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 interlocutory hearing in an appeal by Nicholas Dynes Gracey against the decision of Mr Knight, the Principal Hearing Officer acting for the Registrar, dated 4 December 1998. That decision itself was an interlocutory decision in an application by Alberta Ferretti to revoke registered trade mark No 1335163, PHILOSOPHY. Mr Gracey is the registered proprietor of that mark.

Mr Knight's decision relates to a request by Mr Gracey for further information concerning the evidence of an investigator, Stephen Anton Keith, which had been filed in support of the application to revoke.

It is not necessary for present purposes to give further details of the decision of the antecedent history, save to say that Mr Gracey was dissatisfied with the outcome and has appealed to the Appointed Person pursuant to Section 76(2) of the 1994 Act.

There are currently three persons appointed by the Lord Chancellor under Section 77 of the Act: Matthew Clarke QC, Geoffrey Hobbs QC and me. All of us have, I hope it is fair to say, no inconsiderable experience in trade mark law. Appeals are assigned to one of us on the basis of our availability from time to time with a view to ensuring that appeals to the Appointed Person are disposed of as expeditiously as possible.

On 4 January 1999, Mr Gracey gave notice of his intention to appeal the interlocutory decision and that appeal was assigned to me. On 23 April, the parties were offered a hearing date before me of either 8th or 9th June. Subsequently, that date was fixed for the 8 June and on the 11 May Mr Gracey wrote to the Treasury Solicitor. In paragraph 3 of that letter he said: "Because of Mr Thorley QC's involvement in third party but related litigation, please select Appointed Persons Mr Hobbs QC or Mr Clarke QC in the absence of voluntary discovery from the applicant as per paragraph 2 above".

On the 13 May the Treasury Solicitor responded to Mr Gracey, having consulted me, in the following form:

> "In paragraph 3 of that fax you request Mr Thorley QC should not hear the appeal because of his possible involvement in unspecified third party but related litigation. It is presumed from this that you are referring to the fact that Mr Thorley is the Appointed Person in the appeal in relation to trade mark No 1201046 in the name of Tritionstyle Limited and your application for revocation thereof No 9214. If this is incorrect, please inform me immediately and let me have full details of the third party litigation in question.

The letter goes on to set out the way in which the Appointed Persons are allocated cases and continues:

> "It was on this basis that both the appeals in which you are currently involved were assigned to Mr Thorley. Once an appeal has been assigned it will ordinarily be heard by, and the decision given by, that Appointed Person unless that person identifies an area of conflict or other embarrassment which he feels disqualifies him from hearing the appeal or if unforeseen circumstances, such as illness, prevents him from hearing the appeal expeditiously. I have referred your letter to Mr Thorley. He does not believe the fact that he has already been assigned your other appeal is a factor which constitutes any form of conflict or embarrassment for him. Accordingly as matters stand he is not minded to direct that the appeal should be heard by another of the

Appointed Persons. He has however asked me to give you and Messrs Urquhart-Dykes & Lord, the agents acting for Alberta Ferretti, an opportunity to comment further."

On the 15 May, Mr Gracey faxed the Treasury Solicitor asking whether any of the three Appointed Persons were at the same chambers as two other counsel, Mr Michael Edenborough and Miss Denise McFarland. On the 17 May, the Treasury Solicitor responded by indicating that Mr Edenborough was not in the chambers of any of the Appointed Persons and that Miss McFarland is a member of the same chambers as I am.

On the 20 May, Mr Gracey faxed further, and I read from paragraph 2: "Miss Denise McFarland is representing the Defendants in Ch 1998 - G - No 5187, (statement of claim copy followings (p 2-4))". That statement of claim is in respect of an action brought by Mr Gracey against three Hi-Tech companies in relation to infringement of trade mark 1524259 in Class 25.

