

## **TRADE MARKS ACT 1994**

### **APPEAL TO THE APPOINTED PERSON**

#### **IN THE MATTER OF APPLICATION NO 9211 BY ZOLOTAS JEWELERS SA FOR REVOCATION OF TRADE MARK NO 1009680 IN THE NAME OF ZOLOTAS-LA CHRYSOTHEQUE ZOLOTAS**

### **DECISION**

1. This is an appeal against the Decision of the Registrar allowing an application by Zolotas Jewelers SA for revocation of the Trade Mark:

CHRYSOTHEQUE  
ZOLOTAS

2. The mark is Trade Mark No 1009680 and is registered in Class 14 in respect of:

*“Articles for personal adornment and smokers’ articles included in Class 14, all made of precious metal or coated therewith; jewellery, precious and semi-precious stones, watch cases and watch bracelets.”*

3. The registration is presently in the name of Zolotas-La Chrysotheque Zolotas. As the end of the hearing before me, I refused the appeal but said that I would set out my reasons in full in writing in due course which I now do.

4. The application for revocation was made under Section 46(1) of the Trade Marks Act 1994, on the grounds that, if there had been any genuine use of the mark following the date of completion of the registration procedure, such use had been suspended for an uninterrupted period of at least five years and that there was no proper reason for non-use. The registered proprietors filed a counterstatement in which they relied on alleged use within the United Kingdom, of the mark, with their consent, by the applicants for revocation themselves.

5. The significant of the provisions of Section 100 of the Trade Marks Act 1994 must be kept to the forefront in considering any case of this kind. Section 100 provides that: *“If, in an civil proceedings, under this Act, a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”* The learned annotators of the current law statute version of the 1994 Act, in their note to that section, state: *“This short and unassuming section makes a radical and welcome change in trade marks law.”* The change to which the writers advert is that under the previous legislation, the Trade Marks Act 1938, the burden of proof was on the party alleging non-use. The undesirable consequences of that decision were several. As the annotators point out in their note, it was often extremely difficult for the party alleging non-use to find out whether a mark

was actually being used or had been used over the previous five years. The justification for reversing the onus in the 1994 Act is that trade marks, once registered, are supposed to be used. It is right therefore that the proprietor should have the onus of showing that he is or has been using his mark, once a relevant issue about these matters arises. Under the previous law an unfair burden was placed on the applicant for revocation to discover what was or should have been within the knowledge of the registered proprietor, that is what use, if any, had been made of the mark in question. As the annotators cited about say: *“The registered proprietor was in a position to criticise the evidence of non-use which was put forward, without ever being forced to reveal, except possible at a late stage in the proceedings, the extent of his use.”* It is very important, in my view, that registered proprietors and those who advise them grasp the significance brought about by this changed in the law and that they are in a position to produce all the available evidence to present to the person, tribunal or court, before whom or which, question has arisen, as to the use to which the registered trade mark has been put, whenever such an issue becomes a live issue in civil proceedings. They will not be able to assume, for example, that an application for revocation will fail, if they do not provide positive evidence of use, simply on the footing that the applicant for revocation has produced only slight evidence to prove the negative.

6. Against that legal background I turn to consider the circumstances of the present case. In doing so I deal first with some important procedural features of the case. After the application for revocation was made, a statutory declaration was filed, on behalf of the registered proprietor by Mr Michael Lynd of Edward Evans and Company, their professional representatives in this matter. In the body of that declaration, in a passage which was dealing with the relationship of the parties and, in particular, averments that the applicants had been using the trade mark with the proprietor’s consent, it was stated: *“Because the company is now the applicant for revocation these records and details are not available to the proprietor. They are however available to the applicant for revocation and, on behalf of the proprietor, I ask that the Registrar make an order for recovery against the applicant for revocation, requiring it to produce to inspection all documents and records in their custody, possession or control relating to the use in the United Kingdom of the trade mark of the registration in suit for the period September 1991 to November 1995.”* Understandably, because the request for discovery was contained in the middle of a statutory declaration, the Registry did not initially pick it up. I would pause there to suggest that it is highly desirable that any such application should be made by means of a discrete application, rather than having it set out amidst the narrative and averments in a statutory declaration, which is designed to perform another function. Be that as it may, no harm was done in this case, because a preliminary hearing had to be fixed in any event in relation to requests for an extension of time/stay or proceedings. The Hearing Officer, Mr M Knight, in preparing for that hearing, noticed the request in the statutory declaration for discovery. He considered that application and advised the parties that he was not satisfied that a proper case had been made out for an exercise of his powers under Rule 52 of the Trade Mark Rules and he refused the application for discovery. It should be noted that the applicant could have appealed that decision to the Appointed Person. Section 76(1) of the 1994 Act provides: *“An appeal lies from any decision of the Registrar under this Act, except as otherwise expressly provided by Rules. For this purpose “decision” includes any act of the Registrar in exercise of a discretion vested in him by or under this Act”* (my emphasis). No Rules have been promulgated which exclude from the scope of Section 76(1) an appeal against a decision of

