

O-142-08

TRADE MARKS ACT 1994

**IN THE MATTER OF a joint hearing
in relation to registration number 2046932**



**in the name of The Big Bar Company Limited
and the application for revocation thereof,
under number 82958, by Wholebake Limited**

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Background



1. Registration number 2046932 is for the mark in class 30 for “snack foods, confectionery”. It was applied for on 30 November 1995 and the date of completion of its registration was 9 August 1996. The applicant and the registered proprietor on these dates was Mr Paul Benhaim. On 30 August 2007, Wholebake Limited (hereafter Wholebake) applied on Form TM26(N) to revoke the trade mark registration on the grounds of non-use, pleading sections 46(1)(a) and (b) of the Trade Marks Act 1994. Wholebake Limited claimed that the date of revocation under section 46(1)(a) should be 10 August 2001 and, for a period under section 46(1)(b) of 27 July 2002 to 26 July 2007, the date of revocation should be 27 July 2007.

2. The Form TM26 (N) and accompanying statement of grounds were served on the proprietor of record on 3 September 2007. The details of the proprietor held on the Trade Mark Register at the time of service were: Paul Benhaim, 29 London Road, Stanford Rivers, Ongar, Essex CM5 9PM. This was not the address for Mr Benhaim that was given at the time of application, but was instead an updated address which was entered on the register by way of a Form TM21, filed on 31 July 2006, by a firm of solicitors called Gillhams. The explanation entered by Gillhams on the Form TM21 was that the registered proprietor, Mr Benhaim, now resided in Australia and needed to enter a different UK address on the register. Confirmation of the renewal of the trade mark registration on 16 August 2006 was sent by the Trade Mark Registry to Gillhams Solicitors. Gillhams Solicitors were not officially recorded as the proprietor’s UK address for service and there is no Form TM33 on the registration file requesting the recordal of Gillhams as the proprietor’s address for service in the UK. Their name also appears on Form TM16 filed on 10 September 2007 as Mr Benhaim’s address for service (recording the transfer of the registration from Mr Benhaim to Big Bar Company Limited, hereafter Big Bar), but the Register on 2 August 2007 showed only Paul Benhaim, at the London Road address, as the address for service.

3. The letter from the Trade Mark Registry to Mr Benhaim, which accompanied the Form TM26(N), served on 3 September 2007, stated that the final date for receipt at the Registry of a defence to the application was 3 December 2007. It stated that this

must take the form of the (enclosed) Form TM8 and counterstatement, together with two copies of evidence of use of the trade mark (or reasons for non-use). The letter cautioned Mr Benhaim that if these were not received in the period specified, he may be deemed not to have opposed the application for revocation of his trade mark registration, in accordance with Rule 31(3) of the Trade Marks Rules 2000 (as amended). It was also stated in the letter that the period for filing the aforementioned documents could not be extended.

4. No Form TM8, counterstatement and evidence of use (or reasons for non-use) were received by the due date of 3 December 2007. The Registry wrote to Mr Benhaim and to the applicant's professional representatives, Bison River Limited, on 11 December 2007, stating that the Registry was minded to deem the opposition to the application as withdrawn as no defence had been filed within the prescribed period. Under rule 54(1), a period of fourteen days was allowed for the filing of written submissions or to request a hearing. If nothing was heard, the Registrar would revoke the registration.

5. On 17 December 2007, Big Bar's professional representatives, Kilburn & Strode, telephoned the Registry and on 18 December 2007 Mr Benhaim sent a fax to the Registry; both communications were to confirm that the registration had been assigned from Mr Benhaim to Big Bar. On 19 December 2007, the Registry wrote to the applicant to explain that the TM26(N) had been served on the incorrect address for service. The letter stated that the registration had been assigned to The Big Bar Company Limited on 10 September 2007. The letter contained a preliminary view that there had been an irregularity in procedure and that, under rule 66, the statutory period for filing a defence was to be reset to enable the (new) registered proprietor to file the Form TM8 and other necessary documentation.

