

## O-197-03

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 2150607  
IN THE NAME OF INLEX LOCKING LIMITED

AND THE MATTER OF AN APPLICATION FOR A DECLARATION OF  
INVALIDITY IN RESPECT THEREOF UNDER NO. 12442 BY HENKEL KGAA

### DECISION

#### Introduction

1. This is an application to introduce further evidence in an appeal to the Appointed Person against a decision of Mr. Landau, the Hearing Officer acting for the Registrar. That decision was given in proceedings brought by Henkel KgaA to revoke registered trade mark No 2150607 in the name of Inlex Locking Limited (“Inlex”). The Hearing Officer found that the registered mark was invalid on the ground that it was registered in breach of section 3(1)(b) of the Trade Marks Act 1994 (“the Act”).

2. The trade mark was described as follows:

“The mark comprises the colour red, a representation of which is on the form of application, as applied as a patch to a thread of a fastener, or the threaded shank of a component.”

A patch is a material, such as nylon, which is added to a male threaded fastener to provide locking, sealing and vibration proof qualities.

3. In resisting the application, Inlex relied upon the evidence of a Mr Bliss. That evidence was originally filed in support of the application for registration. Mr Bliss explained that the trade mark was first used in the United Kingdom by GKN Bolts & Nuts Limited (“GKN”) in 1970. At that time GKN entered into a patent licence agreement with a company called Amerace Esna Corporation. Under the licence GKN were permitted to make, sell and apply patented patches in the UK and to use the trade mark ESLOK in connection with those products. The colour of the product was not specified, and GKN chose red. They used this from the outset in relation to all patches applied under the ESLOK trade mark. In due course Inlex took over the business and licence and have used the colour red ever since. Mr. Bliss expressed the opinion that the red ESLOK patch had become well known in the industry and was often referred to by its colour. He also suggested that there were several licensees for the ESLOK products and that each licensee chose a different colour.
  
4. The Hearing Officer was apparently not impressed by this evidence. He did not consider that Mr. Bliss was in a position to speak for the industry as a whole and that his comments about GKN and the other licensees must at best be hearsay, or at worst a guess. The Hearing Officer observed that Mr. Bliss had not worked for GKN and had not established that there was any relationship between GKN and Inlex.
  
5. The Hearing Officer also relied upon a brochure produced by a company called Ionic. He considered that this business also applied red patches under the trade mark ESLOK. The Hearing Officer concluded that at least one other

enterprise therefore used the colour red for exactly the same products and services as Inlex.

### The New Evidence

6. In the light of the conclusions of the Hearing Officer, Inlex seek to introduce new evidence from Mr. Bliss on the appeal. That evidence goes essentially to three matters. First of all Mr Bliss explains that the Ionic business was a former GKN business which was acquired by Inlex. Thus, Inlex say, it was not correct that Ionic used the trade mark in issue in parallel with Inlex; rather Ionic was a predecessor in title to Inlex. Secondly, Mr. Bliss asserts that GKN and Ionic, were the *exclusive* licensed users of the trade mark. He goes on to exhibit the original licence agreement with GKN and an assignment of that licence to Inlex. Thirdly, Mr. Bliss gives further evidence as to his experience. He explains that he was originally employed by GKN and that he is a member of various committees of the British Standard Institute, and contends that he is indeed able to speak not just for his own company, but for the industry as a whole.

### The Relevant Principles

7. In *Label Rouge Trade Mark* [2003] FSR 2, Lawrence Collins J. considered the principles relevant to the exercise of the discretion to admit new evidence on an appeal in trade mark proceedings. It is apparent from that decision that the criteria explained in *Ladd v. Marshall* [1994] 1 WLR 1489 remain relevant as matters which must necessarily be considered in the exercise of the court's discretion. Other factors outside the *Ladd v. Marshall* criteria may be relevant

provided that it is remembered that the *Ladd v. Marshall* criteria are basic to the exercise of the court's discretion, and that those factors have peculiar weight when considering whether or not the overriding objective is furthered.

