his request to correct the patents register. The relevant legislation, section 21 of the Registered Designs Act 1949 provides that:

Section 21 Power to correct clerical errors

1) The Registrar may, in accordance with the provisions of this section, correct any error in an application for the registration or in the representation of a design, or any error in the register of designs.

2) A correction may be made in pursuance of this section either upon a request in writing made by any person interested and accompanied by the prescribed fee, or without such a request.

3) Where the Registrar proposes to make any such correction as aforesaid otherwise than in pursuance of a request made under this section, he shall give notice of the proposal to the registered proprietor or the applicant for registration of the design, as the case may be, and to any other person who appears to him to be concerned, and shall give them an opportunity to be heard before making the correction.

137 The legislation differs slightly from the corresponding patent legislation in that there is nothing directly comparable to Rule 50(4) referring to the agreement of the proprietor. Rather the Registrar must allow the proprietor to be heard on any possible changes to the register. Although the relevant section is entitled "Power to correct clerical errors", the specific provisions are not so limited, referring more broadly to the correction of any "error"⁴.

138 The test that the Office applied when rejecting Mr Hall's request to correct the

⁴ See *Allibert Exploitation's Application* [1978] R.P.C. 261 for a discussion on scope of the term "error" in section 21

design register was however the same as that used to reject the request to change the patent register. In other words the Office concluded that it was firstly not clear whether a mistake had been made and even if it was, it was unclear what the correct entry should have been. Notwithstanding that the provisions are slightly different I can see nothing wrong with the decision on correcting the design register.

Conclusions on the requests to correct the registers

- 139 I do not believe there was any procedural irregularity in how the Office handled Mr Hall's requests to correct the patent and design registers. I am also satisfied that the subsequent decisions not to correct these registers were justified.

PART IX - RECTIFICATION OF THE IRREGULARITIES

- 140 Having set out what I believe to be the procedural irregularities I turn now to the question of rectification. The relevant provisions make it clear that the Comptroller has the discretion to rectify any irregularities. So what factors are relevant to deciding whether and how to exercise this discretion?
- 141 There is as far as I am aware no great body of case law relating to these particular patent, trade mark and designs provisions. Those cases that I have found do not suggest that the normal principles of dealing with issues fairly and justly that govern the exercise of discretion more generally do not equally apply here. I would have been very surprised if they had said otherwise.
- 142 So what would be just and fair? One of the factors that clearly has a bearing on that is time. If I had been giving this decision immediately after the registrations in question had been made then it is likely that I would have struck them off the registers at least in the form they were entered and then invited the applicant to provide the necessary clarifications. I do not unfortunately have that option as it is now over 8 years after the registrations were made and a lot has happened since then that materially affects the position. It is I believe unavoidable that I must extend what is an already long decision with some of the details of events since September 2004.

Mr Hall's various challenges to the registrations

- 143 Mr Hall has sought through a variety of routes to overturn or to otherwise remove from the register the registration of the intellectual property rights to Tonewear.

Initial contact

- 144 I have discussed already whether Mr Hall's earlier request to register the assignment of the priority document from NLML to Select Hearing has any relevance to the registration in issue here.
- 145 I turn now to the efforts made post registration to challenge the registration. For the moment I will consider Mr Hall's first formal querying of the patent registration

to be an email he sent to the Office on 24th September 2004⁵. In this email he noted that he had studied the agreement that WGM had submitted as evidence of the assignment to Tonewear. Mr Hall noted that only an extract was submitted and that that extract lacked some important elements. This included amongst other things details of any third parties rights or interest. Mr Hall also raised the possibility based on alleged discussions that he had had with the administrator and also "based upon what is on file" that a third party rather than Sense-Sonic had been the proprietor of the patent from February 2003. He concluded his query by asking whether such a "truncated document" is actually sufficient to meet the requirement for registering a change in proprietorship.