6. The applicant disagreed that rule 66 could operate in these circumstances and wrote to that effect in a letter dated 9 January 2008. It submitted that the application had been served to the address of record on 3 September 2007 and that it was not until after that service that the registration had been assigned, on 10 September 2007. The Registry maintained its preliminary view and the applicant sought a joint hearing to contest the preliminary view that rule 66 operated to enable the registered proprietor to oppose the application for revocation.

7. The matter came to be heard before me on 17 March 2008 by video conference. Big Bar was represented by Ms Denise McFarland of Counsel, instructed by Kilburn & Strode. Wholebake was represented by Mr Michael Edenborough of Counsel, instructed by Bison River Limited. Following the hearing, I issued a letter to the parties confirming my decision, dated 19 March 2008. The letter said:

“From my review of the papers and having had the benefit of submissions, both written and oral, it is my decision that the registry's preliminary view to invoke Rule 66 was wrong. The Form TM26(N) was correctly served to the proprietor of record on 3 September 2007; that is, Mr Benhaim was still the proprietor of record because the Form TM16 recording the assignment was not filed at the Registry until 10 September 2007. There was therefore no irregularity in procedure capable of correction by invoking Rule 66. An irregularity in procedure did occur when the Registry sent its letter of 11

December 2007 to the former proprietor instead of the (new) proprietor of record. However, that irregularity was remedied insofar as the registered proprietor availed itself of its right to a hearing, which took place before me on Monday.

By way of skeleton arguments and supplementary skeleton arguments, the real matter of the Registrar's discretion under Rule 31(3) was identified prior to the hearing and further developed during the hearing in oral submissions. I have decided that it is appropriate that I should exercise my discretion to allow the registered proprietor to oppose the application for revocation of its trade mark registration. In reaching my decision I have borne in mind the Registrar's published practice in circumstances where the registered proprietor has failed to file a defence within the statutory three month period, as articulated in Tribunal Practice Notice 1/2006; in particular, the guidance provided in Annex C.

The inextensible statutory period for filing a Form TM8 has passed and I cannot therefore admit the (unsigned) Form TM8 which was filed as exhibit JH2. Neither will I accept the two witness statements of Paul Benhaim and John Hughes as evidence for the purposes of meeting the requirements of Rule 31(3) because they were filed in support of the registered proprietor's position in relation to the preliminary issue before me. They were not filed as evidence to support its position in relation to the pleadings and therefore as evidence in the substantive proceedings.

That said, I direct under Rule 31A(6) that the registered proprietor file within six weeks of the date of this letter, that is, on or before **Wednesday 30 April 2008**, a counterstatement as per the contents of exhibit JH2 and evidence of use or reasons for non-use of the mark for the purpose of meeting the evidential requirements of Rule 31(3). This timescale is subject to any appeal of this decision. I make no costs award."

8. The applicant's representatives subsequently filed a Form TM5 seeking a statement of reasons for my decision. This I now give.

The Hearing

9. Prior to the hearing, I received skeleton arguments and then supplemental skeleton arguments from both Counsel. The reason for the additional skeleton arguments was a shift from the rule 66-based preliminary view point to whether it would be within the Registrar's power to exercise a discretion under rule 31(3) and allow the registered proprietor to be treated as opposing the application for revocation. At the outset of the hearing, I sought to establish whether the hearing was to argue the position in relation to either or both of the rules. Both were pursued.

10. In her skeleton arguments and at the hearing, Ms McFarland submitted that Big Bar had acquired the mark in writing in June 2007 and that a formal agreement was made on 15 June 2007, but signed at a later date by Mr Benhaim, pursuant to which Mr Benhaim assigned the mark to Big Bar. I note from the Form TM16 filed at the Registry on 10 September 2007 that the date for the assignor's signature was typed as

22 August 2007, but hand-corrected by Gillhams to read 6 September 2007. It was signed by Kilburn & Strode, for the assignee (Big Bar) on 30 August 2007 (the same day as the final version of the Form TM26(N) was filed). Ms McFarland explained that the delay was caused by a transfer in shares which had to take place before Mr Benhaim would allow the assignment to be recorded formally. She said that Bison River Limited knew that Kilburn & Strode were in the process of arranging the assignment because Gillhams had written to Bison River Limited on 22 August 2007 to tell them that the mark had been assigned on 6 August 2007 and that Big Bar were in the process of recording the assignment at the Registry. In support of Big Bar's position, a Form TM8 and counterstatement and two witness statements were supplied with Ms McFarland's first set of skeleton arguments. These witness statements were made by Mr Benhaim and by Mr John Hughes, of Big Bar.

