TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2031413
BY RANALD MACDONALD & JOSEPH WILLIAM SENIOR
TO REGISTER A MARK IN CLASS 33 AND
IN THE MATTER OF OPPOSITION THERETO UNDER
NO 45804 BY JOSEPH WILLIAM

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 2031413 by Ranald Macdonald & Joseph William Senior to register a mark in Class 33

and

IN THE MATTER OF Opposition thereto under No 45804 by Joseph William Senior

DECISION

1. This appeal was heard by me on 11th December 1998. Mr M Reynolds appeared for the Registrar and the opponent, Mr Senior, was represented by Miss S Jackman of Maclay Murray & Spens, Solicitors. The first named applicant, Mr Ranald Macdonald, did not appear and was not represented before me. His agent had written in advance of the Hearing to say that for reasons of cost he would not be represented and wished the appeal to be disposed of under reference to the documents.

2. The appeal arises from certain unusual circumstances. On 23rd August 1995 the Registrar received an application to register a mark which consisted of a label which included the word "INDEPENDENCE" and certain other features in respect of a specification of goods which read: "5 year old 40% volume Scotch Whisky". The application bore to be in the joint names of Ranald Macdonald and Joseph Senior. On 1 November 1996 Joseph William Senior filed notice of opposition to this application. The grounds fo opposition were stated to be as follows:

> *"(1) The opponent is the sole creator of the trade mark and the application has been made in joint names without his prior knowledge or agreement.*
>
> *(2) The opponent has ample evidence that he created and used the trade mark several years prior to his association with Ranald Macdonald which commenced in March 1995.*
>
> *(3) The opponent has had no contact with Ranald Macdonald since the end of April 1996 due to the opponent's disagreement to his sharing the trade mark with Ranald Macdonald*
>
> *(4) The opponent wishes the application amended to remove the name of the said Ranald Macdonald."*

3. Ranald Macdonald filed a counter-statement setting out his position which revealed the existence of a business arrangement between himself and Mr Senior which had ended in

disagreement in or around April 1996. He, in turn, requested that Mr Senior's name be removed from the application for registration.

4. Both Mr Senior and Mr Macdonald filed evidence with the Registrar but neither required a Hearing. The evidence was considered by the Hearing Officer, Mr M Reynolds. It revealed that the parties, in or about 1995, had been minded to engage in a joint venture for the purpose of marketing whisky under the label which was the subject matter of the application for registration. Their plan was to set up a limited company for that purpose. There was evidence that Mr Senior had been using the mark "INDEPENDENCE" as part of a label since 1991. He claimed to have sold some 4,800 bottles of whisky under that mark since that time. The label as originally conceived was subsequently redesigned. A company known as "Independence Whisky Company Limited" was incorporated on 25th April 1995 by Peter Trainer Company Services. Both Mr Senior and Mr Macdonald were registered as directors of that company, having equal shareholdings therein.

5. The essential dispute, which the Registrar had to resolve, arose from the conflicting contentions, which are recorded at page 8 of the Hearing Officer's Decision, where it is said: *" Mr Macdonald believed that the trade mark application was to be in joint names (because at the time this was first raised the company had yet to be incorporated). Mr Senior regarded the trade mark as his property and did not want it applied for in the name of the company or in joint names."* It appears to me that that dispute raised the question as to whether the application had been made in *bona fides*, on the basis of a clear and unconditional agreement that registration should be applied for in the names of both parties. Any application, purportedly made on behalf of two parties jointly, which is made without the unconditional consent of one of the parties, in my view, an application which can be regarded as having been made in bad faith for the purposes of Section 3(6) of the 1994 Act. In the present case I consider that the Registrar should have addressed this question first of all, namely whether he was satisfied, on the evidence, that the application had been made with the consent of both parties. I say this because, to some extent, the Hearing Officer's attention was devoted more to the question as to whether it could be said that Mr Senior had acquired "ownership" of the mark in question, prior to the application for its registration. While, no doubt, consideration of the evidence in that respect might have assisted in deciding whether consent to application for registration in joint names had been given by Mr Senior, the true issue in this case was, in my view, whether the consent had been given, rather than whether Mr Senior had acquired a prior right in the mark.

