

IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
-and-
IN THE MATTER OF THE TRADE MARKS ACT 1994
-and-
IN THE MATTER OF
the TRADE MARK APPLICATION No. 2126739
for the word mark PC CLEAR in Class 32
in the name of THE SILVER SPRING MINERAL WATER COMPANY
LIMITED
-and-
IN THE MATTER OF
The OPPOSITION No. 48 501 thereto
by the LOBLAW COMPANIES LIMITED

DECISION

1. On 12th March 2002 Mr. Salthouse, the officer acting on behalf of the Registrar, gave a decision in an opposition by Loblaw Companies Limited to the registration by Silver Spring Mineral Water Company Limited of the trade mark PC CLEAR in Class 32 in respect of a variety of non-alcoholic beverages.
2. This decision was given following a hearing attended by Counsel, Mr. Edenborough on behalf of the Applicant for Registration and Ms Clark on behalf of the Opponent. The primary ground of opposition maintained at the hearing was one based upon section 5(2) of the Trade Marks Act 1994 having regard to the earlier registration of a number of marks of the Opponent, in particular a stylised representation which the Opponent contended would be seen as the letters PC in script form. This mark was registered in Class 32 (No. 1533203) in respect of a variety of non-alcoholic beverages.
3. Subsequent to the hearing but before he gave his decision Mr. Salthouse became aware of a Judgment of mine sitting as a Deputy High Court Judge given in respect of three appeals from the Registrar, one of which was from another decision of Mr. Salthouse. The Judgment was given on 3rd December 2001 and is now reported at 2000 [RPC] 747 (*Bud and Budweiser Budbrau Trade Marks*).

4. For the purposes of this decision it is necessary only to say this about the Bud Judgment. A question of law arose as to the correct interpretation of section 46(2) of the Act which, so far as relevant, provides as follows:

2. *For the purposes of sub-section (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.....*

5. The debate in that case was as to how to assess the nature of those differences which altered the distinctive character of the mark.

6. In paragraph 30 of his Decision of 12th March 2002 in this case, Mr. Salthouse referred to paragraph 31 of my Judgment in the Bud case which stated:

“Secondly I believe that Mr. Salthouse was wrong in seeking to ascertain what was the central message of the mark. This is not the statutory test. The fact that the words Budweiser Budbrau are the most striking feature of the mark can make no difference. If Mr. Salthouse were right then I anticipate that in a majority of cases use of a trade mark whether in upper or lower case, would constitute use of a stylised version of the mark. As a matter of generality that must be wrong”;

7. Mr. Salthouse then continued in paragraph 31 of his Decision the subject of this appeal as follows:

“Although in the above case the learned Judge was considering non-use under section 46 of the Act, the principle outlined in his comments are clearly applicable in the instant case.”

8. Mr. Salthouse then continued in paragraphs 32-38 by considering the similarities and differences between the Opponent’s earlier registered mark and the mark applied for and concluded in paragraph 39 as follows:

39. *“Ms. Clark also contended that I must consider the normal and fair use of the Applicant’s mark, which would include use in a handwritten form which would infringe on her client’s rights. In my view, the comments of Deputy Judge Thorley (see paragraph 30 above) provide clear guidance. If use of a trade mark in*

ordinary letters does not constitute use of a stylised trade mark, then conversely use of a stylised trade mark does not constitute use of a trade mark registered in ordinary letters”.

9. In the Grounds of Appeal, the Opponent contends that Mr. Salthouse’s analysis of the law caused him to equate the test laid down by section 46(2) of the Act with the test laid down in section 5(2). This was said to be a error of law. But in addition it was contended that Mr. Salthouse’s reliance upon the Bud Judgment without giving the parties an opportunity to be heard in relation to it constituted a fundamental irregularity in procedure.

