

O-111-03

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK
REGISTRATIONS No. 2140143A AND No. 2140143B
EACH IN THE NAME OF JOHN DE VERE**

**AND IN THE MATTER OF THE CONSOLIDATED
APPLICATIONS FOR RECTIFICATION
OF THE REGISTER No. 11445 AND No. 11446
BY FAREL BRADBURY**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST THE DECISION OF MR. D. W. LANDAU
DATED 29 AUGUST 2002**

DECISION

The appeal

1. This appeal concerns two consolidated applications for rectification of the UK register of trade marks under section 60(3)(b) of the Trade Marks Act 1994 (“TMA”). Section 60 of the TMA, which is entitled “Acts of agent or representative: Article 6septies”, provides:

“(1) The following provisions apply where an application for registration of a trade mark is made by a person who is an agent or representative of a person who is the proprietor of the mark in a Convention country.

(2) If the proprietor opposes the application, registration shall be refused.

(3) If the application (not being so opposed) is granted, the proprietor may –

- (a) apply for a declaration of the invalidity of the registration, or
- (b) apply for the rectification of the register so as to substitute his name as the proprietor of the registered trade mark.

(4) The proprietor may (notwithstanding the rights conferred by this Act in relation to a registered trade mark) by injunction restrain any

use of the trade mark in the United Kingdom which is not authorised by him.

(5) Subsections (2), (3) and (4) do not apply if, or to the extent that, the agent or representative justifies his action.

(6) An application under subsection 3(a) or (b) must be made within three years of the proprietor becoming aware of the registration; and no injunction shall be granted under subsection (4) in respect of a use in which the proprietor has acquiesced for a continuous period of three years or more.”

2. Section 60 needs to be read in conjunction with section 55(1)(b), which, as amended by The Patents and Trade Marks (World Trade Organisation) Regulations 1999, defines “Convention country” for the purposes of the TMA as any country other than the United Kingdom that is party to the Paris Convention or the World Trade Organisation Agreement.
3. As its title indicates, section 60 was introduced in the TMA in order to implement the UK’s obligations under Article 6*septies* of the Paris Convention. The purpose of Article 6*septies* is to deal with the relationship between the proprietor of a mark and his agent or representative regarding registration or use of the mark by the latter and, in particular, the difficulties that can arise upon termination of the relationship when there might be inadequate or no contractual provision. Consistent with that purpose, the words “agent or representative” are not interpreted in a narrow legal sense but include, for example, distributors. Similarly, the provision may be applied where the mark in suit is not identical but similar to the mark of the proprietor concerned (*TRAVELPRO Trade Mark* [1997] RPC 864, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, Professor G. H. C. Bodenhausen, 1968).
4. It is not disputed that the applications for rectification are timely (section 60(6) TMA). In order to invoke the protection conferred by section 60(3)(b), the applicant needs to show that at the date of application for the marks in suit (section 60(1)):
 - (a) The applicant was the proprietor of an identical/similar mark in a country other than the UK party to the Paris Convention or the WTO Agreement. There is no requirement that the mark be registered but proprietorship is decided according to local law (Bodenhausen, *supra.*, page 125).
 - (b) The marks were applied for in the UK by a person who was his agent or representative.

Assuming these criteria are met, the registered proprietor may raise as a defence that his action in applying for the marks in suit was justified (section 60(5)).

Review or rehearing

5. I believe that the Hearing Officer failed to keep these requirements clearly in view when deciding the applications for rectification under section 60(3)(b) of the TMA. As a consequence, he misinterpreted the evidence and glossed over facts that were plainly there. The approach I adopt towards this appeal is, therefore, by way of rehearing rather than review in accordance with the principles set out by the Court of Appeal in *REEF Trade Mark* [2003] RPC 101.

The marks

6. Registration No. 2140143B is for the word mark GOLF COURTS.
Registration No. 2140143A is for the following series of two word and device marks –



The dominant element of each of the marks in Registration No. 2140143A is the words GOLF COURTS. I have no hesitation in holding that the GOLF COURTS figurative marks are similar to the word mark GOLF COURTS.

