TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark 1335163

IN THE NAME OF Mr Nicholas Dynes Gracey

AND

APPLICATION FOR REVOCATION No 9206

BY Alberta Ferriti

BEFORE MR SIMON THORLEY (SITTING AS THE APPOINTED PERSON)

INTERLOCUTORY HEARING BEFORE THE APPOINTED PERSON

DECISION

MR THORLEY: This is an appeal by Nicholas Dynes Gracey from a decision of Mr Knight, the Principal Hearing Officer acting for the Registrar, dated 4 December 1998. In order to put that decision into context, it is necessary to rehearse a little of the history of this matter.

This is an application for revocation of trade mark 1335163, PHILOSOPHY, of which Mr Gracey is the registered proprietor. The application for revocation is by Alberta Ferretti and the application is made on the grounds of non-use. The application for revocation was initially filed on 25 September 1996 and on 10 January 1997 a counterstatement was filed.

On 22 May 1997 a statutory declaration by Stephen Anton Keith was served on behalf of Ferretti detailing investigations which Mr Keith, who is employed by Probe International Inquiry Agents, had made in order to ascertain the extent, if any, of any use of the trade mark, it is a succinct document, running to some five pages, which is notable for the fact that it details a number of investigations that have been made, but gives no details as to the dates on which those investigations were made. In particular, it relates in paragraphs 13 and 14 to enquiries made at the property of Mr Gracey on the Lleyn Peninsula in North Wales. In paragraph 15 to 17 it gives evidence of some enquiries that were made at local houses, a local garage and a local sports store, in paragraph 20, it gives evidence of an approach to Mr Gracey and relates in paragraphs 21 to 24 the result of the conversation which it is alleged

took place as a result of that approach.

On 5 January 1998 - - I have no explanation as to why there was that delay - - Mr Gracey sought a three months extension of time for putting in his evidence and asked for details of the year, month, day and hour/time of the enquiries set out by Mr Keith.

Those details were forthcoming in a letter of 30 January 1998 from Urquhart-Dykes & Lord to this extent, that they give the dates on which the various activities were carried out. It is unfortunate that Mr Keith's declaration goes up to paragraph 13 and then reverts to paragraph 10, so that there are two paragraphs 10, 11, 12 and 13. It is not therefore entirely clear in the letter of 30 January which paragraphs 10, 11, 12 and 13 are being referred to. At the top of page 2 of the letter, it tries to assist by referring to page 4 and 5 of the declaration, but unfortunately that cannot be the pages that are being referred to.

None the less, doing the best one can, it does appear that the investigations relating to where Mr Gracey lived and the enquiries made at the houses, shops and windsurfing school were said to be made on 18 April and that the alleged conversation with Mr Gracey was said to have taken place on 23 April 1996.

On 3 February 1998, Mr Gracey wrote to the Registrar saying that he needed to know whether the alleged conversation took place in that morning or the afternoon and where it took place. That correspondence continued and resulted in a hearing on 18 June 1998. It was as a result of that hearing that on the 23 June, Mr Knight issued a decision. It is in the following form:-

> "Having heard submissions from both parties I directed that the applicant for revocation provide you [that is Mr Gracey] with details of the locations at which it has been alleged conversations took pace between yourself and the investigator. Once this information has been provided then you will have one month from that date in which to file evidence in defence of the registration."

Neither side appealed this decision and it should be noted that the decision requires details of the location. It does not require that the time of the alleged conversation should be detailed as between the morning and the afternoon. It is also to be noted that there was no requirement that the supply of information should be on oath.

By letter dated 16 September 1998 Urquhart-Dykes & Lord responded as follows:-

> "We are writing in response to the Hearing Officer's request that we provide you with details of the locations at which the conversations referred to in our evidence took place. According to the information available to us, we can inform you that initial enquiries were made at your address on Lleyn Peninsula in Gwynedd. We understand that further enquiries were conducted with the occupants of the houses next to and opposite you property as well as at the local garage and at the sports shop located a mile from your home. We understand that all of these addresses are local to your property on Lleyn Peninsula. We understand from the investigations that the area concerned is a remote rural spot and thus we believe that these locations are known to you."

Mr Gracey contended that that was not a sufficient answer to the order made by Mr Knight and he asked for a hearing to determine whether it was adequate.