On the 25 May, the Treasury Solicitor responded, having once again referred the matter to me for consideration. The letter states in the third paragraph:

"It appears from your fax of 20 May 1999 that the reason why you contend that Mr Thorley should not hear this appeal is because another member of his chambers (Miss McFarland) is representing the Defendants in action CG 1998-G-No 5187. As appears from the Statement of Claim this is an action concerning registered trade mark 1524250. Mr Thorley informs me that he has not been instructed in this action and had, until receipt of you fax, no knowledge of its existence. He has concluded that, in those circumstances, the fact that another member of his chambers is involved in litigation involving a different trade mark constitutes no area of conflict or embarrassment which disqualifies him from hearing this appeal. Accordingly he is not minded to vacate the date fixed for the hearing of this appeal by him on 8 June 1999. Should you wish to make any further observations on this aspect of the appeal, an oral hearing will be appointed. I should be grateful if you could inform me, as soon as

possible, if you wish an oral hearing to be appointed".

By fax of 27 May Mr Gracey stated:

> "In respect of your paragraphs 4 and 5, the point is that Mr Thorley QC could have "interactive" knowledge of CH 1998-G-No 5817 at any time after my Thursday 20 May 1999 fax notification", and he said: "Please arrange an oral hearing by telephone conference at any time in the next two weeks giving 24 hours notice by fax. Because of my concerns having read the following on 24 May 1999 [and this is reference to an article from the Times and a quotation by Frances Gibb]. 'It was the failure of Lord Hoffmann, the law lord, to declare his (non-commercial) links with Amnesty International which caused the law lords' first ruling on General Pinochet to be set aside and the holding of a second hearing at a cost of more than £500,000.'"

Mr Gracey has therefore maintained his objection to my hearing this appeal and at his request an oral hearing was fixed for the 7 June and he asked if I could hear his submissions by telephone. This I did. At that hearing, Mr St Ville appeared on behalf of Ferretti.

During the course of his address to me, Mr St Ville referred to the recent decision of Rix J in the case of the arbitration application between **Laker Airways Incorporated and FLS Aerospace Limited** given on 20 April 1999. Having been told that there was to be an oral hearing, I had directed that a copy of that decision and a copy of the Times Law Reports in the case of **Locabail (UK) Ltd v Bayfield Properties and Another**, a decision of Mr Lawrence Collins QC, sitting as a deputy judge of the High Court, reported in the Times on 18 May 1999, should be sent both to Mr Gracey and to Mr St Ville for their consideration in advance of the hearing. Unfortunately, for reasons that have not been explained, the copies of the decision sent to Mr Gracey never reached him. Accordingly, yesterday afternoon I adjourned the hearing for copies of those decisions to be faxed to him and indeed not only those decisions but some other decisions were faxed to Mr Gracey yesterday evening by Mr St Ville. The hearing therefore resumed this afternoon and I have heard both Mr St Ville's concluded submissions and some reply submissions from Mr Gracey.

The law applicable to anybody carrying out a judicial function in relation to a possible disqualification has recently been considered in detail in the House of Lords in the case of **R. v. Bow Street Magistrates, ex parte Pinochet (No 2) [1999] 2 WLR 272**. The facts of that case are not, I apprehend, a matter of common knowledge and I need not repeat them. The principles of law may not be so well-known. They were recently analysed in the recent judge by Rix J, and both parties referred to that decision as giving correct guidance as to the principles that should be applied. In that judgment Rix J identified at least three principles which were at work and said this:

> "It appears from the recent cases of **R. v. Gough** [1993} AC 646 and of **R Bow Street Magistrates, ex parte Pinochet**, that there are at least three principles at work. First, actual bias will of course always disqualify a person from sitting in judgment. Even in the absence of actual bias, however, the importance of public confidence in the administration of justice is such that even the appearance of bias will disqualify. As Lord Browne-Wilkinson said in **Pinochet (No 2)** at 284B:
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> 'There is no room for fine distinctions if Lord Hewart C.J.'s famous dictum is to be observed: it is of fundamental importance that justice should not only be done, but should manifestly and undoubtedly be seen to be done: see **Rex v. Sussex Justices, ex parte McCarthy** [1924] 1 K.B. 256, 259.'
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> Therefore, either under the rubric of apparent bias or as a fundamental principle separate from that doctrine (see Lord Browne-Wilkinson at 281D/E and 281H, Lord Goff of Chieveley at 287H, Lord Nolan at 288A, Lord Hope of Craighead at 290F/G, and see **R. v. Gough** at 661F), the second rule is that no one must be judged in his own cause (nemo judex in sua causa). That rule covers any situation where a judge is a party to the case or has a pecuniary or proprietary interest in it or, as in the very unusual circumstances of **Pinochet (No 2)**, is so closely connected with a party to the proceedings that he may be said to be acting in his own cause. In such a case disqualification is automatic and there is no question of investigating whether there is a likelihood or even suspicion of bias.

Thirdly, and either another aspect of apparent bias or the principle which is properly called apparent bias, there is the rule of which **R. v. Gough** is the modern authority, namely that a judge is disqualified if there is a real danger that he is biased. Thus, as Lord Goff said at 670C/F:

"In conclusion, I wish to express my understanding of the law as follows. I think it possible, and desirable, that the same test should be applicable in all cases of apparent bias, whether concerned with justices or members of other inferior tribunals, or with jurors, or with arbitrators. Likewise I consider that, in cases concerned with jurors, the same test should be applied by a judge to whose attention the possibility of bias on the part of a juror has been drawn in the course of a trail, and by the Court of Appel when it considers such a question on appeal. Furthermore, I think is unnecessary, in formulating the appropriate test, to require that the court should look at the matter through the eyes of a reasonable man, because the course in cases such as these personified the reasonable man; and in any even the court has first to ascertain the relevant circumstances form the available evidence, knowledge of which would not necessarily be available to an observer in court at the relevant time. Finally, for the avoidance of doubt, I prefer to state the test in terms of real danger rather than real likelihood, to ensure that the court is thinking in the terms of possibility rather than probability of bias.'"

Equally, in the **Locabail** CASE, Mr Lawrence Collins QC concluded that the correct test was to ask whether a reasonable and informed observer would entertain a reasonable suspicion of doubt as to impartiality as a result of the material that was put before the court.

In this case, the facts are that not that counsel in the same set of chambers is appearing before me in this appeal, the objection is a counsel in the same set of chambers is involved in other litigation of which Mr Gracey is a party and in which he accepts I have no involvement and that I had no knowledge of the existence of those proceedings until, at the earliest, 21 May 1999. The objection therefore is that a defendant in an action brought by Mr Gracey has chosen to instruct a junior in the same set of chambers.

I must ask myself the three questions that have been raised and identified in the **Laker** case. Is there actual bias, and am I a judge in my own cause or is there a real danger of bias?

The primary objection raised by Mr Gracey in the correspondence was that in his fax of the 27 May, that I may gain interactive knowledge. He amplified upon that in his submissions to me yesterday. He said that this was based upon his experience in a previous matter when he had heard counsel appearing against him say that he would go back to chambers and check with senior counsel in those chambers on a certain aspect of the case. He said that there could be some interchange of knowledge between members of chambers and that if I did not now have any knowledge of the other action, I might gain some.

Whilst I accept that it is common practice in chambers for junior members to seek the guidance of and the benefit of the experience of senior members, it is also well-known that certain of these senior members are appointed persons for the purpose of trade mark appeals. They may also be deputy High Court Judges. They may also be members of tribunals, such as the Copyright Tribunal, and those senior counsel are always alert to the fact that they have a public duty as well as the duty of assisting junior members of their chambers or, indeed, any other junior member at a specialist Bar. I do not believe that suggestion of interactive knowledge is sufficient to constitute an objection to my continuing.

He also submitted that there was a particular burden that was placed on the Appointed Person because of the fact there was no direct route of appeal laid down in the statute from any decision of the Appointed Person. I cannot see any force in this. There cannot be any higher burden on an Appointed person that is placed on a member of the House of Lords. It is the guidance in the **Pinochet** and **Gough** cases which is definitive for all persons acting in a judicial capacity.

