

O-033-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2323171
BY A J POWER LIMITED
TO REGISTER THE TRADE MARK:**



IN CLASS 7

AND

**THE OPPOSITION THERETO
UNDER NO 92055
BY
LISTER-PETTER LIMITED**

Trade Marks Act 1994

**In the matter of application no 2323171
by A J Power Limited
to register the trade mark:**



**in class 7
and the opposition thereto
under no 92055
by Lister-Petter Limited**

BACKGROUND

1) On 8 February 2003 A J Power Limited, which I will refer to as AJP, applied to register the above trade mark (the trade mark). It proceeded to publication on the basis of a letter of consent supplied by Lister-Petter Limited, which I will refer to as LPL. The application was published for opposition purposes in the “Trade Marks Journal” on 18 July 2003 with the following specification:

generating sets, diesel and gas-powered generating sets; parts and fittings for all the aforesaid goods.

The above goods are in class 7 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The publication advised that AJP claims the colour indigo as an element of the trade mark.

2) On 17 October 2003 LPL filed a notice of opposition. LPL is the owner of the following trade marks:

- United Kingdom trade mark registration no 1042411A of the trade mark **LISTER**. It is registered for the following goods:

agricultural machines; but not including animal shearing and clipping machines, machinery and equipment, sheep shearing machines, machinery and equipment, grinding machines, horse and cattle clipping machinery, grinding and cutting machines, hair combing and cutting machines for animals, sharpening and polishing machines, cutting tool for hair cutting animals; water pumps for agricultural, industrial or domestic use; electric current generators; and parts included in class 7, of all the aforesaid goods.

The above goods are in class 7 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- United Kingdom trade mark registration no 1416969A of the trade marks (a series of two): **LISTER** and



They are registered for the following goods:

internal combustion engines (not for land vehicles); electric current generators; pumps; agricultural machines; but not including machinery and equipment, sheep shearing machines, machinery and equipment, grinding machines, horse and cattle clipping machinery, grinding and cutting machines, hair combing and cutting machines for animals, sharpening and polishing machines, cutting tools for hair cutting animals; and parts included in Class 7, of all the aforesaid goods.

The above goods are in class 7 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

Both of the above registrations include the following registrable transaction:

“A Supplemental Charge of Trade Marks Trade Names and Goodwill dated 29 June 1996 (the "Charge") in favour of the Governor and Company of the Bank of Scotland, Broad Street House, 55 Old Broad Street, London, EC2P 2HL. The Charge is supplemental to a Guarantee and Debenture in favour of the Governor and Company of the Bank of Scotland dated 29 June 1996. The Charge prohibits the Chargors, Lister-Petter Limited, after 29 June 1996 from doing the following without the consent of the Bank: 1. creating any mortgages, assignments, charges, liens or encumbrances in the nature of security upon the trade marks or any part thereof; 2. selling, assigning, transferring, licensing, agreeing to licence or otherwise authorising or permitting any other person, firm or entity to use or otherwise exploit any of the trade marks or any interest therein (including the equity of redemption); 3. amending the specification of any registered trade mark or consenting to, or authorising any third party to use or register any trade marks(s) the same as or confusingly similar to the trade marks/trade mark applications or services identical or similar to the goods or services in respect of which the trade marks/trade mark applications subsist; 4. entering into any contract or arrangement for supply or otherwise whereby any third party obtains any assignment of or any right, licence or permission to use any trade mark on the occurrence or non-occurrence of any future event or circumstance whether such event or circumstance is a breach of contract by or the insolvency of such Chargor or any other event or circumstance whatsoever.”

- Community trade mark registration no 49155 of the trade mark:



It is registered for the following goods and services:

engines (not for land vehicles); parts and fittings for all these goods;

engines for land vehicles, and parts and fittings therefor;

installation, maintenance and repair of engines; consultancy and advisory services relating to the aforesaid services.

The above goods and services are in classes 7, 12 and 37 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

LPL claims that the respective trade marks are similar and that the respective goods are identical or similar. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

3) On 30 April 2003 LPL wrote a letter of consent to use of the registration of the trade mark detailing the trade marks referred to above and several others. LPL states that the letter of consent was sent in error. LPL states that on discovering that the letter of consent was sent in error LPL contacted AJP requesting that it withdraw the application. LPL states that it did object to use and registration. LPL claims that AJP agreed to withdraw its application but that, following discussion with the Trade Marks Registry, it became apparent that the application had not been withdrawn.

