

O-286-06

APPLICATION No 2271707 BY TIMOTHY MICHAEL WEST
TO REGISTER THE TRADE MARK
SWORDERS
IN CLASSES 36 & 42
AND OPPOSITION No 80284
BY ANGUS HUDSON

Final Decision

1. On the 28 July this year I issued a preliminary decision in this opposition in which I held that the opponent had:

- i) made out a claim to own an earlier right in respect of the services of “housing agents” and “real estate brokers”;
- ii) not made out a claim that the application was made in bad faith.
- iii) an earlier right in certain geographical areas (as set out in paragraphs 162,163 and 165 of my decision), which was sufficient to engage section 5(4)(a) of the Act, and therefore to prevent the trade mark from being registered on an unrestricted nationwide basis.

2. In the light of these findings I invited the parties to make submissions on costs within 21 days..

The Proposed “Territorial Limitation” under Section 13 of the Act

3. The applicant’s representatives responded with a written submission to the effect that:

- i) the terms “housing agents” and “real estate brokers” are to be deleted from the application;
- ii) the remaining services in Class 36 be subject to the limitation:-
“excluding services offered in respect of properties in the Counties of Hertfordshire and Essex, which are to the West of the town of Braintree and further than 20 miles from the centre of Sudbury”,
- iii) the services in Class 42 be subject to the following positive limitation:-
“services offered in relation to properties within a 20 mile radius of the town of Sudbury”.

4. However, these limitations were put forward “without prejudice to the applicant’s right of appeal against this decision and his right to seek a geographically unlimited registration on appeal”.

5. In response to a written request for clarification as to whether the geographical restriction was proffered on an unconditional basis, the applicant’s representatives responded that the limitation was not conditional but that, in the event of a judicial reversal (of the decision) on appeal, “it would simply no longer be proposed by the applicant”.

6. I also received submissions from the opponent’s representatives to the effect that as a final decision on the merits of the opposition had been issued, it was no longer open to the registrar to consider a request for a geographical limitation of the application. In

support of this submission, the opponent's representatives drew my attention to the case of *Henderson v Henderson* [1843] All E.R. rep 378, according to which a party is under an obligation to bring forward his whole case in one go.

7. As regards the submissions made on behalf of the opponent, my view is that whilst it may not have been open to me to amend or review any of the findings set out in my decision of 28 July, it would have been open to me to take account of a geographical restriction of the application under s.13 of the Act in determining what the final outcome of the application should be.

8. This is because, as paragraph 176 of my earlier decision made clear, that decision was issued on the basis that a further decision would be issued once I had received the parties submissions on costs, and that would be my decision under Rule 62 for the purposes of any appeal arising from any matter in this opposition.

9. Rule 62(1) is as follows:

“62(1) When, in any proceedings before her, the registrar has made a decision, she shall send to each party to the proceedings written notice of it, and for the purposes of any appeal against that decision.....the date on which that the notice is sent shall be taken to be the date of the decision”.

10. The opponent's representatives initially acknowledged the provisional nature of my first decision because that is how they referred to it in their reply dated 19 August, which covered the opponent's submissions on costs.

11. Section 13 of the Act provides that an applicant for the registration of a trade mark may enter a disclaimer or limitation. That suggests that a limitation can be put forward at any time, as long as there is an application. My earlier made final findings on the merits of the opposition did not go as far as to convert those findings into an operative refusal of the application. The application was therefore still in existence at the time of the applicant's application to enter a territorial limitation. It seems to me to follow from that that the registrar was not *functus officio* for the purposes of considering an application under s.13 of the Act.

12. In this connection, I note the decisions of Mr Richard Arnold Q.C. as the Appointed Person in the cases of *Helen Hyde v Midem Organisation S.A.* BL 0/333/05 and *Sensornet*, BL 0/136/06 (paragraphs 60 and 61). In the latter case Mr Arnold considered that the fact that the registrar was *functus officio* with regard to the refusal of an application did not necessarily mean that he was *functus* as regards a later request to divide that refused application. In the former case he determined that the Appointed Person had a limited inherent power to amend his own decisions even after a final decision under Rule 65(6) has been issued. That rule appears to me to be equivalent to Rule 65(6) except insofar as it relates to written decisions of the registrar rather than those of the Appointed Person.

13. If the registrar has power to deal with divisional applications filed during the course of an appeal (because an appeal has a suspensive effect on the refusal of the application), and the Appointed Person has the power to amend his own decisions

even after he has issued a decision on the appeal under Rule 65(6), it would be surprising if the registrar did not have the power to take into account an agreement to territorially limit a registration proffered prior to the issuing of an operative decision under Rule 62(2).