On 29 October 1998, he sent a fax to Mr Knight and to Alison Simpson, the representative of Urquhart-Dykes & Lord dealing with the matter, setting out the grounds on which he felt the details were insufficient. In paragraph 3 he states:-

> "My request is that the following issues be discussed: (a) Page 2 of the applicant's two page Friday, 20 January 1998 letter alleges that the respondent spoke to Stephen Anton Keith on Tuesday, 23 April 1996 (b) Page 2 of that same letter alleges that 'enquiries/inquiries' were conducted on Thursday 18 April 1996, five days earlier. (c) At WHICH (hotel, pub, sports shop, petrol station, convenience store, take away, beach, house, garage, Butlin's Camp) location is it alleged that a conversation

occurred with the respondent, an alleged 'Recluse' on Tuesday 23 April 1996 (at what time am/pm)."

A hearing was then held on the 29 October and subsequent to that hearing Mr Knight indicated that he felt that the information given was sufficient. That was by letter dated 2 November 1998.

By fax dated Tuesday 17 November 1998, Mr Gracey purported to appeal from that decision and repeated in paragraph 3 of the appeal the same comments that he had made in paragraph 3 of his fax of 29 October.

In consequence of that purported appeal, Mr Knight produced, as he was obliged to, a formal decision encapsulating the reasoning set out in his letter of 4 December. The important part of that decision comes on page 4 when he states:

"The letter from Urquhart-Dykes & Lord [that is a reference to the letter of 16 September which I have quoted] states that: 'initial enquiries were made at your address on Lleyn Peninsula in Gwynedd.' I take that to mean the address given for Mr Gracey at paragraph 1 of Mr Keith's statutory declaration which was .....", and he then sets out the address in Morpha Nefyn.

He therefore concludes:

"That information in my view is sufficient to provide Mr Gracey with the information he sought at the Interlocutory Hearings .... and sufficient to discharge the applicants' responsibility under the Direction."

Mr Gracey in his notice of appeal of 4 January again repeated in paragraph 3 the same comments that he had made in his previous two faxes and amplified upon them in paragraphs 10, 11 and 12. In paragraph 11, he says:

> "Discovery is therefore sought in order to force a clear declaration as to WHERE an alleged conversation occurred on Tuesday, 23 April 1996 with Mr Keith or otherwise with a view to having this applicant evidence 'struck out' from the applicant statutory declaration."

It is in the light of that history that this appeal has come forward. Mr Gracey contends that the letter of 16 September 1998 is not a proper response to the order contained in the Patent Office's letter of 23 June 1998 and he contends this for the reason he has repeated three times, which is, that it does not state where the conversation took place.

Mr Knight draws the inference that it must have taken place at his home address.

I feel it is unfortunate that this issue has become the subject of a protracted appeal to the Appointed Person. It is in my judgment wholly unsatisfactory that a declaration from an inquiry agent should not contain full details of when a conversation took place, where it took place and all facts relied upon by the investigator for concluding that he had spoken to Mr Gracey.

In paragraph 20 of his declaration, Mr Keith states:

> "We have made an approach to Mr Gracey speaking to him using a pretext, from him we determined that the subject mark was intended to brand a range of sports clothing."

> "Mr Gracey stated that he has made no use of the trade mark PHILOSOPHY in relation to clothing."

It is most unfortunate where an investigator speaks to somebody under a pretext that, having obtained, using that pretext, the information they want, they do not thereafter immediately inform the person they have approached under a pretext to let him know what the true facts are so that person may know what has taken place and can properly address the matter that is alleged to have happened.

Equally, I believe it is unfortunate that in the very prompt reply of 30 January 1998 from Urquhart-Dykes & Lord full particulars were not given. The matter could have been nipped in the bud at that stage.

It is quite apparent thereafter that the parties reached entrenched positions from which neither was prepared to move in a sensible way. I regard this as wholly unfortunate. It is particularly unfortunate when one considers the nature of this application, which is for the removal of a trade mark on the ground of non-use. The evidence provided by the applicant for revocation has to be such as to raise a prima facie case of non-use and it is then for the registered proprietor to adduce such evidence as he wishes of use. In my experience it is nearly always the latter evidence which is of importance. Plainly here, if Mr Keith's evidence is to be accepted, there was an admission by Mr Gracey against his interest that he had made no use of the mark. If that evidence is to be replied upon, then it is proper that it should be fully detailed. The decision of Mr Knight of 25 June was plainly directed at giving to Mr Gracey the evidence that he needed in order to jog his memory, if possible, as to the nature of the conversation.

This appeal is, however, a properly founded appeal against a reasoned decision. I must decide whether the appeal is justified. I revert then to the order made on 25 June, which was plain in its terms, that:

> "The applicants for revocation should provide Mr Gracey with details of the locations at which it has been alleged conversations took place between yourself and the investigator."

The response of 16 September in my judgment goes no way to providing that information. The second paragraph says:

> "According to the information available to us, we can inform you that initial enquiries were made at your address ...."

