

O-046-05

TRADE MARKS ACT 1994

IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO APPLICATION FOR REVOCATION NO. 81684
BY JIMMY OSMAN
OF REGISTERED TRADE MARK NO. 1494192
IN THE NAME OF MOTOWN RECORD COMPANY LP

TRADE MARKS ACT 1994

IN THE MATTER of an interlocutory hearing in relation to an application No. 81684 by Jimmy Osman of registered Trade Mark No. 1494192 in the name of Motown Record Company LP

Background

1. On 25 March 2004 Lloyd Wise, on behalf of Jimmy Osman (“the applicant”) filed an application for revocation of trade mark registration No. 1494192. The application was filed under the provisions of section 46(1)(a) and (b) of the Act.

2. On 1 July 2004 the registered proprietor filed Form TM8 and counterstatement along with evidence of use. The documentation was served on the applicant in the usual way and, by way of a letter from the registry and dated 16 July 2004, he was allowed until 16 October 2004 to file evidence in support of his application. The letter included the following paragraph:

“Failure to file evidence by the due date may result in your application being deemed abandoned under Rule 31(5) of the Trade Marks Rules. You should note that if a request is received to extend the above period, the Registrar would expect the request to include full and detailed reasons.”

3. By way of a letter dated 6 October 2004 the applicant advised:

“Please note that we will not be filing any evidence and the Applicant seeks to rely on the grounds cited in the Statement of Grounds dated 26th March 2004. We would however be prepared to file further written submissions or attend a hearing if necessary in support of the Application.”

For clarification, I should point out that the Form TM26(N) as completed by Lloyd Wise, was dated 26 March but was, as set out in paragraph 1 above, filed on 25 March.

4. The registrar sought comments from the proprietor. It replied essentially indicating it did not support the applicant’s position. The registry later issued a letter dated 28 October which said;

“as no reasons have been furnished to allow the Registrar to direct that the proceedings continue absent evidence from the Applicant, the application should be deemed abandoned under Rule 31(5) of the Trade Marks Rules 2000.”

5. There then followed a brief exchange of correspondence the details of which I do not need to go into other than to say that the applicant maintained its request to continue the application without filing evidence. It also filed a request for an

extension of time within which to file evidence. This request was also refused. The applicant requested to be heard.

6. A hearing was appointed and took place before me on 13 December 2004. At the hearing, held via videoconference, Ms Mensah of Counsel represented the applicant. Mr Davis of Counsel represented the proprietor. Both filed quite lengthy skeleton arguments prior to the hearing. The issues before me were the applicant's request to continue the proceedings absent evidence and the alternative request for an extension of time for filing evidence.

7. My decision, confirmed by way of a letter dated 14 December 2004 was to exercise discretion in the applicant's favour and allow the application to proceed absent applicant's evidence. That being the case, I did not go on to consider the request for an extension of time for filing evidence.

8. I was subsequently asked to provide a written statement of grounds of my decision and this I now give.

Grounds of decision

9. The revocation was brought under the provisions of section 46(1)(a) and (b) of the Act. Section 46 reads:

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

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

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

(c).....”

10. Also relevant is Rule 31 which states:

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

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

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

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

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

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

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

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

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

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

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

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

date when the notice of the decision is sent shall be taken to be the date of the decision.”

11. Section 100 is also relevant and states:

“**100.** If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

12. In her submissions Ms Mensah urged me to allow the application to continue absent evidence. She argued that it is not a requirement for an applicant to file evidence. There is, she said, a clear discretion to exercise both in the context of the need to file evidence under rule 31(4) and the effects of non-filing under rule 31(5). There are no specific rules or a practice direction on the point and the registrar is, she said, entitled of his own volition to make a direction in an appropriate case.

13. Ms Mensah submitted there had been no procedural failure on the part of the applicant and that this was a suitable case on which to issue a direction to continue.

14. Ms Mensah went on to say that the burden of proof in revocation actions based on non-use was on the proprietor. The applicant was of the opinion that evidence filed by the proprietor was wholly insufficient and did not warrant a response by way of evidence. It was the applicant’s contention that the case could be dealt with by submissions at a hearing or in writing if appropriate. Proceeding without evidence would have the added benefit of saving time and costs.

15. The applicant’s letter of 6 October was, she said, an implicit request to proceed without filing evidence. The reasons for the request were given in that letter: the applicant would seek to rely on the statement of grounds it had filed. It was, she added, common sense and pragmatic not to require evidence when evidence was not necessary.