4) LPL seeks the refusal of the application and an award of costs.

5) AJP filed a counterstatement. AJP denies that registration of the trade mark would be contrary to section 5(2)(b) of the Act. AJP states that registration of the trade mark would not interfere with the legitimate conduct of LPL's business as the former has signed a contract (dated 5 February 2003) with the latter to manufacture generating sets on the latter's behalf. AJP states that this contract authorises AJP to build, brand and distribute generating sets through the existing "Lister Petter" worldwide distribution network, for which a market access fee would be paid to Lister Petter UK Limited. AJP states that this contract gave it the exclusive right and licence to use Lister Petter trade marks as identified within the contract.

6) AJP states that it approached LPL at the outset in good faith and feels that it is being opposed on an invalid basis, possibly due to the fact that Lister Petter UK Limited is currently in administration and that the administrator is simply trying to protect its assets. AJP states that this event happened after it had met all the requirements for the application to be processed and published.

7) AJP denies that any request was made to withdraw the application and so it never agreed to withdraw the application. AJP states that it was simply informed by telephone that an objection would be raised, with no further discussion.

8) AJP seeks the dismissal of the opposition and an award of costs.

9) Both sides filed evidence.

10) Both sides were advised that it was believed that a decision could be made without recourse to a hearing. However, the sides were advised that they retained their rights to a hearing. Neither side requested a hearing. Both sides filed written submissions.

EVIDENCE

11) The evidence in this case is focused upon the contractual arrangements between the two sides and the letter of consent. Evidence has been furnished by Ashley Pigott for AJP. Mr Pigott is the managing director of AJP. LPL has furnished evidence from Roland FG Smith, Mr Smith is the managing director of LPL. He has been working for LPL, its predecessors in title and related companies for forty years. Mr Alan MacLeod, director of Alan MacLeod Consulting Limited, also furnishes evidence for LPL.

12) The registered trade marks are in the name of LPL. Mr Smith refers to himself as managing director of LPL. However, various documents, including the two contracts between the two sides, show the name Lister Petter UK Limited. Neither side has commented or argued that, in the terms of this case, that there is any effect on the presence of documents relating to both Lister Petter UK Limited and LPL. Indeed, they appear to have treated the companies as one and the same, although I assume that they are not. Indeed, Mr Smith specifically relates the form of the signature of the agreement he exhibits at Lister2, between Lister Petter UK Limited and AJP, to the memorandum of association of LPL. The letter of consent, upon which so much turns, is on Lister Petter UK Limited notepaper but is signed for and on behalf of LPL. In the absence of either side making any submissions or comments in relation to this matter, I do not intend to.

13) Two contracts between Lister Petter UK Limited and AJP have been exhibited. One agreement is for AJP to manufacture and sell generating sets to LPL distributors worldwide, exhibited at AJPpower3. In relation to arguments put forward by LPL in relation to the validity of the letter of consent, it is of note that the agreement is signed for LPL by one person only, Bonnie Dean, the chief executive. The agreement was signed by Ms Dean on 20 December 2002 and by Mr Pigott on 5 February 2003.

14) Part 2 of the agreement exhibited at AJPpower3 relates to licence exclusivity. It grants to AJP the exclusive right to use LPL's trade marks as exhibited in exhibit C of the agreement for generating sets and diesel engines (India, the United States of America and Canada are excluded from the agreement). However, exhibit C does not show any trade marks in its body, although at the top of the page there is a composite trade mark. This part of the agreement states that LPL may continue to manufacture and sell generating sets powered by 'T' and 'Alpha' range engines but that it is the

intention of both sides to “facilitate the transfer of manufacture of these products to AJ Power when appropriate”. The agreement goes on to state that LPL will incorporate its engines into the generating sets as appropriate under the terms of a separate engine supply contract. This engine supply contract appears to be the agreement that is exhibited at Lister2. This agreement is dated 5 February 2003 and is signed by two persons for each of the sides, one of whom is Ms Dean. This agreement has a section dealing with trade marks (and patents). This section states:

“21.1 LPUK own various trade marks for LPUK’s Equipment if AJP manufacture Products from any of LPUK’s Equipment and wish to refer (whether on the materials or not) to any of LPUK’s trade marks, AJP may do so only with LPUK’s written permission not to be unreasonably withheld.

