

IN THE MATTER OF THE TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No 2296637
FOR THE COMPOSITE MARK SQUADRA IN THE NAME OF KEVIN DAKIN**

**AND IN THE MATTER OF APPLICATION FOR RECTIFICATION
No 83980 by CONDOR CYCLES LTD**

**APPEAL OF CONDOR CYCLES LTD FROM THE DECISION OF
MR. G W SALTHOUSE DATED 18 MAY 2012**

DECISION

1. This is an appeal from a decision of Mr. G W Salthouse on behalf of the Registrar, by which he rejected an application by Condor Cycles Ltd ("CC") for rectification of the Register by the removal of Mr. Dakin as the proprietor of the Squadra mark, and substitution of PDM Sports Limited (a dissolved company) as such proprietor.

Background

2. On 28 March 2002 PDM Sports Limited applied to register the composite trade mark set out below for bicycles and parts and fittings for bicycles in class 12.



3. The application form TM3 was prepared by solicitors, Messrs Hart Reade, and signed on behalf of the company by Mr. Kevin Dakin who was the company's sole director. The application was accepted and the mark was registered under number 2296637 on 6 September 2002.
4. In the meantime, however, PDM Sports Ltd had got into some financial difficulties and on 17 May 2002 a petition had been issued to wind up the company. This led to an order for the company to be wound up on 24 July 2002. Hence, by the time the mark was registered, the company was in liquidation.
5. On 20 February 2003 the UKIPO received a request on form TM 16 (a form which is described as used for an "Application to register a change of proprietor") to change the name of the registered proprietor of the mark (and two other marks) from PDM Sports Limited to Mr. Kevin Dakin. The form was signed by Mr. Dakin both in his capacity as PDM's director and in his individual capacity and was dated 16 April 2002.
6. Mr. Dakin described in a witness statement dated 4 May 2011 in these proceedings how that form came to be completed by him, without the help of his then solicitors, who he blamed for erroneously having made the original application in the name of the company rather

than himself. He claimed always to have been the proprietor of the mark, and that the company used the mark under his licence. In Mr. Dakin's witness statement he accepted that he was trying to recollect events which had occurred years earlier, without copies of all of the relevant documents. From his narrative, it does not appear that there was a formal assignment from PDM Sports Limited to him; certainly no copy assignment was provided to the Registry. I do not know (Mr. Dakin does not say) whether any explanatory covering letter was sent with the form.

7. In any event, the Registry accepted the TM 16 and amended the name of the proprietor on the Register from PDM Sports Limited to Mr. Dakin.
8. On 14 January 2011 an application to rectify the Register was filed by CC, which is a competitor of Mr. Dakin's. I understand that there are other trade mark proceedings extant between the parties. CC contended that the registration in Mr. Dakin's name should be cancelled because "it was either registered in error or as a result of a deliberate endeavour to obtain falsification of the Register." CC had made inquiries of the Official Receiver of PDM Sports Limited and had discovered that there was no record on his database of a transfer of any trade marks from the company to Mr. Dakin. In paragraph 5 of CC's Statement of Case it therefore alleged that Mr. Dakin "was instrumental in assigning the mark to himself" and had either completed the TM16 form only in February 2003, when he was no longer an authorized signatory of the company in liquidation, or (and this it seems to me is putting the same point in other terms) that he had "surreptitiously" pre-dated the TM16 form.
9. Both parties filed evidence. CC's evidence related essentially to the information obtained from the Official Receiver. Mr. Dakin's witness statement said in particular
 - a. that he had signed the original trade mark application form on behalf of the company by mistake, because the trade mark should always have been registered in his name;
 - b. that once the error was discovered he decided to make the application to change the name of proprietor to himself, which he did on the form TM 16 ;
 - c. that he had not "pre-dated" the form, which was correctly dated 16 April 2002, but he could not really explain the delay in its receipt by the Registry;
 - d. that he had not hidden the position relating to the mark from the Official Receiver but had, on the contrary, explained to him that the mark was never an asset of the company; in his view he was "in reality" at all times the true proprietor of the mark.Mr. Dakin attended a hearing before Mr. Salthouse on behalf of the Registrar but CC provided only written submissions.

The decision under appeal

10. This is an appeal from Mr. Salthouse's decision dated 18 May 2012 in which he stated at paragraph 15 that "CC is seeking to reverse the assignment which amended the registration from PDM to Mr. Dakin." This phraseology reflected the Hearing Officer's summary of CC's position. CC had submitted that on the date when the Register received the Form TM16, PDM was in liquidation and Mr. Dakin was not in a position to request amendment of the Register. Mr. Salthouse accepted that no assignment had been made by the Official Receiver. However, Mr. Salthouse found that CC had produced no evidence to support the further contention that Mr. Dakin had "pre-dated" the Form TM16, whilst in his view the evidence given by Mr. Dakin as to the circumstances in which the form was completed and sent to the Registry, and Mr. Dakin's explanation of the delay between the date on the form and its receipt by the Registry, could not be ignored. He noted that Mr. Dakin had volunteered to be cross-examined and he concluded at paragraph 16 that "On the balance of

probabilities, and in the total absence of any evidence to the contrary, I accept Mr. Dakin's version of events." As a result, he refused CC's request for rectification of the Register.

