

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK
REGISTRATION m 2057163 OF THE MARK **SKYLIFT**
IN THE NAME OF ALAN WILLIAM CROSS

AND

IN THE MATTER OF AN APPLICATION FOR
RECTIFICATION AND AN APPLICATION FOR
A DECLARATION OF INVALIDITY m 10334
BY NATIONWIDE ACCESS LIMITED

TRADE MARKS ACT 1994

**IN THE MATTER of trade mark
registration m 2057163 in the
name of Alan William Cross**

and

**IN THE MATTER of an application for
rectification and an application for
a declaration of invalidity m 10334
by Nationwide Access Limited**

Background

On 16 February 1996, Skylift Platforms Limited applied to register the mark **SKYLIFT** in Class 39 in respect of the following services:

“Hiring of access platforms, scissor lifts and telescopic booms”.

5 The mark was published for opposition purposes on 3 July 1996. On 13 November 1996 form TM16 was filed to record the assignment of the application from Skylift Platforms Limited to Alan William Cross. Having reviewed the form TM16, I note that Mr Cross signed the form (as Managing Director) on behalf of Skylift Platforms Limited and also as the new proprietor. The mark was entered on the register on 29 November 1996.

10 By an application filed on 6 October 1998, Nationwide Access Limited seek to have registration m 2057163 rectified, and in the alternative they ask for a declaration of Invalidity.

15 In their Statement of Grounds, the applicants comment on the assignment of the trade mark between Skylift Platforms Limited and Alan William Cross. They conclude that at the date of the alleged change of ownership (17 October 1996), Mr Cross had no capacity to act on behalf of Skylift Platforms Limited and as such, the transfer was wrongly and invalidly made and the application proceeded in the name of Mr Cross without the consent of Skylift Platforms Limited.

The applicants further contend:

20 - that in so far as it may be alleged that the proprietorship was assigned by the Liquidator of Skylift Platforms Limited, it was assigned for no consideration and the alleged contract to assign was null and void;

25 - the proprietorship of the mark was purportedly assigned without goodwill, and the applicant by virtue of its prior use had a “prior right” to the name and mark SKYLIFT in the field and was in a position to sue the Registered Proprietor for passing off should he have commenced use after the date of the alleged change of ownership. Although not specifically mentioned, I assume this ground goes to

Section 5(4)(a) of the Act;

- if the mark was purportedly assigned with goodwill and for consideration, then the purported assignment was made for a wholly inadequate consideration and was ultra vires the company and in fraud of its creditors and shareholders;

5 - the application for registration was made contrary to Section 3(6) of the Act, in that it was mala fide in order to damage the applicants or to extract monies from the applicants, rather than to protect any business interest. Even if the application for registration had been filed bona fide, it was prosecuted mala fide and with no bona fide intention to use the mark.

10 The Registered Proprietor Mr Cross filed a counterstatement, from which the following facts emerge:

- on 6 April 1989 Mr Cross applied to Companies House to register a limited company in the name of Skylift Platforms Limited, a request which was later granted;

15 - having become aware of the use of the name SKYLIFT by the applicants and following unsuccessful discussions with them, Skylift Platforms Limited applied on 16 February 1996 to register the mark SKYLIFT in Class 39 of the register;

20 - Skylift Platforms Limited was beset by a number of difficulties, the most serious of which was a fire which destroyed all of the company's computer and manual records, leaving them in a position where they did not know who owed them, or to whom they owed monies. In September 1996, Mr Cross contacted Casson Beckman & Partners (a company specialising in liquidations) with a view to placing the company into voluntary liquidation;

25 - prior to the company entering liquidation, Mr Cross discussed the trade mark application with Mr Lord of Casson Beckman. At this stage the mark was only an application and says Mr Cross, Mr Lord attached no value to it. As such, says Mr Cross, Mr Lord gave him the authority to transfer the application into his own name.

30 Only the Registered Proprietor asks for an award of costs. Both sides filed evidence, neither side has asked for a hearing. Acting on behalf of the Registrar and after a careful study of the papers, I give this decision.

Applicants' Evidence

This consists of two Statutory Declarations. The first is by Alan Merrell dated 8 April 1999. Mr Merrell is the Group Finance Director of Nationwide Access Limited. The main facts emerging from Mr Merrell's declaration are as follows:

35 (i) The applicants' Skylift Division hires out vehicle-mounted access platforms of varying types throughout the UK. A copy of the applicants 1998 Skylift division brochure is shown as exhibit AM1. I note that in use, the word SKYLIFT

appears both alone, and together with the word Nationwide.

5 (ii) The applicants' Skylift division was formed in January 1996, and the applicants say that significant sales resulting from the hire of the goods were made during that year to high profile events such as, The British Grand Prix, The Grand National, The Open Championship and the Wimbledon Tennis Championships. Exhibit AM2 is an excerpt from the 1996 accounts of the applicants' parent company, which support the contention that the division was established in that year.

