

O-213-15

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION 2400622
IN THE NAME OF MANISFREE LTD
IN RESPECT OF THE TRADE MARK:

we walk.

IN CLASSES 18 AND 25

AND

AN APPLICATION TO RECTIFY THE REGISTER (UNDER NO. 84727) BY
JAMIE DAVIES

THE BACKGROUND AND PLEADINGS

- 1) Registration 2400622 is for the stylised mark "We Walk" in respect of various goods in Classes 18 and 25. It currently stands in the name of Manisfree Ltd ("the proprietor"). An application for rectification was made by Mr Jamie Davies ("the applicant") on 30 September 2013 and relates to a dispute over ownership.
- 2) The applicant requests that the register be rectified to record himself as the proprietor. He claims to be the rightful proprietor of the mark and that the mark, whilst legitimately assigned to the proprietor as part of an interim agreement, because the agreement never became permanent and was subsequently ended, the mark should be returned into his name. Secondly, he claims that the interim agreement was extended by six weeks and that, as per the terms of that agreement, within that six week period he provided written notice of terminating the agreement.
- 3) In its counterstatement, the proprietor requested that the application be refused and makes reference to the witness statement of Mr Garry Jones, Director of the proprietor company that accompanied the counterstatement. I will provide details of the relevant evidence contained in this witness statement later.
- 4) Following a case management conference held on 24 July 2014, I directed that the parties engage in mediation in order to try and reach an agreement regarding ownership of the mark. The Registry was notified on 4 September 2014 that this had taken place but it had failed.
- 5) Both sides filed evidence in these proceedings and both sides ask for an award of costs. The matter came to be heard on 23 April 2015. On 17th April 2015 the applicant alerted the Registry to the fact that following a petition made to the High Court on 1 August 2014, the proprietor entered into liquidation on 29 September 2015. This was subsequently confirmed by the proprietor's representative who then withdrew representation. The liquidator then informed the Registry that the proprietor would not be represented at the hearing. The applicant was represented by Mr Ross Patel, acting as the applicant's "McKenzie friend".

Evidence

- 6) The applicant's evidence consists of two witness statements by Mr Davies. The proprietor's evidence consists of two witness statements by Mr Jones and one by its representative in these proceedings (until shortly before the hearing), Ms China-Rodriguez.
- 7) It is common ground that the parties entered into an Interim Shareholder Agreement ("the agreement") on 31 January 2013. The duration of this agreement was four months and was to expire on 31 May 2013.
- 8) A complete copy of the content of the agreement is reproduced below:

MAISFREE LTD

Interim Shareholders Agreement

The following outline has been agreed between Jamie Davies, Christian Jamison and Garry Jones:

1. MANISFREE LTD has been established to develop the trading potential of the WE WALK brand.
2. The shareholding of MANISFREE LTD will be split equally between Jamie Davies, Christian Jamison and Garry Jones. The company's paid up share capital comprises £3 so each shareholder holds one share (£1) each.
3. Jamie Davies transfers ownership of the WE WALK trademarks (numbered EU008883856 and 2400622) to MANISFREE LTD. For the period of this agreement these trademarks will not be transferred from MANISFREE LTD.
4. The stock of clothing (printed and non printed) held by Jamie Davies will be transferred to MANISFREE LTD and Stock Supply Solutions Ltd (company owned by Garry Jones & Christian Jamison) will pay Jamie Davies £1 per printed piece over the four month period. The exact quantity of this stock has yet to be determined.
5. This agreement will last four months from the date of this agreement and will expire on 31 May 2013.
6. It is agreed at any time up to the expiry date, any party can decide to terminate this agreement and in this event the trademark ownership (detailed in p3) would be transferred back to Jamie Davies and Stock Supply Solutions Ltd would take full ownership of the stock (detailed in p4).
7. For the length of this agreement, Stock Supply Solutions Ltd will provide a monthly marketing budget of £1,000.

9) In accordance with clause 3 of the agreement, the contested mark was assigned to the proprietor and an application to record the change of ownership was filed at the Registry on 7 March 2013. This recorded that the date that the proprietor took over ownership was 4 February 2013. The application is signed by both Mr Jones and Mr Davies. This recorded change of ownership is not disputed by the applicant.

10) Mr Davies provides evidence in the form of a series of emails and recordings of Skype conversations between himself and Mr Jones and Mr Christian Jamison, the two directors of the proprietor company. The applicant also provided selected printed extracts from the Skype conversations. The purpose of these was to demonstrate that, firstly, the parties had verbally agreed an extension of six weeks to the original four month period of the agreement, and secondly, that the applicant had notified the proprietor in writing during the extended six week period that he terminated the agreement.

