

O-121-06

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2305250 OF THE TRADE
MARK**

ATOTA

IN THE NAME OF ATOTA COMMUNICATIONS LTD

AND

**APPLICATION FOR RECTIFICATION UNDER NO. 82181 THERETO BY
MICHAEL CHARLES WHITE**

TRADE MARKS ACT 1994

IN THE MATTER OF Registration No. 2305250 of the trade mark ATOTA in the name of Atota Communications Ltd and application for rectification under No. 82181 thereto by Michael Charles White

BACKGROUND

1. On 13 July 2002 Atota Limited applied for registration of the trade mark ATOTA. The application was numbered 2305250. Following examination of the application, it was accepted and published before being registered on 20 June 2003.
2. On 29 April 2005, an application to amend the register to record a change of ownership of the trade mark was filed on Form TM16 by Gavin S B Jamieson. It sought to amend the name of the registered proprietor to Atota Communications Limited said to be the result of an assignment of the trade mark. That change to the register was subsequently effected and the registration now stands in the name of Atota Communications Ltd.
3. On 9 June 2005, Michael Charles White filed an application to rectify the register. He seeks to return the recorded ownership of the registration from Atota Communications Ltd to Atota Ltd. Mr White is a director of Atota Ltd and claims that the trade mark was assigned without his knowledge or consent and without the knowledge of the Company Secretary. He provides a statement of reasons as follows:

“I am 50% owner and co-director of Atota Ltd with Mr Gavin Jamieson, who owns the other 50%.

I understand this trade mark was assigned to Atota Communications Ltd on the 28th April 2005. This company is owned solely by Mr Jamieson and until the 14th April 2005 was called Heathergrove Ltd, whereupon he changed the name through Companies House, without the knowledge and consent of myself and the company secretary of Atota Ltd. This to my mind was done in breach of the trade mark, to the detriment of Atota Ltd and for Mr Jamieson’s own personal gain. In my view he has not discharged his responsibility as a director of Atota Ltd appropriately.

By way of background to this matter, on the 11th April 2005 myself and Mr Jamieson met whereupon I discussed with Mr Jamieson, my dissatisfaction with the way the company was functioning and difficulties in relation to our business partnership. I felt I could no longer work with Mr Jamieson, my decision having been arrived at for a number of reasons, one of which was Mr Jamieson’s constant failure to communicate effectively with myself, his failure to accept that the company was not his property to do with as he wanted, in that Atota Limited was an entity in its own right. It was verbally agreed that we would go our separate ways, I would form my own company and that Mr

Jamieson would operate under his existing company Heathergrove Ltd. I formed Saratota Ltd on the 14th April 2005 as a result of this meeting.

Mr Jamieson called a meeting on the 27th April 2005 which was attended by myself, Mr Jamieson and Mrs White, company secretary. At this meeting it was agreed that the company would cease trading as of the 30th April 2005 and would be wound down appropriately over the course of the next six months, with outstanding invoices, liabilities, company assets to be taken stock of, with an agreed value to be placed on the company assets and the company accounts to be finalised. This has not yet been done, the company had not been formally discharged or dissolved.

As previously mentioned, at the time of this meeting, Mr Jamieson already had another company of his own, Heathergrove Ltd. He initially wanted me to sign over my half of Atota Ltd to him and for me to take on Atota Networks, which is a dormant company. I was not agreeable to this as the bulk of the business had been conducted through Atota Ltd. It was left that neither of us would trade under the Atota name. At no time was it mentioned by Mr Jamieson that he had renamed Heathergrove Ltd to Atota Communications Ltd or that he was seeking to assign the trade mark.

Since the assignment of the Atota text mark to Mr Jamieson's company, Atota Ltd websites have also been altered without my knowledge and consent. It is my view that Mr Jamieson has been deceptive in the assignment of the trade mark from Atota Ltd to Atota Communications Ltd which has been to the detriment of Atota Ltd and myself. As such I am writing to request that this assignment be revoked and reverted back to the property of Atota Ltd with immediate effect and that you look into this matter accordingly. I have also been in contact with Companies House regarding this situation."

4. Mr Jamieson filed a counter-statement. He states:

"Summary:

1. Gavin Jamieson is the originator of the name ATOTA and holds the Intellectual Property Rights for the name and the design of the ATOTA logo.
2. The Internet domain names ATOTA.COM, ATOTA.CO.UK and ATOTA.NET are registered to Gavin Jamieson and two were registered before the incorporation date of ATOTA Limited.
3. The ATOTA trademark was transferred to ATOTA Communications Ltd because the name of Mr White's new company is **SarATOTA**, a slur of ATOTA, and also to protect the purity, integrity and intellectual property rights of the name which forms part of the logo. Gavin Jamieson did not want give Mr. White's company SarATOTA Limited the opportunity of debasing the Trade Mark.