Thirdly, in his reply speech today, Mr Gracey reverted to the TRITONSTYLE appeal which was, so I apprehended, the ground for his objection in the first place, as appears from the correspondence I have referred to. It is necessary that I say a little bit about the TRITONSTYLE appeal in order to place matters into context.

That appeal relates to a different trade mark. Indeed, it is an application by Mr Gracey to revoke a trade mark in the name of TRITONSTYLE. The application was partially successful in that category of the goods was reduced as a consequence of the application, but the whole mark was not revoked. Mr Gracey had appealed against that decision to the Appointed Person and I heard an application by counsel for Tritonstyle that I should, in the exercise of my discretion, refer the matter to the court because it raised matters of public importance. I gave a judgment refusing to refer that matter to the court and dealt with the many reasons that were raised by Mr Edenborough, counsel for Tritonstyle. One of those reasons related to an attack that was being made by Mr Gracey on the evidence that was put forward by Tritonstyle as being evidence of use. This attack was rejected by the hearing officer and Mr Gracey, as is his right, wishes to raise the matter again on the appeal.

In my judgment I related the nature of the attack that was being raised, but I made it plain in paragraph 42 of my judgment as follows:

> "In saying this I must make it clear that I have not considered in detail the evidence filed by either party and have reached no conclusion as to whether or not the attack raised by Mr Gracey is justified."

This Mr Gracey accepts, but he says that I may have been biased by the strength and force of Mr Edenborough's allegation. Putting it in cricketing terms, he suggested that I may have taken a ball bowled by Mr Edenborough with the spin on it. I do not believe that there is any substance in that submission. All judges in whatever capacity have to assess the weight that can be attached to any allegation. At the hearing on that appeal I shall hear both Mr Gracey or his representative and whoever appears for Tritonstyle and I shall assess the weight that can be attached to the evidence put forward by Tritonstyle in the light of the contentions made by Mr Gracey. All that was necessary for my previous decision was to relate what the nature of the allegation by Mr Edenborough was and this is what I did. I do not believe there cannot be any scope for a suggestion of residual bias having heard what Mr Edenborough had to say.

Thus I have to ask myself the three questions posed by Rix J: As I biased? I do not believe

that it is suggested that I am. Am I a judge in my own cause? Plainly, I am not. I have no proprietary or pecuniary interest in the outcome of this case. The fundamental ground therefore is the third question: is there a real danger of bias? In the case **R. v. Gough**, Lord Goff expressed on page 670 the test as being in the following form:

> "The court should ask itself whether, having regard to those circumstances, there was a real danger of bias on the party of the relevant member of the tribunal in question, in the sense that he might unfairly regard (or have unfairly regarded) with favour, or disfavour, the case of a party tot he issue under consideration by him."

The Intellectual Property Bar is small and specialised. The Lord Chancellor has chosen to appoint experienced practitioners in the field. Inevitably, they will come from chambers which have other members of chambers specialising in the same field. Those members of chambers have and no doubt will continue to appear before an Appointed Person who is also in the same chambers. There may be cases where a justifiable objection can be made, but as appears from the **Laker** and **Locabail** cases good reasons will be needed. I do not believe that such good reasons exist in the present case.

So far as concerns Miss McFarland, she is instructed in an entirely different proceeding in the High Court. She is not instructed to appear before me and I cannot conceive that any reasonable or informed person would entertain a reasonable suspicion or doubt as to my impartiality in those circumstances.

So far as concerns the Tritonstyle action, I think, with respect to Mr Gracey, he is reading far too much into my analysis of the argument that was being put forward by Mr Edenborough. I made it quite clear then, and I make it quite clear now, that I have not heard full argument on the evidence in that case and that I have formed no view as to the correctness of any allegations made in that case. I cannot perceive that any reasonable person reading my judgment would reach a different conclusion. I therefore decline to disqualify myself from hearing this appeal and this application is therefore dismissed

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