In *Ladd v. Marshall* Denning L.J said at p.1491:

*"Three conditions must be fulfilled: first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, must be apparently credible, though it need not be incontrovertible."*

### Conclusion

8. The first matter to which Mr. Bliss deposes in his new evidence is that the Ionic business was a former GKN business which was acquired by Inlex and thus it was not true that Ionic had used the trade mark in parallel with Inlex.
  
9. The use by Ionic of the colour red in relation to patches is certainly a matter to which the Hearing Officer appears to have attached some importance. However I note that in his earlier declaration Mr. Bliss has already stated that the business of GKN was transferred in 1979 to another company in the GKN Group, GKN Ionic Placing Co Ltd, and that the business and licence were then assigned to Inlex in 1987. It seems to me therefore that the new evidence of Mr. Bliss adds nothing of substance to that which he has already given. It will be open to Inlex to argue on the appeal that the Hearing officer wrongly disregarded that evidence in reaching his decision.

10. The second matter to which Mr. Bliss deposes is the nature of the licence agreement. In his new evidence, Mr. Bliss asserts that GKN were granted an exclusive licence to use the colour red in relation to the patches the subject of the patent licence.
  
11. I have some difficulty with this evidence. First, Mr Bliss exhibits a licence in support of his assertion but this does not refer to the colour red at all. Secondly, the evidence appears to me to be inconsistent with evidence on the same matter which Mr. Bliss gave in his earlier declaration. There he stated that in 1970 GKN entered into a licence agreement with Amerace Esna Corporation to make and use patented products in, inter alia, the UK. The licence also included the right to use the trade mark ESLOK in connection with the products and related services. The colour of the product was not specified, but each licensee, of which there were several, chose a different colour. GKN chose the colour red, which they used from the outset in respect of all patches applied under the ESLOK mark.
  
12. Accordingly, it seems from the earlier evidence that the licence to GKN was not a licence in respect of the colour red, but rather that GKN chose the colour red which they then used in relation to the patches which they applied. To my mind therefore, this new evidence fails all three of the *Ladd v. Marshall* criteria. There is no suggestion that the evidence could not have been obtained with reasonable diligence for use at the hearing; the evidence is unlikely to have an important influence on the result of the case, consisting as

it does of mere assertion; and finally the evidence is not consistent with the evidence previously given.

13. The third aspect of the new evidence relates to the experience of Mr. Bliss and his ability to speak for the industry. In this regard Mr. Bliss explains that he was employed by GKN from 1968 to 1979 and that he is a member of various technical committees of the British Standards Institute.
  
14. I accept that the factual evidence which Mr. Bliss seeks to introduce as to the details of his employment and committee memberships is entirely credible. However I am doubtful that it is likely to have an important influence on the result of the case. The application for the trade mark was filed on the 12<sup>th</sup> November 1997 and in his earlier declaration Mr. Bliss has already explained that he has been the group sales director of Inlex since 1991. I have no reason to suppose that his understanding of the industry gained through his membership of technical committees is any greater than that which he has gained through being sales director of a company actively engaged in the field for many years prior to the date of the application. Moreover, in relation to GKN, it is already open to Inlex to submit on the appeal that the Hearing Officer had no basis on which to conclude that Mr. Bliss was not employed by GKN. Finally, and importantly, I have in mind that evidence as to the experience of Mr. Bliss is something which quite clearly could have been obtained and deployed for use before the Hearing Officer. If a witness desires to express an opinion about a view held in an industry then it must be self-evident that he should explain the basis upon which he gives that opinion. If

and insofar as Mr. Bliss has failed to give adequate details of his experience, then I do not think Inlex should be permitted to try to correct that deficiency on this appeal. As Laddie J. said in *Dualit Ltd v. Rowlett Catering Appliances Ltd* [1999] FSR 865, proceedings before the Registry are not a dry run to test out the evidence to see which parts can be criticised and so that the evidence can then be perfected for the purpose of an appeal.

15. For all these reasons I refuse the application to admit new evidence. The Opponent has asked for an order for costs. I direct that the costs of this application be reserved until the substantive hearing of the appeal.

David Kitchin QC

7<sup>th</sup> July 2003