

TRADE MARKS ACT 1994

**IN THE MATTER OF Application N^o: 2052200
by Omega SA (Omega AG) (Omega Ltd) to
register a Trade Mark Class 9.**

1. On 15th January 1996 Omega SA (Omega AG) (Omega Ltd), Jakob-Stämpfli-Strasse 96, 2502 Biel/Bienne, Switzerland applied to register the following trade mark:



These goods were specified with the mark:

‘Electrical and electronic apparatus and instruments for collecting, processing, assessing and transmitting time-related data; public information display systems; computers and computer software for use in connection with time measuring and recording and with public display systems; parts and fittings for the aforesaid goods; but not including any such goods intended for scientific, educational or industrial applications and not including any such goods for photographic lighting purposes or telephone apparatus and not including computer programs for monitoring and managing computer systems performance and utilisation and not including computer programs for optimising mathematical expressions, for predictive or descriptive modelling’ in Class 9.

2. Marks incorporating ‘OMEGA’, and variations thereon, are not uncommon on the Register. One reason for this, I presume, is the rather obvious association with electrical and scientific items placed in Class 9, and the unit of electrical resistance - the ‘ohm’ - for which the scientific symbol is the Greek letter ‘Ω’. Consequently, the application received a significant number of ‘cites’ against previous marks, *inter alia*, registrations numbered 1127487, 1216209, 1271064, 1290213, 1557184, 1671303, and 2030032. The proprietors of these marks - Omega Engineering Incorporated of One Omega Drive, Stamford, Connecticut USA - were contacted by the applicants and the following letter of consent was produced, dated 5th May 1997:

‘We being the Registered Proprietors of applications/registrations 1127487, 1216209, 1271064, 1290213, 1557184, 1671303, and 2030032 hereby consent to the registration of the trademark 2052200 in the name of Omega SA (Omega AG) (Omega Ltd.) in respect of:

“Electrical and electronic apparatus and instruments for collecting, processing, assessing, and transmitting time related data; public information display systems; computers and computer software for use in connection with time measuring and recording and with public display systems; parts and fittings for the aforesaid goods; but not including any such goods intended for scientific, educational, or industrial applications and not including any such goods for photographic lighting purposes or for telephone apparatus.”



Yours respectfully,

Ralph S. Michel
 Vice President
 Chief Financial Officer’.

3. However, following advertisement of the applicants’ mark, Omega Engineering Incorporated opposed registration on grounds based on s. 5 of the Act. They said in their Statement of Grounds:

‘Notwithstanding consent given to the application by omega Engineering, Inc. in their letter of 5th May 1997, that letter did not refer to the prior registrations set out in the accompanying schedule, and the Opponent therefore believes that it is entitled to make this opposition’.

The ‘prior registrations’ mentioned were:

Mark	Number	Filing date	Goods
	1071474	02/12/1976	Class 9 goods: Temperature measuring apparatus and goods.
	1159199	11/08/1981	Class 9 goods: Apparatus and instruments, all for the measurement and recording of temperature; parts and fittings included in Class 9 for all the aforesaid goods’

4. The Counterstatement produced by the applicants in response, stated that the opposition was void because of the earlier consent. In a letter dated 14th May 2001 the applicants stated:

‘.. we believe that the opponent cannot, in law and equity, make the statement that they give consent to the registration of the present application, and then to say that that consent is not effective because of their own registrations. If they have given consent, they have given consent and nothing has changed since they did so’.

In response to the Registrar’s preliminary view that the opposition should proceed, the applicants asked for a Hearing to discuss the matter. Before this, the opponents wrote to the applicants on 14th September 2001 in the following manner:

‘Our client is prepared to withdraw this opposition on the following conditions:

1 that Omega SA (Omega AG) (Omega Ltd.) (hereafter referred to as SA) undertakes to amend its trade mark application No. 2052200 by adding the wording appearing in text emboldened type in the following specification of goods:

“Electrical and electronic apparatus and instruments for collecting, processing, assessing and transmitting time-related data (**not being data relating to temperature**); public information display systems (**not being systems which measure, record or display temperature**); computers and computer software, for use in connection with time measuring and recording and with public display systems (**not being systems which measure, record or display temperature**); parts and fittings for the aforesaid goods; but not including any such goods intended for scientific, educational or industrial applications and not including any such goods for photographic lighting purposes or telephone apparatus and not including computer programs for monitoring and managing computer systems performance and utilisation and not including computer programs for optimising mathematical expressions, for predictive or descriptive modelling”.

