

1 THE PATENT OFFICE

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Friday, 23rd November 2001

Before:

MR. S. THORLEY QC
(Sitting as the Appointed Person)

In the Matter of the TRADE MARKS ACT 1994

and

In the Matter of Trade Mark Application No. 1380020 by
OMI INTERNATIONAL PLC and revocation application No. 12046
by EMITEC GESELLSCHAFT FUR EMISSIONSTECHNOLOGIE MBH

Appeal to the Appointed Person from the decision of
Mr. Edward Smith of 16th May 2001.

(Computer-aided Transcript of the Stenograph Notes of
Marten Walsh Cherer Ltd., Midway House,
27/29 Cursitor Street, London, EC4Y 1LT.
Telephone No: 02074055010. Fax No: 02074055026.)

MS. D. McFARLAND (instructed by Boulton Wade Tennant) appeared as
counsel on behalf of the Registered Proprietor.
MR. M. KRAUSE (Haseltine Lake) appeared on behalf of the
Applicants for Revocation.
MR. M. KNIGHT appeared on behalf of the Registry

D E C I S I O N
(as approved by The Appointed Person)

1 THE APPOINTED PERSON: This appeal arises in unusual
2 circumstances. It is an appeal from a decision of an Officer
3 acting for the Registrar, dated 16th May 2001. It arose in
4 revocation proceedings, brought under section 46 of the Act
5 by EMITEC Gesellschaft Fur Emissionstechnologie MBH against
6 registration number 1380020, which is for the Trade Mark
7 OMITEC, which has been registered since September 1992 in
8 Class 9, in respect of various electrical, optical and
9 scientific apparatus.

10 The application for revocation was filed on 30th
11 October 2000 and a copy of the application was sent to the
12 registered proprietor at his recorded address for service on
13 9th November 2000. The recorded address for service was that
14 of the proprietor's trade mark agents, Boulton Wade Tennant.
15 At that time, the registered proprietor was OMI International
16 Plc. As I understand it, OMI International Plc had been
17 placed into administration on 5th February 1999 and
18 subsequently into liquidation on 28th September 2000, by
19 which time its name had been changed to Solvera Plc.
20 Accordingly, when the form TM26, on which the application for
21 revocation was presented, was sent to Boulton Wade Tennant,
22 they forwarded it to a firm of accountants called Begbies
23 Traynor of Deansgate, Manchester, partners of whom were
24 acting as liquidators. I have before me a witness statement
25 of Mr. Stanley, one of those joint liquidators, who gives

1 evidence that, once he became aware of the existence of the
2 registration, he contacted the registered proprietor and
3 determined that the application for revocation should be
4 defended.

5 Pursuant to Rule 31(2) of the Trade Mark Rules, it is
6 necessary for a proprietor who wishes to defend an
7 application for registration to do two things. The Rule
8 states as follows:

9 "Within three months of the date on with a copy of
10 notice and statement is sent by the registrar to the
11 proprietor, the proprietor may file a counter-statement, in
12 conjunction with notice of the same on Form TM8 and either:
13 (a) two copies of evidence of use made of the mark; or (b)
14 reasons for non-use of the mark."

15 Thereafter, there is a provision for the Registrar to
16 send copies of the Form TM8 and the evidence to the
17 applicant. Mr. Stanley deposes, in paragraphs 7 and 8 of his
18 witness statement as follows:

19 "7: To meet the official deadline of 9th February
20 2001, which had been set by the Trade Marks Registry, I
21 prepared and filed a Form TM8, together with a
22 counter-statement, again detailing the position with regard
23 to the Trade Mark OMITEC and confirming that it had been used
24 with the registered owner's consent by OMITEC Information
25 Services Ltd, the new name for OMITEC Circuits Ltd and OMITEC

1 Ltd.

2 "8: To minimise the costs being incurred by Solvera
3 Plc, David Archer, one of our administrators, advised Boul
4 Wade Tennant in a telephone conversation in February 2001
5 that my firm would prefer to continue handling this matter."