11. Mr Benhaim states that he had previously let the mark expire when he lived in Australia because he was relying on his parents' address in the UK for correspondence and they had moved. The mark was subsequently renewed and he had instructed his solicitors in the UK, Gillhams, to file a Form TM21 to record his parents' new address as his UK address for service. His parents had duly faxed all correspondence relating to his trade mark registration to him until their fax machine had broken down in mid-August 2007. Mr Benhaim asked his parents, whilst their fax machine was broken, to give any correspondence to his brother so that he could fax/email it to him in Australia. His brother did forward a letter from the Registry but, crucially, for reasons neither he nor his brother could explain, failed to forward the letter from the Registry dated 3 September 2007 which formally served the application for non-use upon him. He says that although he had had previous correspondence, copied to him, from the Registry regarding errors in the Form TM26(N), because he never received the formal service of that application, he assumed the applicant had decided not to proceed with the application to revoke the registration.

12. Mr Hughes' says, in his witness statement, that Mr Benhaim had telephoned him on 13 August 2007 to say that he had received a copy of a letter which the Registry had sent to the applicant on 6 August 2007 (regarding amendments to the unserved Form TM26(N)). Kilburn and Strode, acting for Big Bar, did not receive a copy of this letter until 4 September 2007, which was forwarded to them from Gillhams. Kilburn & Strode made it clear to Gillhams that all future correspondence regarding the registration should be forwarded to them without delay. No further correspondence was received or forwarded until Mr Benhaim received a letter from the Registry dated 11 December 2007, stating that the application had been undefended. Like Mr Benhaim, Mr Hughes says that he thought that the apparent silence was due to the applicant having abandoned their intention to revoke the registration since the mark had clearly been used. Mr Hughes says that Bison River Limited were aware that the mark had been assigned and that Kilburn & Strode were dealing with matters for the new registered proprietor, Big Bar, but that they didn't bring this to the attention of Kilburn & Strode.

13. Mr Edenborough pointed out in his skeleton arguments and at the hearing that Mr Benhaim had already had experience of the consequences of failure to notify the Registry of a current address for service and so was aware of his responsibility. He said that the fact that Mr Benhaim made arrangements to have correspondence

forwarded to him rather than to Big Bar suggests that Mr Benhaim was under an implied term of the assignment to forward any such correspondence promptly. Further, Gillhams knew about the revocation because they were in receipt of a copied letter from the Registry regarding amendments to the Form TM26(N). Mr Edenborough submitted that there was no error on the part of the Registrar capable of correction by invoking rule 66. The registrar only had to send the application to the proprietor on the register and had discharged this duty. Under section 26 of the Act, the Registrar could not correspond with anyone other than the registered proprietor's address for service as recorded on the register. Mr Edenborough criticised the Registrar's practice regarding the scope of discretion under rule 31(3), as articulated in Tribunal Practice Notice 1 of 2006 (TPN 1/2006). He said that the correct approach in a non-use case is to follow *George Lowden and The Lowden Guitar Company Limited* [2004] EWHC 2531. The TPN was issued following *Music Choice Limited and Target Brands, Inc* [2006] R.P.C. 13 which was an invalidation case. There was no basis in law, he submitted, for the Registry to treat non-use cases in the same way as invalidation cases and he pointed to the fact that the judge in *Music Choice* expressly accepted that there was a difference between the two types of proceedings in that the burden of proof differs. He said that the TPN was wrong because it extends issues of discretion from an invalidation action to a non-use action. Consequently, Mr Edenborough contended that the scope for application of the Registrar's discretion was limited to a discretion arising from errors in the actual application, and since there were none when it was served, there was no vires for the Registrar to exercise a discretion.