4. The ATOTA Trade Mark is not on Atota Limited's asset register as a uniquely identifiable entry, for example under "Goodwill" or "Intangible Assets". Further it is not in ATOTA Limited's Abbreviated Accounts nor the Report and Financial Statement for the year ending 30th April 2003.
5. We have reason to believe that Michael White is embarking on an act of misfeasance and that is he being an opportunist.
6. The financial support and goodwill provided in the past by Atota Communications Limited (formerly Heathergrove Limited) to ATOTA Limited has been snubbed by Michael White the co-director.

A more detailed account of the events that lead up to the reasons and background to why the Trade Mark was transferred to Atota Communications Limited is on the following attached sheets.

We suggest that Mr. White's contention for the ATOTA trademark is not solely in the interests of ATOTA Limited but his own and that this is a case of misfeasance.

Despite Mr. White's opportunistic and barratrous activities Mr Jamieson has to pay-off his mortgaged house, Atota Communications Limited has had two consecutive years of deficit trading. We regard the transferral of the Trade Mark to ourselves is more a matter of self-preservation rather than for gain.

If Mr White accepts that the name ATOTA and its' intellectual property rights belong to Mr Jamieson then Mr. White stands to gain all of ATOTA Limited's stock, office equipment and the majority of the ATOTA Ltd. customer base. This, combined with the customers and customer base from another recently failed company that marketed Patton Electronics products and other products marketed by ATOTA Limited, Mr. White should have the resources with his new company **SarATOTA** Limited to provide himself and his family with sufficient income for the future.

After all the purpose of ATOTA was to provide for the future.

With regards to Mr. White using the name **SarATOTA** we could live with that, at least it would remind him how he started his own company.

We hope that we have provided you with sufficient justification to be in a position to deny the return of the Trade Mark to Atota Limited so that it may be used by ATOTA Communications Limited to help others in the promotion of their business as we have done with Mr. White."

5. Mr Jamieson also attaches a number of pages of further explanation of his position. I attach a copy of these at Annex A.

6. Both sides filed evidence. Neither side requested a hearing and neither furnished written submissions in support of its case.

EVIDENCE

Mr White's evidence

7. Michael Charles White's witness statement is dated 5 October 2005. Much of Mr White's statement is commentary and opinion and I do not intend to summarise it fully. He confirms that he is co-director of and 50% shareholder in Atota Ltd and that he is also director of Saratota Limited. He states that the transfer of the trade mark to Atota Communications Ltd was made without his knowledge or agreement by Mr Gavin Jamieson, who is also a co-director and 50% shareholder of Atota Ltd.

8. Mr White disputes Mr Jamieson's contention that he was the sole originator of the Atota name and logo. He accepts that Mr Jamieson did register the company's websites in his name but claims that this was done on behalf of Atota Ltd which was formally incorporated shortly after.

9. Mr White doesn't accept Mr Jamieson's reasons for assigning the trade mark from Atota Ltd to Atota Communications Ltd. He accepts that the trade mark is not on Atota Ltd's asset register but says this is because there is no formal asset register. The trade mark was applied for and registered in Atota Ltd's name and remained in that name until Mr Jamieson assigned it to his own personal company on 28 April 2005. This action was done without Mr White's knowledge or consent.

10. Mr White goes on to say that on 27 April 2005, he and Mr Jamieson, along with the company secretary, Mrs White, held a meeting at which it was agreed that Atota Ltd would be wound down and an inventory of stock and assets would be made. Mr White denies Mr Jamieson's claim that the company is a joint venture and reaffirms that Atota Ltd is a limited company: both men are directors of that company and each own 50% of the shares in that company. Mr White claims that Mr Jamieson was not acting in the best interests of Atota Ltd in assigning the trade mark to his (Mr Jamieson's) own company but rather has personally gained from the action.

11. Mr White exhibits a number of documents to his witness statement. These include a number of copy letters between Mr White, Mr Jamieson and a firm of solicitors. Whilst they show that legal proceedings involving the breakdown of the business relationship between the parties is a distinct possibility, they are not of direct relevance to the issue I have to determine and therefore I do not intend to summarise them further.

Mr Jamieson's evidence

12. Gavin S Jamieson's witness statement is dated 29 October 2005. Again, Mr Jamieson's statement contains commentary and opinion which I do not intend to summarise fully.