21.2 All Equipment will be marked but not limited to LPUK trademarks, trade names, serial numbers, AJP Equipment numbers, logo types and identifying information designated by AJP.....”

15) In its challenging of the validity of the letter of consent, LPL refers to article 22 of its memorandum of association:

“COMPANY SEAL

A document may be executed by the Company either under its Common Seal or otherwise provided that:-

- (a) in the case of a document executed under its Common Seal the same be signed by such person or persons as the Directors may determine and unless so determined it shall be signed by a Director and the Company Secretary or by two Directors;
- (b) in the case of a document executed by the Company otherwise than under its Common Seal the same be signed by a Director and the Company Secretary or by two Directors.

The obligation under regulation 6 in Table A relating to the sealing of share certificates shall only apply if the Company has a Common Seal.

Regulation 101 in Table A shall not apply to the Company.”

16) Part of the evidence deals with Mr MacLeod’s position at LPL. Mr MacLeod has been employed as commercial controller (sales and marketing) for LPL since 16 February 2001. A copy of the interim contract offered to Mr MacLeod is exhibited at Lister1, this contract is in the form of a letter and has been sent by one person. Mr MacLeod is employed as a contractor through his company, Alan MacLeod Consulting Limited, by LPL. Mr MacLeod was involved in the development of the agreements with AJP. In his witness statement Mr Smith states that Mr MacLeod cannot authorise documents for LPL, as he is not a principal officer of LPL nor an authorised signatory. Mr Smith states that if he had been approached he would not have granted consent. He states that Mr MacLeod never discussed the letter of consent with him. Mr MacLeod confirms his position at LPL. He states that he was involved in the drawing up of the agreements between LPL and AJP. (He refers to the

“opponent” and so to LPL and not Lister Petter UK Limited.) Mr MacLeod admits that he issued the letter of consent to AJP. He states that in issuing the letter of consent he did not realise the significance of the document. Mr MacLeod states that if he had spoken to his colleagues he would not have given consent to use and registration of the trade mark. Mr Pigott states that he has conducted business with Mr MacLeod since February 2001 and never had any reason to doubt the latter’s ability and power to sign documents on behalf of Lister Petter UK Limited. He states that the chief executive of Lister Petter UK Limited delegated all negotiations to Mr MacLeod and Mr Paul Townson (general manager). Mr Pigott exhibits Mr MacLeod’s business card and the letter of consent.

17) The business card shows the name Alan MacLeod with the title “sales and marketing director”, the card shows Mr MacLeod as holding this title for Lister Petter UK Limited. The letter of consent is upon Lister Petter UK Limited headed note paper. It is dated 30 April 2003 and is addressed directly to the Trade Marks Registry. However, it was not received by the Trade Marks Registry until 6 June 2003. The letter shows the trade mark the subject of the application and lists, inter alia, trade mark numbers 1416969, 1042411 and 49155. It does not include the suffixes of the first two marks. Mr MacLeod states:

“Please accept this letter as our consent to allow AJ Power Limited to apply for and use the Trade Mark as applied for under the above-mentioned Application No. (namely 2323171) for “ListerPower”, to be Trade Marked (under Class 7)...”

A representation of the trade mark then follows. Mr MacLeod goes on to write:

“We have no objection to the above Trade Mark and believe it will not cause confusion with our own existing Trade Marks as listed below:”

18) Mr Pigott states that he was unaware that Mr MacLeod was appointed on an interim contract as a consultant. He states that the Inland Revenue considers an individual working full time for a company as being an employee of that company and, consequently, is subject to PAYE/NIC rules. Mr Pigott states that a consultant cannot work for one company, if he does he must be considered to be a full time employee of the company. Mr Pigott states that it is, therefore, erroneous for LPL to claim that Mr MacLeod was an employee. I assume that there is a typographical error here and Mr Pigott is stating that it is erroneous for LPL to claim that Mr MacLeod was not an employee.

19) Mr Smith states that as soon as it came to light that the letter of consent had been granted in error, he spoke to AJP requesting that the application be withdrawn as the consent should not have been granted. He states that there was a verbal agreement that AJP would withdraw the application. In his evidence Mr Pigott denies that he agreed to withdraw the application. He refers to his counterstatement as representing the true state of affairs.

