

O-091-07

TRADE MARKS ACT 1994

**IN THE MATTER OF A JOINT HEARING HELD IN RELATION TO
REGISTRATION Nos. 2101627 & 2101632 IN THE NAME OF T-MOBILE (UK)
LIMITED AND PROPOSED REQUESTS FOR INVALIDATION THERETO IN THE
NAME OF O2 HOLDINGS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF a
joint hearing held in
relation to registration nos. 2101627 & 2101632
in the name of T-Mobile (UK) Limited
and proposed requests for invalidation
thereto in the name of O2 Holdings Limited**

BACKGROUND

1. Trade mark nos: 2101627 and 2101632 are for the marks: BUSINESSZONE PLUS and BusinessZone Plus (series of two) and BUSINESSZONE and BusinessZone (series of two) respectively. Both trade marks, which stand in the name of T-Mobile (UK) Limited (hereafter TM), were applied for on 30 May 1996, and were registered for the following goods and services in Classes 9 and 38:

Class 9: Telephone, telecommunications and electronic data communications apparatus and instruments; telephone apparatus and instruments for telephone exchanges; transceivers; electrical and electronic apparatus and instruments all for the locating, paging and signalling of personnel; radio receiving and radio transmitting apparatus; cards containing encoded data or containing computer chips; electronic apparatus and instruments for use in receiving, transmitting, processing, storage and retrieval of data; parts and fittings for all the aforesaid goods.

Class 38: Telecommunication services; personal communications networking services and retail broadcasting services; message sending services; data transmission, data networking services; rental of telecommunication, broadcasting, broadcast receiving, message sending, message receiving, data transmission and data network apparatus and instruments, all adapted for use on custom made tariffs.

The registration procedure for both trade marks was completed on 5 March 1999.

2. Before I document the chronology in so far as it relates to the requests for invalidation of the above trade marks i.e. the issue which was before me at the joint hearing, in order to place these invalidity requests in context, it is necessary for me first to explain the chronology surrounding the two revocation actions which preceded these requests.

3. The Applicant, O2 Holdings Limited (hereafter O2), is the owner of the following trade marks:

Application Nos. 2356802 BUSINESS ZONES and 2356807 BUSINESS ZONES FROM O2 in Classes 9 and 38 applied for on 26 February 2004 and published for opposition purposes on 10 February and 13 January 2006 respectively. These applications are currently the subject of opposition by TM.

TM is, in addition to the two trade marks mentioned in paragraph 1 above, also the owner of the following trade marks:

Application Nos. 2389216 BUSINESSZONE and 2389265 BUSINESSZONE PLUS in Classes 9 and 38 applied for on 13 April 2005. Both of these applications are currently shown on the Trade Marks Registry's (hereafter TMR) database as Examined.

The Revocation actions

4. On 19 January 2005, Boulton Wade Tennant (hereafter BWT) acting as agents for O2 applied to revoke trade mark Nos. 2101627 and 2101632; the requests were allocated numbers 82008 and 82009. In official letters dated 21 January 2005, the TMR sought further information from O2. Specifically, O2 was asked to complete box 7 of the Form TM26(N); box 7 reads: From what date do you want revocation to take effect? BWT responded to those letters in letters dated 28 January and 11 February 2005 in which they sought revocation from 25 February 2005 (which when read in combination with O2's statement of grounds, was corrected to read 25 February 2004). In official letters dated 21 February 2005, the TMR served on Alexander Ramage Associates (hereafter ARA), TM's agents, Forms TM26(N). Under the provisions of rule 31(3) of the Trade Marks Rules 2000 (as amended), TM were allowed until 21 May 2005 to consider filing forms TM8 and counter-statements, together with evidence of use made of the marks or reasons for non use. I note that the official letters contained the following paragraph:

“Please note that revocation is sought under Sections 46(1)(a) and 46(1)(b) of the Trade Marks Act 1994. The relevant five year periods where non use is claimed is between 5 March 1999 and 5 March 2004 under Section 46(1)(a), and between 25 February 1999 and 25 February 2004 under Section 46(1)(b). The effective date of revocation if successful would be 25 February 2004.”