The appeal

11. CC now appeals from Mr. Salthouse's decision, which in my view was a decision of mixed fact and law to which the decision of the Court of Appeal in *Reef* [2003] RPC 5 applies. The appeal is therefore by way of review of the Hearing Officer's decision, it is not a re-hearing, but there is no single standard of reluctance to interfere. It varies according to (in particular) the nature of the evaluation required, the experience of the Hearing Officer and whether he had heard oral evidence. In *Reef* itself, the evaluation was of the question of "likelihood of confusion" under s 5(2)(b). The decision was made (as here) by an experienced hearing officer but there was no oral evidence. Robert Walker LJ concluded in the circumstances that the appellate tribunal should "*show a real reluctance, but not the highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.*" That appears to me to be the applicable test for this appeal.
12. Two grounds were given in the Statement of Grounds of Appeal:
 - a. Ground A: that the Hearing Officer based his reasons on conjecture instead of facts, and
 - b. Ground B: that the decision was contrary to established Registry practice concerning the assignment of registered trade marks.

Ground A

13. The first point made under the Ground A is that it was common ground that the Form TM16 was lodged "to record an assignment of the mark" from PDM to Mr. Dakin. It is fair to say that that is how the point was summarised by the Hearing Officer, but I do not consider that it was common ground that this was the position. On the contrary, Mr. Dakin's evidence made it clear that there had been no formal assignment - his view was that he had always been the owner of the mark and the Register simply needed to be corrected to reflect that fact. It is right to say that Form TM16 is normally used where there has been a change of proprietor pursuant to an assignment, but it also seems to me that Mr. Dakin, had he been properly advised at the time, would have made his application on Form TM26 (R). The application should have been to apply to *rectify* the register to correct an error in the name of the proprietor. I discuss the proper procedure under Ground B below.
14. Ground A is not limited to the complaint that the Hearing Officer based his decision on conjecture rather than fact. As a preliminary point under that heading, CC relied upon section 24 (1)(3) of the Act, which specifies that an assignment of a registered trade mark is not effective unless it is made in writing signed by or on behalf of the assignor. CC submitted that the Hearing Officer was wrong not to apply s 24(1)(3) or to explain why he was "ignoring" its provisions.
15. So far as I can see, no reference was made to s 24(1)(3) in CC's Statement of Case, its evidence or its written submissions, even in response to Mr. Dakin's evidence which makes it clear that no formal assignment was ever made. Not surprisingly perhaps, therefore, the section was not considered by the Hearing Officer. It is unhelpful for a party to raise a point of this nature only on appeal, and in my view it is also unfair to criticise the Hearing Officer for having failed to explain why he was "ignoring" section 24, when no reliance had been placed upon that section by the appellant. More significantly, in my judgment, section 24 cannot be considered in isolation from the provisions of section 64, which I discuss below.

16. In paragraph 5 of the Grounds of Appeal, CC does rely on "mere conjecture" on the part of Mr. Dakin in explaining the discrepancy between the date on the form and the date when it was received by the Registry. However, no material error is identified in the Hearing Officer's assessment of Mr. Dakin's evidence, and it seems to me that the decision below cannot be criticised in this respect. The Hearing Officer was fully entitled to conclude that he could accept Mr. Dakin's version of events. In the circumstances there seems to me to be no substance in the points raised under Ground A.

Ground B

17. Ground B relates to Registry practice. CC submits that an assignment alone cannot be used to rectify the wrongly recorded ownership of a trade mark registration; it submits that rectification proceedings must be issued on form TM 26(R) and supported by evidence. It submits that accepting Mr. Dakin's application, which it described as an application "to record an uncorroborated assignment," instead of calling for rectification proceedings, was a mistake on the Registry's part in 2003, which the Hearing Officer was condoning by his decision under appeal.
18. CC requested the Registry to provide clarification as to the Registrar's practice about accepting an assignment to rectify the wrongly recorded ownership of a trade mark registration. CC did not ask whether there was any different practice in force at the relevant time in February 2003. The Registrar responded by a letter dated 28 September 2012 from Mr. Allan James, Head of the Trade Mark Tribunal, setting out the current practice about accepting an assignment to correct an error in the identity of the applicant in an original application. Mr. James referred to Chapter 3.5 of the Work Manual, which relates to section 64 of the Act. So far as relevant, that section provides:
- "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) An application for rectification may be made either to the registrar or to the court, ...
- (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) The registrar may, on request made in the prescribed manner by the proprietor of a registered trade mark, or a licensee, enter any change in his name or address as recorded in the register."
19. It appears to me that the effect of sub-section 64 (3) is significant in this case. Where there has been an error in the name of the proprietor of a mark recorded on the register, and that error is rectified pursuant to section 64, the effect of the rectification is backdated and the error is deemed never to have been made. So, where that is the case, there is no need (indeed, there is no scope) for an assignment from the person originally named as the proprietor to the correct owner. The requirements of section 24 relating to an assignment of a mark do not need to be met; that section is irrelevant.
20. I am reinforced in that view by the current practice of the Registry as reflected in section 3.5 of the Work Manual. This states:
- "Section 64 of the Act