the Registrar to refuse to exercise his powers in relation to discovery. If the applicant had wished to appeal against the Registrar's refusal to order discovery he should have, in terms of Rule 57(1) of the Trade Marks Rules, sent a notice of appeal to the Registrar within one month of the date of the Registrar's decision. He did not do so.

7. The application then proceeded to be considered on its merits by another Hearing Officer, Mr M Reynolds. Neither party required a hearing. In the Hearing Officer written Decision he quoted from the statutory declaration of Mr Lynd for the registered proprietor at some length including the passage in which a request for an Order for Discovery was made, to which I have already referred. After quoting that passage, the Hearing Officer simply observed in parenthesis: "*It seems that the case for an Order for Discovery was subsequently held not to have been made out.*" That was, of course, as I have noted, a correct description of the position.

8. On the merits of the matter the Hearing Officer had to determine two matters - firstly whether it was established, on the evidence, that there had been an agreement between the registered proprietor and the applicants for revocation, whereby the latter were to be allowed to use the registered mark in the United Kingdom, and secondly whether it was established, on the evidence, that there had been such use during the relevant five year period preceding the application for revocation.

9. The history and background of this case are complicated. They are, however, fully set out in the Hearing Officer's decision, but essentially, on the first question the registered proprietors, who were represented before me by Mr Lynd, maintained that an agreement between them and the applicants for revocation, could be inferred from the circumstances and, in particular, from the Minute of a company referred to as Zolotas Jewelers SA. Before I turn to the terms of that Minute the following salient facts should be mentioned. On the 22 of April 1971 a company was incorporated in Greece with the trading name of Zolotas-La Chrysotheque Zolotas. That is the company which is, at present, the registered proprietor of the mark in question. The application for the registration of the trade mark in question and which is the subject matter of the present appeal, was filed on 13 April 1973 by Zolotas SA, a French company said to be associated with the Greek company, which was incorporated on the 22 April 1971. The applicants, in the present proceedings, were apparently incorporated in Greece on the 9 of December 1988. The UK trade mark was assigned by the French company to the present registered proprietors on 25 February 1994.

10. There seems to be no doubt that some form of relationship, however, loose, of a commercial nature existed between the applicant and the now registered proprietors of the mark up until about 1995 but, in my view, the Hearing Officer was well entitled to reach the conclusion that, although there were references in the documents filed, to the companies being sister or associated companies, the precise relationship between them was not clear and, in particular, it was impossible to say, on the evidence, whether either of the companies was in a position to control the other. Mr Lynd, before me, under reference to the Minute to which I have already referred, said that it was quite clear from this document that the companies were sister companies and that "*the document reflected the co-operative and amicable arrangements which existed between these two sister companies*". The document in question is in Greek but a certified translation was provided. It bears to be a Minute of the applicant's

company and, indeed, was one of the documents filed along with the statutory declaration on their behalf. The contents of the documents are as follows:

“SOLOTAS JEWELERS  
Company Limited-by-Shares for the  
Manufacture and trade and exportation  
of jewellery and goods from gold and  
silver, with and without precious and  
semi-precious stones  
26 Kallirrois Avenue, 117 43 Athens (Greece)  
Tel: 9228 894-9229 905 Tax Reg No 94248785  
Company Reg No 1843/01/B/88/658

MINUTES No 20  
Meeting of the Board of Directors  
Of the Company ZOLOTAS JEWELERS  
28 September 1990

11. Minutes of the 20<sup>th</sup> Meeting of the Board of Directors of the Company with the firm of “ZOLOTAS JEWELERS SA”, which took place in the Company’s offices at 26 Kallirrois Avenue on 28 September 1990.