146 The Official response to this email was an email that had the brief statement that "this is all we look at to register a transaction". The "this" in this instance was the assignment desk notes, a copy of which was attached to the email. The precise content of the guidance in this attachment has been the subject of much correspondence and discussion. The official file has a copy of the email sent to Mr Hall but not the attachment. So far as I can determine I believe the attachment was the single sheet entitled "ASIGNMENTS" (labeled (007) in Annex 3).

147 There then followed an exchange of correspondence between the Office; Mr Hall and WGM on behalf of Tonewear. This led to a further entry being made on the register stating that:

"By virtue of the terms of assignments dated 31.07.1991 and 18.12.1991 Northern Light Music Limited is due royalty payments from any subsequent assignee. Evidence filed on GB2267412."

148 The parties were also advised that either of them could ask the Comptroller to determine under section 37 whether any right in or under the patent should be transferred to any other person or whether an order should be made about the registration of the assignments or directing the proprietor or anyone having any right in or under the patent to do something.

The section 37 proceedings

149 Mr Hall on behalf of NLML launched proceedings under section 37 on 23rd March 2006. Mr Hall claimed in these proceedings that Conversor Products Limited (Conversor), the successor in title to Tonewear was not legally assigned the patent and that the true proprietor was still Sense-Sonic Ltd. Mr Hall also argued that Conversor should in any event pay royalties for the patent to NLM. This was opposed by Conversor who argued that there was a valid assignment and that no royalties were due.

150 As appears to be the norm for this dispute, the entitlement proceedings did not proceed smoothly and it was in the words of the Hearing Officer "littered with huge amounts of correspondence". The Hearing Officer ultimately decided in a decision⁶ dated 5th October 2007 that the issues raised by the entitlement

⁵ Mr Hall claims to have discussed his concerns about non payment of royalties with the Office on 18 June 2004 though he acknowledges that the first formal written contact was later that year.

⁶ BL 0/296/07

proceedings were such that they would more properly be determined by the Court. He therefore concluded that the Comptroller should decline to deal with the matter.

- 151 Mr Hall did not appeal this decision nor did he take the matter further in the Court. Mr Hall however attempted to re-launch the entitlement proceedings on the 24th October 2007 in the name of Sense-Sonic. The Office responded that it was minded to strike out the reference as an abuse of process. The reference was subsequently withdrawn.

Proceedings to rectify the Trade Mark Register

- 152 In October 2007, Sense-Sonic launched proceedings under section 64 of the Trade Marks Act 1994 to rectify the register. The Registrar was of the opinion that the matter of rectifying the register was more properly handled by the court and therefore declined to deal with the question. Mr Hall did not appeal that decision nor did he instigate proceedings in the Court.

Mr Hall's application to the High Court

- 153 Prior to the decline to deal decision in the entitlement proceedings, Mr Hall made an application in the name of NLML to the High Court for an Order under section 14 of the Stamp Act 1891 to remove all registrations relying on the disputed agreement. The application was however dismissed as being "procedurally ... brought at the wrong time to the wrong court".

Mr Hall's application for Judicial Review

- 154 In December 2009 Mr Hall sought judicial review of a number of decisions taken by various public bodies including the Office in this case. It is not I believe necessary to set out in any detail the particular decisions on which the review was sought. It is sufficient to note that these included decisions relating to the perceived non-disclosure of certain Office instructions relating to its internal procedure for registering assignments. I have discussed, so far as they are relevant to this review, some of these decisions above. The application for permission to apply for Judicial Review was refused initially by a decision of HHJ Pelling QC dated 4 March 2010⁷ and then further on renewal by HHJ Gilbart QC in decisions dated 15th and 17th February 2011.

Revocation of patent GB 2267412 C

- 155 In a somewhat unusual action, Conversor Products applied for revocation of its own patent GB 2267412 C. The reference was copied to Mr Hall as a potential interested party. Mr Hall had the option of filing a counter-statement contesting the application for revocation. He chose not to do so. The patent was subsequently revoked in a decision⁸ dated 16th May 2008 for want of novelty.