14. Ms McFarland submitted that the Registrar does indeed have a discretion in this case and referred to the TPN in support. She said that the assignment and the formal service of the revocation application "virtually overlapped"; the assignment was made at the outset of the three-month period allowed for filing a defence, but at no time was the registered proprietor made aware of the application. At the hearing, Ms McFarland submitted that if I was to reverse the preliminary view and deny Big Bar the opportunity to defend the registration, that there would be exceptional prejudice to Big Bar and an exceptional advantage to Wholebake, who would never have to substantiate the challenge. It was not Big Bar's fault that it had not defended the application – Big Bar had not known about it. In her view, TPN 1/2006 gave a clear route to allow Big Bar to oppose the application under rule 31(3), since, in contrast to 'shall', 'may' is not mandatory. The TPN clearly referred to non-use actions as well as invalidation actions and Ms McFarland invited me to accept the counterstatement and two witness statements as a defence for the purposes of rule 31(3), there being testimony in Mr Benhaim's witness statement to the mark having been used or there being genuine reasons for non-use.

Decision

Rule 66

15. Rule 66 of the Trade Marks Rules 2000 (as amended) states:

"Subject to rule 68 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct."

The applicant for revocation filed the final version of its Form TM26(N) and statement of grounds on 30 August 2007. On 3 September 2007, the Registry formally served the application on the registered proprietor recorded on the register on that date. The proprietor of record on this date was Paul Benhaim and the address for service on this date was 29 London Road, Stanford Rivers, Ongar, Essex CM5 9PM. This was the address to which the Registry sent a copy of the application and its accompanying letter on 3 September 2007. This action effectively discharged the Registrar's duty; however, in an effort to maximise the efficacy of the service of the application, the Registry sent it by recorded delivery, as is its usual practice. Royal Mail's website says, in relation to the unique reference code which is on the revocation file indicating recorded delivery, that "Your item with reference DL 3899 3785 9GB was delivered from our ONGAR Delivery Office on 05/09/07", and that the electronic Proof of Delivery signature was a 'J Benhaim'. Gillhams Solicitors were not recorded as the address for service, and therefore the Registry's Law Section staff would not have served the application to them. On 10 September 2007, the Form TM16 was filed at the Registry to record the assignment of the trade mark registration. However, of course, the application had already been served. If the application had been served between 10 September 2007 and 26 September 2006, the latter date being when the change of proprietor was recorded on the register, there would have been an irregularity in procedure capable of correction via rule 66. At the date when the application was actually served, the Form TM16 had not been filed and therefore there was no error in or before the Office or the Registrar (see the decision of Geoffrey Hobbs, Q.C., sitting as the Appointed Person in *Alison June Coggins v. Skjelland Group* BL O/340/04, 20 October 2004).

16. An error capable of correction by invoking rule 66 did, however, occur when the Registry sent its letter of 11 December 2007 to Mr Benhaim, instead of to Big Bar's address for service. Of course, by that time, the proprietor's details had changed. That error should have been rectified by the re-service of that letter to Big Bar's address for service, with the right to be heard under rule 54(1) to contest the Registrar's decision to deem the opposition to the application as withdrawn since no defence had been filed. There was no scope to operate rule 66 in relation to the non-defence; only to operate it in respect of the re-service of the no defence letter to the new proprietor of record. The consequence of the Registry not re-sending the 11 December 2007 letter to Big Bar (upon discovering its error in that it should have sent it to Big Bar and not to Mr Benhaim) meant that it did not state Big Bar's right to be heard in relation to the non-defence. It did not state this right since it issued a preliminary view to allow Big Bar to oppose the application. Big Bar, however, in attending the hearing before me, which the applicant had requested to contest that preliminary view, was still able to avail itself of the right it would have had to be heard on the non-defence if the 11 December 2007 letter had been correctly served in the first place, or correctly re-served. Essentially, rule 66 is a red herring in these proceedings; the real issue is the scope of the Registrar's discretion under rule 31(3) and the applicability of the Registrar's practice direction TPN 1/2006.