Meeting comprised of:  
Dimitra Koritsa  
Marianne Papalexis  
Narua Papastamou

12. Mrs Dimitra Koritsa presided over the meeting, and the Secretary, Mrs Maria Papastamou, retained the minutes.

13. SUBJECT: The approval and acceptance of the trade mark “ZOLOTAS-LA CHRYSOTHEQUE ZOLOTAS” of the company with the name “Company Limited-by-shares for the Trade and Manufacture of Goods from Gold and Precious Stones and Luxury Goods”, with the title “ZOLOTAS - LA CHRYSOTHEQUE ZOLOTAS”, which is situated in Athens, 10 Panepistimou Street.

14. The Board of Meeting commenced in the presence fo the above with speaker the President, Mrs Dimitra Koritsa, who having been informed beforehand by the Managing Director, Mrs Marianne Papalexis, reports that the trade mrk of the sister company with the name of “Company Limited-by-Shares for the Trade and Manufacture of Goods from Gold and Precious Stones and Luxury Goods”, which consists of the words “ZOLOTAS-LA CHRYSOTHEQUE ZOLOTAS”, and which is destined to distinguish the exact same products and merchandise as our own (ie Class 14), be lawfully accepted.

15. Said trade mark has been filed by the above company on 15 May 1990 (no 198145) and its hearing is fixed for 8 November 1990, postponed from 26 September 1990 and against from 5 October 1990, before the Administrative Committee for Trade Mark of the Ministry of

Commerce.

16. After discussion, the Board of Directors approved and accepted for the trade mark of the sister company with the name “Company Limited-by-Shares for the Trade and Manufacture of Goods from Gold and Precious Stone and Luxury Goods”, which consists of the words “ZOLOTAS-LA CHRYSOTHEQUE ZOLOTAS” and which is destined to distinguish the exact same products and merchandise as our own (ie Class 14), be lawfully accepted.

17. The Legal Advisor, Mr John Aletras, lawyer, is authorised to lawfully appear before the above Committee at the hearing of 8 November 1990 and declare the above approval and acceptance.

18. Following the above and since there was no other matter for discussion, the meeting was closed.

19. These minutes were read by the Secretary and signed as follows:

#### THE BOARD OF DIRECTORS

The President

The Members

(Signed)

Exact copy of extract from the Book of Minutes  
of the General Assemblies of the company  
15<sup>th</sup> April, 1997  
The certifying President of the Board of Directors  
(signed) company seal)  
Marianne Papalexis”

Mr Lynd asked me to read out of this document an agreement between the companies that the applicants for revocation could use the UK trade mark “CHRYSOTHEQUE ZOLOTAS” in the United Kingdom, because it reflected a general agreement or understanding between the parties that they could use each other’s trade marks, wherever in the world. Before the Hearing Officer the registered proprietors had also relied on another Minute, this time of a meeting of the company known as LA CHRYSOTHEQUE ZOLOTAS which took place on the same day as the previously referred to meeting ie 28<sup>th</sup> September 1990. Again the document was in Greek but a certified translation was provided. Its terms are as follows:

“LA CHRYSOTHEQUE ZOLOTAS  
Company Limited-by Shares- for the Trade and  
Manufacture of Goods from Gold and Precious Stones  
10, Panepistimou Str., Athens (Greece)  
Tel 3613872, 3601272 - Tax Reg No 94030932  
Companies Reg No 1593/01/B/86/1592

MINUTES No 233  
Meeting of the Board of Directors  
of the company LA CHRYSOTHEQUE ZOLOTAS  
28 September 1990

20. In Athens, this 28<sup>th</sup> day of September 1990, day of the week Friday, and at 12.00 pm, in the registered office of the company under the name “Company Limited-by-Shares for the Trade and Manufacture of Goods from Gold and Precious Stones and Luxury Goods - LA CHRYSOTHEQUE ZOLOTAS” at No 10 Panepistimou Street, the meeting of the Board of Directors of the company was convened, comprising of