11) The proprietor strongly denied that the agreement was extended, and provided full transcripts of the Skype conversations to support its view that the applicant has mis-

characterised the conversations. It also stated that it was its understanding that upon expiry of the agreement, the arrangement would become permanent.

12) For the purposes of my decision it is not necessary that I detail the evidence further.

DECISION

13) Rectification claims of this manner are governed by Section 64 of the Act. This reads:

“**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) [...]

(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) [...].”

14) The purpose of Section 64 is to permit corrections of errors or omissions on the register. The dispute is whether the original four month agreement was verbally extended by a further six weeks and therefore, whether the applicant's email sent twenty five days after the end of the original expiry date amounted to a notification, within the terms of the agreement, that he wished to terminate it. The second limb of the applicant's case is that regardless of whether his notice to terminate the agreement was made within the required period, it was generally understood between the parties that, at any time the arrangement ended, ownership of the mark would revert back into the name of the applicant.

15) It is common ground between the parties that the assignment of the contested mark, from the applicant to the proprietor, was made in accordance with the agreement between the parties at that time. Therefore, the recordal of that assignment on the register was not an error or an omission, but rather it correctly recorded the ownership of the mark as it was at that time. The dispute between the parties relates to what has, or should have happened, consequently in respect of the ownership of the mark.

16) This is effectively a question of potential breach of contract and not a question of whether the recordal on the register of the assignment to the proprietor was made in

error. As I have already mentioned, it is common ground that the recordal of the assignment was not made in error, but rather it correctly reflected the ownership of the mark at that time and as explicitly allowed under Clause 3 of the agreement. The question is whether the register now contains an error in continuing to record Manisfree Limited as the proprietor.

17) Subsequent to the hearing, the applicant emailed the Registry with a further submission, namely, that he was under the impression that the mark had remained in his name and that in “early June 2013” he contacted the Registry and he had the impression that the application to transfer the mark to the proprietor would be suspended. The applicant was not correct in believing that the recordal of the assignment could be suspended. As I referred to in paragraph 9 above, the application to record the proprietor was submitted to the Registry on 7 March 2013 and was signed by both parties. It further recorded the date of the assignment as 4 February 2013. It is not explained how, after signing the relevant form to apply to record a change of ownership on 7 March 2013, the applicant believed that, some three months later, he “understood the Mark remained in [his] name”. This does not lend support that the register was amended in error, or that the recordal of the assignment was in some way an omission or involved an omission.

18) There is no doubt that the provisions of Section 64(1) cover the correction of an erroneous assignment. However, in the case before me, there has been no formal assignment to return ownership of the mark from the proprietor to the applicant. The written agreement between the parties includes an undertaking to assign the mark back to the applicant but it is not, in itself, an assignment. In these circumstances, I am effectively being asked to undertake a legal assignment from the proprietor to the applicant. Whilst this may correct an alleged deficiency in the agreement between the parties it is not correcting an error on the register. The register is correct given that no formal assignment has taken place to return the mark to the applicant. Consequently, it is not determinative whether the applicant’s written notification to terminate the relationship between the parties was made before or after the end of the agreement and I do not need to decide this point.

19) The position remains unchanged now that the proprietor has entered liquidation. The proprietor’s assets are now *bona vacantia*. This does not, though, prevent the applicant agreeing with the Treasury Solicitor to take an assignment of the mark registration.

20) In light of the above the application to rectify the register must fail.

COSTS

21) The proprietor has been successful and would normally be entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 4/2007. At the hearing, Mr Patel submitted that I should keep in mind, when making any award of costs that Mr Jones and Mr Jamison engaged in mediation at a time after a winding

up petition had been filed against the proprietor company. Mr Davies, in his email to the Registry on 17 April, cited these actions when submitting that the proprietor had wasted time and money trying to pursue a resolution to the case at a time when it was about to go into liquidation. I am not persuaded by these submissions. There is nothing in the actions of Mr Jones or Mr Jamison that appear contrary to the aim of trying to protect the assets of the proprietor company. I therefore decline to take this into account when considering the award of costs.

22) I take account that both sides filed evidence. I award costs as follows:

Preparing a statement and considering the counterstatement	£300
Filing evidence and considering other side's evidence	£500
Total:	£800

23) I order Jamie Davies to pay Manisfree Ltd, in liquidation, the sum of £800 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 7th day of May 2015

**Mark Bryant
For the Registrar
The Comptroller-General**