

O-615-20

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 1086140
IN THE NAME OF NOVAFON LIMITED
IN RESPECT OF THE TRADE MARK:**

NOVAFON

IN CLASS 10

AND

**AN APPLICATION TO RECTIFY THE REGISTER (UNDER NO. 84817) BY
NOVAFON ELEKTROMEDIZINISCHE GERATE GMBH**

BACKGROUND, PLEADINGS AND RELEVANT EVIDENCE

1. Registration 1086140 is for the trade mark NOVAFON in respect of *Medical sound wave apparatus for deep massage* in Class 10. It currently stands in the name of Novafon Limited (“the current proprietor”).

2. On 18 March 2019, NOVAFON Elektromedizinische Gerate GmbH (“the applicant”) filed an application to amend the register to record Novafon Export and Vertrieb Bjarne Breindorf (“the previous proprietor”) as registered proprietor. It claims that the assignment from the previous proprietor to the current proprietor is invalid. This claim is made because the previous proprietor ceased to exist on 25 June 2002 and could not, therefore, have transferred its former assets on the date of the purported assignment (7 November 2005).

3. The applicant also claims that, if it is wrong regarding the validity of the assignment, then it claims that the recordal of the assignment is invalid. The Form TM16 to record the purported assignment was filed on 7 December 2018. It claims that the representative had no authority to sign the form on behalf of the previous proprietor that had ceased to exist on 25 June 2002. It claims that the representative should have provided documentary evidence to prove the transfer of ownership that it claimed to have occurred in 2005 as clearly stated on the form, but it did not do so.

4. The current proprietor denies the claims. The parties have both filed evidence and written submissions. The evidence consists of the following:

On behalf of the applicant

5. The witness statement of David Gill, Chartered Trade Mark Attorney at Gill & Gill, the applicant’s representative in these proceedings.

On behalf of the current proprietor

6. The current proprietor relies upon three witness statements by:

- (i) Inga George, attorney-at-law under German law and is authorised by the current proprietor to provide her statement;
- (ii) Thomas Kruse Lie, assistant attorney-at-law under Danish law and is authorised by both the prior administrator of the trade mark registration, Lis Breindorf and the current proprietor to provide his statement;
- (iii) Lis Breindorf who explains that she was married to Bjarne Breindorf and remained so until his death in 25 April 2005 and that she owned “an ideal half-part” of all his assets including the disputed trade mark registration.

7. The parties both also both filed written submissions. I will keep these in mind and refer to them as necessary. The parties did not request a hearing and I make my decision after a careful review of the papers.

DECISION

8. Section 64 of the Act reads:

“**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) [...]

(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) [...].

(5) [...].”

9. The applicant is the owner of the NOVAFON trade mark in numerous European countries. It claims that the previous proprietor was its international distributor and that it is assumed that Bjarne Breindorf registered NOVAFON in the UK (and other countries) in this capacity¹. The current proprietor has never had any such relationship with the applicant. Consequently, the applicant has the necessary “sufficient interest”.

10. In support of the above claim, the applicant provides details of twelve trade marks still in the name of the previous proprietor. Of these three are still registered and in respect of NOVAFON or NOVAFON and device (in Switzerland, Denmark and Sweden respectively)². The applicant points out that only three registrations appear to be in the name of the current proprietor (including the contested registration)³.

11. At Exhibit DJG4, Mr Gill provides a copy of a witness statement by Andrew Carruthers, Director of the current proprietor. In that witness statement, Mr Carruthers states that:

- his father started buying NOVAFON therapy devices from the previous proprietor in 1980⁴;
- he established the current proprietor in 1986 to sell these devices (as well as devices under the NOVASONIC mark) in the UK. Shortly after, his father

¹ Mr Gill’s witness statement, para 3

² Mr Gill’s witness statement, paras 4 & 5 and Exhibit DJG1

³ Ditto, para 7

⁴ Mr Carruthers’ witness statement, para 3

accepted an offer from Mr Breindorf to be sole agent for the UK⁵. Since then the current proprietor (or its associated companies) has distributed NOVAFON devices in and from the UK⁶.