10. This latter ground was set out in paragraph 18 of the Grounds of Appeal which reads as follows:

“Further or in the alternative, the learned officer erred as a matter of law in that he would appear to have based his own decision on a decision of Mr. Simon Thorley Q.C. (sitting as a Deputy Judge of the Court in the matter of Anheuser Busch) which was given only on the 3rd December 2001, nearly a fortnight after the hearing of the Opposition in suit. Neither party was notified by him that he considered this decision to be relevant to the outcome of the Opposition in suit and he gave neither party the opportunity to address him in relation to it. In so doing, he acted in a manner which was manifestly unfair and in breach of the rights of the parties to fair trial under Article 6 of the European Convention on Human Rights. See also Xe Trade Mark [2000] RPC 405”.

11. In the Grounds of Appeal the Opponent sought, in the alternative, that the Appointed Person should re-hear the matter afresh on the appeal in the light of the alleged error of Mr. Salthouse or, alternatively, remit the matter to a different hearing officer for a rehearing.

12. Having listened to Counsel, I concluded that it was right to decide this ground of appeal first without considering the question of whether or not Mr. Salthouse’s alleged reliance on the Bud decision was justified in law. In circumstances where it is alleged that there has been a procedural failure which has resulted in manifest unfairness which might lead to the matter being remitted, it is, in my judgment, correct that this issue should be heard without considering the merits of the decision. In this way, if the matter is remitted, the hearing officer to

whom it is remitted will not have any observations from the Appointed Person as to the merits of the arguments.

13. Ms Clark draw my attention to the fact that it formed no part of the argument before Mr. Salthouse that there was any analogy between the approaches to Section 46(2) and Section 5(2). This was not therefore a case where an argument had been raised and in the course of writing his decision Mr. Salthouse had become aware of an uncited authority pertinent to an argument which had been raised. On the contrary, she said, he had himself identified a possible argument and had applied it to the facts of this case. She based her case on the fact that the failure to give the parties an opportunity to make representations on the argument which he had himself perceived was a fundamental failure in procedure which constituted either a breach of natural justice or a breach of the Human Rights Act or both. When she spoke of a fundamental failure of procedure, I think she had in mind the obligation cast on the Registrar by Rule 54 of the Trade Mark Rules 2000 which provides:

54(1) "Without prejudice to any provisions of the Act or these Rules requiring the Registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the Registrar shall, before taking any decision on matters under the Act or these Rules which is or may be adverse to any party to any proceedings before her, give that party an opportunity to be heard."

14. In Xe's Trade Mark [2000] RPC 405, there had been a hearing to determine whether or not a mark was devoid of distinctive character at a time when the Registry's practice of June 1996 was in force. In the period between the hearing and the hearing officer's written decision, this practice was changed by a revised statement dated August 1998. The decision considered the new practice and relied on matters not in issue at the hearing and which the Applicant had not addressed.

15. The Applicant appealed to the Appointed Person and Mr. Hobbs Q.C. in his Decision referred, on page 410, to the then existing Rule 48(1) of the Trade Mark Rules 1994 which equates to Rule 54 which I have cited above. He went on to say that:

"It is clear from these provisions that a decision to refuse registration should be based upon grounds of objection which the Applicant has, in substance, been given an opportunity to address in

representations to the Registrar, made orally to one of the Registrar's hearing officers if so desires.

The importance of this principle was emphasised in the decision given by Mr. Hugh Laddie Q.C. on behalf of the Secretary of State in relation to applications No. 1,497,607 for the registration of a trade mark in Class 30 in the name Northumbrian Fine Foods plc. The decision was issued on March 1st 1994. The mark put forward for registration (in respect of biscuits) was the word Dunkers. Following a hearing to consider whether the mark was eligible for registration, the registrar's hearing officer issued a written decision explaining why he maintained that registration should be refused. He support his reasoning by reference to three documents which were annexed to his written decision. None of them had previously been identified to the Applicant as raising matters of interest or concern to the Registrar. Mr. Hugh Laddie Q.C. observed that the hearing officer should not have relied on those documents;

“If he came to the conclusion that the application should be refused, his written decision should have explained why he came to that conclusion at the time. If the three documents, which were not present at the hearing, were not necessary to his decision, then there was no need to cite them. If, on the other hand, they played a significant part in his reasons for dismissing the application, it was wrong to rely on them without giving the applicant the opportunity to comment on them”.

