

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 10436

FOR RECTIFICATION OF THE REGISTER OF TRADE MARKS

IN RESPECT OF TRADE MARK No. 2013437

IN THE NAME OF ANDREAS STIHL AG & CO

DECISION

On 12th December 1994 Andreas Stihl AG & Co (“the Applicant”) applied to register a device for use as a trade mark in relation to:

“Power saws; mechanical cutting-off machines with guide devices; mechanical free-cutting machines, power scythes, mechanical and hand-operated hedge clippers; mechanical earth drilling machines also as attachments, mechanical sprayers, mechanical blowers, mechanical blowing devices with controlled air stream, electric lawn trimmers, earth cultivators as attachments, high pressure and vacuum cleaners for use domestically and industrially, slitting devices”.

The device was described in the application (following minor amendment) as

“the colours orange and grey, as shown in the representation on the form of application, as applied to the goods shown in the specification”.

The Trade Marks Registry raised objections to registration in an official letter dated 15th July 1996. The Applicant asked for a hearing at which to make representations in response to the Registrar's objections. The hearing took place before one of the Registrar's hearing officers, Mr. Hamilton, in Manchester on 11th March 1997. At that hearing it was agreed that the specification of goods put forward in the application for registration should be revised so as to read as follows:

“Power saws; mechanical cutting-off machines with guide devices, mechanical free-cutting machines; power scythes; mechanical and hand-operated hedge clippers; mechanical earth drilling machines and attachments, mechanical sprayers, mechanical blowers, mechanical blowing devices with controlled air stream; electric lawn trimmers; earth cultivators being attachments; high pressure and vacuum cleaners for industrial use; slitting devices.”

Domestic vacuum cleaners were removed from the specification because they did not fall within Class 7.

The Registry subsequently wrote to the Applicant on 12th August 1997 asking for confirmation that the revised specification was agreed. Confirmation was provided in a letter from the Applicant's agents dated 13th October 1997.

The application then proceeded to advertisement in the Trade Marks Journal on 10th December 1997, but as a result of an error within the Registry it was advertised with a specification of goods which differed from that which had previously been agreed between the Applicant and the Registrar. The advertisement identified the specified goods as:

“Power saws; mechanical cutting-off machines with guide devices; mechanical free cutting machines; power scythes; mechanical hard operated hedge clippers; mechanical earth drilling machines and attachments, mechanical sprayers, mechanical blowers, mechanical blowing devices with controlled air stream; electric lawn trimmers; earth cultivators being attachments; slitting devices.”

The advertised specification of goods differed from the previously agreed specification in two respects: (1) it referred to “mechanical hard operated hedge clippers” instead of “mechanical and hand operated hedge clippers”; (2) it omitted to refer to “high pressure and vacuum cleaners for industrial use”.

The application subsequently proceeded to registration under number 2013437 on 27th March 1998. When the Applicant’s agents received the certificate of registration issued by the Registrar under Section 40(4) of the Act they noticed for the first time that the mark had been advertised and registered with an incorrect specification of goods. That led to the present application for rectification of the Register to bring the specification of goods into line with the agreed specification of goods for which registration had been requested.

The application for rectification came before another of the Registrar’s hearing officers, Mrs. Long. She considered whether rectification of the specification was allowable under Section 64 of the Trade Marks Act 1994 which provides as follows:

“(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.

...

(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.*

This Section is quite awkwardly worded. It permits rectification, but only as an exception to the general rule. The general rule is represented by the exclusion contained in the proviso to sub-section (1). That exclusion (of matters affecting the validity of the registration of a trade mark) is apparently intended to restrict the availability of rectification under sub-section (1) to errors and omissions of a kind which can properly be deemed never to have been made (unless otherwise directed) under sub-section (3). I infer that the general rule is intended to prevent circumvention of the unwaivable statutory requirements affecting the registration of a trade mark. These include the requirements of Section 38 to 40 of the Act. I think it is necessary, in order to ensure that the requirements of those sections are not circumvented, to interpret the reference to “*matters affecting ... validity*” in the proviso to Section 64(1) quite broadly.