20) Mr Pigott states that with the packaging agreement in place, the agreement exhibited at AJPpower3, and the intention for AJP to manufacture all generating sets for LPL to be sold to their distributors, AJP made a ‘product offering’ presentation to

senior LPL personnel. He exhibits at AJPower4 a copy of the documentation relating to this presentation. Mr Pigott states that within the document the trade mark was shown. In fact, at page 19, there are indications as to what two Internet pages will show. One has “Welcome to ListerPower” upon it, and the other “ListerPower company information”. He states that “no issues” were raised concerning the use of the trade mark as the whole spirit of the packaging agreement is that AJP is ListerPower, being the generating set producer for LPL.

DECISION

Likelihood of confusion – section 5(2)(b) of the Act

21) The first issue to consider is whether there is a likelihood of confusion. If there is not then the issues relating to the letter of consent become academic.

22) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”

The trade marks upon which LPL relies are earlier trade marks within the meaning of section 6(1)(a) of the Act.

23) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723.

24) In this case section 5(5) of the Act requires consideration:

“(5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.”

Comparison of goods

25) There has not been any argument that the respective goods are not identical or similar. I consider that the goods of the application must be included in *electric current generators* (which cover all types of electric current generators) and their

parts of registration no 1416969A. **Consequently, the respective goods are identical.**

Comparison of trade marks

26) I consider that if LPL cannot succeed in the word only form of LISTER, of 1416969A, it will not be able to succeed in respect of any other of its trade marks. So the comparison is:

Earlier registration

LISTER

Application:



27) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

28) The device element of the trade mark is alien to LPL’s earlier trade mark. There is a clear visual difference between the respective trade marks, although they coincide in the word Lister. The goods of the application produce power and so the Power element, is in my view, a weak element in the trade mark. I note that the trade mark, from the headed notepaper of AJP, combines AJP’s device and its use of the word Power as part of AJ Power with the word Lister. No doubt it is meant to identify the relationship between the two sides in the production of the generators. However, viewing the trade mark as a whole and taking into account that there is no reason why any prospective customer would know this (especially as the trade mark could be sold on), I do not consider that this can affect my analysis. Taking into account the nature of the goods, I am of the view that the distinctive and dominant element of both trade marks is the word LISTER. In considering the respective trade marks I need to bear in mind their differences as well as their similarities. Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Lee Alexander McQueen v Nicholas Steven Croom* [2005] RPC 23 stated:

“The differences and the similarities had to be given as much or as little significance as the average consumer would have attached to them at the date of the opposed application for registration.”

and

“My difficulty is that in these passages of his decision the Hearing Officer has concentrated on the similarities to the exclusion of the differences between the marks in question. That might not have mattered if the marks differed only in respect of elements to which the average consumer would have attached little, if any, significance.”

However, Mr Hobbs QC, sitting as the appointed person, in *Torremar* [2003] RPC 4 stated:

“At this point it is necessary to observe that marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode or element of expression to be perceived, in the context of the marks as a whole, as origin specific (see, for example, *Wagamama Ltd v City Centre Restaurants Plc* [1995] FSR 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd* [1988] FSR 283).”

I also take into account that the purchasing decision in relation to the goods is likely to be very careful and educated; it is very much at the other end of buying a bag of sweets. However, I do not consider that this can gainsay the similarities that exist between the respective trade marks. **I consider that the respective trade marks are similar.**

Conclusion

29) In considering whether there is a likelihood of confusion, the distinctiveness or otherwise of the earlier trade mark has to be taken into account. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgement of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). I am aware that Lister is a surname, owing to the fame of Joseph Lister. However, there is nothing to suggest that the surname Lister is commonly used in the trade in relation to such goods and so would lack distinctive character (see the judgment of the ECJ in *Nichols plc v Registrar of Trade Marks* Case C-404/02 re the assessment of the distinctiveness of surnames). There is nothing to suggest that Lister

is in anyway descriptive of the goods. I consider that the trade mark LISTER for the relevant goods will enjoy a good deal of inherent distinctiveness.

30) The European Court of Justice held that a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case the respective goods are identical. I am also of the view, taking into account the fact that the goods produce power, that there is a good deal of similarity between the respective trade marks.

