

**IN THE MATTER OF AN APPEAL TO THE APPOINTED  
PERSON  
-and-  
IN THE MATTER OF THE TRADE MARKS ACT 1994  
-and-  
IN THE MATTER OF  
the TRADE MARK No. 1,301,046 for the word mark ACADEMY  
REGISTERED in the name of TRITONSTYLE LIMITED  
-and-  
IN THE MATTER OF  
AN APPLICATION FOR REVOCATION No. 9,214  
by NICHOLAS DYNES GRACEY**

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**D E C I S I O N**

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1. This is an interim hearing in an appeal to the Appointed Person by Nicholas Dynes Gracey. The Appeal is from a decision of Mr. Salthouse dated 27th November 1998 arising out of an application for revocation made by Mr. Gracey on 30th September 1996 under section 46(1) of the Trade Marks Act 1994. The mark the subject of the application is trade mark No. 1,301,046 in the name of Tritonstyle Limited and the ground of revocation was that there had been no genuine use of the mark for a period of more than 5 years.

2. Mr. Salthouse held that there had been genuine use in relation to articles of leisurewear but not in relation to footwear. He therefore ordered the specification of goods to be amended accordingly. It is against this decision that Mr. Gracey appealed to the Appointed Person on 29th December 1998 pursuant to Section 76(2) of the Act. He

included in his Notice of Appeal a request that Tritonstyle be ordered to give discovery of documents relating to their claimed use.

3. The Notice of Appeal was duly sent to Marks & Clerk, the agents acting for Tritonstyle, pursuant to Rule 57(3) of the Trade Mark Rules on 15th January 1999. By faxes dated 11th and 12th February 1999, Marks & Clerk requested, pursuant to Rule 58, that this appeal be referred to the High Court.

4. Rule 58 relates to Section 76(3) of the Act which provides:

*(3) Where an appeal is made to an Appointed Person, he may refer the appeal to the court if -*

*(a) it appears to him that a point of general legal importance is involved*

*(b) the Registrar requests that it be so referred, or*

*(c) such a request is made by any party to the proceedings before the Registrar in which the decision appealed against was made.*

5. Before making such a reference, the appointed person must give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to the court. Mr. Gracey was duly notified of the request and has made written observations in support of his request that the reference be refused.

6. I directed that the questions of referral and discovery (so far as appropriate) should be heard at an interim hearing and a hearing was arranged for 4th May 1999. At that hearing Mr. Edenborough appeared on behalf of Tritonstyle and Mr. James appeared on behalf of the Registrar. Mr. Gracey elected not to appear but sent a fax relating both to the question of the reference and in respect of his request for an order for discovery on the appeal. I have taken into account the matters raised in that fax and his earlier communications concerning the question of a reference and both Mr. Edenborough and Mr. James had an opportunity of commenting.

7. Since Mr. Gracey did not appear, I have directed that a copy of the transcript of the argument before me should be sent to him.

8. I directed that the question of a reference should be heard first and I heard full argument from Mr. Edenborough and Mr. James. At the conclusion of that argument I indicated that I would refuse to refer the matter to the court and that I would give my reasons in writing at a later date. These are my reasons.

9. The provisions of the Act providing for a right of appeal to the appointed person are significant in that they provide for a quick and cheap method of testing any decision of the Registrar. The fact that no appeal lies from the decision of the appointed person enables finality at an early date. The Act however expressly provides for appeals to the appointed person to be referred to the court and I have gained assistance in considering the circumstances in which the appointed

persons should refer by some observations of Matthew Clarke Q.C. acting as one of the appointed persons in "**A.J. and M.A. Levy's Trade Mark No. 1343470**", a decision given subsequent to a hearing on 2nd July 1998.

