

O-178-03

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 2246031A  
IN THE NAME OF CARE INDUSTRY TRADING SERVICES LIMITED**

**AND**

**IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF  
INVALIDITY (UNDER NO. 81015)  
BY KENDELPACE LIMITED**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF registration no. 2246031A  
in the name of Care Industry Trading Services Limited**

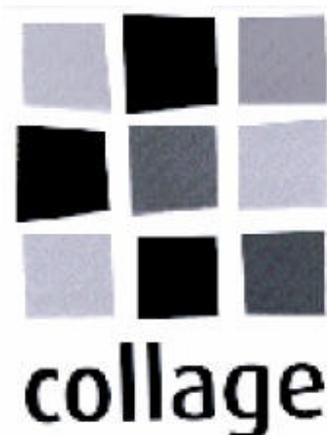
**and**

**IN THE MATTER OF an application for a declaration of  
invalidity (under no. 81015)  
by Kendelpace Limited**

**BACKGROUND**

1. The details of trade mark registration 2246031A are as follows:

**Trade Mark:**



**Goods/services:**

Class 35 – Accounting; business appraisals; business management assistance; auditing; business consultancy; business management and organisation consultancy; commercial or industrial management assistance; business management advisory services; payroll preparation services; personnel management consultancy; business research services; tax preparation services; tax consultancy services and advisory services; purchasing of goods for others.

Class 36 – Insurance services; financial services; financial evaluation services; financial consultancy services; financial information services; financial management services; health insurance underwriting; insurance brokerage; insurance consultancy; issuance of credit cards; leasing of real estate; life insurance underwriting; financial management services; real estate agencies; real estate appraisals; real estate management; rent collection; rental of offices, apartments, flats.

Class 37 – Building construction; repair; installation services; building construction supervision; cleaning of exteriors and interiors of buildings; maintenance and upkeep of buildings.

Class 40 - Waste management services; destruction of waste; incineration of waste; recycling of waste materials.

Class 41 - Education; providing of training; arranging and conducting of colloquia, conferences, congresses, seminars, symposiums and workshops; correspondence courses; educational information services; instruction services; organisation of exhibitions for cultural or educational purposes; practical training services; teaching services; publication of educational texts; tuition services.

Class 42 - Provision of food and drink; medical, hygienic and beauty care; canteen services; catering services; child care services; convalescent homes; day nurseries; health care services; nursing and retirement homes; hospices; medical assistance; physical therapy services; physiotherapy services; landscape gardening services; self-service

restaurants; security services; security services for buildings; advisory services relating to security, and the security of households and premises; provision of on site security facilities; security guard and nightwatchmen services; security surveillance services.

**Filing date:** 19<sup>th</sup> September 2000  
**Registration date:** 15<sup>th</sup> June 2001  
**Registered proprietor:** Care Industry Trading Services Limited

2. On 27<sup>th</sup> September 2002 an application for a declaration of invalidity was filed by Kendelpace Limited. A statement of grounds accompanied the application. The Registrar is asked to declare the registration invalid under the provisions of Section 47(1) of the Act on the basis that the application for registration was made in bad faith and therefore contrary to Section 3(6) of the Act. Further, particularisation of the applicant's claim focuses the allegation of bad faith on a lack of intention to use the trade mark for the services applied for.

3. The registered proprietor did not file a counterstatement in response to the application for invalidity; the application is therefore uncontested. However, it does not follow that the uncontested nature of this action will automatically mean success for the applicant and failure for the registered proprietor. A registered trade mark has a statutory presumption of validity; this is provided for by Section 72 of the Act. If that presumption of validity is to be displaced then any application for a registered trade mark to be declared invalid must have merit. I find support for this line of thinking in the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer states:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

4. The applicant was given an opportunity to file submissions or evidence in support of their application. Written submissions, together with a number of supporting documents, were received on 14<sup>th</sup> January 2003. I give a brief summary of them below.

## **Applicant's written submissions**

5. These come from the applicant's trade mark attorney, Mr Krause of Haseltine Lake. He firstly sets out the background to the application and explains why it has been necessary for his client to seek invalidation. Nothing turns on this save for the difficulties that the applicant (and even the registered proprietor's own firm of legal representatives) has had in contacting the registered proprietor.

6. Mr Krause then gives submissions on the pertinent law. In summary, Mr Krause feels that if an applicant files a trade mark application without a bona fide intention to use, and where the mark is not so used, this amounts to the application being made in bad faith. Mr Krause bases this opinion on Sections 3(6) and 32(3) of the Act. Reliance of this position is sought in the case of *Demon Ale Trade Mark* (RPC 345), a case which came before Mr Geoffrey Hobbs QC sitting as the Appointed Person.

7. Submissions are also made as to the onus in these proceedings. Mr Krause states that it is for the applicant for invalidity to make out their case, although it need only make out a prima facie case for the onus to pass to the registered proprietor.

8. Mr Krause then gives some submissions on the status of the registered proprietor's company. He says that the company was incorporated as Care Industry Trading Services Ltd on 19<sup>th</sup> January 1998 and that the company changed its name to Collage Services Ltd on 6<sup>th</sup> June 2001. It is pointed out that at the time of its last accounts being made the company was indicated as being "dormant" – a print from the Companies House web-site is provided. Mr Krause also states that considerable research was carried out on the Internet to ascertain the business interests of the registered proprietor, this was done without success. He also says that British Telecom's Directory Enquiries service does not even list the company – print outs from British Telecom's web-site are included with his submissions.