2 that each party bears its own costs.

In the event that SA does not accept the foregoing proposal, or one on substantially the same lines, our client reserves the right to claim costs if the matter proceeds.

For the avoidance of doubt, if our opposition to this application was not considered to constitute withdrawal of our client’s earlier consent, then this letter is to be taken as formal withdrawal of that consent, which was set out in the letter to the Registry dated 5th May 1997 from Ralph S. Michel of Omega Engineering, Inc.

Our client is only prepared to entertain a subsequent request for consent to registration in so far as SA agrees to the foregoing amendment, or one on substantially the same lines’.

5. As far as I am aware, no written response was given to this suggestion and the hearing took place on 28th September 2001, where Ms. Arenal (of Messrs. Mewburn Ellis) represented the applicants, and Mr. Morcom QC, instructed by Messrs. Bromhead & Co., represented the opponents. I determined that the matter merited a full explanation for the decision I have subsequently reached in these pages.

Submissions

6. Ms. Arenal gave six reasons why I should declare the opposition void.
7. First, the opponents were not entitled to oppose because they had given their consent. In Ms. Arenal’s view, the letter reproduced above (paragraph 2) was ‘binding...given in the proper form, not under any misapprehension or mistake..’ and could not now be withdrawn.
8. Next, it was irrelevant that the trade marks now raised in opposition were not mentioned in the letter of consent. Ms. Arenal said that no-one ever lists the whole of their trade mark portfolio when giving a letter of consent:

‘... it is not practical, it is not necessary and in some cases it is not possible. For example, if party A files an application on 1st March and party B files an application on 2nd March, B needs consent from A, which they give, but A may later file an application for example a community trade mark application, later and then backdate it claiming priority. Clearly the community trade mark application might not be mentioned in the letter of consent’.

9. She added that one can assume that when someone gives consent they are aware of their own trade marks, and that there was clearly no onus on the part of either the registry or the person receiving consent to make sure that the consentor is aware of their own portfolio, as that was a matter within their own knowledge. Mr. Ralph Michael was a senior officer in the company, who had access to all their records and it must be assumed he knew what he was doing when he gave the consent. Finally, Ms. Arenal noted that it was not one of the formalities listed in the Registry's Work Manual Chapter 6 (page 136) that the person giving the consent provide an exhaustive list of their registrations.

10. The applicants' third submission was that consent is a contract or at least a 'quasi-contract'. Ms. Arenal said that there were two parties with an intention to create legal relations. She added:

'When this consent was signed in 1997 there was a background of negotiations on various other issues and other countries. This can therefore be seen as part of larger negotiations. At the time my client informs me that there were negotiations going on about a licence in Japan. My client considers that Omega Engineering gave this consent wishing to facilitate those negotiations.'

She considered that this amounted to consideration sufficient to form a contract. Thus the opposition amounted to a breach of contract, which had an effect on third parties – '...the registry and other people who perhaps filed applications..' which were blocked by the applicants' application.

11. The next point raised was the equitable remedy of estoppel:

Essentially, .. Omega Engineering have taken a step. They have given a document signed by an officer of their company conveying to the registrar, to my client and to any third parties that they consent to this mark being registered. Having given that, they are now estopped from taking action contrary to that, particularly after a delay of 4 years. ...

...that consent has been given appears on the advert in the trade marks journal. So there is public notice that consent was given. In my submission, having given that consent which was relied on by, as I have said, my clients, the registrar and any other third parties there may be, they are simply estopped from opposing and from withdrawing that consent'.

12. The fifth point raised by Ms. Arenal, was 'acquiescence'. She said that this followed on from the estoppel point:

'...four years has elapsed between the giving of consent and the filing of opposition. What has changed since then? The marks upon which the opposition is based belonged to the opponent at that time and were presumably in force. The consent was not given under any mistake. The opponents have allowed the application to continue and allowed the applicants to proceed. On the basis of that consent, this is a form of acquiescence. They have permitted some action to be taken and have not done anything to try to stop it. In my submission, 4 years later, because of that acquiescence, it is now too late for them to try to prevent registration'.