Rule 31 and TPN 1/2006

17. Rule 31 states:

“(1) An application to the registrar for revocation of a trade mark under section 46, on the grounds set out in section 46(1)(a) or (b), shall be made on Form TM26(N) and be accompanied by a statement of the grounds on which the application is made.

(2) The registrar shall send a copy of Form TM26(N) and the statement of the grounds on which the application is made to the proprietor.

(3) The proprietor shall, within three months of the date on which he was sent a copy of Form TM26(N) and the statement by the registrar, file a Form TM8, which shall include a counter-statement, and be accompanied by –

(a) two copies of evidence of use of the mark; or

(b) reasons for non-use of the mark,

otherwise the registrar may treat him as not opposing the application.

(4) The evidence of use of the mark shall –

(a) cover the period of non-use alleged by the applicant on Form TM26(N), or

(b) where the proprietor intends to rely on section 46(3), show that use of the mark commenced or resumed after the end of that period but before the application for revocation was made.

(5).....

(6).....”

Tribunal Practice Notice 1/2006 says:

“Revocation and invalidation proceedings before the Trade Marks Registry

The exercise of discretion under rules 31(3), 32(3) and 33(6) of the Trade Marks Rules 2000 (as amended)

Rules 31(3), 32(3) and 33(6) of the Trade Marks Rules 2000 (as amended) read as follows:

“31(3) The proprietor shall, within three months of the date on which he was sent a copy of Form TM26(N) and the statement by the registrar, file a Form TM8, which shall include a counter-statement, and be accompanied by -

(a) two copies of evidence of use of the mark; or

(b) reasons for non- use of the mark,

otherwise the registrar may treat him as not opposing the application”.

“32(3) The proprietor shall, within six weeks of the date on which he was sent a copy of Form TM26(O) and the statement by the registrar, file a Form TM8 which shall include a counter-statement, otherwise the registrar may treat him as not opposing the application.”

“33(6) The proprietor shall, within six weeks of the date on which he was sent a copy of Form TM26(I) and the statement by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat him as not opposing the application.”

The use of the word “may” appearing in rules 31(3) and 33(6) have been the subject of judicial comment in *George Lowden and The Lowden Guitar Company Limited* [2004] EWHC 2531, and in *Music Choice Limited and Target Brands, Inc* CH/2005/APP 0423/0749. The consequences of the decision in *Lowden* were, inter alia, dealt with in Tribunal Practice Notice 1/2005.

In *Lowden*, Mr Justice Patten held that the breadth of the discretion under rule 31(3) was very limited and could only be exercised in relation to factual errors on the Form TM26(N) and/or statement of case. However, in *Music Choice*, Mr Geoffrey Vos QC sitting as a Deputy High Court Judge, held that in an invalidation case, the registrar had a general discretion under rule 33(6), to treat the proprietor as either opposing or not opposing the application (see Annex A). In addition, Mr Vos expressed reservations about the correctness of the approach adopted in *Lowden* (see Annex B).

Given the apparent tension between these two decisions, and, as the word “may” appearing in the respective rules should, in the Trade Marks Registry’s view, be given the same meaning and scope, the Trade Marks Registry has reviewed its practice.

The Trade Marks Registry remains of the view that it is not permissible to allow the late filing of Form TM8. However, with immediate effect, where a late filed defence is filed in revocation or invalidation proceedings before the Trade Marks Registry, the Trade Marks Registry will (on request) now consider exercising the discretion in rules 31(3), 32(3) and 33(6) on the basis indicated by Mr Vos in *Music Choice*. As the exercise of the discretion is a judicial function, it is anticipated that consideration of the exercise of the discretion will only be given by a Hearing Officer following a joint hearing, and not by the Case Work Examiner dealing with the case administratively. In determining whether the proprietor will be treated as opposing the application, considerations of the sort outlined in *Music Choice* will be taken into account (see Annex C).