13. Mr Jamieson says that he originated, designed and created the trade mark in suit. As the trade mark was not listed on Atota Ltd's asset register he transferred it to his own company, Atota Communications Ltd, because he had created it. He denies this was done for any financial reason.

14. Mr Jamieson states that in Atota Ltd's first two financial years he did the company's book-keeping and provided a detailed breakdown of the accounts.

15. Mr Jamieson accepts that he is a 50% shareholder in Atota Ltd but states that he has effectively been excluded from the future running of that company and is now trying to re-build his own business in a way that doesn't conflict with Mr White's.

16. That concludes my summary of the evidence.

DECISION

17. Rectification of the register is provided for under Section 64 of the Trade Marks Act 1994. Section 64 reads as follows:

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

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

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

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

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

(4) ...

(5) ...”

18. Section 24 of the Trade Marks Act 1994 is also relevant. It reads:

“24.-(1) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property.

It is so transmissible either in connection with the goodwill of a business or independently.

(2) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply-

(a) in relation to some but not all of the goods or services for which the trade mark is registered, or

(b) in relation to use of the trade mark in a particular manner or a particular locality.

(3) An assignment of a registered trade mark, or an assent relating to a registered trade mark, is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative.

Except in Scotland, this requirement may be satisfied in a case where the assignor or personal representative is a body corporate by the affixing of its seal.

(4) The above provisions apply to assignment by way of security as in relation to any other assignment.

(5) A registered trade mark may be the subject of a charge (in Scotland, security) in the same way as other personal or moveable property.

(6) Nothing in this Act shall be construed as affecting the assignment or other transmission of an unregistered trade mark as part of the goodwill of a business.”

19. As a co-director with a 50% shareholding in Atota Ltd, I consider that the applicant, Mr White has sufficient interest to make the application. The parties indicate that there are no proceedings concerning the trade mark ongoing in the court. I therefore consider it is appropriate that the application be made to, and determined by, the registrar.

20. There is no dispute that the application for registration of the trade mark in suit was made in the name of Atota Ltd and that registration was effected in that name. Whilst it is clear from the evidence that the working relationship between Mr Jamieson and Mr White has broken down and they intend to go their separate ways, it is also clear that the company owned equally by them, Atota Ltd, is still in existence as a registered company. It has, therefore, its own separate legal identity.

21. Mr Jamieson accepts he made the application to record a change of ownership and claims to have done so because he created the trade mark. This is disputed by Mr White. It is not disputed that Mr Jamieson filed the application to record a change of

ownership without the knowledge of the other officers of the company. Whoever created it, the application for registration was made in the name of Atota Ltd and registration was granted in that name. No claims have been made nor evidence filed to show that the application and subsequent registration was in any way incorrect.

22. A request to record a change of ownership is made by filing a Form TM16, as Mr Jamieson did. The form does not require the filing of any documentary evidence to support the request. The information provided on the form is taken at face value and the registrar does not investigate or otherwise seek to establish the legality of the claim to change of ownership unless, as in this case, the recordal of the change of ownership, is subsequently challenged.

23. As set out above, section 24 of the Act provides for the assignment of a registered trade mark. In order to be effective, any such assignment must be made in writing and signed by or on behalf of the assignor or a personal representative. Despite Mr Jamieson's role in relation to book-keeping and accounts, and despite his acceptance that he applied to record a change of ownership of the trade mark registration, no evidence has been filed to show that the trade mark was sold by Atota Ltd to Atota Communications Ltd nor is there any evidence of any transfer between the two companies. It is not, I think, an unreasonable inference from the evidence that Mr Jamieson simply arrogated the registration but whatever reason he may have had for recording a change of ownership, there is no evidence of any written assignment of the trade mark as required by section 24 of the Act.

24. Absent evidence of an effective assignment, I am satisfied that the current entry in the register which shows Atota Communications Ltd as the registered proprietor of trade mark No. 2305250 is incorrect and that it would be right to correct matters. In the exercise of the discretion conferred upon me by Section 64 of the Trade Marks Act 1994, I direct that the register be corrected; the name of Atota Communications Ltd shall be removed as proprietor and Atota Ltd shall be substituted in its place. The effect of my decision is that the recordal of the change of ownership to Atota Communications Ltd shall be deemed never to have been made.

COSTS

25. Neither party in this action sought an award of costs. That being the case, I make no order as to costs.

Dated this 28th day of April 2006.

**Ann Corbett
For the Registrar
The Comptroller-General**