12. The current proprietor states that on 7 November 2005, it bought all rights to the NOVAFON and NOVASONIC marks from the previous proprietor and Novasonic v/Lis Breindorf including rights to the contested registration⁷. A request has been made to the UKIPO to record this assignment in order to bring the UK register up to date⁸.

13. It is common ground between the parties that:

- (i) The contested registration was registered on 5 November 1977 in the name of the previous proprietor;
- (ii) This was a business name under German law and that under German law this is the same legal entity as Mr Bjarne Breindorf as a natural person;
- (iii) The business name Novafon Export and Vertrieb Bjarne Breindorf was cancelled from the German commercial register on 25 June 2002;
- (iv) Mr Breindorf continued to hold ownership until his death on 25 April 2005;
- (v) Ms Lis Breindorf was married to Mr Breindorf under Danish law until his death.

14. In light of this common ground, it is not necessary that I refer to the evidence of the parties that addresses these points. One area of dispute between the parties that has been highlighted is whether Ms Breindorf, by way of “community of property for married spouses” or by way of inheritance was the *de facto* proprietor of the contested mark after 25 April 2005 and whether she had authority to undertake an assignment to the current proprietor. The evidence filed by the current proprietor in support of the claim that Ms Breindorf had the necessary authority can be summarised as:

⁵ Ditto, para 4

⁶ Ditto, para 5

⁷ Ditto, para 7

⁸ Ditto

- According to Danish law, “community of property” or “common property” is the standard legal property regime between spouses⁹. A copy of the Danish Law about Spouse’s Economic Relations is provided together with an English translation of what the current proprietor claims is the relevant provisions¹⁰. These are reproduced below:

“Law on financial relations between spouses

§ 5. In the event of separation or divorce the spouses divides their assets equally, unless they have entered into an agreement on the division according to § 32 or if otherwise is dictated by § 26. In the event of a spouse’s death and in the event of a division of an undivided estate the spouses’ assets are divided equally between the surviving spouse or its estate and the firstly deceased spouse’s estate, unless otherwise is dictated by § 51.

Stk. 2. A spouse’s assets, which according to stk. 1. Are to be divided equally, are called division assets. The spouses’ division assets comprise a community of property between the spouses.”

And:

“Section IV. Division of assets in the event of the death of a spouse

Chapter 15. Division of assets

Implementation of the division of assets

⁹ Mr Kruse Lie’s witness statement, para 5

¹⁰ At Exhibit TK1

§ 51. In the event of a spouse's death and in the event of a division of an undivided estate carried out while the surviving spouse still lives, the assets and liabilities, that each spouse had at the time of their death, except the following assets and liabilities, are included in the equal division of the spouses' division assets according to § 5, stk. 1, 2. Pkt.:

- 1) Each spouse's sole properties.
- 2) Each spouse's non-transferable and personal rights included in § 37.
- 3) ..."

15. Ms Breindorf confirms that there was never a prenuptial agreement between her and Mr Breindorf¹¹ and that the couple had chosen to maintain their community of property. Further, Ms Breindorf states that she received complete insight into her husband's business and states that there was no agreement concerning transfer of intellectual property rights¹² (separate to the "community of property" approach).

16. According to the Danish Inheritance Act, the surviving spouse can take over administration of the spouses' division assets for undivided estate by request of the surviving spouse. The translation of the relevant part of that Act states¹³:

"Chapter 4

Undivided estate

Requirements for undivided estate etc.

§ 17. Following the death of a spouse the surviving spouse can take over the division [of] assets of both spouses, see however §23, stk. 2-6, to an undivided estate with their joint heirs.

¹¹ Ms Breindorf's witness statement, para 4

¹² Ditto, para 5

¹³ See Exhibit TK2, page 32

§ 20. A request for assignment of an estate to an undivided estate is made by the spouse or their legal guardian or conservator.

§ 24. The surviving spouse, while alive, exerts an owner's legal rights over the undivided estate.”