1. Sofa widow of Aristide PAPASTAMOU, President.
2. Maria daughter of Aristide PAPASTAMOU, Managing Director.
3. Athena daughter of George ZEPHYR, Member.

to discuss the subject of the agenda:

**Approval and acceptance of the trade mark “ZOLOTAS-Jewelers” by the company under the name “ZOLOTAS JEWELLERS SA” which has its registered office in Athens at No 26, Kallirrois Street.**

21. The Board of Directors unanimously approves and accepts that the trade mark of the sister company “ZOLOTAS JEWELERS SA” (Registered office in Athens, 26, Kallirrois Street) which consists of the combination of the foreign words “ZOLOTAS-Jewelers” and the depiction of the Greek letter, “Z”, as this letter is formed with consecutive curved lines and consecutive triangles within the two curves, and which is destined to distinguish (protect) the exact same products and merchandise as our own (ie Class 14), be lawfully accepted.

22. Said trade mark has been filed by the above company on 22 March 1989 (No 103251) and its hearing is fixed for 8 November 1990, postponed from 18 October 1990, before the Administrative Committee for Trade marks of the Ministry of Commerce.

23. The Managing Director Mrs Maria PAPASTAMOU is authorised to lawfully appear before the above Committee at the hearing of 8 November 1990 and declare the above approval and acceptance.

24. Following the above and since there was no other matter of discussion, the meeting was closed and these minutes were immediately signed.

THE PRESIDENT

THE MEMBERS

(Signed)

Exact copy of extract from the Book of Minutes  
of the General Assemblies of the company  
Athens, ( October 1996

The certifying President of the Board of Directors  
(signed) (company seal)  
Stavros P. Mihalarias.”

25. The existence of any agreement which the registered proprietors contended to be read from those documents was contested in the evidence of the applicants, in particular in a declaration by their Board of Directors, which was not dated. That document was not challenged but the Hearing Officer did observe that “*it was no in proper evidential form*”.

26. The Hearing Officer concluded from these adminicles of evidence that the position was as follows:-

1. There was a clear and formally adopted process whereby the parties approved and accepted each others marks as set out in the Board Resolutions of 28 September 1990.
2. There was nothing to indicate that these agreements dealt with the position outside Greece.
3. No separate agreement or consent had been filed which had the effect of permitting or requiring Zolotas Jewelers SA to use the mark CHRYSTHEQUE ZOLOTAS in the UK or elsewhere, and
4. The declaration of the directors of Zolotas Jewelers suggested that no such agreement or consent ever existed although the Hearing Officer had reservations about relying on the document because of the fact that it was undated.

27. In my view the Hearing Officer’s treatment of the Minutes, in those terms, was wholly justified. It is simply stretching the language of those documents beyond anything they can bear, to suggest that from them it can be seen that an agreement was being entered into between the parties that all marks, wherever registered and whenever they came to be the property of the parties to the present proceedings, could be used indiscriminately by either party anywhere throughout the world. Yet that seems to be what was being contended for by the registered proprietors. Their case, therefore, fell, in my view, at the first hurdle in that they had failed to establish any agreement that the trade mark in question could be used in the United Kingdom by the applicants.

28. But, in any event, even if they had surmounted that hurdle, their representative had ultimately to accept, before me, that they were not in a position to place before the Hearing Officer, or myself, any evidence of actual use being made of the mark during the relevant five year period, either on the basis of such an alleged agreement or in any other way. Their position was simply that they could not produce such evidence because it was entirely in the hands of the applicants.

29. In his submission before me Mr Lynd said that because of the refusal by the Registrar to grant the application for recovery, he was in the position of not being able to file evidence of

use. As previously noted, the registered proprietors could have appealed against that decision within the time limits prescribed, but chose not to do so. It is true that in their grounds of appeal they stated: “ 1. *The Registrar erred in refusing to make the Order for Discovery requested by the registered proprietors in these proceedings*”. Since no fresh application for discovery was made to the Hearing Officer designated to decide the merits of the case, that ground of appeal must refer to the refusal by the Hearing Officer Mr Knight who decided the preliminary applications in this case. Mr Lynd, before me, ultimately, I think, accepted that his case must fail if he could not obtain evidence of use by means of an Order for Recovery. He endeavoured to persuade me that I had the power, at this late stage, to allow an appeal against the original decision to refuse to make the Order for Discovery and that I had myself then the power to make such an Order. Rule 57(1) of the Trade Marks Rules 1994 provides: “*Notice of appeal to the person appointed under Section 76 shall be sent to the Registrar within one month of the date of the Registrar’s decision which is the subject of the appeal accompanied by a statement in writing of the appellant’s grounds of appeal and of his case in support of the appeal*”. Rule 62(1) provides the time or periods -