9. Mr Krause next deals with the registration in suit. He points out that it covers an extremely wide range of services, and adds that it is almost impossible to think of any organisation (with perhaps the exception of the NHS) that would be able to provide services over such a large area. He refers to the company RENTOKILL, whom Mr Krause clearly considers to be a large company, and observes that not even they provide such a broad range of services. Mr Krause submits that it is highly unlikely that a recently incorporated company which is dormant one year after incorporation is likely to be using the trade mark in respect of all of the services listed.

10. Mr Krause concludes his submissions by pointing to the difficulties that the applicant's have had due to the failure of the registered proprietor to respond to the applicant's case. However, he adds that a prima facie case has nevertheless been made out. Mr Krause refers to the Trade Mark Registry's decision in *Kinder Trade Mark* (0/291/02) in which the Hearing Officer states:

“In light of the applicants well signposted attack it was incumbent on the proprietors to explain their position or risk the consequences”

## DECISION

11. The applicant asks that the registration be declared invalid in accordance with Section 47 of the Act on the basis of the provisions contained within Section 3(6). The relevant legislation reads:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).”

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

12. From the above legislation it is clear that an application for invalidity may be pleaded on the basis that it offends the provisions of Section 3(6). It is also clear to me that a successful finding under Section 3(6) can be made good against a claim that the application for registration lacked the required intent to use. In *Demon Ale Trade Mark*, [2000] RPC 345, Mr Geoffrey Hobbs QC (sitting as the Appointed Person) said:

"In the present case the objection under Section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under Section 3(6).”

13. Given the applicant's claims in this case, the central issue focuses on the registered proprietor's intentions at the time when they made the ir application for registration. In the above case, Mr Hobbs QC was dealing with the somewhat unusual circumstance of the registered proprietor admitting that they had no intention to use the mark. The applicant's here do not have such a luxury. They must therefore prove the lack of intention to use.

14. When considering this matter I have also taken into account that an allegation of bad faith is a very serious matter. In *Royal Enfield* BL 0/363/01, Mr Simon Thorley QC (sitting as the Appointed Person) said:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not be lightly made (see Lord Denning M.R. in *Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1878) 7 Ch. D. 473 at 489). In my judgement precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6).

It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctively proved and this will rarely be possible by a process of inference.”

15. The applicant’s attack on the registration appears to be a two pronged one. Mr Krause’s written submissions conclude with the following statement:

“This stems firstly from the lack of evidence that the trade marks are in use in this country by the proprietor or with his consent. Secondly, it is simply unfeasible that a company that is unknown, unreported and dormant in 2001 could provide the full range of services for which the trade marks are protected within the foreseeable future at the time the application was filed”

16. Dealing firstly with the point relating to the lack of evidence of use of the mark. It must be remembered that this action relates to the registered proprietor’s intent at the time that their application for registration was made. I understand the point Mr Krause is making, but I do not consider that the lack of any evidence of use will greatly assist his case as it does little to help me to gauge the registered proprietor’s intent. There may be many and varied reasons why a trade mark has not been put into use. The circumstances of a company may change, as may the general economic conditions, either of these changes could result in a bona fide intention to use a mark not being converted into actual use. These factors should not leave a registered proprietor vulnerable to a claim of bad faith. A claim of non-use should properly be left to be dealt with as an action for revocation; such an action may only be launched after the expiry of a five year period following the date on which the registration process was completed.

17. The second thrust of the applicant’s argument is that it is unfeasible for a company that is virtually unknown to have the intent to use the registration against the quite broad list of services covered by the registration. It is true to say that the list of services covered by the 6 distinct classes is indeed a broad one. The services range from tax preparation services to waste management services to publication of educational texts to security guard services. Again, I understand the point being made, but from the information before me I consider that the applicant’s case is based on little more than conjecture. Lord MacMillan in *Jones v. Great Western Railway Company* (1930) 144 L.T. 194 at 202 said:

"The dividing line between conjecture and inference is often a very difficult one to draw. A conjecture may be plausible but it is of no legal value, for its essence is that it is a mere guess. An inference in the legal sense, on the other hand, is a deduction from the evidence, and if it is a reasonable deduction it may have the validity of legal proof."

18. Whilst the applicant’s claim may be plausible, I do not consider that there is sufficient information before me to make a reasonable inference that satisfies the burden of legal proof. I do not know what the registered proprietor’s intentions were when they made their application; there is no evidence either way. Quite grand plans may have been drawn up by the registered proprietor to use the mark on all the services applied for, those plans may or may not come to fruition. Whilst the applicant for invalidity has failed to

find the registered proprietor listed in Directory Enquiries and that the registered proprietor's company appears to be recently incorporated and possibly now dormant, this to my mind is not sufficient to prove, even on a prima facie basis, that the registered proprietor had no intent to use the mark for the services that they applied for.

19. Finally, I feel it prudent to comment on the information that the applicant has placed before me. I have been asked (although I have refused to do so) to infer from it that the registered proprietor lacked the required intent to use; however, such information has not been formally sworn and therefore has no real evidential value. If I had been assisted by the information then I would have requested the formalisation of this "evidence", however, given my observations on the helpfulness of the information furnished I am disinclined to make such a request. Clearly, if this case is taken to a higher tribunal then the applicant will need to consider whether any appeal should be accompanied by a plea to allow the information to be properly furnished as formal evidence.

### **Conclusion**

20. In view of the forging, the application for a declaration of invalidity fails.

### **Costs**

21. The applicant for invalidity requested costs in their initial statement of grounds. Given that they have lost their case, and further that the registered proprietor played no part in these proceedings, I decline to make an award to either party.

**Dated this 3<sup>rd</sup> day of July 2003**

**O J Morris**  
**For the registrar, the comptroller-general**