17. It is not expressly stated why it is Danish law that governs the current circumstances. However, I note that the applicant takes no issue with reliance upon the laws of that jurisdiction. Secondly, other evidence suggests that Mr and Ms Breindorf resided in Denmark (see the following paragraph).

18. A Probate Court Certificate from the Court of Aarhus is provided¹⁴. It was issued on 31 May 2019 but expressly states that the estate of Bjarne Breindorf was delivered to the spouse, Lis Breindorf, on the 2 June 2005. The current proprietor submits that, in accordance with section 24 of the Danish Inheritance Act, Ms Breindorf exerts an owner's legal rights over the undivided estate. Following the issue of the Probate Court Certificate, Ms Breindorf entered discussions with the current proprietor regarding selling a number of assets used in the operations of her business, Novasonic v/Lis Breindorf¹⁵. This resulted in an agreement¹⁶, dated 7 November 2005, that included the transfer of the contested registration to the current proprietor¹⁷.

19. An extract from the Danish Company Register is provided¹⁸ that shows that the business name “Novasonic v/Lis Breindorf” was registered on 1 January 1997 in the company register as a personally owned sole proprietorship on behalf of the natural person Lis Breindorf. It is stated¹⁹, on behalf of the current proprietor, that the mere registration of a business name does not create a separate legal entity under Danish

¹⁴ At Exhibit TK3 and the translation at Exhibit TK4

¹⁵ Ms Breindorf's witness statement, para 7

¹⁶ A copy of which is provided at Exhibit LB1

¹⁷ Ditto, para 9

¹⁸ At Exhibit TK5

¹⁹ Mr Lie's witness statement, para 11

law and the natural person who registered the business name remains personally liable for all obligations assumed in the capacity as a registered merchant. That natural person also becomes owner of all assets acquired under the business name and vice versa,

20. In light of all of the above, it is submitted on behalf of the current proprietor that:

- Ms Breindorf owned half-share of the contested registration by virtue of her marriage to the natural person (Bjarne Breindorf) who owned the previous proprietor;
- Following Mr Breindorf's death, Ms Breindorf was given capacity to exert an owner's rights of the undivided estate of Mr Breindorf, including his half share of the contested registration;
- Ms Breindorf then had the capacity to exert an owner's right of the full part of the contested registration, including transfer of full ownership of the contested registration;
- Therefore, as evidenced by the transfer agreement dated 7 November 2005, Ms Breindorf was entitled to exert her right to transfer the full ownership of the contested registration.

21. The applicant's submissions are headed up as relating to this rectification, however, some of the submissions are clearly targeted at the case in the parallel revocation proceedings between the parties. Consequently, I will restrict my comments to the submissions that have relevance to the application for rectification of the Register. I shall consider the applicant's case in the same order as set out in its written submissions.

Ownership of the contested registration from 25 April 2005

22. Whilst the applicant accepts that the Breindorfs were married under the Danish law of common property and that they never entered into any prenuptial arrangement, it

cannot accept or deny the consequences of this law upon ownership of the contested registration. It claims that the testimony of Mr Kruse Lie “is far from clear and that the statement omits the usual statement as to the length of time or experience of the witness”. It submits that it is not clear from the evidence whether Ms Breindorf owned the contested registration before her husband’s death on 25 April 2005 by virtue of “common property” of her spouse, or by virtue of inheritance upon her husband’s death.

23. The timeline of specific importance to this decision is as follows:

- 25 April 2005: Mr Breindorf dies
- 2 June 2005: The date stated on the Probate Court Certificate when Mr Breindorf’s estate was delivered to Ms Breindorf
- 7 November 2005: Ms Breindorf assigns the mark to the current proprietor
- 31 May 2019: The date the Probate Court Certificate was issued

24. On a plain reading of this time line, Ms Breindorf was at least the sole proprietor of the contested mark as of 2 June 2005 until it was assigned to the current proprietor on 7 November of the same year. If this is so, any potential criticisms relating to Ms Breindorf’s partial proprietorship prior to her husband’s death on 25 April 2005 become irrelevant to the outcome of this rectification action. I will, therefore, begin by considering the position after Mr Breindorf’s death.