6 Accordingly, on 8th February a Form TM8 was filed at
7 the Patent Office, having been completed, apparently, by
8 Mr. Archer of Begbies Traynor. It includes not only the
9 formal part, which records Boul Wade and Tennant as being
10 the name of the agent, but also includes under the name and
11 daytime telephone number of the person to contact,
12 Mr. Archer, with his telephone number in Manchester. Also,
13 it contains a counter-statement making it plain that the
14 matter was to be defended. The counter-statement was signed
15 by Paul Stanley and paragraph 7 reads:

16 "It is apparent that the OMITEC Trade Mark has been
17 used within the last five years by OMITEC Information
18 Services Ltd and OMITEC Ltd. The trade mark was not
19 specifically included in the sale agreement although, had its
20 existence been known, it would is been. Therefore, the trade
21 mark has been used with the registered owner's consent and
22 revocation should not be upheld."

23 Although paragraph 7 states that it is apparent that
24 the Mark has been used, that was not apparent from the
25 counter-statement. The only other documents that were on

1 file on that date were the two letters from Begbies Traynor.

2 The material passages of the first, dated 6th February 2001,

3 read as follows:

4 "I advise that on 27th October 1999, the names OMITEC
5 Circuit Ltd and OMITEC Ltd were assigned to shelf companies
6 by way of an agreement. Under this agreement, Solvera Plc
7 (formerly OMI International Plc) understood that it, or any
8 subsidiary would not trade under the OMITEC brand, bring any
9 action for passing off against OMITEC or attempt to register
10 the mark in any jurisdiction. In the light of the sale of
11 the above names, the Trade Mark OMITEC has been used within
12 the last five years and therefore the application for the
13 revocation of the trade mark should not be upheld. I advise
14 that Morgan Cole, solicitors acting for the purchasers, will
15 contact you further. Should you have any further queries,
16 please do not hesitate to contact David Archer of this
17 office."

18 The second letter was dated 7th February contained the
19 Form TM8, along with a counter-statement and stated:

20 "I trust the information provided is sufficient to
21 counter the application for revocation of the trade mark.
22 However, should you require any further information, please
23 do not hesitate to contact David Archer at this office."

24 It was not seriously suggested before me that paragraph
25 7 of the counter-statement, or the comments in the letters of

1 6th or 7th February 2000 constituted any evidence of use.
2 All the comments amount merely to an assertion. Accordingly,
3 the requirements of Rule 31(2)(a) had not been complied with
4 and no reasons for non-use, pursuant to Rule 31(2)(b) had
5 been put forward, since the assertion was one of use, not
6 justifiable non-use.

7 Rule 31(3) provides as follows:

8 "Where a counter-statement, in conjunction with a
9 notice of the same, on Form TM8, and evidence of use of the
10 mark or reasons for non-use of the mark, are not filed by the
11 proprietor within the period prescribed by paragraph (2), the
12 registrar may treat his opposition to the application as
13 having been withdrawn."

14 Plainly, had the representatives of Begbies Traynor
15 properly read the rules, they would have appreciated that
16 what they had done by filing the Form TM8 and the
17 counter-statement and the letters of 6th and 7th February
18 2001, did not comply with the rules and thus it was open to
19 the Registrar to treat the application as having been
20 withdrawn.

21 As I read it, nothing more needed to be done by the
22 Registrar. She had to scrutinise the material put forward to
23 assess whether it complied with the rules, to conclude that
24 it did not, and to revoke the mark.

25 In actual practice, however, that is not what happened.

1 In accordance with the Registry's usual practice of
2 attempting to assist anyone engaged in proceedings before
3 them, they wrote a letter dated 21st February 2001 to Begbies
4 Traynor in response to the letter of 7th February and a copy
5 of that letter was sent to Boulton Wade Tennant.

6 This letter, so far as material, read as follows:

7 "The matter has been considered but what you have filed
8 is insufficient for the Registrar to allow the proceedings to
9 continue. Rule 31(2) of the Trade Mark Rules 2000 requires
10 that evidence of actual use of the trade mark by the
11 registered proprietor or with his consent should be filed and
12 as such this has not been provided."