10. In that Decision, Mr. Clarke referred to the court the question of whether there was a residual discretion under section 46(1) of the 1994 Act to allow a trade mark to remain on the register in a case where there had been no genuine use of the registered trade mark and no proper reasons had been established for its non use. Mr. Clarke stated:

*"At the hearing before me, Mr. J. Pennant, agent for the applicant submitted that the appeal should not be referred to the High Court. He emphasized that his client was a private individual who had deliberately elected to use the appeal procedure for the appointed person under Section 76 of the 1994 so that a quick, final and relatively inexpensive decision on the matter of revocation could be obtained. If the matter were now to be referred to the High Court, that objective could be defeated since there would then be the prospect of further appeals and possible reference to the European Court of Justice, with all the attendant additional costs and delay that would involve. (It would of course be competent for the appointed person if so advised to refer the issue to European Court of Justice). Mr. Pennant stressed that there would be many new questions of law arising from the provisions of the 1994 Act and it would appropriate that*

*the appointed person should seek to deal with these as and when they arise".*

11. Mr. Clarke then went on to cite section 76(3) and continued

*"On my reading of those provisions, even if the appointed person himself did not consider that a point of general legal importance is involved, he may refer the appeal to the Court where a request is made by either the Registrar or one or the parties, after he has heard representations relating thereto. Having said that, I am firmly of the view that the power to refer under section 76 should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal would be defeated. Moreover, I am of the opinion that it will normally be a matter of particular significance if the registrar requests the Appeal to be referred because he considers that it raises a point of general legal importance".*

12. In that case Mr. Clarke directed that the appeal be referred to the Court because the question of residual discretion was not the subject of any authoritative guidance and because it raised an issue of wide general importance. It should be noted that he rejected an attempt by counsel to raise an additional ground for reference as follows:

*"Counsel also attempted to persuade me that there was another reason why the appeal should be referred to the High Court and that was that the Hearing Officer had concluded that there had been no genuine use by the registered proprietors of the mark in respect of cigarettes. His clients wished to challenge that decision having regard to the evidence that they had placed before the Hearing Officer. I should make it clear that I would not have decided to refer this appeal to the High Court simply to enable that point to be raised".*

13. I accept and intend to apply the principles set out by Mr. Clarke.

Whilst it is not essential for a reference that a point of general legal importance is identified, the power to refer should be used sparingly and I anticipate that it will be rare in the extreme that a reference is made in circumstances where a point of general legal importance cannot be identified. The attitude of the Registrar is important but not decisive. The Registrar's officers have considerable day to day experience in matters relating to trade mark registrations and applications for revocation. Their views as to whether a particular point is a point of general legal importance should be given great weight.

14. So also should consideration be given to the views of the party not seeking to refer. The relative importance of cost and expense to that party should be taken into account. Where that party is a large corporate entity, the necessary cost and expense of legal advisers is,

perhaps, of less significance than in the case where the party in question is an individual or a small company or partnership which has not gone and does not wish to go to the expense of employing legal advisers.

15. Finally I believe it is proper to have regard to the public interest. There are plainly two conflicting public interests. One is the public interest in having the uncertainty of a pending application for a trade mark or a pending application for revocation disposed of finally at the earliest possible date, so that not only the parties but rival traders may know the state of the Register, but, equally, there is a public interest that important points of law are decided by the higher courts.

16. Mr. Edenborough helpfully expanded upon the grounds for seeking referral set out in Marks & Clerk's letter of 12th February 1999 both in his skeleton and in his argument before me. Paragraph 4 of his skeleton reads as follows:

*This Appeal should be referred to the High Court because it concerns several issues of general legal importance, namely;-*

*(a) the amount of use that is needed in order to show "genuine" use;*

*(b) the amount of evidence that needs to be adduced, and whether more such evidence can be adduced on appeal,*

*and the governing principles, in respect of (i) goods originally removed from the specification and (ii) goods that were not originally removed from the specification, but which might be vulnerable to further attack on appeal;*

*(c) the relevant period when that use should occur;*

*(d) the nature of the appeal, i.e. whether it is a re-hearing on an appeal proper and whether there is difference between the High Court and the appointed person;*