If the proprietor is treated as opposing the application, the Hearing Officer will give directions as to the filing of a counter-statement and evidence under rules 31A(6), 32A(6), 33A(6) and, if appropriate, rule 57.

Annex A

“64. In my judgement, in an invalidation case, at least under the new Rules, there is a general discretion in the Registrar to treat the proprietor as “not opposing the application”. If the discretion is exercised in favour of treating the proprietor as opposing the application, it follows that he can be permitted to file a counter-statement in order to set out his grounds of opposition. It is also then open to the Registrar to direct filing of evidence on both sides under Rule 33A(6).”

Annex B

“55. It is then necessary to examine whether the reasoning in *Lowden* is either applicable to the situation, and if so, correct. In my judgement, it is not applicable for the reasons that Mr Arnold has advanced. But even if it were, I harbour some doubt as to the correctness of the decision.....

58.....I would take issue with Patten J’s formulation of the restriction on the discretion so as to make it exercisable only on the basis that “*the proprietor is not entitled to defend the factual basis of the application.*” This is tantamount, in a non- use case, to saying that the application will succeed unless there are insufficient grounds in the application, because the onus is on the proprietor to prove use....”

Annex C

“65. Having decided that there is a general discretion in the registrar, it would be inappropriate to set out factors which would circumscribe the exercise of that discretion. Plainly, however, the discretion must be exercised on the premise that the time limit in Rule 33(6) is inextensible, and that there must be compelling reasons for the proprietor to be treated as opposing the application, notwithstanding his failure to comply with an inextensible time limit.

67. The factors that are, in my judgement relevant to the exercise of the discretion in this case include:

- (1) The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed.
- (2) The nature of the applicant’s allegations in its statement of grounds.
- (3) The consequences of treating the proprietor as opposing or not opposing the application.
- (4) Any prejudice to the applicant by the delay.
- (5) Any other relevant considerations, such as the existence of related proceedings between the same parties.”

18. Rule 31(3) clearly states that if no Form TM8, counterstatement and two copies of evidence of use of the mark (or reasons for non-use) are filed within three months of the date on which the registered proprietor was sent a copy of the Form TM26(N) by the registrar, that the registrar “*may* treat him as not opposing the application” (my emphasis). The word ‘*may*’ indicates that the registrar has a discretionary power (as opposed to ‘*shall*’ which is mandatory and against which there is no discretion; see *Leather Master*, 20 January 2004, BL O/084/04, a decision of Geoffrey Hobbs Q.C. as the Appointed Person). I did not understand either party to dispute the above interpretation of rule 31(3). I would also highlight the wording of that rule that says “within three months of the date on which he was sent a copy of Form TM26(N) and the statement *by the registrar*” (my emphasis). It was only on 3 September 2007 that the registrar sent a copy of the Form TM26(N) and statement of case to the registered proprietor. Up until that time, the Registry had twice returned the Form TM26(N) to the applicant because of amendment – once on 6 August 2007 and again on 28 August 2007. Each time, the Registry copied its letter and the statement of case to the registered proprietor, but not the Form TM26(N). Both letters stated “A copy of this letter together with the statement of case has been sent to the registered proprietor. A copy of the Form TM26(N) has not been issued thus the period for filing a counter statement has not commenced”. Mr Edenborough’s first skeleton argument, at paragraph 6 (c) says that all three versions of the TM26(N) and statement were received by Mr Benhaim, but that plainly cannot be so. The period for filing the defence did not and could not begin until the Registry had served the Form TM26(N) on the registered proprietor. Until that happened, the registered proprietor could not defend the application. The knowledge that there was a ‘threatened’ application which then did not materialise as far as the registered proprietor was aware, because it never received the Form TM26(N), does not mean that the registered proprietor was obliged to look for one.