31) Mr MacLeod in his letter of consent states:

“We have no objection to the above Trade Mark and believe it will not cause confusion with our own existing Trade Marks...”

LPL’s opposition resiles (draws back) from this position. Can it do so? I deal with Mr MacLeod’s position and the letter of consent in more detail below. In relation to this particular issue, I can deal with just the simple point as to whether LPL can resile from its earlier position or whether it cannot because it is estopped. In *Job Trade Mark* [1993] FSR 118 the hearing officer stated:

“From this sequence of events Mr. Fysh went on to submit that a person may not "approve" and "reprobate" at the same time. Paragraph 1507 of Halsbury reads as follows:

On the principle that a person may not approve and reprobate, a species of estoppel has arisen which seems to be intermediate between estoppel by record and estoppel in pais. The principle that a person may not approve and reprobate expresses two propositions, (1) that the person in question, having a choice between two courses of conduct, is to be treated as having made an election from which he cannot resile, and (2) that he will not be regarded, in general at any rate, as having so elected unless he has taken a benefit under or arising out of the course of conduct which he has first pursued and with which his subsequent conduct is inconsistent.

Thus a plaintiff, having two inconsistent claims, who elects to abandon one and pursue the other may not, in general, afterwards choose to return to the former claims and sue on it; but this rule of election does not apply where the two claims are not inconsistent and the circumstances do not show an intention to abandon one of them.

The common law principle which puts a man to his election between alternative inconsistent courses of conduct has no connection with the equitable doctrine of election and relates mainly, though not exclusively, to alternative remedies in a court of justice.”

I cannot see that LPL has taken a benefit in resiling from the position in the letter and so I am of the view that it is not caught by estoppel in pais.

32) AJP refer to the exclusive licence it has to use trade marks of LPL. The granting of a licence to use is not the same as allowing registration, indeed the nature of trade mark licensing makes it usually the very opposite. One is licensed to use another's trade mark, not to register it. Therefore, I do not consider that this has a bearing upon the issue. AJP made a presentation showing ListerPower to Lister Petter UK Limited staff. They did not object. However, such a presentation is not a consideration of an application for a trade mark registration. I, therefore, do not consider that use of ListerPower at the presentation has a bearing upon whether there is a likelihood of confusion.

33) Taking all the above into account, I consider that there is a likelihood of confusion.

Promissory estoppel

34) The matter does not rest there, however. There is an issue as to whether LPL can resile from the position in its letter of consent; whether there is promissory estoppel. "Halsbury's Laws of England" describes promissory estoppel in the following terms:

"Promissory estoppel is an extension by equity of common law estoppel by representation. The principle of promissory estoppel is that, when one party has, by his words or conduct, made to the other a clear and unequivocal promise or assurance which was intended to affect the legal relations between them and to be acted on accordingly, then, once the other party has taken him at his word and acted on it, the one who gave the promise or assurance cannot afterwards be allowed to revert to their previous legal relations as if no such promise or assurance had been made by him, but must accept their legal relations subject to the qualification which he himself has so introduced. This principle was developed in a line of authority from 1877 onwards but first clearly enunciated in 1944. The term 'promissory estoppel' was not, however, used in the 1944 judgment generally taken as the basis of the doctrine."

A clear and unequivocal promise was made to AJP which removed a legal hurdle under section 5(2)(b) of the Act. It was expected that AJP would act upon it and affected its relations with LPL in that the earlier trade marks could not be used against it. Following upon this promise, the letter of consent, AJP continued with its application on the basis of that promise.

35) "Halsbury" deals with estoppel by representation in the following terms:

"In order for estoppel by representation to operate, there must have been a representation made by the person to be estopped to the person claiming the benefit of the estoppel. To form the basis of an estoppel a representation may be made either by statement or by conduct; and conduct includes negligence and silence. Certain general propositions are, however, applicable, in whatever manner the representation is made. The representation must be made voluntarily; if made apparently on another's behalf, it must be made by a person having the authority to do so; it must be communicated to the person to whom it was addressed; and only the person to whom it was addressed may use it to support a plea of estoppel."