13 To my mind, nothing could be clearer from the terms of
14 that letter but that the Registrar had identified the failure
15 to comply with Rule 31(2) and was drawing this to the
16 attention of those acting on behalf the registered
17 proprietor, for them to take such steps as they thought might
18 be taken to rectify the position.

19 Unfortunately, that letter was never brought to the
20 attention of the representatives of Begbies Traynor, who were
21 responsible for the liquidation. We do not know whether the
22 letter was lost in the post or lost within the internal
23 system of Begbies Traynor, but I accept the evidence that it
24 never came to the attention of a person responsible at
25 Begbies Traynor. We do not know what happened to the copy

1 letter that was sent to Boulton Wade Tennant, but in the light
2 of Mr. Stanley's statement, that Boulton Wade Tennant had been
3 told that for reasons of costs, they would not be involved in
4 the proceedings it is not surprising, if Boulton Wade Tennant
5 received the letter, that they did nothing further about it.

6 Since the letter was not received by Begbies Traynor,
7 they did nothing further either. Hence, the Registrar
8 received no response to her letter and no further steps were
9 taken. It is therefore not surprising that the Decision of
10 the 16th May revoked the mark. The Decision was communicated
11 to the registered proprietor, who then became aware that the
12 letter of 21st February had not been received.

13 On 13th June 2001, Boulton Wade Tennant wrote to the
14 Registrar in the following terms:

15 "Although on 16th May 2001 a decision was issued to
16 revoke the above mentioned registration on the basis of
17 insufficient use, we have been informed by Begbies Traynor,
18 the liquidators of Solvera Plc (formerly OMI International
19 Ltd) that the letter of 21st February 2001 was never received
20 by them. They were therefore unaware that the information
21 that had been filed on 7th February 2001 was deficient and
22 that further information was required."

23 They requested that the Registrar should exercise her
24 discretion and grant a retrospective extension of time to
25 file evidence and to vacate the decision. In the

1 alternative, they lodged an appeal to the Appointed Person.

2 In my judgment, the latter course was the correct
3 course. Once the Registrar has issued a decision revoking a
4 trade mark she is functus and can thereafter not revisit her
5 decision. Accordingly, the appeal came before me today with
6 a request by Ms. McFarland, who appeared on behalf of the
7 registered proprietor, that I should do two things: First of
8 all, she asked that I should set aside the decision of 16th
9 May and remit the matter to the registry; secondly, she
10 submitted that it would be appropriate for me to exercise a
11 discretion, which she contended resided within the registry
12 to extend the time for filing evidence to today, so that the
13 evidence of alleged use, in the form of a witness statement
14 of Mr. Watkins, a director of OMITEC Group Ltd, dated 22nd
15 June 2001, could be adduced.

16 I have had the benefit of the assistance not only of
17 Ms. McFarland but also of Mr. Krause of Haseltine Lake and
18 with the agreement of both of them, of Mr. Knight, a
19 Principal Hearing Officer representing the Registrar. This
20 appeal raises difficult questions, both of the interpretation
21 of the rules and of the way in which discretion should be
22 exercised.

23 I should say at once that I do not believe that it
24 would be right for me merely to remit the matter to the
25 registry. I would only remit the matter to the registry, in

1 circumstances which involve setting aside one of their
2 decisions, if I believed there was material before me which
3 warranted that course. The only material that is before me
4 in this case relates to the issue of whether or not it would
5 have been possible and proper for the Registrar to exercise
6 her discretion so as to extend time to file evidence. Only
7 if I am satisfied that granting an extension would have been
8 a proper exercise of her discretion, does it seem to me I
9 have any power to set aside the decision. Accordingly, I
10 must review the question of how that discretion should be
11 exercised before I can reach a conclusion that it would be
12 proper to remit.

13 Ms. McFarland put forward the three possible routes by
14 which I could envisage the Registrar would exercise her
15 discretion in Ms. McFarland's client's favour: First of all
16 she referred me to Rule 31(3), which I have already set out
17 above and drew attention to the word "may" which she
18 indicated gave the Registrar a discretion not to penalise a
19 failure to comply with Rule 31(2) by automatically revoking
20 the Mark, but gave the Registrar a residual discretion in
21 appropriate circumstances to relieve a party who had failed
22 to comply with Rule 31(2) from the consequences of that
23 failure.