In a written decision issued on 11th January 2000 the hearing officer concluded that the reference in the specification of registered trade mark number 2013437 to “hard operated hedge clippers” could properly be amended to “hand operated hedge clippers” because the correction would not, as a matter of practical reality, alter the scope of the relevant registration. However, she refused to allow insertion of the words “high pressure and vacuum cleaners for industrial use” because the words in question identified goods in respect of which the mark had not been advertised for the purposes of opposition prior to registration and the insertion of those words into the specification would, in her view,

extend the scope of the registration beyond the limits of permissible amendment identified in Section 39 of the Act.

I do not agree with the hearing officer's assessment that the insertion of the words "high pressure and vacuum cleaners for industrial use" into the specification of registered trade mark number 2013437 would exceed the limits of permissible amendment identified in Section 39 of the Act. That Section permits applicants to restrict the coverage of their applications for registration or withdraw them at any time before grant. The amended specification agreed between the Applicant and the Registrar in 1997 was unobjectionable under Section 39. In my view, the Applicant's attempt to revert to the unobjectionable specification was equally unobjectionable in terms of the restrictions on amendment imposed by Section 39.

However, the protection conferred by the Applicant's registration would be extended post-registration, by correction of the relevant omission, to goods in respect of which the trade mark has not been advertised for the purposes of opposition. According to my understanding of the purpose and effect of the exclusion contained in the proviso to Section 64(1), that is a matter affecting the validity of the registration by virtue of Sections 38 to 40 of the Act. I therefore agree with the hearing officer in thinking that the request for correction of the omission was not allowable under Section 64.

Is that the end of the matter? I do not think it is.

The Registrar is required to ensure that an application which has been accepted under Section 37(5) of the Act is advertised for the purposes of opposition in accordance with the provisions of Section 38(1) of the Act and Rules 12 and 65 of the Trade Marks

Rules 1994 (Rules 12 and 71 of the Trade Marks Rules 2000). If a request for amendment of the application is made after it has been advertised and the amendment affects the representation of the trade mark or the goods or services covered by the application, the amendment (or a statement of the effect of it) must also be advertised for the purposes of opposition in accordance with the provisions of Section 39(3) of the Act and Rules 17 and 18 of the Trade Marks Rules 1994 (Rules 17 and 18 of the Trade Marks Rules 2000).

It cannot be doubted in the light of the judgment of Laddie J. in Creola TM [1997] RPC 507 that the advertisement in the Trade Marks Journal must accurately represent the application as accepted for the purposes of opposition under Section 38 and should no less accurately represent a proposed amendment to a previously advertised application for the purposes of opposition under Section 39.

Section 40 of the Act provides as follows:

“Registration

40.(1) Where an application has been accepted and –

- (a) no notice of opposition is given within the period referred to in section 38(2), or
- (b) all opposition proceedings are withdrawn or decided in favour of the applicant,

the registrar shall register the trade mark, unless it appears to him having regard to matters coming to his notice since he accepted the application that it was accepted in error.

(2) A trade mark shall not be registered unless any fee prescribed for the registration is paid within the prescribed period.

If the fee is not paid within that period, the application shall be deemed to be withdrawn.

- (3) A trade mark shall be registered as of the date of filing the application for registration; and that date shall be deemed for the purposes of this Act to be the date of registration.
- (4) On the registration of a trade mark the registrar shall publish the registration in the prescribed manner and issue to the applicant a certificate of registration.”

An application must have been accepted under Section 37(5) and advertised in accordance with the provisions of Section 38 and (if applicable) Section 39 in order to proceed to registration under Section 40.

Sections 38 to 40 impose important administrative requirements upon the Registrar. Taken together, they envisage that there will be no significant differences between: (i) an application for registration as accepted; (ii) the application as advertised for opposition purposes; and (iii) the application as ultimately granted. They equally clearly envisage that an application will not be allowed to proceed to registration: (1) until it has survived exposure to opposition; or (2) at a time when acceptance has been suspended or withdrawn under the power reserved to the Registrar in the closing words of Section 40(1). In my view, the act of registering a trade mark is liable to be regarded as procedurally irregular if these requirements are overlooked or ignored.