25. The applicant questions:

- (i) the meaning or consequence of the statement in the Probation Court Certificate that the estate of Mr Breindorf “on 2nd June 2005 has been delivered to the spouse”, and;
- (ii) whether the Probate Court Certificate confirms that full legal control of the estate was transferred to Ms Breindorf on 2 June 2005 or whether it was only vested on the date the certificate was issued, namely 19 May 2019. It submits that the legal control of Mr Breindorf’s estate was vested in the administrator

or executor of the estate until the Probate Certificate was issued and that between Mr Breindorf's death on 25 April 2005 and the issuing of the Probate Court Certificate on 19 May 2019, Ms Breindorf was merely the beneficial owner but without legal control of Mr Breindorf's assets.

26. Firstly, whilst it is not explained why the Probate Court Certificate was only issued on 19 May 2019, it nevertheless records that Mr Breindorf's estate was delivered on 2 June 2005. This is prima facie evidence that Ms Breindorf took delivery of her late husband's estate on 2 June 2005. Whilst the applicant has questioned the effect of this date, it has provided no evidence to show that it has any contrary significance. There is no reason for me to question the statement of the Danish Court in respect of the date in which Ms Breindorf took delivery her late husband's estate. This would appear to indicate that any role of the administrator/executor of Mr Breindorf's will ceased on 2 June 2005.

27. The applicant questions the significance of the phrase "...delivered to the spouse". An ordinary interpretation of this is that Mr Breindorf's estate was formerly handed over or provided to Ms Breindorf. Of course, such an interpretation may be influenced by the translation provided but the applicant does not question this. Neither does it provide any contrary evidence to its meaning. Rather, it relies upon a submission that it may be a reference to Ms Breindorf's rights as a beneficial owner being established from that date. This interpretation is not consistent with the ordinary meaning as identified above. The use of the word "delivered" suggests that Ms Breindorf took full control of her late husband's estate at the date indicated by the court. To have the meaning that is attributed by the applicant, the certificate would have indicated that Mr Breindorf's estate was not delivered to Ms Breindorf until the 19 May 2019.

28. Taking account of all of this, I conclude that the Probate Court Certificate is evidence that Ms Breindorf took full control of her late husband's estate (including the contested mark) on 2 June 2005.

Transfer of ownership of the contested registration from Ms Breindorf to the current proprietor on 7 November 2005

29. The applicant accepts that as sole proprietor, Ms Breindorf was fully entitled to assign the contested registration but only after the Probate Court Certificate was issued on 19 May 2019. It submits that between the death of her husband in 2005 until the issuance of the probate certificate, Ms Breindorf was the beneficial owner by virtue of being the sole beneficiary of his estate but did not have legal ownership or control, which remained with the administrator or executor of the estate. I have already dismissed this interpretation and Ms Breindorf's late husband's estate was delivered to her on 2 June 2005 as stated in the Probate Court Certificate. I see nothing in this point over and above what I have already dismissed under the previous point.

Was the assignment of 7 November 2005 valid?

30. Again, the applicant's position is based upon the relevance of the issue date of the Probate Court Certificate, namely, 19 May 2019. Its contention that Ms Breindorf would not have had control over the assets of the estate (including the contested registration) has already been dismissed. The Probate Court has specified in its certificate that the estate of her late husband's estate was delivered to her on 2 June 2005. This legitimises her business actions after that date involving the contested mark. There is no evidence before me to illustrate that the ordinary meaning of the content of the Probate Court Certificate is different. There is only the unsubstantiated claim that it only conveys beneficial ownership prior to the date of the certificate, something I have already dismissed. It follows that I also dismiss the claim that Ms Breindorf lacked the power to assign the Registration at any time before 19 May 2019.