*(e) The correct procedure that should be adopted once an appeal has been lodged by one party, i.e. the status and probity of any cross-appeal or respondent's notice and the proper form of any such documents/comments/observations;*

*(f) The issue of redaction of scandalous material; and*

*(g) The issue of costs, especially when one party has been held to have made scandalous allegations.*

17. The primary legal question raised by point (a) relates to the correct interpretation of section 46(1)(a) which provides:

*"46. (1) The registration of a trade mark may be revoked on any of the following grounds:*

*(a) that within the period of 5 years following the date of completion of registration procedure, it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent in relation to goods or services for which it is registered, and there are no proper reasons for non-use;"*

18. In any application for revocation on the ground of non use, the question of whether or not any use that is proved is genuine will arise. A conclusion will be a mixed question of fact and law. The language of section 46 echoes that of article 50 of the Directive and I believe it is unlikely that any court would seek to define further the meaning of the word "genuine" otherwise than as applied to the facts of a particular case. It is a judgment that will have to be made in the light of established facts. I do not therefore believe that a meaning of the word "genuine" does raise a question of general legal importance. This was also the view of Mr. James and I give due weight to that view in reaching my conclusion that it would be inappropriate to refer this case for the High Court to give judgment on the meaning of the word "genuine" use on the facts of this case.

19. Point (b) raises two matters, first the amount of evidence of use that needs to be adduced and secondly as to whether and, if so, to what extent further evidence can be adduced before the appeal tribunals. As to the first, it is common ground that the burden of proof rests upon the proprietor of the trade mark and that the burden of proof is the ordinary civil burden of proof. The amount of evidence that need be

produced in each case will depend upon the facts of that case. I see nothing in this aspect which justifies referral.

20. So far as concerns the ability of either party to adduce further evidence on appeal, I do not see that this tribunal will operate any differently from the High Court where an appeal has been taken to the High Court. The approach of that tribunal has been considered recently by Laddie J. in (a) **Hunt-Weston Inc.'s Trade Mark** (1996) RPC 233 and (b) **Pepsico Inc. v. Flodor SA** (3rd December 1997) and by Lloyd J. in **Elle Trade Marks** (1997) FSR 529.

21. Mr. Edenborough did not suggest that the approach should be different and Mr. James opposed a reference on the ground that the law was clearly defined by the above decisions. I agree with him and thus I can identify no point of general legal importance in point (b).

22. Point (c) does raise a difficult question of law. I express no view on whether or not it is a point of sufficient importance to be referred since Mr. Edenborough correctly conceded that the point did not arise on the facts of this case. I therefore do not consider this point further.

23. Point (d) raises a question as to the nature of the appeal and as to whether there is a difference between an appeal to the High Court and to the appointed person. In my judgment there is no difference. The Act makes it plain that appeals lie as of right to two tribunals, the appointed person or the court (see Section 76 (2)). I see no basis for

suggesting that the approach of this tribunal should be any different to that of the High Court. I believe it is both desirable and correct that the procedures in both tribunals should mirror each other, the only distinctions being (a) that appeals to the appointed person should provide a quick and cheap method of testing the decisions of the Registrar and (b) that there is no provision for appeal from the appointed person.

24. Under the 1938 Act, section 52 provided

*"In any appeal from a decision of the registrar to the court under this Act, the court shall have and exercise the same discretionary powers as under this Act are conferred upon the registrar".*

25. A similar power was not conferred expressly upon the Board of Trade in relation to appeals to the Board of Trade and the question therefore arose as to whether the powers of the Board of Trade were more limited (see *Floradix* Trade Mark (1994) R.P.C. 583 and *Queen Diana Trade Mark* (1991) R.P.C. 395).

26. Section 52 has not been re-enacted in the 1994 Act and I see nothing in that Act which distinguishes in any way between the discretionary powers of the High Court and those of the appointed person.

27. There is a further difficulty over referring the case to the High Court over this issue. It concerns the powers of the appointed person.