In the present case there was no request for amendment of the application as accepted and no opposition to the application as advertised. However, the application as granted differs from the application as accepted. The difference consisting of the reference to “hard operated hedge clippers” instead of “hand operated hedge clippers” is

sufficiently insignificant to be rectifiable under Section 64. On the other hand the difference consisting of the omission of the words “high pressure and vacuum cleaners for industrial use” is sufficiently significant to be incapable of rectification within the narrow confines of that Section. I was told that goods of the kind identified by these words are commercially important to the Applicant in terms of its business interests under the relevant trade mark.

The trade mark has clearly not been registered with the specification of goods that the Applicant and the Registrar intended. The discrepancy between the application as accepted and the application as granted occurred without the consent of the Applicant. There was no justification for it and, in my view, it rendered the registration of the Applicant’s trade mark procedurally irregular under Sections 38 and 40 of the Act.

I think that the Applicant could have condoned the irregularity (because there was no discrepancy between the application as advertised and the application as granted) by accepting the certification of registration with the reduced specification of goods. It would then have consented to the reduction retrospectively. But that is not what happened. Far from accepting the certificate of registration with the reduced specification, the Applicant promptly applied for reinstatement of the previously agreed specification.

Subject to the rules relating to the alteration of time limits “*any irregularity in procedure in or before the Office or the registrar may be rectified on such terms as the registrar may direct*” under Rule 60 of the Trade Marks Rules 1994 (Rule 66 of the Trade Marks Rules 2000). “*An irregularity in procedure is simply a failure to observe procedural rules, whatever the cause of the failure may be*”: E’s Applications [1983]

RPC 231 (HL) at 250 per Lord Diplock. The power conferred upon the Registrar by these Rules is discretionary, both as to its exercise and as to the terms upon which it may be exercised. I shall refer to it as “the discretionary power” in the text which follows.

The Applicant is not asking for any time limit to be altered and there appear to be no factors which would militate against the exercise of the discretionary power in its favour. It seems to me that if the discretionary power is broad enough to enable the Registrar to withdraw the registration of trade mark number 2013437 and advertise it afresh (with the previously agreed specification of goods) for the purposes of opposition, the Applicant should be permitted to seek a direction to that effect.

It was agreed at the hearing before me that paragraph 16 of the Applicant’s Statement of Grounds of Appeal dated 10th February 2000 and the Registrar’s Statement in Response dated 18th July 2000 could between them be taken to have raised the question whether the Registrar was able, on the basis of procedural irregularity, to withdraw the registration of the trade mark in the exercise of the discretionary power.

I understand that the Registrar accepts that there has been an irregularity in procedure in connection with the registration of the relevant trade mark and would be willing, at the request of the Applicant, to withdraw the registration on the ground of procedural irregularity if, which she does not accept, the discretionary power is broad enough to enable her to do so. That is the question to which I now turn.

The power of administrative authorities and tribunals to revoke or modify their own determinations was examined by Michael Akehurst in an article published at [1982] Public Law 613. It is further examined in Wade and Forsyth on Administrative

Law 8th Edn. (2000) at pages 235 to 238 and 915 and 916. In the light of these commentaries and in accordance with the approach adopted in recent decisions of the Court of Appeal (see Falilat Akewushola v. Secretary of State for the Home Department [1999] Imm. A.R. 594 at 599 to 601 per Sedley LJ, Peter Gibson and Laws LJJ concurring; Aparau v. Iceland Frozen Foods Plc [2000] 1 All ER 228 at 235, 236 per Moore-Bick J, Peter Gibson and Mance LJJ concurring) I think it must be recognised that the Registrar's statutory power to determine issues arising in Registry proceedings is, in principle, "*a power to decide once and once only*" (Wade and Forsyth at p. 237) with the result that she can only revoke or modify a Registry determination, after it has been duly made and communicated in terms which are not preliminary or provisional, in cases where she is empowered to do so by the Act or the Rules cf. R v. Cripps Ex p. Muldoon [1984] 1 QB 686 (CA) at 695B per Sir John Donaldson MR.