31. The applicant also submits that previous proprietor could not have assigned the mark in 2005 because it had ceased to exist in 2002. However, as I have already found, Ms Breidorf acquired the assets (including the contested registration) of the previous proprietor by way of inheritance with effect from 2 June 2005. This was before the date

of assignment, namely, 7 November 2005. The assignment agreement is between Novasonic v/Lis Breindorf (Ms Breindorf's corporate vehicle) and the current proprietor. The current proprietor's evidence includes a statement by Mr Kruse Lie²⁰ that, as with German law, under Danish law, a business name is the same legal entity as the natural person. Taking all of this into account, there is no obvious issue with the name of the assignee in the assignment agreement. Taking all of this into account, I dismiss the applicant's submissions. The assignment appears, on the papers before me, to be valid.

The recordal of the assignment was not valid because the registration was already abandoned or expired

32. The applicant claims that the:

- Form TM8(N) and counterstatement previously filed on 1 October 2018 in related revocation proceedings (CA 502158) was signed on behalf of "Novafon Export and Vertrieb Bjarne Breindorf";
- Form TM11 and request for renewal of the registration filed on 1 November 2018 was signed by the representative of the current proprietor must be invalid because it also must have been signed on behalf of "Novafon Export and Vertrieb Bjarne Breindorf"

33. The applicant states that it was unable to locate the Form TM11. This is explained by the fact that the contested registration was renewed online and that no Form TM11 was filed.

34. It submits that because these forms were invalid, the contested registration should have already expired before the date of the Form TM16, namely, 7 December 2018.

²⁰ At para 11 of his witness statement

35. I am unconvinced by these submissions. Firstly, the content of a Form TM8 in different proceedings is not relevant to these proceedings. If there are irregularities in its filing it is something that must be addressed in the context of those proceedings.

36. In respect of the claimed irregularity in the renewal process, I keep in mind the following section of the Act:

“43 (1) The registration of a trade mark may be renewed at the request of the proprietor, subject to payment of a renewal fee.”

37. This section states that a renewal is made at the request “of the proprietor”. There is no requirement that it is made by the “registered proprietor”. Consequently, on the basis that the registration was actually held in the name of the current proprietor, subsequent to the assignment of the registration on 7 November 2005, it can be inferred that the registration was renewed on behalf of the current proprietor.

38. The applicant relies upon the findings of Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *CONSEAL*, O/197/00 which it claims has parallels here where the Form TM11 renewal was filed in an old name. The key finding was that the Notice of Opposition was intentionally filed in the name of a company that, because of a merger, had ceased to exist at the time the opposition was brought in its name. This is not the same as the current circumstances. There are certain restrictions placed upon a party that acquires a mark by assignment, for example, until such time as an application has been made to the Registrar to amend the register to record the assignment it “is ineffective as against a person acquiring a conflicting interest in or under the registered trade mark in ignorance of it”²¹. However, there is no such restriction upon the renewal of the registration. Consequently, I find that there was no irregularity in the renewal process.

²¹ Section 25(3)(i) of the Act

The recordal of the assignments was not valid because the Form TM16 was invalid

39. The applicant claims that the Form TM16, dated 7 December 2018, is invalid because the representatives of the current proprietor signed the form on behalf of both the assignor and assignee but it had no authority to sign on behalf of the assignor. I dismiss this submission. As I have already determined, the previous proprietor's assets have, since at least 2 June 2005, resided with Ms Breindorf. Whilst the absence of evidence accompanying the Form TM16 could have been raised by the Registry as an administrative issue, it is clear from the evidence before me that it would have established that Murgitroyd was also acting on behalf, and in the interests of, Ms Breindorf as the owner of the previous (recorded) proprietor's assets. I dismiss the claim that the TM16 was invalid.

Conclusion

40. The registration stands in the correct name and the application for rectification fails.

Costs

41. The current proprietor, having been successful, is entitled to a contribution towards its costs. I take account of the fact that both sides filed evidence and written submissions and that no hearing has taken place. I award costs on the following basis:

Considering statement of case and preparing defence:	£400
Considering other sides evidence and preparing own evidence	£1200
Providing written submissions	£400
TOTAL	£2000

42. I order NOVAFON Elektromedizinische Gerate GmbH to pay Novafon Limited the sum of £2000. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of December 2020

Mark Bryant

For the Registrar

The Comptroller-General