24 Secondly, she suggested that the Registrar had power
25 under Rule 68(1) to extend the time for filing evidence and

1 that, had an application been made to her before the date of
2 the decision of 16th May, this is something she would have
3 done. Rule 68(1) prescribes:

4 "The time or periods (a) prescribed by these Rules,
5 other than the times or periods prescribed by the rules
6 mentioned from paragraph (3) below, or (b) specified by the
7 registrar for doing any act or taking any proceedings,
8 subject to paragraph (2) below, may, at the written request
9 of the person or party concerned, or on the initiative of the
10 registrar, be extended by the registrar as she thinks fit and
11 upon such terms as she may direct."

12 It is necessary also to set out Rule 3, which states,
13 so far as material, as follows:

14 "The Rules excepted from paragraph (1) above are ...
15 Rule 31(2)(time for filing counter-statement)."

16 The third route by which Ms. McFarland suggested it
17 might be possible for the Registrar to assist her clients was
18 under Rule 66, which provides:

19 "Subject to Rule 68 below, any irregularity in
20 procedure in or before the Office or the registrar may be
21 rectified on such terms as the registrar may direct."

22 Let me deal first with Rule 66. As it makes plain,
23 that is a rule which is subject to Rule 68. I am quite
24 satisfied that if the Registrar does not have power to extend
25 time under Rule 68, she does not have power to act under Rule

1 66. There are a number of authorities on the relationship
2 between rules such as Rule 66 and Rule 68 in the parallel
3 provisions of the Patents Act. (See e.g. E's Application
4 [1983] RPC 231) I do not believe that Rule 66 can help.

5 When considering Ms. McFarland's submissions under Rule
6 31(3), Mr. Krause drew my attention to Rule 31(8). Rule
7 31(8) provides:

8 "No further evidence may be filed, except that, in
9 relation to any proceedings before her, the registrar may at
10 any time if she thinks fit give leave to either party to file
11 such evidence upon such terms as she may think fit."

12 He contended that that provision only enabled the
13 filing of further evidence; it did not permit the filing of
14 initial evidence late. I am unable to accept that
15 submission. I believe that the provisions of section 31(8)
16 are deliberately drawn widely to enable the Registrar to
17 exercise her discretion to admit any evidence that is
18 material in proper circumstances. I do not think, therefore,
19 that the discretion under 31(3) is restricted so as to
20 prevent the admission of evidence with a suitable extension
21 of time in appropriate circumstances and within the ambit of
22 the rules. However, any exercise of discretion under Rule
23 31(3) cannot be such as to circumvent the plain language of
24 other rules.

25 Mr. Knight helpfully indicated what the Registrar's

1 practice was in these circumstances. Obviously, it is for me
2 to consider whether that is correct. He indicated that the
3 Registrar felt herself under no obligation to send out
4 letters like that sent out on 21st February but that,
5 naturally, she does so to be of assistance. He therefore
6 contended that no irregularity had occurred in procedure in
7 or before the office. I agree, but for the reasons I have
8 already given, that is not relevant.

9 Secondly, Mr. Knight indicated that under Rule 31(2)
10 the Registrar would consider, in appropriate circumstances,
11 an extension of time for filing evidence. As I understood
12 it, he felt that the exercise of that discretion was being
13 carried out under Rule 68. It is therefore necessary for me
14 first to decide whether Rule 68(3) prevents any extension of
15 time for the filing of evidence, even though a Form TM8 has
16 been filed in due time.