10 (iii) On 14 February 1996, the applicants were contacted by the solicitors acting for Skylift Platforms Limited objecting to the applicants use of the name SKYLIFT. In the applicants' view these objections had no merit. No evidence of confusion in the market place was brought to their attention that might influence their use of the SKYLIFT name, nor were any steps taken to prevent the applicants using the name.

15 (iv) Mr Merrell notes that Skylift Platforms Limited entered members voluntary liquidation on 26 September 1996. Exhibit AM3 is a copy of the resolution of the members of Skylift Platforms Limited, together with Form 600 filed at Companies House.

20 (v) Mr Merrell adds that on 18 October 1996, the Registered Proprietor applied to the Trade Marks Registry to record a purported assignment of the application for the trade mark from Skylift Platforms Limited, to the Registered Proprietor. The date of assignment is recorded on the official form as 17 October 1996. A copy of the relevant documentation is provided at exhibit AM4. Mr Merrell says that there is no evidence to suggest that the Registered Proprietor was authorised by the Liquidator to sign the assignment documents on behalf of Skylift Platforms Limited.

25 (vi) On 3 August 1998, Mr Merrell received a letter from the Bolton Metropolitan Council Environment Department which drew his attention to the existence of the registration currently under dispute. A copy of the letter is at exhibit AM5.

30 The second declaration is by Candida Johnson dated 8 April 1999. Ms Johnson explains that she is a solicitor acting on behalf of the applicants. Ms Johnson's declaration relates to a visit on 5 March 1999 to the firm of Casson Beckman & Partners who are insolvency practitioners, and who are the Liquidators responsible for Skylift Platforms Limited. During that visit, Ms Johnson spoke to Mr Jonathan Lord. Exhibit CJ1 is a copy of a file note which Ms Johnson says she prepared to record her conversation with Mr Lord. Ms Johnson adds that a copy of the file note has been sent to Mr Lord and no objections as to its accuracy have been raised. I note of course that Ms Johnson's declaration consists of hearsay. As these proceedings commenced after the commencement of the Civil Evidence Act 1995 the evidence appears admissible (the registered proprietor has not suggested otherwise) but I must bear in mind that it is hearsay when considering the weight I should attach to it. Following her meeting with Mr Lord, Ms Johnson says that:

40 (i) Steven Walker of Casson Beckman was appointed as liquidator of Skylift Platforms Limited in September 1996, when the company went into voluntary

liquidation. While Mr Walker has now left Casson Beckman, whilst at Casson Beckman he was assisted by Mr Lord and Mr Lord has continued to work on the matter since Mr Walker's departure. Mr Lord was the individual who liaised with the Registered Proprietor before and after the winding up of Skylift Platforms Limited.

(ii) As far as Mr Lord could recall, he had no conversation with the Registered Proprietor concerning the trade mark SKYLIFT before the date of the resolution of the winding up of the company, however discussions regarding the trade mark had taken place after the resolution for the winding up of the company had been passed. At that time, Mr Walker and Mr Lord took the view that there were no funds to expend on the application and even if there had been, that it would have been of little gain to the company. The application was therefore allowed to lie.

(iii) All of the assets and goodwill of Skylift Platforms Limited were sold in January 1997 to Readysense Limited a company introduced to the Liquidators by Mr Cross. The assets of the company were sold for £17,500 and the goodwill (including the trading name) for £1. In Mr Lord's view this gave Readysense Limited the rights to the SKYLIFT name (as an unregistered mark). Until recently, Mr Lord was not aware that the SKYLIFT trade mark filed by Skylift Platforms Limited had proceeded to registration. As far as he was aware, the application had been left to lie as he and Mr Walker had decided in 1996.

Registered Proprietors' Evidence

This consist of a Statutory Declaration and Affidavit both by Alan William Cross and both dated 21 September 1999. The facts emerging from these documents are as follows:

(i) Mr Cross says that he has traded under the mark SKYLIFT since April 1989 and that turnover of goods hired under the mark prior to its registration amounted to some £1.3m. He adds that the mark has been used continuously by him since the date of registration. Goods hired under the mark in the period ending 31 December 1998, amounted to some £180,000. In so far as Mr Cross uses the word "registration", it is not clear whether he means the date on which the application for registration was filed, or the later date on which the mark was placed on the register.

(ii) Exhibit AWC1 consists of two invoices (dated 31 March 1999), for the hire of electric scissors and MSD diesel scissors. Exhibit AWC2 consists of a delivery ticket which is undated. All of the documents carry the SKYLIFT trade mark and I note that AWC2 includes the following text: SKYLIFT PLATFORMS is the trading name of Flying Leap Ltd, and SKYLIFT is the registered trade mark of Alan Cross.