7. Each mark is registered for the same goods and services:
- | | |
|-----------------|---|
| <u>Class 16</u> | Golf related printed matter being score cards and booking forms |
| <u>Class 28</u> | Golf equipment and accessories; golf course equipment and accessories |
| <u>Class 35</u> | Business management of golf courses |
| <u>Class 37</u> | Golf course construction; golf course club house construction |
| <u>Class 41</u> | Management of golf courses |
| <u>Class 42</u> | Golf course design; golf course club house design |

8. The registrations stand in the name of Mr. John De Vere who is also known as John Sale (“JS”). He applied for the marks on 27 July 1997, which is the relevant date for assessing whether the criteria in section 60(1) of the TMA are made out.
9. The applications for rectification were filed with the Trade Marks Registry on 10 February 2000. The applicant for rectification in each case is Mr. Farel Bradbury (“FB”).

History of the relationship between the parties

10. It is common ground that FB is the inventor of a reduced area 18-hole golf course and related equipment for which patent protection was first applied for in 1991 (but subsequently abandoned). A prototype of the invention was constructed at FB’s home Hydatum, Ross-on-Wye and early efforts were made by FB to promote his invention through a company called Hydatum Golf Limited.
11. FB met JS in 1992. JS, who was interested in commercially exploiting FB’s reduced area golf game idea, seems at the time to have been negotiating on behalf of Jon Staton Productions Ltd. A letter from Jon Staton to FB dated 3 December 1992 raises concerns that JS might have been acting in his own interest (Affidavit of FB dated 24 July 2000, FB1/22). JS states in his Witness Statement of 16 October 2000 (para. 3) that FB was using the term HYDATUM GOLF or occasionally the term HYDATUM GOLF COURT towards the end of 1992 or the beginning of 1993. That is borne out by a prospectus prepared by FB (now trading as Hydatum Design Group) dated 22 January 1993 (FB1/29a). The terms GOLF COURT, Golf Court, GOLF COURTS and Golf Courts are also used in this document along with HYDATUM-ELECTRA, HYDATUM-X, HYDATUM GOLF PLUS, HYDATUM+ and HYDATUM TWO-FOUR. JS claims that it was only at his meeting with Terry Howard, Copywriter in January 1993 that the trade mark significance of GOLF COURTS was appreciated and exhibits a statement by Mr. Howard dated 16 July 2002 to that effect (JS, Response of 16 July 2002, para.2). JS asserts that it was he who identified GOLF COURTS as a trade mark and FB had no rights of ownership over it.
12. The Hearing Officer took the view that the extensive evidence provided by FB showed that FB was using GOLF COURT or GOLF COURTS “for the most part” in a non-trade mark sense. In *Arsenal Football Club plc v. Matthew Reed*, Case C-206/01 [2003] RPC 144, Advocate General Colomer remarked on the indeterminate nature of the latter phrase. Instead, as confirmed by the Court of Justice of the European Communities in that case, a trade mark is identified by its primary function of distinguishing the goods and services of one undertaking from those of another undertaking. A trade mark creates or preserves an outlet for the goods or services in respect of which it is used (*Ansul BV v. Ajax BrandbeveiligingBV*, Case C-40/01, 11 March 2003 (ECJ)). There is nothing to prevent use of two or more trade marks together. Further, noun use by trade mark owners is a common occurrence, although it can lead to genericization unless carefully controlled. The evidence contains several

documents including the 22 January 1993 prospectus where FB employs capitalisation to highlight the trade mark (as opposed to descriptive) significance of GOLF COURT or GOLF COURTS. FB undoubtedly referred to an unfortunate example when he compared HYDATUM GOLF COURTS to GUCCI SUN GLASSES (FB Affidavit, 24 July 2000). However, I do not believe that example or anything else in the evidence warranted the Hearing Officer's impression that FB "saw GOLF COURTS as a trade mark, and in his view his trade mark, only in hindsight".

13. At first, largely due to financial reasons, it was intended to assign all the intellectual property rights including the trade marks related to FB's "Golf Courts" invention to a company to be formed by a consortium of business people including JS. The company would then be charged with commercially exploiting the idea. It seems that what the parties envisaged was some type of licensing/franchising operation. Heads of Agreement were entered into by FB and the consortium on 14 September 1993 followed by the setting up of Golf Courts International Limited (which apparently never traded) and the production of a brochure. However the contemplated assignment did not take place and there is a letter dated 12 October 1996 from JS to his solicitor (FB1/68) acknowledging that all intellectual property rights remained with FB. In the meantime, FB (trading as Hydatum Design) independently produced a further brochure employing the GOLF COURTS word mark. There is a letter from the Peninsular and Oriental Steam Navigation Company (P & O) indicating that they considered the brochure in early 1995 (FB1/50). Again, the Hearing Officer discounted this brochure apparently because a crown device mark used by FB was accompanied by the symbol TM but the words "Golf Court" or "Golf Courts" were not. I note however that the TM symbol does not accompany the HYDATUM trade mark in the brochure. Moreover the brochure contains several examples of the words "Golf Court" and "Golf Courts" being shown in inverted commas and/or with initial capital letters, in contradistinction to the descriptive use of those terms in lower case.
14. On 17 May 1995, JS wrote to FB to confirm an outline proposal orally discussed between them on that day. The document (written in capital letters) reads:

"I WOULD LIKE TO FORM A NEW COMPANY AND BE GRANTED THE RIGHTS BY YOU TO PROMOTE, MARKET AND SELL THE GOLF COURT SYSTEM ON A WORLDWIDE BASIS. THIS DOES NOT HAVE TO BE AN EXCLUSIVE DEAL.

THE IDEA IS TO OFFER A COMPLETE GOLF COURT PACKAGE TO EITHER HOTELS, BUSINESSES, CORPORATIONS OR INDIVIDUALS WHICH INCLUDE THE FOLLOWING ..."

The document goes on to propose inter alia that FB should receive a 15% of sale price royalty on "ALL GOLF COURT SPECIFIC MERCHANDISE". I understand the nature of the proposal to be that JS/the new company would be granted non-exclusive rights to franchise/license the GOLF COURTS package

on FB's behalf, as confirmed by a subsequent letter of proposal signed by both parties and dated 20 July 1995.

15. The next event seems to have been the "Valentine's Day Agreement" of 14 February 1996 whereby FB authorised:

"Mr. John Sale of Golf Courts Incorporated (BVI) to undertake negotiating in respect of all intellectual property rights as belong to me on the designs, copyrights, patents (applied for or otherwise), trade marks etc. for the golf application known as the "Golf Court" as originally defined in [FB's patent application].

These negotiating rights are exclusive to John Sale to end August 1996 [but are otherwise unlimited in time] and he is authorised to conclude non-exclusive licences [undecipherable] on the terms as set out in a general agreement or exclusive licences on terms appropriate to such licences".

16. The Valentine's Day Agreement was followed by two "Agreements to License and Design". Each begins:

"The Licensors hereby grant to the Licensees non-exclusive rights to promote, market and sell the "Golf Court" system [on a Worldwide basis] [within any territory to be agreed] ...

The Golf Court system is based on and as related to International Patent application PCT/GB92/02134 and the "Rights" are all intellectual property rights stemming from that publication and all subsequent developments ...

There will be no restriction on the use of the words "Golf Court(s)" in the Licensees' trading style subject to the proprietary rights of other parties being respected ..."

Each agreement also provides:

"The Licensees will promote and market the concept through an advertising campaign devised by a professional Ad. agency.

The licensees will produce a new brochure as well as a video showing play in progress and using graphics to explain the concept ..."

And regarding termination:

"... the Licensees shall forthwith terminate their exploitation of the I.P.R. and return all benefits and entitlements to the Licensors ...".

17. The first Agreement is stated to be between Golf Courts Ltd., Dublin, Eire ("The Licensees") and FB ("The Licensors"). A letter dated 18 April 1996 from Dublin solicitors, Ivor Fitzpatrick & co., to JS indicates that Golf Courts

Limited, Dublin is JS's company. Advising JS on the Agreement, Ivor Fitzpatrick state at paragraph 3 of their letter:

“the Agreement suggests possible restrictions on the use of the words “Golf Courts”. I would suggest that there should be no doubt as to your entitlement to trade as Golf Courts Limited or to use the “Golf Courts” name in any of your promotions and will have full right to use the terms “Golf Courts” in all your dealings ...”.

In the event, the first Agreement was not signed on behalf Golf Courts Ltd. although FB signed it on 18 March 1996.

18. The second Agreement is stated to be provisional and between JS trading as Golf Courts Incorporated of The British Virgin Islands (“The Licensees”) and FB (“The Licensers”). The Agreement is dated 1 August 1996 for a period of one calendar month but the penultimate clause states that the Agreement may be renewed monthly. The second Agreement is signed by FB and JS on behalf of Golf Courts Incorporated.
19. On 14 March 1997, a final Agreement was entered into between FB (“the Grantor”) and Golf Courts Incorporated, B. V. I. (“the Licensee”). The Preamble establishes the context of the Agreement:

- “(1) The Grantor is the originator of the concept known as the “**Golf Court**” and claims all proprietary rights in the name, designs, copyrights, trademarks, patents and any and all intellectual property therein
- (2) The Licensee wishes commercially to exploit such information and intellectual property and to acquire a licence to use the rights mentioned below with respect to such information and intellectual property.”