“Halsbury” also states:

“A representation made by an agent is as effectual for the purpose of estoppel as if it had been made by his principal. Thus a company may be estopped by representations made by its officer in the ordinary way of business. It is equally clear, however, that no estoppel can arise from the representation of an agent unless it is within his actual or ostensible authority to make it.”

36) LPL is trying to resile from its position upon the basis of the validity of the letter of consent. LPL claims that the letter of consent is invalid because of its memorandum of association. However, such a plea is in direct contradiction to the Companies Act 1985 section 35(1) (as substituted), which states:

“(1) The validity of an act done by a company shall not be called into question on the ground of lack of capacity by reason of anything in the company’s memorandum.”

It then states that the letter of consent is invalid because Mr MacLeod was not in a position to write such a letter. It states that one reason for this is that he is not an employee of the LPL. Mr Power states that he had no idea of the employment status of Mr MacLeod. Why should he? The negotiations between the two sides were conducted by Mr MacLeod on behalf of Lister Petter UK Limited. Mr MacLeod was described by Lister Petter UK Limited as its sales and marketing director. There is no caveat upon his card to state that he is a contractor. Many undertakings employ persons as contractors. There are a variety of reasons for them so to do eg for tax purposes and for flexibility. That someone is a contractor does not make him any the less a representative of a company. The status as a contractor does not change the nature and functions of an employee. I cannot say, as Mr Pigott does, whether Mr MacLeod’s position is compatible with Inland Revenue rules. However, I can state that the fact that he was a contractor is not in itself a relevant factor. LPL denies that Mr MacLeod had the power to write a letter of consent. Whether this is the case or not, is not, in my view key to the issue. “Halsbury” refers to ostensible authority. Mr MacLeod has conducted the negotiations with AJP, he holds a senior position in Lister Petter UK Limited, whether as a contractor or not. For AJP, Mr MacLeod would certainly have the ostensible authority. Mr MacLeod clearly thought he had the authority to write a letter of consent, even if he regrets writing it now. In *Crabb v Arun District Council* [1976] Ch 179 at 193, [1975] 3 All ER 865 at 875, CA, Scarman LJ stated:

“The approach of equity, when there is a question of agency in a field such as this, must I think be a very simple one. It will merely be that, within reasonable limits, those to whom a defendant entrusts the conduct of negotiations must be treated as having the authority, which, within the course of the negotiations, they purport to exercise. I put it in that way in the light of the comments of Lord Denning MR in *Moorgate Mercantile Co Ltd v Twitchings*—comments which were themselves made on a judgment to the same effect in *Attorney General to the Prince of Wales v Collom* ([1916] 2 KB 193 at 203). I would add only one reservation to this broad proposition. It is as follows. The defendant, if he thinks that an agent has exceeded his

instructions, can always so inform the plaintiff before the plaintiff acts to his detriment in reliance on what the agent has said or done. If a defendant has done so, the plaintiff cannot then establish the equity, for the defendant will have intervened to prevent him acting to his detriment. Nothing of that sort happened in this case. After the meeting in July 1967, to which both Lord Denning MR and Lawton LJ have referred, the plaintiff was left to form his own conclusions as to the intentions of the defendants.”

LPL states that it contacted AJP when it decided that a mistake had been made, that Mr MacLeod had exceeded his authority. However, it is not clear when this approach was made. Mr Smith states that he asked for the application to be withdrawn and that AJP agreed. He gives no details of the request. Mr Pigott denies that he agreed to withdraw the application. He states that all that LPL did was state that it would oppose the application. It seems to me that it could have been expected that LPL would put something in writing. This is a matter that would seem to demand more than a mere telephone call. In the days of e-mail and facsimile transmission it is not difficult to deal speedily with matters in writing. This is a serious matter to LPL, one assumes, as it has filed the opposition. Yet Mr Smith did not consider it appropriate to write to AJP. Mr Pigott sees this as a measure behind which is the administrator. In the absence of any written evidence, and the contradiction in the evidence, I am not prepared to accept that LPL requested AJP to withdraw the application or that AJP agreed so to do.

37) Various questions are left unanswered as to LPL’s decision to resile from granting consent. It is not explained when, where, how and why it decided to resile from its earlier position. Mr Smith’s statement includes ambiguity. He states:

“As soon as it came to light that the letter of consent had been granted in error, I spoke to the Applicant....”