⁷ CO/1149/2010

⁸ BL O/139/08

The current status of the other rights in issue

- 156 Only the trade mark is still in force. The last registered proprietor of the two registered designs was Conversor Products Limited. The period of protection for the two Registered Designs expired on 8th May 2007.
- 157 Given that the patent and the registered designs are no longer in force, there is I believe little that can usefully be done in respect of the respective registers to rectify the irregularities in procedure I have outlined above. This is my preliminary view on the matter.
- 158 The position of the trade mark is slightly different as it is still in force. The register currently shows Conversor Products Limited as the proprietor. It also refers to an "Effective Assignment Date of 17th September 2004". Entry on the register as a registered proprietor provides some material benefit to Conversor. It may give it for example priority over a conflicting interest in or under the trade mark⁹. However it is important to note that entry on the register does not in itself confer ownership. Any party having a competing claim to ownership of the mark remains free to seek rectification of the register.
- 159 In respect of rectifying the irregularities that I have identified then there appears to be a number of options. These are:
- a) Leaving the registered unaltered
 - b) Inviting the current proprietor Conversor to provide the clarification that should have been sought by the Office in 2004 namely that the agreement was an assignment and not an agreement to assign and that any stamp duty that was payable had been paid. If such clarification is not provided then the register would be amended to record that the assignment from Sense-Sonic to Tonewear was made in error as a result of a procedural irregularity and is void.
- 160 Before deciding which course of action to follow in respect of the trade mark I will invite both Mr Hall and Conversor to make submissions. Any such submissions can also comment on my preliminary view to leave the patent and design registers unaltered.
- 161 That is not however the end of the matter. Mr Hall has made it quite clear to me that he is not primarily interested in any changes to the registers. Rather what he is seeking is some form of monetary award from the Office to him. He has in the course of this review argued in general that he is entitled to a substantial award though it is not entirely clear to me on what basis he makes this claim.
- 162 I will therefore invite Mr Hall to make a further submission on the matter of any monetary claim he wishes to make. Such a submission should identify any specific legal basis under which he believes he is entitled to a monetary award or whether he is seeking instead some form of ex-gratia payment and if so on what basis. In his submission on this point I would invite Mr Hall to consider the

⁹ Section 25 Trade Marks Act 1994

decision of the Appointed Person in the Bat out of Hell Trade Mark case¹⁰. Any submission should also breakdown the nature and extent of any claimed costs or expenses and also their relationship to the irregularities that I have identified.

- 163 If Mr Hall or any other person wishes to challenge the actual nature of these irregularities that I have found or not found then that should be done by appealing **this decision**.

PART X - CONCLUSIONS AND FINDINGS

- 164 It is not surprising that the process of registering an assignment of intellectual property has been described as a jungle. Each category of intellectual property has its own law, each with subtle differences especially in terms of who needs to sign the request for registration. The official forms for registering assignments of trade marks, patents and registered designs are all different. The layout of the patent and design forms, at least back in 2004, did not really help those seeking to navigate this jungle. On top of all of this is the issue of stamp duty.
- 165 It is perhaps not surprising that sometimes things go wrong. It certainly did with the handling of the requests to register the assignment of certain rights from Sense-sonic to Tonewear. More specifically I find that there were the following irregularities of procedure by the Office –
- i. **The Office should have recognised that the application to register the assignment of the patent did not meet the requirements of Rule 46 of the Patent Rules 1995. In particular it was not clear that the signature on the Form 21/77 was by or on behalf of the assignor as required by Rule 46(2).**
 - ii. **The Office also did not properly consider the documentation filed with the Form 21/77 notwithstanding that the Office thought the form was signed in line with Rule 46(2). In not considering the document, which the applicant described as being “in support” of the application, the Office failed to identify that the document most likely related to an agreement to assign (which cannot be registered under section 33 of the Patents Act 1977) rather than an actual assignment.**
 - iii. **In addition in not considering the documentation, the Office failed to identify that the agreement, which was unstamped, appeared to relate to the transfer of not just intellectual property rights and as such might be subject to stamp duty. Notwithstanding that the assignee had most likely signed the declaration that stamp duty had been paid, the Office should still have sought clarification on whether it was payable and if it actually had been paid.**