That plainly, referring back to Mr Keith's declaration, is a reference back to paragraphs 12 to 14 (the second 12 to 14) of the declaration, the enquiries as to where he lives and what the property looks like. It then goes on:

> "We understand that further enquiries were conducted with the occupants of the houses next to and opposite your property as well as at the local garage and at the sports shop."

That plainly is a reference to the enquiries made on 18 April referred to in paragraphs 15 to 17 of the declaration. There is no comment in relation to the approach allegedly made on 23 April referred to in paragraphs 20 to 24.

There are to my mind two defects in this letter. First, it does not deal at all with the question that it was supposed to deal with and, secondly, I do not believe that it is an appropriate answer to an order that details should be provided to respond in terms such as "We understand that ....." I think it is perhaps unfortunate that Mr Knight did not specify that the details should be given on oath. Proceedings before the Registry do adopt an informal approach to evidence and this is quite proper as the basis for saving time and expense. But where, as here, amplification is being sought of evidence that was already in sworn form, it would be right and proper in the future for the Registry to seek amplification of that evidence to be given in sworn form. I do not think the procedure of supplementing sworn evidence with second-hand evidence in the form of letters from trade mark attorneys is appropriate.

I am proposing to allow this appeal because I do not believe that the letter of 16 September 1998 addresses at all the question that was directed to be answered. I think Mr Knight felt that too. He said in his decision "I take that to mean the address given for Mr Gracey at paragraph 1 of Mr Keith's statutory declaration was the address in Morpha Nefyn". It should not be for a tribunal to draw an inference from a letter which is supposed to be complying with an order for the provision of information. That inference cannot properly be drawn on analysis of the letter any way. Accordingly, the letter was not a proper compliance with the order that was made and therefore Mr Knight's decision of 1 December was in error in

concluding that it was.

I should make it plain that in the course of the hearing before me when it became clear to Mr St Ville and those instructing him precisely what the point was that Mr Gracey was making that, whilst not accepting that it was a point of substance, they were disposed to offer to provide further information. Again, I have alluded to the unfortunate relationship that seems to have developed between the parties here. The form in which Mr Gracey writes his communications is not perhaps the easiest to comprehend on initial reading, but I do believe that it is fair in this case that when he repeated his contentions three times, the could perhaps have been accepted a little more readily and more quickly by those acting for Mr Ferretti.

This is an unfortunate case. It has caused considerable delay. I am going to allow the appeal. I am going to direct that further information should be given providing details of the locations, as required by the letter of 23 June 1998. It is not within my power, I believe, to order that should be put on oath because neither side appealed the order of 23 June. None the less, I think that if Ferretti do wish to progress this matter with the speed they are suggesting, they would be well advised to put their answer on oath and to have it as first-hand evidence from Mr Keith.

Further, on this appeal, Mr Gracey sought that it should be stated whether the conversations were alleged to have taken place in the morning or the afternoon. Plainly, that is a matter which was advanced before Mr Knight in June and it is a matter that he elected not to order. For me now to order that information should be given would be to allow an appeal from the order of Mr Knight of 23 June 1998, which has not been the subject of an appeal. I therefore do not propose to order that to be done.

I have to deal with the time within which the order of this appeal should be complied with Mr St Ville, how long would you like?

MR ST VILLE: Sir, may I take instructions (**pause**). The inquiry agent is not within the metropolitan area. Sir, I would ask for a month to deal with it.

MR THORLEY: A month! I am not disposed to give you a month. He must have his notes, I would have thought.

MR ST VILLE: The agent dealing with the matter is away from the office at the moment. I do not have detailed instructions. She is the person who has been in touch with him. He has got to be contracted. I do not know about his movements. If I had instructions, I could offer a shorter time.

MR THORLEY: I shall give you 28 days in which to comply properly with the order of 23 June 1998, but I would require both you and Urquhart-Dykes & Lord to use your best endeavours to get that reply to the registry and to Mr Gracey within 14 days. Then, of course, you have applied for an extension of time to put in further evidence. It will be a matter for the registry to decide on the future conduct of this hearing.

I should say, Mr Gracey, that in one of the faxes you asked if I would direct that there be cross-examination at the hearing. This is not a matter for me. This is a matter for the hearing officer if you wish to apply for it.

Finally, I should deal with the question of costs. Mr Gracey, you failed in your application to disqualify me from hearing the case and you succeeded on your appeal. Do you have any observations to make on costs.

MR GRACEY: On the costs issue, there is a letter that came in from Urquhart-Dykes & Lord before this hearing. Is that something you are considering when you are making up your mind on the costs. It is dated 1 June.