16. Ms Mensah argued that although there were no specific rules or practices dealing with the continuance of revocation actions absent any evidence from the applicant, guidance could be sought from the published practice applicable in opposition proceedings (see copy attached at annex A).

17. For his part, Mr Davis urged me to look at the broader picture and consider the administration of justice. The applicant had had, he said, nine months to advance its case but had not, in fact, progressed it at all.

18. Mr Davis said that it was for the applicant to show why the discretion should be exercised, the default position being that the application would be withdrawn unless the registrar directed otherwise. The applicant had not proved why the registrar should direct otherwise and should give reasons if it wanted them to be taken into account. The existence of a discretion, said Mr Davis, was not enough; the discretion has to be exercised and exercised judicially so an applicant would be well advised to give reasons.

19. Mr Davis argued that the applicant's indication that it intended to rely on its statement of grounds said nothing and the promise to file further submissions prior to any hearing was insufficient. If the applicant wished to criticise the proprietor's evidence he should do so at an early stage so that the proprietor knows the case against it. The proprietor was, he said, still entirely unclear as to why the applicant considered his evidence of use to be insufficient.

20. It is clear from the use of the word "may" in rule 31(4) that the filing of evidence by the applicant is not mandatory. It is equally clear from the wording of rule 31(5) that if the applicant files no such evidence "he shall, unless the registrar otherwise directs, be deemed to have withdrawn his application". The registrar therefore has a discretion as to whether to allow an applicant to continue its attack absent the filing of evidence.

21. In my view, the exercise of such discretion is not something that should be done "automatically". In order to exercise his discretion to allow an applicant to continue a revocation action absent the filing of evidence, the registrar must have some information before him on which to base his decision. That information can come from submissions made by the parties and/or can come from the circumstances of the case itself.

22. The exercise of the discretion requires a threshold to be crossed but it seems to me that the threshold is not a particularly high one. The applicant has made it clear that it does not wish to abandon its application; that it seeks to rely on its statement of grounds; that the filing of evidence from the applicant is not mandatory; that in revocation actions the onus to show use is on the registered proprietor; that although it considers the registered proprietor's evidence insufficient it has no facts to prove and intends to deal with it by way of written and/or oral submissions.

23. In the applicant's opinion the evidence of use is insufficient to discharge the onus on it. Whilst it may be useful to the registered proprietor to know why the applicant holds this opinion, there is no legal requirement for the applicant to divulge its reasons at this stage.

24. Whether or not any evidence filed is challenged by an applicant, the onus remains with the registered proprietor to show what use has been made of the trade mark. It is a matter for the registered proprietor to ensure it files its best evidence. It is a matter for the applicant to decide if and if so how, it wishes to challenge that evidence. It is a matter for the registrar to assess the relevance and weight of all the evidence filed, at the appropriate time.

25. As I indicated earlier, the applicant referred me to the registrar's published practice on the abandonment of opposition proceedings where the opponent seeks not to file evidence. The aim of the practice is "to reduce the risk of unnecessary expense and waste of time". Any decision in the opponent's favour is conditional upon it complying with the agreed procedure to provide written or oral submissions at the appropriate time. Opposition actions are clearly different to those of revocation however it seems to me that some guidance can be drawn from the practice. It is in no-one's best interest to encourage the preparation and filing of unnecessary evidence.

26. As has been stated many times in previous decisions of the registrar, the purpose of evidence is to prove or disprove facts not to provide a vehicle for submissions and opinion. This being so, and taking all the circumstances into account, I considered that the discretion whether to allow the revocation proceedings to continue absent evidence from the applicant should be exercised in the applicant's favour. To ensure that the applicant does take part in the subsequent conduct of proceedings, this decision is conditional on the applicant providing written or oral submissions in due course.

27. Having exercised the discretion to allow the proceedings to continue absent evidence from the applicant, I did not go on to consider the alternative submission that it be allowed an extension of time for the filing of evidence.

28. The effect of my decision was that the proceedings would continue, with the registered proprietor being allowed a period for filing any further evidence it may wish to file to support its case, under rule 31(6).

29. I made no award of costs but indicated that the question of costs for the interlocutory hearing would be considered as part of the final determination of these proceedings.

Dated this 2nd day of March 2005

Ann Corbett
For the Registrar
The Comptroller-General