*“(a) prescribed by these Rules, other than the times or periods prescribed by the Rules mentioned in paragraph (3) below, or*

*(b) specified by the Registrar for doing any act or taking any proceedings, may, at the request of the person or party concerned, be extended by the Registrar as he thinks fit, upon such notice to any other person or party affected and upon such terms as he may direct.”*

30. The Rules excepted from Rule 62(1) are Rule 10(6) (Failure to file address for service), Rule 11 (Deficiencies in application), Rule 13(1) (Time for filing opposition), Rule 13(2) (Time for filing counterstatement), Rule 29 (Delayed renewal), and Rule 30 (Restoration of registration). Accordingly it would appear that the Registrar may extend the time for a notice of appeal to be sent to him. Rule 59(2) of the Rules provides: “*The provisions of Rule 48(2) and Rules 49 to 55 shall apply to the Person Appointed and to proceedings before the Person Appointed as they apply to the Registrar and to proceedings before the Registrar.*” The provisions in Rule 59(2), however, do not appear to confer on the Appointed Person a power to extend the time limits for sending a notice of appeal in terms of Rule 57. The position appears to be, accordingly, that it is only the Registrar who can extend the time for taking an appeal against his decisions, (although a decision of the Registrar not to accede to an application to extend the time for a notice of appeal to be sent to him would, it seems, be a decision which could be appealed to the Appointed Person). I have been unable to trace any other provisions whether in the primary legislation or the Rules which appears to give the Appointed Person such a power. The effect of Rule 59(2) is, *inter alia*, however, that the Appointed Person can order discovery. Although Mr Lynd did not in terms ask me to do so I think that that was what he was suggesting I should do. I had no hesitation in reaching the view that an exercise of my power to order discovery would have been wholly in appropriate in the circumstances of this case. In the first place, it seems to me, that in the normal case applications for recovery should be made to the Registrar before the case on the merits falls to be determined by him, or at the very latest before he reaches his conclusions there anent. Any decision by the Registrar regarding such an application can be appealed. There was nothing to suggest to me that the present case fell outside what I would regard as the normal position. It

would normally be quite inappropriate, in my view, for a party, who has sought discovery by an application to the Registrar, which is refused, and who elects not to appeal that decision to allow a decision to be then reached on the merits of the case and then to seek at appeal an Order for Discovery to enable him to cure perceived evidential difficulties at that stage. I am not ruling out the appropriateness of such a course of action in every case but I would have thought it would require a very exceptional set of circumstances to justify it. What is more, in the present case, it was never explained why the registered proprietors themselves had no evidence in respect of use. As the Hearing Officer justifiably, in my view, observed: “*Had there been use with th proprietors’ consent they would surely be able to point to records of their own by way of indirect evidence at least that a trade had taken place. A proprietor whose mark is being used by another organisation would either expect to receive royalties or licence fees, or in the case of, for instance, a subsidiary or related company, there would be some sort of account of profit between the companies. The registered proprietors here point to none of these things. Nor do they say what steps had been taken at any time during the relevant period to enquire what use the applicants had made of the mark supposedly to be used with their consent.*” Lastly, in any event, I was not prepared to consider an application for an Order for Discovery when it was clear that the registered proprietor had failed at the first hurdle, that is to establish, on the evidence, that there was any agreement between them and the applicants to the effect that use of the trade mark was to be made by the applicants.

31. For the foregoing reasons I considered that the Decision of the Hearing Officer that the registration should be revoked in its entirety, the effective date of revocation being 30<sup>th</sup> September 1996, was correct and I refused the appeal. I consider that the applicants for revocation are, in the circumstances, entitled to a contribution towards their costs which I shall fix at £500.

M G CLARKE QC  
7<sup>th</sup> December 1999