MR ST VILLE: Sir, if I can assist. There was a letter when there were these multiple issues on-going that Urquhart-Dykes & Lord sent setting out a bill of costs because they were minded to apply, if they succeeded, for costs in a real amount. Giving the outcome of the hearing, Sir, we do not propose to follow that.

MR GRACEY: Have you read that? That was the point I was asking.

MR THORLEY: No, I have not seen that. It would not have been necessary for me to see it in advance of the hearing.

MR GRACEY: That is all to do with costs.

MR THORLEY: Do not worry about that. He is not asking for his costs of the matter on which he failed. It would be a very bold attempt if he did.

MR GRACEY: That letter came through and it did weigh in my moving forward with this. It is a bill for £2,881.

MR THORLEY: Do not worry about that. He is not seeking that.

MR GRACEY: In making my judgement as to whether to proceed, all these things happened last week as to whether I should proceed with this. I have only proceeded with this because I felt so strongly abut the fact that I have yet to get an opportunity to come back with a signed declaration on my behalf that was a direct reply so a direct reply and so the two things would stand before the Registrar at the final hearing. I only had to go all this distance because I have been asking that question on many occasions.

The reason why Michael Knight made his decision was over the question of time. I think the question of time again changed the whole framework last week when Alberta Ferretti asked for an extension of time of three months. I think at one point in your judgement there you said "Why were the earlier extensions of time necessary? Remember, initially there was some delay on Urquhart-Dykes & Lord's side where they asked for extensions of time before that first declaration appeared. It is not fair to say that all the extensions of time have been on my side. I only started asking for extensions of time when I got their bit.

MR THORLEY: Do not worry about extensions of time or anything else. What I am

considering now is I have heard two applications in the last two days, on one of which you have been successful and on the other of which you have been unsuccessful. What I am trying to work out, and ask you to help me on, is what I should do about the costs. In the normal event, you would get an award of costs on the matter you succeeded on and you would have to pay an award of costs on the matter you failed on.

MR GRACEY: Would it normally be the same amount?

MR THORLEY: In this tribunal we tend to award costs in a fixed sum which perhaps does not bear any great relationship to the costs that have been incurred, and there are good reasons for that. Very often it is dependent upon the length of time it has taken in the hearing and the length of time it has taken to prepare it. I do not know whether you have any observations or whether you would like me to ask Mr St Ville what his observations are and see if you agree with them?

MR GRACEY: My observations are that this occurred because of a lack of proper answer to the letters that I wrote both prior to the decision of 29 October and after the decision of 29 October. There has been plenty of time to address the issues voluntarily without having to go to appeal. You may remember that some letters have been passed to the registry asking for it to be provided voluntarily. Nothing has come through voluntarily in accordance with what you have just judged. The only reason we are here having this conversation is because of the other side. I never really had an award of costs in hearings and I would be please to have any at all. But certainly if it comes down to having to pay something out, I would rather have nothing. I would like you to defer any major decision on costs to the final hearing because that is when it will be decided if these points I have been raising are relevant.

MR THORLEY: I cannot do that because I am the person empowered to make an award of costs. Mr Knight has no power to make an award of costs in relation to these appeals. Mr St Ville, what do you suggest?

MR ST VILLE: Sir, there are two approaches that could be taken. One is to make an order

on each application and for there to be cross-orders or for there simply to be no order as to costs at all. I would suggest the latter course. Mr Gracey makes a series of points. The points I would make in reply, if he suggest any other order, would be, firstly, that his application for you to step aside entirely failed and required substantial work to prepare for. In the ordinary course, costs would come to the applicant for that. Secondly, that a significant part of the reason why we are here is because the way Mr Gracey put his application was so unclear and so built out with other applications that the point in issue never because clear until this hearing. I am not minded to make an application for costs against him given the circumstances and your decision, sir.

MR THORLEY: The question of costs trouble me. A great deal of time and money has no doubt been spent on both of these applications.

As to Mr Gracey's application that I should disqualify myself, I believe that once he had seen a copy of the **Laker Airways** case it may be on reflection he would not have pursued the application. It is unfortunate that the copy that was sent to him last week did not reach him. Equally, I think it is unfortunate that the parties on Mr Gracey's appeal did not put their heads together and say "What exactly further information do you want and how can we provide it to you? All in all, I believe that justice can properly be done in these circumstances by making no order as to costs on either matter. The parties can bear their own costs. I think that concludes these appeals.

8 JUNE 1999

Mr Gracey represented himself as registered proprietor

Mr J St Ville (instructed by Urquhart-Dykes & Lord) appeared as Counsel on behalf of the applicant for revocation