At this point it is necessary to distinguish between the power to revoke or modify a determination and the power to correct errors or omissions in the expression of a determination once made.

It has been said that the power to correct an order is "*inherent in every court*" (Lawrie v. Lees (1881) 7 App Cas 19 at p. 35 per Lord Penzance). However, that does not enable a decision taker to have second thoughts and "*it is the distinction between having second thoughts or intentions and correcting an award or judgment to give true effect to first thoughts or intentions, which creates the problem*" for anyone seeking to stay within the limits of the inherent power (The Montan [1985] 1 LL Rep 189 (CA) at 193 per Sir John Donaldson MR). I am willing to accept that the Registrar has an inherent power to correct slips in the expression of Registry decisions and determinations c.f. Falilat

Akewushola v. Secretary of State for the Home Department (above) at p. 600. But that cannot enable her to correct errors and omissions in the register on any basis other than that laid down in Section 64. So it cannot, on any view, assist the aggrieved party in a case such as the present.

The principle of finality applies most strongly to determinations which have been regularly made. The Court of Appeal observed in R v. Cripps Ex parte Muldoon (above) at 695 per Sir John Donaldson MR that different considerations arise when a determination which would otherwise fall to be regarded as final “*may be said to be irregular for any of a variety of reasons*”. I see no reason why the power to set aside an irregular determination should not be conferred upon the administrative authority or tribunal which made it c.f. the position with regard to courts of unlimited jurisdiction as explained by Lord Diplock in Isaacs v. Robertson [1985] 1 AC 97 (PC) at 103, 104. That is a matter for the legislature. I see no reason to look outside the Act and the Rules for limitations upon the scope of the discretionary power to correct procedural irregularities.

Section 78 of the Act enables the Secretary of State to make rules for the purposes of any provision of the Act authorising the making of rules with respect to any matter, for prescribing anything authorised or required by any provision of the Act to be prescribed and generally for regulating practice and procedure under the Act. Section 78(2)(d) specifies that provision may, in particular, be made “*authorising the rectification of irregularities of procedure*”.

The Trade Marks Rules empower the Registrar to rectify “*any irregularity in procedure in or before the office or the registrar*”. This is a power which the Registrar

has possessed for many years. Rule 54 of the Trade Marks Rules 1890 provided that “any irregularity in procedure which, in the opinion of the Comptroller, may be obviated without detriment to the interests of any person may be corrected if the Comptroller thinks fit, and on such terms as he may direct”: see In re Moet’s Trade Mark (1890) 7 RPC 226 at 230. Similar provisions appeared in successive versions of the Rules made under subsequent Acts. There nevertheless appears to be very little case law relating to the exercise of the power in question under the Trade Marks Acts.

On 26th August 1997 in St. Kea of Cornwall Ltd’s Application (0/150/97) Mr. Harkness, Principal Hearing Officer, held that an application to register a trade mark which had proceeded to registration at a time when “*the Registrar had a proper notice of opposition before him or at least an opposition which merely required re-dating*” should be removed from the Register. He ordered the removal of the registration on the basis that the Registrar was unable to register the relevant mark under Section 40(1) of the Act until all opposition proceedings had been withdrawn or decided in favour of the applicant for registration. The order for removal appears to have been made in the exercise of the discretionary power. I would regard that as correct on the basis that the act of putting a trade mark on the Register under Section 40 can be or involve a procedural irregularity susceptible of rectification in the exercise of that power. Registration prior to the determination of a pending opposition is a prime example of such an irregularity.

The decision in Ducati TM [1998] RPC 227 was also issued on 26th August 1997. In that case a would-be opponent attempted to oppose the application for registration within the unextendable period of three months allowed by Rule 13(1) of the Trade Mark Rules 1994 (Rule 13(1) of the Trade Mark Rules 2000). It filed a Notice of Opposition in

which the opposed application was identified as Application Number 2055227 (which had been abandoned) rather than Application Number 2055227A (which was a subdivision of the abandoned application). The Registry proceeded on the basis that the Notice of Opposition ineffectively opposed an abandoned application for registration (Application Number 2055227). The intended target of the Notice of Opposition (Application Number 2055227A) was allowed to proceed to registration in the absence of an effective opposition.