6. Having reviewed the evidence, the Hearing Officer stated at page 9 of his Decision: *"I have, however, came to the view that the application should not have been made in joint names in the absence of a clear indication by Mr Senior that he intended to relinquish his established claim to sold ownership of the mark."* That passage appears to suggest that the Hearing Officer was addressing the matter on the basis of whether the evidence had disclosed joint "ownership" of the mark in question rather than the prior question as to whether the application for registration in joint names had been consented to by both parties. Having said that, however, at page 10 the Hearing Officer, in my view, did identify the true issue when he said: *"In conclusion, therefore, I consider that Mr Macdonald and Mr Senior's decision to jointly establish a company in 1995 to expand the marketing of whisky under the INDEPENDENCE label is a separate issue from the ownership fo pre-existing trade mark*

rights. In the absence of express agreement form Mr Senior the application should not have been filed in joint names." Having, myself, considered the evidence which was before the Hearing Officer, that was a conclusion which, in my view, he was clearly entitled to arrive at and which justified his decision which was simply to refuse the application as it stood.

7. The matter did not, however, end there. In reaching his decision the Hearing Officer had stated at page 8 as follows: *"Both parties recollect meetings at which the issue was discussed and that those meetings involved Mr Peter Trainer but no records of those meetings have been filed in evidence. I note that Mr Macdonald refers to an "affidavit by Peter Trainer" but against it does not form part of the evidence in these proceedings though there was a letter from Mr Trainer attached to Mr Macdonald's counterstatement. In any event Mr Senior alleges that "Mr Turner is a friend and client of Mr Macdonald's newspapers, Tollcross News, and had been advertising in that paper for a considerable time prior to my meeting with Mr Macdonald." I do not think I should give undue weight to such comments but clearly in the absence of formal evidence from the only other person (that is to say Mr Trainer) who appears to have been party to the discussions in early 1995 I must make the best I can of the information that has been made available."* After the Registrar's Decision was issued on 9th July 1998 it came to the Registrar's attention that a further statutory declaration by Mr Peter Trainer did in fact exist and had been received in the Registry on 12th May 1997. For some unexplained reason the declaration was no processed within the Registry and accordingly was not among the opposition papers before the Hearing Officer when he arrived at his decision. While this evidence had been filed late, Mr Reynolds, for the Registrar, before me, very fairly accepted that, in all probability, had it been discovered prior to his reaching his Decision, it would have been admissible as evidence. As it was the Registrar considered that he could not re-open and review his own Decision in the light of the discovered affidavit since the Registrar considered that he was *functus officio* once his decision had been issued. He advised the parties that the matter could be reviewed only by an appeal. Mr Macdonald appealed against the Registrar's decision. The sole ground of appeal was stated to be: *"The Registrar has not taken into account in arriving at his decision of 9th July 1998 the affidavit of Peter Trainer dated 7th May 1997 the principal of which was sent to the Patent Office on 9th May 1997, acknowledged by them on 12th May 1997 and referred to by the applicant Ranald Macdonald in his affidavit of 3rd November 1997."*

8. Before me Mr Reynolds expressed his apologies for the fact that the affidavit of Mr Trainer had somehow become mislaid in the Registry. He assured me that this was an extremely rare occurrence. He had lodged, for the hearing, a note in which he referred to the contents of the affidavit of Mr Trainer and in which he said that had this evidence been before he reached his decision in the matter, his decision would have been no different. Both he and Miss Jackman, for Mr Senior, appeared to be at one that I was entitled to look at the affidavit and consider its contents in reaching my decision. It may be that in other cases where evidence is mislaid which is substantial, and which is discovered subsequent to the Decision of the Registrar, the matter should be referred back to the Registrar to consider the matter afresh, rather than have it considered, for the first time, by the Appointed Person. I was, however, satisfied, that in the instant case, it was appropriate for me simply to consider the affidavit and Mr Reynolds' submissions in relation thereto.