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Under this section any person having a sufficient interest may apply for the rectification of an error or omission in the register provided that the application for rectification is not be made in respect of a matter affecting the validity of the registration of a trade mark.

The term 'validity', as it appears in the proviso, is to be interpreted quite broadly. The section cannot be used for example to:

- Alter the identity of the mark itself
- Increase the breadth of the specification

or

- Any other matter which might otherwise be more properly dealt with under another section of the Act, or which might involve circumvention of statutory requirements

Clerical errors and mistakes in the register are generally considered to be covered by the section, as are more substantive questions like the correct ownership of a mark, but, only if another, purpose-made, section of the Act does not cover the relief being sought.

Examples of rectifications which the Tribunal would accept are:

...

- Applicant's or proprietor's name and/or address, which appears on the register incorrectly and, on the basis of evidence provided, is incorrect."

21. In his letter, Mr. James explained
"... An application for rectification will be entertained in cases of genuine mistaken identity where the person filing the original application form was unaware of the correct ownership position in law. Where it is established that the intention was to apply in the name of A, but an error resulted in the application being made in the name of B, the registrar would be inclined to accept that there was a genuine mistake and rectify the register accordingly.
There is nothing in the registrar's published practice which indicates that an assignment is the appropriate tool to correct such an error."
22. Assuming that the practice in 2003 was the same as now (which I have no reason to doubt) and especially in the light of my view of the effect of sub-section 64(3), it seems clear to me that applying both the Act and the Registry's practice, the registrar could have accepted Mr. Dakin's case that the original trade mark application had been made in PDM's name in error, and could have accepted that there was a genuine mistake justifying the amendment sought of the register. In those circumstances, a formal assignment would have not only been unnecessary but inappropriate. An application to rectify would have succeeded.
23. The only problem with Mr. Dakin's application to correct the Register in 2002 was, therefore, that he submitted a Form TM16 (appropriate to a change of proprietor pursuant to an assignment), rather than a Form TM26(R) (appropriate to a claim to rectification under section 64). That mistake does not appear to have weighed with the registrar in 2003 and it does not seem to me that it would justify CC's claim to rectify the Register on the grounds set out in its own TM 26(R).
24. That was not the analysis carried out by the Hearing Officer in this case, who appears to have accepted CC's submission that the change of proprietorship flowed from an assignment, when that seems to me not to have been the case. However, it is clear that the Hearing Officer dismissed CC's arguments as to why the Register should be rectified to

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remove Mr. Dakin as the proprietor of the mark, and I see no material error in his analysis of the lack of merits of those arguments.

25. For all these reasons, I dismiss the appeal.
26. The costs order made by Mr Salthouse will stand. As to the costs of the appeal, CC did not appear at the hearing of the appeal, but Mr. Dakin attended in person. He told me that he had not taken professional advice on the appeal. As a litigant in person, Mr Dakin is entitled to costs awarded on a limited basis. CPR 48.6 applies by analogy (see the decision of Mr. Richard Arnold QC, acting as the Appointed Person in *South Beck*, B/L O/160/08, 9 June 2008 and my own more recent decision in BL O/259/12, *One 1Aways*, 2 July 2012). Where the litigant cannot prove financial loss, he may be awarded an amount for the time reasonably spent on doing the work at the rate set out in the Costs Practice Direction, currently £18 per hour. Mr. Dakin told me that he had spent 1-2 hours of his own time in preparing the short written submissions which he had sent to me and had travelled to the hearing from Eastbourne by train. I will allow him 2 hours' preparation, and another 4 hours for travelling, waiting and attending the hearing, so £108, plus his train fare, making a total of £160.70. That sum is to be paid to him by CC by 5 pm on Wednesday 31 October 2012.

Amanda Michaels
The Appointed Person
22 October 2012

Mr George Myrants of Trade Mark Consultants Co provided a witness statement on behalf of the Appellant, but the Appellant was not represented at the hearing.

Mr Kevin Dakin, the Respondent, appeared in person.