Applicants' Evidence-in-Reply

This consists of a Statutory Declaration by Jeremy James Drew dated 20 January 2000. Mr Drew explains that he is a solicitor acting for the applicants. The facts emerging from Mr Drew's declaration are as follows:

(i) On 29 June 1999 Skylift Platforms Limited was dissolved. Exhibit JJD1 which is a copy of the certificate of dissolution, confirms this to be the case

(ii) In so far as use of the mark SKYLIFT has been made by a company called Flying Leap Limited, (of which the Registered Proprietor was a Director and Shareholder), Mr Drew points out that this company went into creditors voluntary liquidation on 30 July 1999. A copy of the Extraordinary Resolution of the members of Flying Leap Limited and Form 600 filed at Companies House is provided at exhibit JJD2.

That concludes my review of the evidence.

10 **Decision**

The applicants in this action have asked for rectification of the register, or in the alternative, for a declaration of invalidity. Whilst I note that at the time the application was made the appropriate official form (TM26) allowed for such a claim, I also note that since the coming into force of the Trade Mark Rules 2000, such a claim would require an applicant to file two separate forms. I mention this only in passing, as (in my view) it is a recognition that the two actions are completely different with different outcomes and ought not to be capable of being filed as one action.

That said, I will deal with the invalidation action first, as I think it can be easily disposed of.

The relevant paragraphs of Section 47 and Section 3(6) of the Act are as follows:

20 “47.—(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”

(2) The registration of a trade mark may be declared invalid on the ground-

(a).....

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

35 “3.—(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

In so far as the Section 3(6) objection is concerned, in their Statement of Grounds the applicants say that the original application was filed mala fide to damage the applicant or to extract monies from the applicant, rather than to protect any business interest. They add that further or in the alternative, even if the application had been filed bona fide it was prosecuted mala fide for the same reasons and with no bona fide intention to use the mark.

In asserting bad faith (given that registration is prima facie evidence of validity -Section 72 of the Act refers), the onus rests with the applicants to make a prima facie case. A claim of bad faith implies some deliberate action by the Registered Proprietor which a reasonable person would consider to be unacceptable behaviour, or as put by Lindsay J in the GROMAX trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

Given that Mr Cross had (through Skylift Platforms Limited) adopted the name SKYLIFT in 1989, I see no reason why in February 1996 he should not have applied to register the name as a trade mark. In the light of this finding and in the absence of any evidence from the applicants to support their objection under Section 3(6) of the Act, the objection is dismissed.

Although not particularised by the applicants, the remaining ground of invalidation falls to be considered under Section 5(4)(a) of the Act. Section 5(4)(a) of the Act reads:

5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b).....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

The necessary elements of an action for passing off in terms of goodwill, misrepresentation and damage, were set out by Geoffrey Hobbs QC in WILD CHILD trade mark [1998] RPC 455. I do not propose to repeat the very full guidance provided but it can be found in that decision commencing at page 460 line 5 to page 461 line 22.

In brief the necessary elements are said to be as follows:

- that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature

- that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff and

- that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

5 In order for the Section 5(4)(a) case to get off the ground, the applicants have to first establish that they had goodwill in a sign, in this case the word SKYLIFT, at the material date i.e. the date of filing of the application for registration, 16 February 1996. As one can see from the applicants' evidence, they only claim to have commenced use of the mark SKYLIFT in January 1996. Although the applicants say that services under the mark were provided to a range of high profile sporting events during 1996, no turnover or promotional figures have been provided. Whilst one cannot rule out the possibility that a company could establish
10 goodwill in such a short period (under six weeks at the most), the evidence needed to support such a claim would need to be detailed and compelling. No such evidence has been provided. Consequently, I dismiss the objection under Section 5(4)(a) of the Act, as the applicants have failed to substantiate their claim to goodwill at the material date.

15 I now turn to consider the request for rectification of the register. Section 64 of the Act reads as follows:

64-(1) Any person having a sufficient interest may apply for the rectification of an error or omission in the register:

20 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.

As a party whose business may be affected by the continuation of the registration in Mr Cross's name, I consider that the applicants have sufficient interest to make the application.

25 From the evidence provided, the chronology of events surrounding the filing and subsequent assignment of No: 2057163 is as follows:

(i) 16 February 1996 - application for registration filed.

(ii) 3 July 1996 - application published for opposition purposes.

30 (iii) September 1996 - Liquidator appointed and on 26 September 1996 Skylift Platforms Limited enter liquidation.

(iv) 18 October 1996 - letter received by the Patent Office from Mr Cross advising that he was now going to act as his own agent and asking for an official form to be sent to him to effect a change of ownership.