Once the case is referred to the High Court, the High Court will dispose of it in accordance with its powers. There would be no cause for the High Court to consider whether or not the powers of the appointed persons were different. As I see it the only way in which the correctness or otherwise of a purported exercise of a power by an appointed person could be challenged would be for an appointed person to exercise that power and then to have the correctness of that act reviewed by a process of judicial review.

28. Accordingly I do not find that point (d) raises a matter susceptible of being referred to the Court.

29. Point (e) raises matters of procedure. Mr. Edenborough correctly pointed out that there was no provision under the Rules for the service of a respondent's notice or a cross appeal. The only provision for entering a Notice of Appeal is that set out in Rule 57 which provides that the Notice of Appeal should be sent to the Registrar within one month of the date of the Registrar's Decision.

30. Mr. Edenborough rightly points out that the present case illustrates a lacuna in the Rules. If Mr. Gracey did not appeal, Tritonstyle were content with the Registrar's decision, which limits the category of goods so as exclude footwear. However, if Mr. Gracey were to appeal, Tritonstyle would wish to raise on the appeal, by way of cross appeal, the question of whether or not footwear should have

been excluded. They would also wish to have the Registrar's decision affirmed on different grounds, although at present I do not know what.

31. The rules under which the appointed persons operate are brief and are set out in rules 57-59 of the Trade Mark Rules and additionally the appointed person is given powers in relation to costs and evidence by virtue of section 76(5).

32. It is plainly necessary for the system of appeals to the appointed person to work that the tribunal has an inherent power to regulate its own procedure so as to ensure that appeals before it are disposed of in a way calculated to do justice in an efficient and inexpensive manner.

33. In **Coffeemix Trade Marks Applications** (1998) R.P.C. 717 I concluded, in relation to an application to amend a Statement of Case, as follows:

*"I am satisfied that I do have power to allow an amendment to the Statement of Case although I believe it must be an inherent power since it is not expressly conferred by the Act or the Rules. In my judgment it would be correct for this Tribunal to act in the same way as any other appellate tribunal and to allow amendment to the Notice of Appeal and supporting documents in appropriate circumstances so as to ensure that the matter before the Tribunal is fully determined. There is, for example, often no objection to a new point of law being taken on an appeal. It would make*

*no sense for an excusable omission in the Statement of Case not to be rectifiable.*

*However, as with any question of the exercise of discretion on amendment, regard must be had to the conduct of the party proposing the amendment and to the public interest. In particular, it must be done without delay".*

34. This observation has, to my knowledge, not been the subject of any criticism and I do not see that the observation need be limited to amending documents. The inherent jurisdiction, in my judgment, extends further and, in particular, extends to the service in an appropriate case, of a respondent's notice raising all the matters that can be raised currently under Order 59 Rule 6 in a respondent's notice to the Court of Appeal.

35. I am therefore satisfied that the lacuna can be filled. Whilst the Rules are silent, in my judgment the appointed person does have power to allow a respondent's notice, including a cross appeal if desired, to be served in an appropriate case. The lacuna appears to me to be an oversight in the rules and not a deliberate omission. It is an oversight which is capable of being rectified under the inherent jurisdiction of the Tribunal but is perhaps a matter which should be reviewed by the rule making body.

36. In the light of the foregoing, point (d) does not raise an issue of law that needs to be referred. In his written observations Mr. Gracey

suggested that since Tritonstyle had not appealed within the period provided in Rule 57, there was no scope for them later to raise any matter by way of cross appeal. Mr. James for the Registrar did not suggest that my powers were so limited and for the reasons given I have concluded that he was right. I therefore reject Mr. Gracey's submission.

37. Accordingly I indicated at the hearing that I would give the respondents a period of 14 days in which to file a respondent's notice including, if so advised, a cross appeal.

38. Points (f) and (g) relate to an allegation made before the Registrar by Mr. Gracey to the effect that certain evidence put forward by Tritonstyle was fraudulent and, furthermore, was fraudulently prepared with the connivance of Marks & Clerk. The Hearing Officer saw fit to redact paragraph 28 of Mr. Gracey's affidavit of 30th August 1997 which contained the kernel of the allegation.