17 The purpose behind the apparently draconian terms of
18 Rule 68(3) is plain. Although I have only cited one of the
19 rules that is referred to in that sub-rule, all the other
20 rules mentioned are rules which set time limits for the
21 commencement or continuation of proceedings. They are dates
22 which are essential so that all the parties shall know
23 whether or not trade marks are being opposed or are being
24 defended. There is good reason for a formality to take place
25 on a particular date so that everybody knows what the

1 position is. I believe that the qualification in Rule 68(3)
2 is important, where it puts in parenthesis: "(Time for
3 filing counter-statement)." This is the essential step which
4 shows that the proceedings are to be defended. I think to
5 interpret Rule 68(3) any wider than this, so as to cover also
6 the filing of evidence, would be unnecessarily burdensome on
7 the parties and would not be carrying out the purpose of the
8 subsection. I am therefore satisfied that Rule 68(3) does
9 not prevent the Registrar, in an appropriate circumstance,
10 from granting an extension of time for the filing of
11 evidence, where a Form TM8 has been filed in due time.

12 Mr. Knight did suggest that the Registrar felt she
13 might have power to extend the time for filing the Form TM8.
14 I must say that, as presently advised, I have my doubts on
15 this, but this is not a matter that arises for decision in
16 these proceedings. Therefore, I make no concluded finding on
17 it. Accordingly, I am satisfied that in an appropriate case,
18 the Registrar does have power to extend the time for filing
19 evidence, where the Form TM8 has properly been filed by the
20 due date. It is therefore not necessary for me to consider
21 an alternative route to relieving the registered proprietor
22 from the position it now finds itself in, which was suggested
23 by Mr. Knight to exist by virtue of the provisions of Rule
24 57. Again, I make no finding as to the extent of the
25 Registrar's powers under Rule 57 on this appeal.

1 With that over-lengthy introduction, I turn to the
2 basic question that now has to be decided as to whether or
3 not, in the circumstances, it would be right for the
4 Registrar to exercise her discretion to admit the further
5 evidence and accordingly, whether it would be right for me to
6 do so today.

7 I have no doubt at all that, had the letter of 21st
8 February come to the attention of Begbies Traynor before 16th
9 May 2001, they would have reacted as the registered
10 proprietor did react once it came to its attention that the
11 mark had been revoked. Plainly, there was an error by
12 Begbies Traynor in not reading Rule 31 and in not complying
13 with the Rules, but these things happen. It would require
14 compelling reasons in circumstances such as this for
15 punishing the registered proprietor by revoking his mark and
16 leaving him to seek such remedy as he saw fit from the
17 liquidator for what appears to be his negligence.

18 The Registrar would need evidence of damage to the
19 applicant for revocation, which had arisen by the failure.
20 The applicant for revocation is concerned to have the mark
21 removed because, at present, it is acting as a block to the
22 registration of a mark which the applicant for registration
23 wishes to have registered, but that block existed before the
24 error of Begbies Traynor and was not caused by it.

25 I have reached the conclusion that, had Begbies Traynor

1 sought to lodge the evidence of Mr. Watkins prior to the 16th
2 May 2001 and applied for an extension of time, the Registrar
3 would have been entirely correct in exercising her discretion
4 to permit that evidence to be adduced. Indeed, I can see no
5 grounds for refusing the exercise of discretion, subject of
6 course, to the question of costs.

7 In those circumstances, I am now standing in the shoes
8 of the Registrar and I can see no reason why I should not
9 exercise that discretion.

10 Accordingly, I propose to set aside the decision of
11 16th May, to extend the time for service of the evidence in
12 accordance with Rule 31(2), to today. I shall grant to the
13 applicant for revocation an extension of time of three
14 months, in which to consider the evidence of Mr. Watkins and
15 in which to file such evidence as it may consider necessary
16 to support the grounds of non-use and obviously to send a
17 copy thereof to the proprietor.

18 That leaves the question of costs. Ms. McFarland?

19 MS. McFARLAND: Sir, I think it would be difficult for my clients
20 to resist a costs award on a usual basis of the scale of
21 charges in favour of the Registrar, who has had to appear
22 today. I would gently resist any award of costs to my
23 learned friend, Mr. Krause, on the basis that really this was
24 a matter of an ex parte appeal, but really, sir, I have
25 little to say. We had to make this application because of

1 problems with either nobody, i.e. the Post Office, or perhaps
2 with Begbies Traynor's internal system.