16. Whilst both those decisions related to ex parte applications for registration and not inter partes oppositions, Ms Clark submitted that the principles were equally applicable to opposition proceedings. Opposition proceedings have the advantage of pleadings and, normally, skeleton arguments. The function of the hearing officer is to act in a quasi judicial position to determine the dispute between parties. He should decide the dispute on the basis of the submissions before him and if he concludes, subsequent to the hearing, that there has been a decision which might be material to the questions he has to decide, then he must give the parties an opportunity of making submissions as to the materiality of that decision before reaching a decision adverse to either party which relies upon the reasoning in that decision.

17. Mr. Edenborough, who appeared on behalf of the Applicant, submitted, first, that the decision in the Bud case was merely declaratory of existing law and that therefore there was no objection to the hearing officer referring to it and, secondly, that, on a proper analysis of his decision, Mr. Salthouse did not place the reliance on the Bud decision that Ms. Clark contended for.

18. As to the first of these arguments, even if the Bud decision was merely declaratory of the existing law, that does not, in my judgment, entitle the hearing officer to take into account a new legal argument which occurred to him having read the Bud Judgment. Matters might have been different had the analogy between section 46(2) and section 5(2) been ventilated at the hearing before Mr. Salthouse but this is not a matter which I have to decide.

19. The second argument I believe fails when one refers to the structure of the decision of Mr. Salthouse which I have referred to above. He recites a passage from the Judgment in the Bud case, acknowledges that that is applicable to section 46(2) but expressly holds that it is equally applicable to the case he has to decide under section 5(2). At the end of his decision he reverts to this as support for his decision. I cannot therefore accept that the Bud decision played no material part in Mr. Salthouse's decision making process.

20. In those circumstances I am persuaded by the submission of Ms. Clark and am satisfied that Mr. Salthouse's reliance upon the Bud Judgment without giving the parties an opportunity to be heard on it constituted a procedural failure having regard to Rule 54. It is not therefore necessary that I go on to consider whether, in the absence of Rule 54, it would have been a breach of natural justice or a breach of the Human Rights Act or both. For this reason alone Mr. Salthouse's decision cannot stand and must be set aside.

21. The question then arises as to whether there should be a rehearing before a different hearing officer, as was the case in the Xe trade mark case, or whether I should proceed to consider the appeal by way of rehearing rather than review. Ms. Clark initially was in favour of the latter but having taken instructions urged me to order a re-hearing before a different hearing officer on the basis that otherwise her clients might be deprived of a tier of appeal. Mr. Edenborough had similar instructions from his clients. Both

parties therefore wished me, if I reached the conclusion that I have done, to remit the matter to the Registry. The desires of the parties are however not the only relevant consideration. There is a public interest. This is a mark which was applied for in 1997 and any uncertainty in the Registry needs to be resolved as soon as possible. Equally I am conscious that an appeal to the Appointed Person is a final appeal and it is of considerable assistance to the Appointed Persons to have the benefit of a reasoned decision of the Registry which forms the subject of the appeal. Mr. Salthouse denied himself the advantage of argument on a point which, apparently, underlies his decision. His legal approach whatever it may be, may be right or it may be wrong, and I express no view on this. I am however wholly satisfied that I would benefit not only from full argument on this subject but also from a reasoned decision of a hearing officer after he had heard full argument. Quite properly Mr. Edenborough did not commit his hand on the hearing of the preliminary point before me as to the weight that he felt could be attached to the hearing officer's reasoning. He did not concede that it was wrong and it is open to him to advance such submissions as he sees fit.

22. In these circumstances I reached the conclusion that the correct course was to remit the matter to the Registrar for a further hearing before a different Hearing Officer. I communicated this decision to the parties at the end of the hearing and indicated that I would give full reasons at a later date. These are those reasons.

23. As indicated at the conclusion of the hearing, it is plainly desirable that the further hearing should take place as soon as possible so that, if either party wishes to appeal the new decision this can be achieved with the minimum of delay.

24. I therefore allow the appeal, set aside Mr. Salthouse's decision and remit the opposition back to the Registry for a hearing before a different hearing officer. The costs of this appeal will fall to be considered by that hearing officer.

Simon Thorley Q.C.
24th September 2002