¹⁰ <http://www.ipa.gov.uk/types/tm/t-os/t-find/t-challenge-decision-results/o39802.pdf>

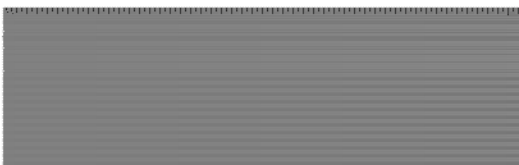
- iv. There was a further procedural irregularity in that the patent register entry made in respect of the assignment from Sense-Sonic to Tonewear did not accurately reflect that the applications comprised a Form 21/77 and supporting document.
- v. I can however find no irregularity in procedure arising from Mr Hall's attempt to register on the patents register various earlier instruments relating to the assignment of the invention and the priority document from NLML to Select Hearing save for a minor error in how this was entered on the register.
- vi. The Office should have recognised that the application to register the assignment of the trade mark did not meet the requirements of rule 41 of the Trade Marks Rules 2000. In particular the Form TM16 was not signed by or on behalf of the parties to the assignment.
- vii. The Office also did not properly consider the documentation filed with the Form TM16. If it had been then it should have been recognised that it related to an agreement to assign (which cannot be registered under section 25 of the Trade Marks Act 1994) rather than an actual assignment.
- viii. In addition it is not clear to me how the Registrar could have been satisfied that any stamp duty had been paid in respect of the transaction set out in the document.
- ix. The Office should have recognised that the application to register the assignment of the registered designs did not meet the requirements of Rule 42 of the Registered Designs Rules 1995. In particular it was unclear whether the Form 12A was signed by or on behalf of the parties to the purported assignment.
- x. The Office did not properly consider the documentation filed with the Form 12A notwithstanding that the Office thought the Form was signed in line with Rule 42. In not considering the document, the Office failed to identify that the document most likely related to an agreement to assign (which cannot be registered under section 19 of the Registered Designs Act 1949) rather than an actual assignment.
- xi. In addition in not considering the documentation, it failed to identify that the agreement, which was unstamped, appeared to relate to the transfer of not just intellectual property rights and as such might be subject to stamp duty. Notwithstanding that the assignee had most likely signed the declaration that stamp duty had been paid the Office should still have sought clarification on whether it was payable and if it actually had

been paid.

- 166 The Office should have in my opinion sought clarification on the points referred to above rather than simply registering the assignment of the rights to Tonewear.
- 167 I do not believe there was any procedural irregularity in how the Office handled Mr Hall's requests to correct the patent and design registers. I am also satisfied that the subsequent decisions not to correct these registers were justified.
- 168 I have invited further submissions from Mr Hall and Conversor Products Limited on if and how the trade mark register should be altered to rectify these irregularities. I have also invited submissions on my preliminary view that the patent and design registers should not be altered. I have also invited Mr Hall to make a submission on the matter of his claim for a monetary award in the light of the irregularities that I have identified.

Appeal

- 169 This review is conducted under provisions that have different routes of appeal.
- 170 To the extent that any appeal is limited to matters relating solely to the registration of the assignment of the trade mark then an appeal is available under section 76 of the Trade Marks Act to either the appointed person or to the court. Notice of any appeal should be filed with the Registrar of the Appeal Tribunal within a period of 6 weeks.
- 171 To the extent that any appeal is limited to matters relating solely to the registration of the assignment of the registered designs then an appeal is available under section 28 of the Registered Designs Act 1949 to the Appeal Tribunal. Notice of any appeal to the appointed person should be filed with the Registrar also within a period of 28 days.
- 172 If the appeal however covers at least in part aspects of my findings in respect of the registration of the assignment of the patent then any appeal will be to the court. Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal to the court must be lodged within 28 days.



Phil Thorpe
Deputy Director acting for the Comptroller and Registrar.

A full copy of this decision along with the annexes and supporting documents are available to [download](#).