The would-be opponent requested the Registrar to change the status of Application Number 2055227A from ‘registered’ to ‘opposed’ in the exercise of the discretionary power. The Registrar’s hearing officer, Mr. Probert, rejected that request. He did so primarily on the basis that no effective Notice of Opposition had been filed and the discretionary power could not be used to correct an irregularity of procedure in connection with the prosecution of an application which had proceeded to registration “*in the absence of a validly filed opposition*” (p. 230 lines 43 to 47) . He observed (p. 231 lines 37 to 39) that “*it would be wrong to interpret a rule in subordinate legislation in such a way as to give the registrar a general power to take a mark off the register in order to rectify a procedural irregularity*”. He considered (p. 231 lines 41 to 43) “*that the discretion to rectify an irregularity in proceedings, as provided by rule 60, should only be exercised while the proceedings in question are actually before the registrar*”. He found support for his reasoning in the provisions of Sections 40(1), 47(4) and 72 of the Act.

If (as the hearing officer seems to have determined) the requirements of Sections 38 to 40 were satisfied in the Ducati case, the registration in question would not have

been irregular. On the basis of his determination to that effect, I would regard the hearing officer's decision as correct. Beyond that I consider that his approach to the Registrar's power to rectify procedural irregularities was unduly restrictive.

The statutory provisions referred to by the hearing officer do not, in my view, limit the scope of the discretionary power.

Section 40(1) allows the Registrar to withdraw acceptance of an application for registration if it comes to her notice that her earlier assessment under Section 37(5) (i.e. "*that the requirements for registration are met*") was wrong. Withdrawal of acceptance prevents an application from proceeding to registration under Section 40. There will in those circumstances be a procedural irregularity if the application is inadvertently allowed to proceed to registration. There is nothing in Section 40 to suggest that the irregularity should be immune from rectification in the exercise of the discretionary power. On the contrary, the need to ensure that the requirements of Sections 38 to 40 are not overlooked or ignored suggests that the discretionary power must be broad enough to enable the Registrar to rectify procedurally irregular acts of registration.

Under Section 47 of the Act "*any person*" may apply for a declaration of invalidity on the basis that a trade mark was registered in breach of Section 3 (absolute grounds for refusal of registration) or for use within the scope of the protection afforded to an "earlier trade mark" or "earlier right" under section 5 (relative grounds for refusal of registration). However, Section 47(4) enables the Registrar to apply for a declaration of invalidity on one ground only: that the trade mark in question was registered in breach of Section 3(6) of the Act because it was registered pursuant to an application made (at least

to some extent) in bad faith. Section 47 is directed to the invalidation of registrations on grounds of substantive invalidity. That is the context in which it limits the freedom of action of the Registrar. It does not deal with the rectification of procedural irregularities. It places no limits upon the freedom of action of anyone (including the Registrar) in that connection. The existence of an attenuated right to challenge the substantive validity of the Registrar's decisions to permit registration is not inconsistent or incompatible with the existence of a discretionary power to rectify procedurally irregular acts of registration.

Section 72 of the Act provides that in all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as the proprietor of a trade mark shall be prima facie evidence of the validity of the original registration. This presumption is reinforced by the presumption that public and official acts have been regularly and properly performed (*omnia praesumuntur rite et solemniter esse acta*). Both presumptions are rebuttable and must yield to evidence to the contrary effect. They are not inconsistent or incompatible with the existence of a discretionary power to rectify procedurally irregular acts of registration upon proof of their irregularity.

I do not believe that there are any other provisions of the Act or the Rules which would justify the restrictive approach to the exercise of the discretionary power indicated in the Ducati case. In my view the provisions of Section 64 are neutral: they do not enable the Registrar to withdraw a registration on any basis; nor do they prohibit the Registrar from doing so on the basis of any other provisions of the Act or the Rules that may legitimately be used for that purpose.