19. However, that still leaves a state of affairs in which the application was correctly served to the proprietor of record on 3 September 2007, Mr Benhaim, and was not defended by 11 December 2007. This brings me to the scope of the discretion vested in the word ‘*may*’ and its interpretation in TPN 1/2006. Mr Edenborough contended that the TPN was wrong in law since it took for its *ratio* the decision of Geoffrey Vos Q.C in *Music Choice*, saying that was applicable only to the scope of discretion in invalidation proceedings and not non-use proceedings. He submitted both in his supplementary skeleton arguments and at the hearing that in a non-use case the Registry is bound by the *ratio* of *Lowden* and that Mr Vos, sitting as a deputy Judge of the High Court in *Music Choice*, distinguished the two sets of proceedings. Mr Edenborough said at the hearing that the distinction between the scope of the Registrar’s discretion in each type of proceeding stemmed from the difference in onus. He submitted that in non-use proceedings, the burden of proof is on the registered proprietor (section 100 of the Act), whereas in invalidation proceedings, the burden of proof falls on the applicant (section 72 of the Act). I have doubts as to whether the burden of proof in revocation actions should have any bearing on whether the discretion may be exercised so as to permit the proprietor to file a late defence. In any event, I do not think that the burden of proof is as clear as Mr Edenborough suggested.

20. The burden of proof in non-use proceedings was considered by Richard Arnold Q.C., sitting as the Appointed Person in *Tripp Limited v Pan World Brands Limited* BL O/161/07:

“24. There was some debate at the hearing before me as to the incidence of the burden of proof. In my judgment the position is as follows. The legal burden of proving that the requirements for revocation under section 46(1)(a) or (b) are met lies on the applicant for revocation. By virtue of section 100, however, the evidential burden of showing what use has been made of the mark lies upon the proprietor. Similarly, by virtue of rule 31(3)(a), if the mark has not been used, the evidential burden of showing what the reasons for non-use are lies upon the proprietor. The evidential burden may shift during the course of the proceedings: if, for example, the applicant for revocation were to accept that the proprietor’s evidence showed use of the trade mark but to contend that the use was not genuine because it was purely for the purpose of preserving the registration, then the evidential burden of showing that that was the case would lie upon the applicant (although the applicant might be able to discharge that burden by relying upon the proprietor’s own evidence). Finally, once the evidence is complete, the tribunal should not decide whether there has been genuine use, or proper reasons for non-use, purely on the basis that the party bearing the burden of proof has not discharged that burden unless it cannot reasonably make a finding in relation to that issue despite having striven to do so: see *Stevens v Cannon* [2005] EWCA 222 at [46].”

If Mr Arnold is correct, whilst the evidential burden in a non-use case falls initially upon the registered proprietor and in an invalidation case falls initially upon the applicant, in both types of proceedings the legal burden falls upon the applicant. It seems to me that the fact that the same legal burden applies to both invalidation and revocations applications further reduces the possibility that the difference between the burdens in invalidation and non-use revocation actions requires the scope of the discretion afforded by the substantially identical words of rules 31(3) and 33(6) to be regarded differently. Furthermore, rule 35 states:

“35. – (1) Any person, other than the registered proprietor, claiming to have an interest in proceedings on an application under rule 31, rule 32, rule 33 or rule 34 may file an application to the registrar in Form TM27 for leave to intervene, stating the nature of his interest and the registrar may, after hearing the parties concerned if so required, refuse such leave or grant leave upon such terms and conditions (including any undertaking as to costs) as she thinks fit.”

This rule would appear to allow an interested third party to intervene in revocation proceedings, even after the time for filing a defence has passed, and to be treated as a party. It seems inequitable that the Registrar can exercise a discretion to allow someone else to join the proceedings at any stage in virtually any circumstances after the end of the three month period for the filing of a defence but that the registered proprietor itself cannot do so.

21. I therefore reject the applicant’s argument that I cannot exercise a discretion under rule 31(3) in a manner analogous to that operable under rule 33(6). In reviewing the details of this case against the Registrar’s practice in TPN 1/2006, I

applied the guidance of Mr Vos, reproduced as Annexe C in the TPN. I particularly had in mind “The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed” and “The consequences of treating the proprietor as opposing or not opposing the application” (paragraph 67 of *Music Choice*).