9. The affidavit reveals that Mr Trainer was the proprietor of "Peter Trainer Company

Services" a firm of company registration agents. He claimed no trade mark expertise. In his affidavit Mr Trainer referred to meetings held on 21st and 26th April and 13th June 1995. He stated that during the course of these meetings: *"Ranald Macdonald and William Joseph Senior agreed that the company and the Independence Whisky Company's label would stand in both of their names equally and that all expenses to be incurred and profits to be made would be shared equally between them. The agreement was a verbal one and was part of the instructions I received jointly from them and was not embodied in a written Minute of Agreement. It was, however, on the basis of that agreement that I was instructed to register the label with the Patent Office in London in the names of Ranald Macdonald and Williams Joseph Senior jointly and in equal shares. It was clear therefore that the label had become the property of the Independence Whisky Company. Each paid one half of the expenses thereby occasioned."* It does not appear to me that that passage of evidence clearly establishes that Mr Senior had agreed that the application for registration should be made in the joint names of himself and Mr Macdonald. It simply reinforces the confused state of affairs which the Hearing Officer had, in my opinion, correctly identified in respect of the other evidence which he had considered in the case. In particular the statement by Mr Trainer that *"It was clear therefore that the label had become the property of the Independence Whisky Company"* raises the question as to why, if that were the case, the application for registration of the mark was not made in the name of the company. That point is reinforced by the content of the next paragraph in Mr Trainer's affidavit where he says: *"Having received clear instructions from both Mr Macdonald and Mr Senior, I, in turn, instructed my London agents, Messrs Eurofile Company Services Limited, 16 St John Street, London EC1M 4AY to submit an application for registration of the label as a registered trade mark <u>for the company</u>. The application was not made until 22nd August 1995 because a delay had occurred due to the label requiring amendment to include the name of the company and the necessary reprinting consequent thereto."* (My Emphasis). That passage again points more to an agreement, if any, that the registration of the trade mark should be in the name of the newly formed company.

10. In the foregoing circumstances, and in the absence of clear documentary evidence establishing that Mr Senior had consented to the application being made in his name, jointly, with that of Mr Macdonald, as individuals, I consider that the decision that the Registrar ultimately arrived at was and remains justified. He could not be satisfied that there had been a clear unconditional agreement by Mr Senior to have the application made jointly on his behalf with Mr Macdonald which would have meant his abandoning rights in the mark in question which, on the evidence, had, up till then, been solely his. He was entitled, in my view, to go further and to conclude, as he apparently did, that the application inf the form it was made had not been made with the consent of Mr Senior and that accordingly it had, for the purposes of Section 3(6) of the 1994 Act, been made in bad faith. I do not consider that the evidence of Mr Trainer was such as must lead me to the conclusion that that decision was wrong. I therefore reach the conclusion that the appeal should be dismissed.

11. Before me Miss Jackman, for Mr Senior, sought an uplift in the sum of £635 which the Registrar has ordered Mr Macdonald to pay to her client as a contribution towards his costs before the Registrar. Since Mr Macdonald did not appear at the Hearing before me, and had no notice of this application, I was not prepared to consider it, without Mr Macdonald having had an opportunity to respond thereto. In any event, having heard Mr Reynolds, I am satisfied

that the award was entirely appropriate being precisely the scale costs for such proceedings.

12. Miss Jackman also pointed out, quite reasonably, that her client had been put to the cost of the Appeal Hearing, to a significant extent, due to the inadvertence of the Registry. Mr Reynolds offered to pay £500 towards Mr Senior's costs arising from the appeal proceedings. I make no order in that respect but simply record that this seemed a very responsible and generous gesture for the Registrar to make in the circumstances of this case.

M G CLARKE Q.C.
12th January 1999