13. Sixth, Ms. Arenal said that if a valid consent can be overridden or withdrawn in this way then the giving of consent becomes unworkable: 'If one day consent is given and the next day it is withdrawn, we simply should not have a system of consent'.
14. Finally, the letter of 14th September, cited above at paragraph 6, shows that the opponents are clearly willing to consent to registration, subject to some minor changes to the wording of the applicants' specification. In Ms. Arenal's view, this made a nonsense of them saying they had not validly consented, that is, their consent was mistaken.
15. Perhaps its best if I deal with each of these points in turn.
16. S. 5(5) of the Act goes to consent and registration:

'(5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration'.

This takes advantage of the optional provision in Article 4(5) of the Directive 89/104/EEC. Under the 1938 Act (see *British Lead Mills Limited's Application* [1958] 17 RPC 425, at 427) consent was not conclusive and not binding on the Registrar, but was merely some evidence that there might not be confusion between marks. Paragraph 6.1 of *The Modern Law of Trade Marks*, (Butterworths, 1999) states:

'A very important change [under the new Act] however is that, under s 5(5), the registrar cannot now refuse registration on any relative ground if the proprietor of the earlier trade mark or other earlier right concerned consents to the registration. Previously the registrar might take consent into consideration in deciding whether or not to allow registration, but was never bound by it'.

In other words, as explained in the 13th Edition of *Kerly's The Law of Trade Marks and Trade Names*, the Registrar has no discretion to refuse registration in a case where consent has been given, but where he believes confusion may result. Such a matter is left to the commercial judgement of the proprietor: in effect, the consent given is evidence, viewed from the marketplace, that there is no likelihood of confusion.

17. The key matter here, then, is not the effect of the consent on the Registrar, but on the parties. And that is determined by the nature of consent, as defined for the purposes of s. 5(5).
18. At the hearing, Mr. Morcom stated that consent was like licence and '..if the licence is for a fixed period of course it cannot be withdrawn, but if a licence is not for a specified period, then it has always been the case it can be withdrawn on reasonable notice'; the opposition constituted such, and was, in his view '..reasonable notice well before any possibility of registration'.
19. The Manual of Patent Practice (4th Edition) states, at paragraph 45.05:

The term "licence" has been defined by Lord Diplock in his judgment in *Gist-Brocades* [1986] RPC 203 at page 246 as follows: "A licence passes no proprietary interest in anything, it only makes an action lawful that would otherwise have been unlawful. In the

context of the royal grant of patents for inventions it was a consent given by the proprietor of the patent to another person, the licensee, to do something that the patent entitled the proprietor of it to prevent anyone from doing except with his consent. This is the meaning which 'licence' has borne throughout the UK patent legislation up to and including the Act of 1977. Apart from certain statutory prohibitions ... such a licence, at any rate where it is granted by the proprietor of his own free will, may be subject to whatever limitations or conditions the proprietor thinks fit to impose”.

20. The essence is one of forbearance on the behalf of the owners of a right. As Mr. Morcom says, there are circumstances where such a limitation is binding – he giving the example of a specific time limit on a licence - as might be the case where permission is granted to use a mark, but is renewable annually.
21. It would only be in very unusual circumstances that a licence would be granted for 'forever'. To do so would make it a *de facto* assignment, i.e. equivalent to a transfer of property. Thus it has always been the case that a licence can be withdrawn, but the notice given must be reasonable (see *Bostitch* [1963] 183, at 202-203).
22. Of course, it may be argued that consent, for the purposes of s. 5(5) is not a licence as such, and is binding in the way that Ms. Arenal insisted it was. From this point of view, in granting a consent for registration of a mark that might fall foul of s. 5 due to the presence of an earlier mark on the register, the proprietor of that mark is limiting his property right in choosing not to fully exercise the monopoly registration has given him. The registered proprietor has, by analogy with real property, granted an easement over his land.
23. In favour of this view is the final submission made by Ms. Arenal above (paragraph 13) - that consent is unworkable if it can be withdrawn. There is an indication in the Act that, certainly once a mark to which consent has been given is registered, that consent cannot then be rescinded. S. 47(2) states:

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

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(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’.

24. The situation before registration is not so clear. At the hearing Mr. Morcom commented:
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‘The suggestion that if consent can be overridden and/or withdrawn in this way the whole system of consent is unworkable, I ask the question how. This is not going to arise very often, but there must be cases when the withdrawal of consent may be appropriate.’