39. By his Notice of Appeal, Mr. Gracey seeks to repeat the allegation.

40. As will be apparent from the very brief description I have given of his allegations, these are of the utmost seriousness, reflecting as they do upon the possibility that forged evidence has been put before the Registrar and that this evidence has been prepared with the knowledge, understanding and assistance of a firm of patent agents of recognised standing. They are matters of significant importance to the

parties and to Marks & Clerk. They cannot however be said to raise any question of general legal importance. This Mr. Edenborough accepted but submitted that if the matter were referred to the High Court, the High Court could, if the allegations were rejected, impose a stringent order of costs upon Mr. Gracey, he suggested indemnity costs, to reflect the seriousness of an allegation which would have been made unjustifiably.

41. He pointed out that the usual order for costs in this Tribunal, if one is made, is to make an order for costs on a scale which does not compensate fully the successful party. This I accept is the usual practice and it is there for a good reason. However the power of this tribunal to award costs is not limited to making awards on the basis of conventional scales. I indicated to Mr. Edenborough at the hearing that I considered it would be a correct exercise of discretion for this tribunal to make an order for indemnity costs in circumstances where a wholly unjustified attack had been made upon the evidence put forward by a party, particularly where that attack had been rejected by the Registrar and had been repeated before this tribunal.

42. In saying this I must make it clear that I have not considered in detail the evidence filed by either party and have reached no conclusion as to whether or not the attack raised by Mr. Gracey is justified.

43. For the reasons given however I do not believe that the presence of this potentially scandalous material justifies a reference to the court.

44. I have therefore been unable to identify any point of law of general importance in Mr. Edenborough's submissions save, possibly, for that raised upon Point (c) which does not arise in this case. Mr. James, for the Registrar, opposed the matter being referred to the High Court on the ground that he could identify no point of law of general importance. Mr. Gracey opposed the reference on the basis of cost and expense.

45. I take due note of both of these submissions. In my Judgment they are well founded. This is not a proper case for referral.

46. On the question of costs of the application for referral, Mr. James, for the Registrar, did not seek an award of costs in his favour. Mr. Gracey did not attend at the hearing and the observations he has made on this issue are very limited and do not, I believe, justify any award of costs in his favour. There will therefore be no order as to costs on the question of referral.

47. By his Notice of Appeal and by a letter dated 30th January 1999, Mr. Gracey has sought a measure of discovery on his appeal. I directed that this matter should come on for hearing before me on 4th May in the event that I did not accede to the request for referral to the High Court.

48. Mr. Edenborough indicated at that hearing that his clients wished the opportunity to seek to adduce further evidence. Whilst I apprehend that this tribunal will approach with care any application to

admit further material on appeal whether in the form of further affidavits or by way of an order for disclosure, in a proper case such material can and should be admitted. I doubt if a blanket order for disclosure would be made. I apprehend that any order for disclosure would only be in relation to specific documents or classes of documents that were precisely defined.

49. With this in mind, I have concluded that the correct way forward is for Tritonstyle to prepare the further evidence that they would wish to adduce and to supply that evidence both to the tribunal and to Mr. Gracey. If the parties are able to reach agreement that the further evidence should be admitted, I anticipate that the tribunal will not oppose that course. If Mr. Gracey wishes to oppose the admission of the evidence or wishes to pursue any application for disclosure, he should formulate precisely the documents or categories of documents which he wishes to have disclosed and a further interim hearing should be appointed for those matters to be resolved.

50. Mr. Gracey has not appeared either before the Registrar or before me. He indicated by a fax sent late on 4th May that it would be more convenient for him to appear by way of a video conference link. If this is convenient to him, I have no objection to that being done. He must however give at least 7 days notice of his intention to do this so that the necessary arrangements can be made.

Simon Thorley Q.C.

10th May 1999