The discretionary power is directly comparable to the power that the Registrar possesses (in her capacity as Comptroller-General of Patents) under Rule 100 of the Patents Rules 1995. That power has been used to rectify irregularities of many different kinds in proceedings in or before the Patent Office. A detailed commentary on the relevant case law can be found in the Chartered Institute of Patent Agent's Guide to the Patents Acts 4th Edn (1995) paragraphs 123.21 to 123.23 and the Supplement thereto. The fact that a determination might otherwise fall to be regarded as final does not seem to be an insuperable bar to the exercise of the relevant power provided that it is exercised consistently and compatibly with the other provisions of the Patents Act and Rules. It seems to me that the exercise of the discretionary power by the Registrar, consistently and compatibly with the other provisions of the Trade Marks Act and Rules, ought to be equally untrammelled.

I think it is open to the Registrar in the context of the Act and the Rules as a whole to rectify procedurally irregular acts of registration and procedurally irregular refusals of registration as and when they occur. I am reinforced in that view by the provisions of Sections 12(1), 21(1) and 23(1) of the Interpretation Act 1978 which make it a rule that where an Act or subordinate legislation "*confers a power ... it is implied, unless the contrary intention appears, that the power may be exercised ... from time to time as the occasion requires*". I am aware that this provision was enacted for the purpose of overcoming the inconvenience formerly caused by the doctrine that a statutory power was exhausted by its first exercise unless a contrary intention could be discovered: see Halsburys Laws of England 4th Edn. Vol. 44(1) (1995 re-issue) para. 1343. It is nonetheless sufficient, in my view, to confirm that the discretionary power should be exercised when the occasion for its exercise has in fact arisen, whether by way of a

procedurally act of registration or by way of a procedurally irregular refusal of registration or in some other way. To confine the exercise of the discretionary power to the period during which an application for registration remains pending would be to place a limitation upon the scope of it which the legislation does not appear to me to envisage.

Contrary to the views expressed by the Registrar's hearing officer in the Ducati case I consider that registration of a trade mark may be withdrawn in the exercise of the discretionary power if the requirements of Sections 38 to 40 of the Act have been overlooked or ignored. Registration prior to the determination of a pending opposition (as in the St. Kea case) is not the only kind of irregularity that can occur in the context of those requirements. So the absence of a validly filed opposition does not exclude the possibility that the registration of a trade mark was procedurally irregular.

For the reasons I have given above, I would be minded to direct that the Applicant be given a period of time within which to apply (irrevocably and in writing) to the Registrar for withdrawal of the registration of trade mark number 2013437 in the exercise of the discretionary power and to direct that the registration should, in that event, be withdrawn and the revived application for registration advertised afresh (with the previously agreed specification of goods) for the purposes of opposition. It would be for the Applicant to decide whether it wished to accept the risk of opposition in relation to the advertised application as a whole.

However, a determination to that effect would change the Registrar's practice under Rule 60 of the Trade Marks Rules 1994 (Rule 66 of the Trade Marks Rules 2000) as interpreted in the Ducati case and it was indicated on behalf of the Registrar at the

hearing before me that the Registrar would in that event wish me to refer the appeal to the Court under Section 76(3) of the Act. I understand that the Ducati case was not an isolated case and that similar situations occur not infrequently in the context of Registry proceedings. The scope of the discretionary power is therefore a matter of general importance which I think it would be right to refer to the Court under Section 76(3) so that the Applicant and the Registrar can have the opportunity, free of the limiting effects of Section 76(4) of the Act, to persuade a higher tribunal as to the correctness or otherwise of the views I have expressed. It was agreed on behalf of the Applicant and the Registrar that the requirements of Rule 58 of the Trade Marks Rules 1994 (Rule 64 of the Trade Marks Rules 2000) can be taken to have been complied with. On that basis I will direct that the appeal be referred to the Court under Section 76(3) of the Act. I make no order for costs in respect of the proceedings before me.

Geoffrey Hobbs Q.C

6th October 2000

Richard Hill of Messrs Wilson Gunn M'Caw appeared on behalf of the Applicant.

Mike Knight, Principal Hearing Officer, appeared on behalf of the Registrar.