22. Mr Vos was considering a deadline which was missed by one day. The extent to which the deadline was missed in the instant case was three months. This is unsurprising, since you cannot answer a letter if you do not know that the letter exists. I take the view that the registered proprietor would be in no better or worse a position if the statutory period for defence was three days or three years. It could not defend the application because it did not know it had been made. As soon as it found out, via the letter from the Registry on 11 December 2007 which had been sent erroneously to the previous proprietor, it shouted. I consider the extent to which the deadline was missed to be slight.

23. If I decline to exercise my discretion, the consequence to the registered proprietor of not being able to oppose the application will be that it will lose a registration it has only recently bought without having the chance to enter the fray and fight to keep it registered. The applicant will benefit from not having to substantiate its claim in any way, almost on a technical knock-out. Mr Hughes says in his witness statement (paragraph 13) that if he is unable to oppose the application, “Big Bar will be deprived of the mark and its commercial plans for the use of the Mark on snack bar products will have to be completely reconsidered with very substantial waste of expenditure which has already incurred...thus giving a substantial commercial advantage to Wholebake, in circumstances where Wholebake’s advantage would have been gained as a result of a “mistake” wholly beyond our control, and without our knowledge”. That seems to me to be an imbalance. I bear in mind that the applicant’s representatives apparently knew that a change of ownership had taken place and so must have been aware that Registry correspondence relating to the proceedings was being directed to the previous proprietor and not to the proprietor of record’s address for service, Kilburn & Strode. The only prejudice I can see that the applicant might suffer, if I exercise my discretion to allow the proceedings to continue, is that the proceedings will have been delayed by a few weeks.

24. The nub of the matter is the parallel nature of the parties’ actions and correspondence with the Registry which took place in August and September 2007. By the time the application was served, Big Bar were already the beneficial owners of the trade mark registration. Big Bar signed the TM16 on 30 August 2007, the same day as the Form TM26(N) was filed at the Registry. The recordal of the assignment on a Form TM16 at the Registry is a formality, the assignment already having taken place. The assignor’s signature on the Form TM16 was delayed from 22 August 2007 until 6 September 2007. Royal Mail delivered the Form TM26(N) to Mr Benhaim’s parents’ address on Wednesday 5 September 2007; The TM16 was received at the Registry on Monday 10 September 2007. I agree with Ms McFarland that the dates “virtually overlapped”. If Gillhams had been recorded as the address for service for Mr Benhaim, perhaps events may have taken a more conventional course and there would have been no room for argument. However, the Registry had previously (when Mr Benhaim’s registration had inadvertently expired) corresponded with Gillhams,

despite there being no formal recordal of them as Mr Benhaim's address for service, and I think it reasonable to infer that he assumed that might happen again.

25. I exercised my discretion because I took the view that to deny Big Bar the opportunity to keep its newly acquired property registered because of circumstances beyond its control, the cause of which had taken place over less than a week, would be out of all proportion. It seemed to me that a sense of natural justice should prevail and that the proceedings should continue to the next stage.

26. The next stage also required an application of TPN 1/2006. I could not admit the (unsigned) Form TM8 because rule 68(3) prohibits extending time for the filing of that form. The witness statements of Paul Benhaim and John Hughes were filed in respect of the preliminary hearing, not in response to the pleadings (ie. not to satisfy the requirements of rule 31(3)). I considered that those individuals had the joint hearing in mind when they signed their witness statements and it did not seem right to me to transfer their statements directly to the substantive matter. If they chose to adopt their statements without amendment as satisfying rule 31(3), that would be a matter for them. Ms McFarland asked at the hearing for a further period of time. I decided that a common sense approach would be for a formal filing of the counterstatement which formed part of that evidence together with whatever evidence Big Bar deemed fit to file in order to oppose the application to follow within six weeks of my letter of 19 March 2007. In all the circumstances, I considered that there should be no cost award.

Dated this 21st day of May 2008

**JC Pike
For the Registrar
The Comptroller-General**