14. I do not see the *Henderson v Henderson* case as requiring anything different. Indeed, I doubt whether it has any direct relevance at all.

15. I therefore take the view that up until the issue of an operative decision, I would have been able to consider the effect of a territorial restriction on the findings as set out in my provisional decision.

16. I do not, however, believe that the applicant's offer amounts to an agreement to the entry of a territorial limitation under section 13 of the Act.

17. Section 13 (insofar as is relevant) is as follows:

“13(1) – An applicant for registration of a trade mark, or the proprietor of a registered trade mark, may-

a) –

b) agree that the rights conferred by the registration shall be subject to a specified territorial or other limitation;

and where the registration of a trade mark is subject to a disclaimer or limitation, the rights conferred by section 9 (rights conferred by registered trade mark) are restricted accordingly”.

18. Rule 24 of the Trade Mark Rules 2000 (as amended) is as follows:

“24. Where an applicant for registration of a trade mark or the proprietor by notice in writing sent to the registrar-

(a) -

(b) agrees that the rights conferred by the registration shall be subject to a specified territorial or other limitation,

the registrar shall make the appropriate entry in the register and publish such disclaimer or limitation”.

19. It is submitted on behalf of the applicant that the proposed territorial limitation is not conditional on anything, but also that, depending upon the outcome of any appeal, the applicant reserves the right to no longer propose it.

20. A proposal of this kind must come from the applicant. No one else is responsible for putting it forward. And having put it forward there would ordinarily be no mechanism for withdrawing it. The applicant seeks to retain such a right of withdrawal by putting the limitation forward with the caveat that he retains the right

to 'no longer propose it' depending upon the outcome of later events. I regard that as a condition attaching to the proposed limitation.

21. I do not therefore regard the limitation as constituting the "written agreement that the rights conferred by registration shall be subject to a territorial limitation" required by Rule 24. Rather I regard it as a statement that the applicant is prepared to submit to such a limitation in the absence of a successful appeal. It would not be appropriate to record and publish such a prospective limitation as required by Rule 24. I do not therefore consider that the proposed "limitation" can have any bearing on the results which must otherwise flow from the findings in my earlier decision.

22. The result is that the opposition under s.5(4)(a) is successful and the application will be refused in full.

Costs

23. The primary submission made on behalf of the opponent is that he should be awarded costs on the registrar's usual scale in respect of an interim hearing which took place on 18 October 2005, and also in respect of the substantive hearing and the general costs of the proceedings before the registrar. The opponent accepts that the applicant is entitled to an award of costs in respect of an application made just prior to the substantive hearing to add four additional grounds of opposition (three of which were rejected and the fourth failed). The opponent submits that the costs awarded to the applicant should likewise be based upon the registrar's usual scale.

24. The primary submission made on behalf of the applicant is that, should I be able to accept the application with the territorial limitation as proposed and described above, then costs should be awarded to the applicant on the normal scale. If, on the other hand (and perhaps anticipating the outcome described above), I find that I am unable to accept the territorial limitation as proposed, then no award of costs should be made to either party. The justification for this is said to be that the applicant has successfully challenged a large part of the opponent's case, which was found to be exaggerated.

25. Costs normally follow the event. I see no good reason to depart from that approach in this case. I will therefore assess the costs as follows taking account of the registrar's scale of costs.

i) The interim hearing produced a result that was something of a compromise between the positions of the parties, but closer to the opponent's position than that of the applicant. In my view the applicant should pay the opponent the sum of £200 as a contribution towards the cost of that matter.

ii) The substantive matter required the opponent to assess and reply to the higher-than-average volume of evidence submitted by the applicant. Further, the substantive hearing (even without the amendment application) lasted the equivalent of one and half normal hearing days, which is again above average for a trade mark hearing in the Patent Office. On the other hand, the opponent's own evidence was not exceptional in volume and it contained claims that were in some cases exaggerated and/or poorly particularised. This

caused the applicant unnecessary inconvenience, led to a request for discovery, and partly accounted for the length of the hearing. Considering the matter in the round I assess that the opponent is entitled to an award of £1800 as a contribution towards the cost of the substantive case, including the hearing.

iii) The amendment application was made very late in the day and caused the applicant a good deal of inconvenience in the run up to the substantive hearing. For example, the applicant's representative had cause to submit a second skeleton argument at short notice and the hearing had to be put back half a day because of the effect that that had on his the preparation for the hearing. I assess that the applicant is entitled to an award of £500 as a contribution towards the cost of the applicant's amendment application.

26. The net effect of the above findings is that the application is refused and that I will order the applicant to pay the opponent the sum of £1500.

Dated this 12th Day of October 2006

**Allan James
For the Registrar**