3 THE APPOINTED PERSON: No, you had to make the application,
4 Ms. McFarland, because Begbies Traynor failed to comply with
5 Rule 31(2). That was the cause of the problem.

6 MS. McFARLAND: Yes.

7 THE APPOINTED PERSON: Why should it be on the scale?

8 MS. McFARLAND: Sir, there are no exceptional circumstances to
9 take it off the scale. Off the scale cases, in my respectful
10 submission, are where there has been some wilful neglect or
11 deliberate act that has caused costs to be incurred. If you
12 like, it would be akin to a wasted costs situation. That has
13 not been the case here. Although it may be said that Begbies
14 Traynor had not read the Rules, they had complied with
15 service of the counter-statement and the Form TM8 within time
16 and had offered assistance and so on, through the two letters
17 that you referred to.

18 THE APPOINTED PERSON: I should say I will change the decision in
19 respect of that letter. I suddenly realised, when going
20 through the file, that there was the letter of 7th.

21 Therefore, you will have the decision slightly altered in
22 that respect. Thank you very much. Mr. Krause?

23 MR. KRAUSE: On the one point of this being essentially an ex
24 parte matter, in the grounds of appeal, as originally
25 submitted, the ex parte element certainly was a large part of

1 that. As I made clear at the outset, we were prepared to
2 accept the Hearing Officer's comments and leave the matter
3 very much up to yourself, sir, to decide. There is, in the
4 grounds of appeal, an inter partes element, in that we had to
5 be prepared to defend our application for revocation from
6 paragraphs 10 onwards. There is pleading there that
7 challenges the sufficiency of the Form TM26 and the statement
8 of case that was submitted. I think that that does need to
9 be considered here.

10 Another point I would ask you to consider as well, sir,
11 is that these proceedings arose out of a lack of any response
12 whatsoever to correspondence that we sent, merely asking for
13 consent. We did, in our correspondence, indicate that we
14 were aware that there might be difficulties in getting a
15 response from a company that was in receivership; we received
16 no reply to that. Thus, in that vacuum we were left with no
17 response but to file this application for revocation, in
18 order to remove the trade mark registration. From the
19 applicant for revocation's point of view, we end up at this
20 appeal before you through no fault of their own.

21 THE APPOINTED PERSON: Yes. Thank you. Mr. Knight?

22 MR. KNIGHT: Sir, I will not be seeking costs. The Registrar
23 will regard this as an inter partes matter between the
24 parties. I am here merely to seek to be helpful to this
25 tribunal, no more than that.

1 THE APPOINTED PERSON: You may tell the Registrar, with my
2 compliments, that I think she is being exceedingly generous,
3 but there you are. If you are not seeking costs, you will
4 not get them.

5 So far as costs are concerned, this is an inter partes
6 appeal. It is a case where, although the registered
7 proprietor has succeeded in setting the decision aside, it
8 was through no fault whatever of the applicant for revocation
9 that the decision was made. Mr. Krause, who has appeared
10 before me today, has not taken any point on behalf of the
11 applicant for revocation that should not have been taken. He
12 has assisted me in reaching what I did not find to be an easy
13 conclusion. I think it is entirely right that the applicants
14 for revocation should not be out of pocket as a result of the
15 failures of the registered proprietors' advisors. I do not
16 believe it will make a lot of difference in this case whether
17 I stick to the scale of costs or I award the applicants for
18 revocation a sum which is not to exceed the sum they have
19 actually incurred.

20 What I propose to do is to order that the registered
21 proprietors do pay to the applicants for revocation such
22 costs as have been incurred by Haseltine Lake. Such costs,
23 however, should not to exceed the sum of £900, which as I
24 understand it, in relation to proceedings commenced before
25 22nd May 2000, is the maximum sum allowed for the preparation

1 for and attendance at the hearing. Mr. Krause, would you be
2 kind enough to let Boulton Wade Tennant have your bill of costs
3 for everything involved in this appeal. If it comes to more
4 than €900 you will get €900, if it comes to less, you will
5 get less. I am sorry that this took such a long time, but it
6 was not as easy as one may have thought. Thank you all very
7 much.

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