25. Mr. Morcom may well be right to the extent that the circumstances arising in this matter do not appear to be commonplace. However, that may well change if consent is not treated with

seriousness on behalf of those who grant it, as might be, if it lies in their gift to withdraw it at any time up to registration. There are policy considerations here: I find it hard to credit that those behind the implementation of Article 4(5) took the granting of consent so lightly, or that Parliament considered it so when the Act was passed. Even if it is the case that consent may be no more than a licence, in relation to s. 5(5) that licence has been granted for a specific purpose – to allow *registration* of the applicants' mark. In this it maybe similar to a licence granted for a particular period of time, except that it is for a particular explicit purpose.

26. However, I do not have to come to a view on this matter because, as indicated below, I believe the opponents are now estopped from opposing registration of the mark. To this extent, it matters not whether 's. 5 consent' is binding or a bare permission which can be withdrawn, given reasonable notice. Even if it is the latter I do not believe the notice given can be regarded as reasonable.
27. Turning, now, to the second point - that it was irrelevant that the trade marks now raised in opposition were not mentioned in the letter of consent - Mr. Morcom was of the view that it is usual to recite the marks in a letter of consent. He said '.. I think there are 7 listed in the consent letter, the other two are different registrations'.
28. I think I must agree with Ms. Arenal, that the consent given by the letter is unaffected by absence of the two 'new' marks cited by the applicants in the Statement of Grounds. The points she made on this issue above (paragraph 8 and 9) carry some weight. Further, as I stated at the hearing, I do not believe the two other marks introduce a new basis for objection to registration beyond that represented by the marks listed in the 'Michel letter'.
29. As to whether the consent letter amounted to a contract, I think this is unclear. It is not obvious that the parties had an intention to create legal relations, there being no evidence of consideration. The reference Ms. Arenal made to material not before me rather suggests that opposition proceeding be allowed to continue so it can be produced. Mr. Morcom made much the same point:

'.. this application is akin to an application for summary judgment. In other words, in our submission you can only see it if there is no arguable case to go forward. Given the lack of evidence, which perhaps has been highlighted by certain submissions about what may or may not have happened by way of negotiations .. and there are certain grey areas, we say it is impossible to come to a conclusion and we should not be shut out from opposing'.

30. He then stated:

'There has been cooperation between the parties. Indeed, there was a global agreement signed in 1994. Again this is a matter for evidence. Comments have been made is this evidence. Something having been said, I just wish to say that we accept there has been some sort of cooperation, but unfortunately we are still not at one. All that is going to come out in the evidence, I do not doubt, from both sides'.

I do not say that a contract between the parties does not exist. Only that it has not been proved thus far. Ms. Arenal also seemed to accept that the issue required further exposition by the parties:

‘Clearly we are here today to decide whether the opposition goes on at all. I believe it should not. If it does, then clearly we have to go on to the evidential stages, and that is something we can address at that time. I just wanted to make the point so you knew the background to the giving of the consent and the formation of that contract’.

Of course, if a contract was found to exist between the parties, the opponents would be bound by it: the remedy of specific performance lies available to the applicants.

31. In passing, I note that the opponents did not seek to argue that the ‘Michel letter’ was sent in error. Mistake can, of course, invalidate both consent and a contract. But evidence is required; I do not think I can accept that a senior person in the opponents’ clients’ organisation, such as Mr. Michel, can be determined as acting in error without supporting material, and the onus was upon the opponents to produce it.
32. The applicants did not make detailed submissions in relation to estoppel. It seems to me that proprietary estoppel and/or estoppel by acquiescence could both apply. Mr. Morcom referred me to *Habib Bank Limited v Habib Bank AG Zurich* [1982] 1 RPC 1, at page 36, line 25:

‘Furthermore the more recent cases indicate, in my judgment, that the application of the *Ramsden v. Dyson* principle - whether you call it proprietary estoppel, estoppel by acquiescence or estoppel by encouragement is really immaterial - requires a very much broader approach which is directed rather at ascertaining whether, in particular individual circumstances, it would be unconscionable for a party to be permitted to deny that which, knowingly or unknowingly, he has allowed or encouraged another to assume to his detriment than to inquiring whether the circumstances can be fitted within the confines of some preconceived formula serving as a universal yardstick for every form of unconscionable behaviour’.