“Intellectual Property” is defined in the Agreement as:

“All and any intellectual property including design (registered or unregistered), copyright (written and electronic), patents, trade marks extant, latent or proceeding from future developments, design activities or business arrangements.”

And “Licensed Territory” is defined as: “all countries in the world”.

Clause 3.3 of the Agreement provided that:

“On the termination of this agreement the Licensee shall forthwith cease and determine all use or representation of the Intellectual Property and all marketing of the Licensed Product throughout the Licensed Territory and return and/or surrender to the Grantor all title to the Intellectual Property then extant.”

It is undisputed that the Agreement of 14 March 1997 was properly terminated by FB on 12 March 1998.

20. JS seeks to distance himself from the Agreement of 14 March 1997 by stating that he was not party to it. He says that he was employed as a consultant to Golf Courts Incorporated and that he was neither a director nor a shareholder of the company (JS, Witness Statement, 16 October 2000, para. 17; JS, Response, 16 July 2002, para. 3). It seems that Golf Courts Incorporated was managed by a trust company. A letter from the trust company to FB dated 21 April 1997 lists JS as the principal shareholder of Golf Courts Incorporated with 26,250 shares. A further letter from the trust company dated 13 November 2000 explains:

“On or around October 1996, we were visited in Jersey by JDV [JS] ... JDV explained that he was the sole owner of the company Golf [Golf Courts Incorporated], a company registered in the British Virgin Islands for which he had acted as sole director. He explained that he was resident in the United Kingdom and the purpose of the visit was to ask us to manage the company so that it was not resident in the UK for income tax purposes.

JDV had maintained no accounting records for Golf, and we proceeded to construct the company’s ledgers from information we collated. We had also been informed that JDV had collected investment funds from various shareholders although no shares had been issued. We proceeded to correct this by issuing shares in the company in accordance with the investments placed. By this time, JDV had resigned his position as director but remained a principal shareholder in Golf in his personal capacity.”

I queried JS about the discrepancy at the hearing of the appeal. His reply was that no shares in Golf Courts Incorporated were issued. FB showed me his share certificate.

21. I have dealt with the agreements in some detail because I believe they are important to whether FB is able to satisfy the criteria of section 60(1) of the TMA at the date of application for the marks in suit, namely 25 July 1997. I believe that the Hearing Officer was wrong to dismiss the agreements as “valueless” since they failed to define the trade marks with which they were concerned by name.

The Irish launch

22. FB claims that on 25 July 1997, he was the proprietor of the unregistered mark GOLF COURT(S) in Ireland. The evidence clearly establishes that the GOLF COURT concept was launched at Jury’s Hotel, Dublin on 17 December 1996. The Irish Times and Irish Independent carried reports of the launch in their editions dated 18 December 1996. Each newspaper reported the involvement of Ryder Cup winner Christy O’Connor and the Independent additionally mentioned that the world’s number-one lady, Laura Davies, had endorsed the

product. The glossy brochure presented at the launch contains a two-page spread featuring Mr. O'Connor and Ms. Davies' recommendations of the concept. I note here that the brochure bears the name Golf Courts Incorporated and an address which is the same as the address of Golf Courts Limited.

23. The Hearing Officer dismissed FB's claim for two reasons. First, he said that FB had failed to supply any of the relevant law governing the issue of ownership of an unregistered trade mark in Ireland. FB had provided two letters from a firm of Irish agents, Cruickshank & Co., which offered an opinion that use of an unregistered mark through licensees in Ireland would suffice to establish proprietorship. Ireland applies the common law to unregistered trade marks and the Hearing Officer might properly have taken judicial notice of that fact. In any event, where no or insufficient particulars of foreign law are given, the tribunal presumes that it is the same as English law unless the defendant (here, JS) proves otherwise (*University of Glasgow v. The Economist Limited* [1997] EMLR 495, *World Wide Fund for Nature v. World Wrestling Federation Entertainment* [2003] EWCA Civ 401, 27 March 2003 (CA)).
24. The common law rules as to proprietorship of an unregistered trade mark were shortly stated by Morritt L.J. in *AL BASSAM Trade Mark* [1995] RPC 511 (CA) at page 523:

“First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in *Nicholson & Sons Ltd.'s Application* (1931) 48 RPC 227 at page 253 Lawrence L.J. said

“The cases to which I have referred (and there are others to like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark.”