35 (v) 13 November 1996 - form TM16 filed to transfer ownership from Skylift Platforms Limited to Alan William Cross. The form which was signed on behalf of both parties by Mr Cross, indicates that the date the new proprietor took over ownership was 17 October 1996.

(vi) 29 November 1996 - application No: 2057163 is registered in the name of Alan William Cross.

(vii) 29 June 1999 - Skylift Platforms Limited dissolved.

The main point of contention is whether or not Mr Cross had the necessary authority (at the material date of 17 October 1996), to sign form TM16 on behalf of Skylift Platforms Limited. From my chronology of events above, it is clear that at 17 October 1996, Skylift Platforms Limited was in the hands of the Liquidators Casson Beckman & Partners. Mr Cross in his counterstatement suggests that he had Mr Lord's express agreement to transfer the application into his own name.

Rule 35 (1) of the Trade Mark Rules 1994 (which were in force in 1996) states that:

An application to register particulars of a transaction to which section 25 applies or to give notice to the registrar of particulars of a transaction to which section 27(3) applies shall be made, subject to paragraph (2) below,

(a) relating to an assignment or transaction other than a transaction referred to in subparagraphs (b) to (d) below, on form TM16;

(b)....

(c).....

(d).....

(e).....

(2) An application under paragraph (1) above shall-

(a) where the transaction is an assignment, be signed by or on behalf of the parties to the assignment;

(b).....

Or be accompanied by such documentary evidence as suffices to establish the transaction.

There is no suggestion that a formal deed of assignment was drawn up between the liquidator and Mr Cross and there is no other documentary evidence of an assignment between Skylift Platforms Limited and Mr Cross. Mr Cross says that Mr Lord gave him permission to transfer the application for registration into his name. Ms Johnson's hearsay evidence indicates that Mr Lord thought he had decided to leave the application "to lie". Given the length of time that has elapsed since the transfer took place, it is entirely possible that both parties' recollection of events is somewhat faulty. There is no specific claim of a verbal assignment and, in my view, insufficient evidence to reach such a finding. Accordingly, Mr Cross must rely on signatures that appeared on the form TM16 to validate the application to record the assignment as per Rule 35(2)(a).

From the information available to me, I have concluded that Mr Cross did not have the necessary authority to sign the official form on behalf of Skylift Platforms Limited. At the date of the purported assignment (17 October 1996) Skylift Platforms Limited were in the hands of the Liquidator. Any request to record a change of ownership from Skylift Platforms Limited to Mr Cross would have required the Liquidator (on behalf of Skylift Platforms Limited) to sign the form on behalf of the current proprietor. As mentioned above, Mr Cross signed the official form on behalf of both parties and for the reasons indicated, I do not believe he was in a position to do so.

In reaching this conclusion, I do not suggest for one moment that Mr Cross acted with any improper motive. One can understand that when a business is being placed in liquidation there will be a number of competing issues requiring the attention of the owners and Liquidators, and one can quite easily see how communications can break down on issues which at the time may be afforded somewhat less importance than they might deserve.

Having decided that Mr Cross did not have the necessary authority to record the assignment of the mark from Skylift Platforms Limited to himself, I now need to decide in whose name the mark should stand. In their Statement of Grounds the applicants have pointed out the deficiencies in the application to record Mr Cross as registered proprietor, but they have not indicated in whose name they feel the mark should now be recorded. In the light of my findings and in the absence of any better claim, the registration should in my view be reverted back to Skylift Platforms Limited, who were the proprietors of the mark prior to the filing of the defective form TM16.

From the record of Mr Lord's conversation with Ms Johnson, it appears that any rights to the SKYLIFT name may accrue to Readysense Limited, by virtue of their purchase of the assets and goodwill of Skylift Platforms Limited in January 1997. However, the applicants have not requested this amendment and Ms Johnson's hearsay evidence is insufficient to establish that such an assignment took place. In any event, it appears that Mr Lord was under the impression that the application for registration "had been left to lie" and it therefore appears unlikely that an assignment of rights to Readysense Ltd could have included this registration.

In the circumstances, I am satisfied that it would be right to correct matters, and in exercise of the discretion conferred upon me by Section 64 of the Trade Marks Act 1994, I direct that the recordal of an assignment of the application from Skylift Platforms Limited to Allan William Cross be considered null and void and that the register be corrected with the name of Alan William Cross replaced by that of Skylift Platforms Limited. In reaching this conclusion (and as indicated above), I am aware that Skylift Platforms Limited has now been dissolved. As such, the registration must be regarded as an asset of that company and will now fall to the Crown or Duchy of Lancaster as bona vacantia.

Dated this 19 day of July 2000

C J Bowen
For the Registrar
The Comptroller-General