33. The following is from *Kerly’s*, paragraph 3-156:

‘The law on this subject used to be both rather technical and rather obscure, as is illustrated for example, by the “five probanda” referred to in *Willmott v Barber* (1880) 15 ChD 97. It is now clear, however, that the relevant test is now the much broader one appearing in *Habib Bank v Habib Bank* .. which is whether in all the circumstances it would be unconscionable to allow the claimant to maintain his claim. It is, however, clear that the matters which fall to be considered include the factors identified in the old cases: whether the proprietor induced or encouraged the defendant’s behaviour, or represented to him that he was entitled so to act, the passage of time, reliance by and detriment to the defendant and so on’.

In fact, despite his statement recorded above, Oliver LJ saw fit to work through three of the five probanda established in *Willmott v Barber*.

34. There is no doubt that the applicants, following the consent for *registration* granted by the opponents, were unaware, in applying their mark, that the opponents would cite earlier registrations against them.

35. Further, the application was applied for on 15th January 1996, but was only forwarded to publication in the Journal in December 2000. The consent granted by virtue of the Michel letter came on 5th May 1997. Following advertisement, the opponents Statement of Grounds was received by the Registry on 30th April 2001, nearly three years after the consent. Even without the unequivocal statement in the Michel letter, this delay by the opponents could be argued as encouragement by omission, and equivalent to encouragement by conduct.

36. Mr. Morcom referred to the matter of delay, but his explanation was rather weak:

‘A mention was made of delay, 4 years later, sir. I am not quite sure of the relevance of that because of course the time that has lapsed is nothing to do with us, it is due to the application going through the system. Clearly from the file on the face of other citations as well, it has nothing to do with us so we cannot be penalised on that’.

There was nothing to stop the opponents removing their permission at any time during the application process - they were not forced to wait until advertisement of the mark.

37. Mr. Morcom was on stronger ground when he stated:

‘..acquiescence has always required some element of acting to one’s detriment. We say at this stage there is no detriment. We also say the evidence just is not there as to how this consent affected the matter. As far as I know, the applicants have tried to get rid of other citations as well as our marks. There is a whole lot that needs to be gone into. It is quite wrong, in our submission, to say we are not entitled to oppose’.

Of course, the applicants would argue that there has been a detriment - the fact that they have now to face opposition proceedings when it was reasonable to assume that the consent given some years ago would have excluded this outcome, at least as far as the opponents, here, were concerned. They also proceed with an application that, *sans* the opponents’ consent, was doomed to fail and, reading their application advertisement, it appears they have sought other ‘consents’ as well. If these were sought and received after the opponents’, then this also amounts, in my view, to sufficient detriment.

38. In view of these considerations, it seems to me that the case for estoppel is made out. In *Amalgamated Investment Property Co (In liquidation) v Texas Commerce International Bank* [1982] QB 84, at 122, Lord Denning stated:

‘When the parties to a transaction proceed on the basis of an underlying assumption - either of fact or of law - whether due to misrepresentation or mistake makes no difference - on which they have conducted the dealings between them - neither of them will be allowed to go back on that assumption when it would be unfair or unjust to allow him to do so. If one of them does seek to go back on it, the courts will give the other such remedy as the equity of the case demands’.

39. Similarly, in *Crabb v Arun District Council* [1976] Ch 179, Lord Denning stated:

‘If a person by his words or conduct so behaves as to lead another to believe that he will not insist on his strict legal rights - knowing or intending that the other will act on that belief and he does not so act, that again will raise an equity in favour of the other and it is for a court of equity to say in what way the equity maybe satisfied.’

Consequently, it appears to me unconscionable that the opposition should proceed in all the circumstances, and equity will be satisfied if it is dismissed.

40. As to costs, Ms. Arenal was of the view ‘.. that the opposition should not have been filed in the first place because it is void because the opponents gave consent. Therefore, my clients have been put to considerable trouble and expense in having to contest that opposition, raising the preliminary point about the validity of the opposition in the first place, filing a counterstatement, preparing for a hearing. They should be compensated for that expense’. She is right, I think. I order the opponents to pay the applicants £500. This sum is to be paid within seven days the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th Day of December 2001.

**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General**