Second the right to the used mark as an indication of origin could not be assigned separately from the goodwill of the business in which it had been used for that would have been to assign the right to commit a fraud on the public. cf. *Pinto v. Badman* (1891) 8 RPC 181,194.

Third, in the case of an unused mark the person with the best right to use it was the designer or the inventor. cf. *Hudson's Trade Marks* (1886) 3 RPC 155 at pages 160 and 163.”

25. Likewise, in *Sprints Ltd v. Comptroller of Customs (Mauritius)* [2000] FSR 814 at page 818, the Privy Council adopted as an accurate statement of the common law position, the following observation by Lord Morris of Borth-y-Gest in *BALI Trade Mark* [1969] RPC 472 at 489:

“Before 1875, when registration of trade marks began, there could be property in a trade mark: the right of property in a distinctive mark was acquired by a trader merely by using it upon or in connection with his goods irrespective of the length of such user and without proof of recognition by the public as a mark distinctive of the user’s goods: that right of property would be protected by an injunction restraining any other person from using the mark.”

It has not been suggested that GOLF COURTS is other than inherently distinctive for the goods and services concerned.

26. The second reason given by the Hearing Officer for dismissing FB’s claim was that the public would not understand from the brochure or the press cuttings accompanying the Dublin launch that FB as opposed to Golf Courts Incorporated (or Golf Courts Limited) was the proprietor of the GOLF COURTS trade mark. However, in my view, the issue is whether the undeniable use of GOLF COURTS in Ireland was under express or implied licence from FB so as to enure for the benefit of FB.
27. As already mentioned, the brochure accompanying the launch bears the name Golf Courts Incorporated. The press cuttings also refer to Golf Courts Incorporated. The final Agreement with Golf Courts Incorporated was not entered into until 14 March 1997 – some three months after the Dublin launch – but was preceded by a provisional Agreement between the same parties dated 1 August 1996. There is no evidence to indicate that the latter was terminated before being overtaken by the former. JS sought to argue that Golf Courts Limited and not Golf Courts Incorporated was responsible for the launch (JS, Response, 16 July 2002, para. 3). He exhibits a letter from an advertising agency saying that Golf Courts Limited appointed the agency, inter alia, in connection with the Dublin launch and paid travelling and entertainment expenses. I fail to see how that advances JS’s case. But given the interrelationship between JS, Golf Courts Incorporated and Golf Courts Limited, the history of their respective dealings and the proposed Agreement between FB and Golf Courts Limited around March/April 1996, I would in any event hold that Golf Courts Limited was acting at least under implied licence from FB with respect to the GOLF COURTS marks.

Agent or representative

28. FB also needs to establish under section 60(1) of the TMA that at the date of application for Registration No. 2140143A and Registration No. 2140143B, JS was an agent or representative of FB. Irrespective of JS’s relationship (or lack of relationship, which I do not accept) with Golf Courts Incorporated, FB authorised JS to act as FB’s representative or agent with respect to all the intellectual property rights in the GOLF COURTS concept by letter of 14 February 1996. That authority was exclusive to JS until end August 1996 but of otherwise unlimited duration, i.e., it covered the date of application for the marks in suit, namely 25 July 1997. I should add that if necessary I would have arrived at the same conclusion through the Agreement with Golf Courts Incorporated, which was terminated by FB on 12 March 1998.

Conclusion

29. In the result, the appeal succeeds. I have found that the conditions of section 60(1) of the TMA were satisfied at the date of application for the marks in suit and that FB is entitled to the remedy provided by section 60(3)(b). There has been no plea of justification for the purposes of section 60(5). I accordingly direct that the register be rectified to substitute the name Farel Bradbury as the proprietor of Registration No. 2140143A and Registration No. 2140143B. The Hearing Officer assessed the costs to be awarded to the successful party on the consolidated applications for rectification at £1000. I direct that JS (John De Vere) pay FB the sum of £1000 in respect of the consolidated applications for rectification and a further sum of £1000 towards FB's costs of this appeal, to be paid on the same basis as indicated by the Hearing Officer.
30. It has proved unnecessary for me to decide FB's appeal against the Hearing Officer's decision under section 64 of the TMA. My preliminary view is that, like the Hearing Officer, I do not consider section 64 to be appropriate for rectification in this case.

Professor Ruth Annand, 7 April 2003

Mr. Farel Bradbury (FB), the Applicant for Rectification, appeared in Person.

Mr. John De Vere (JS), the Registered Proprietor, appeared in Person.