He does not state that he contacted AJP as soon as he knew the letter of consent had been issued but when it came to light that the letter had been granted in error. This is not the same thing. Someone, Mr Pigott thinks the administrator, decided that the letter had been issued in error and then action was taken. It surprises me also that LPL makes no reference to the registrable transactions recorded in relation to its United Kingdom trade mark registrations. If there had been an error in the issuing of the letter of consent, the registrable transaction would seem to represent a firm basis for the claim. However, LPL does not indicate in any shape or form that the letter of consent was issued contrary to clause 3 of the registrable transaction.

38) LPL refers to the decision of Dr Trott in BL 0/554/01 where he commented that a mistake can invalidate both consent and a contract. A mistake might have such an effect. It depends on the mistake. It depends on what has happened since the mistake was made. A mistake can still give rise to estoppel as in *Downderry Construction Ltd v Secretary of State for Transport, Local Government and the Regions and another* [2002] EWHC 2 (Admin).

39) The evidence does not convince me that the letter of consent was issued as a result of a mistake or error. From the evidence before me, and the lacunas in the evidence, I reach the conclusion that LPL regrets having issued the letter of consent. However,

that it regrets having issued the letter of consent does not mean that the letter itself was the product of an error. Also, in the context of joint enterprise between the two sides and Mr MacLeod's rôle in that enterprise, Mr MacLeod would have the ostensible authority to issue such a letter.

40) LPL wishes to withdraw the letter of consent. As Dr Trott stated in BL 0/554/01, there is nothing to prevent such a withdrawal, at least prior to registration. However, what effect such a withdrawal will have will depend on whether promissory estoppel will bite. I have to decide if subsequent to the issuing the letter of consent AJP followed a course of action or acted to its detriment in reliance upon the letter of consent. If an application had been made upon the basis of the letter of consent then the issue would be, in my view, much clearer. However, the letter of consent followed application and examination. AJP has put in no evidence to show that owing to its actions, since the issuing of the letter of consent, that it would suffer any detriment, other than that relating to the trade mark application. The only clear detriment that it has suffered is being the subject of this opposition and the possible refusal of the application. So the opposition action in itself is the detriment, there is no evidence of any detriment outside of the actual opposition; creating a circle. The course of action, in terms of estoppel, that AJP followed was contesting the opposition which arose effectively because of the withdrawal of the letter of consent. If LPL had put its change of mind in writing prior to the filing of the opposition, the opposition might not have been necessary and AJP might not have felt the need to defend itself. I have come to the conclusion that, as the basis of the opposition is the withdrawal of consent, and the resistance to the opposition is the only clear act arising from the withdrawal of the letter of consent and the only detriment is being the subject of the opposition and the possible refusal of the application, that promissory estoppel cannot bite in this case. The detriment to AJP and its actions are bound solely within the opposition proceedings. In effect LPL has got in early enough to save itself from being estopped in its action.

41) Consequent upon the above, I find that registration of the trade mark would be contrary to section 5(2)(b) of the Act and that the application should be refused in its entirety.

COSTS

42) I have a wide discretion in the award of costs (as per *Rizla Ltd's Application* [1993] RPC 365). In this case LPL has won the case. However, the opposition was caused by its actions. If it had not granted consent and then decided to withdraw it, the application would never have been published and the opposition would never have arisen. I am of the view that the cost burden must fall upon LPL. It might have escaped the effects of its letter of consent but I do not see why AJP should suffer financially because of this. Registered proprietors cannot play fast and loose with letters of consent. As I have stated, I am not convinced that the letter was even issued in error. In my view AJP has acted properly and reasonably throughout the processing of its application and opposition and can reasonably feel aggrieved by the actions of LPL; even if I have decided that it cannot benefit from a legal remedy. I have decided, therefore, that Lister-Petter Limited should make a contribution towards the costs of A J Power Limited.

43) In Adrenalin Trade Mark, BL 0/040/02, Simon Thorley QC, sitting as the Appointed Person on appeal, observed that:

“ It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.”

Part 48.6 of the Civil Procedure Rules referred to in the above passage provides as follows:

“48.6—(1) This Rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative.”

AJP has not been professionally represented during the opposition and so its award will be reduced by one third.

44) I order Lister-Petter Limited to pay A J Power Limited the sum of £667. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3rd day of February 2005

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