In a letter dated 21 April 2005, ARA filed Forms TM8 and counter-statements. The counter-statements read as follows:

“1. The Applicant for revocation has alleged that use of the trade mark was suspended for a period of five years between 25th February 1999 and 25th February 2004, and has requested at Box 7 of the Form TM26(N) that the registration be revoked with effect from 25th February 2004.

2. The trade mark in question was registered on 5th March 1999.

3. Section 46(1) of the Act makes it clear that a registration may be revoked only if it has not been put into use within the period of 5 years following the date of completion of the registration procedure, or if such use has been suspended for an interrupted period of 5 years. It is clear from the provision of Section 46(1) that any attack on grounds of non-use must relate to a period of 5 years following the date of completion of the registration procedure which, in this case, was 5th March 1999.

4. In the premises, the application for revocation cannot succeed because the applicant for revocation has asked that the mark be revoked from a date prior to expiry of a period of 5 years from the date of the completion of registration.”

5. In official letters dated 28 April 2005, the TMR wrote to BWT. The letter comments, *inter alia*:

“You should have received a copy ofin which the registered proprietor questioned the date of revocation as the trade mark was not registered until 5 March 1999.

In view of this the earliest date the trade mark could be revoked under Section 46(1)(a) would be 5 March 2004.

Consequently, the applicant is requested to file an amended form and statement of case on or before 18 May 2005. On receipt of the amended form TM26(N) and statement of case the documents will be served onto the registered proprietor and the three month period for the filing of the Form TM8, counter-statement and evidence of use will commence.”

6. In letters dated 18 May 2005 BWT provided amended copies of the Forms TM26(N) and statement of grounds. I note that the amended Forms TM26(N) include the following text:

“Box 5: Are you basing your application on Section 46(1)(a), 46(1)(b), or both?
Answer: Both.

Box 6: If you are basing your application on Section 46(1)(b), within what 5 year period do you say the mark was not used? Answer: 18 January 2000 – 18 January 2005.

Box 7: From what date do you want revocation to take effect? Answer: 5 March 2004, 18 January 2005.”

7. In an official letter to ARA dated 27 May 2005, the TMR said, *inter alia*:

“The registrar has considered the matter and it is his preliminary view to accept into the proceedings the amended statement of cases filed by the applicants on 18 May 2005. The registry proposes to serve copies of the forms onto the registered proprietor and the proceedings will be recommenced”.

8. In an official letter to ARA dated 14 June 2005, the TMR said, *inter alia*:

“However, I can confirm that the applicant for revocation has requested both trade marks be revoked under the provisions of Section 46(1)(a) and 46(1)(b). The period the applicant for revocation say the trade marks have not been used for the purposes of Section 46(1)(b) is 18 January 2000-18 January 2005. The applicant has requested the effective dates for revocation be 5 March 2004 and 18 January 2005.”

9. ARA responded in a letter dated 17 June 2005 in which they said:

“.....If the applicants for revocation are now seeking revocation effective 5th March 2004 or 18th January 2005, then this is unlikely to be contested. The applications which they have on file incorporating BUSINESS ZONES are dated 26th February 2004, and therefore must be refused because, at the date of application, our Client’s registrations will have been valid earlier rights. In the circumstances, our Clients do not propose to press for the appointment of an Interlocutory Hearing, but we reserve the right to argue that the applications be struck out if we are instructed to defend these registrations after we have seen the amended paperwork.”

10. In official letters of 23 June 2005, the amended Forms TM26(N) were duly reserved on ARA, who were allowed until 23 September 2005 in which to consider filing defences. In letters dated 23 September 2005, ARA commented, *inter alia*:

“.....and write to confirm that our clients do not propose to file Form TM8 in the proceedings.”

11. In official letters dated 27 September 2005, the TMR wrote to the parties indicating that it:

“... is minded to deem the opposition to the application as withdrawn as no defence has been filed within the prescribed period, however, either party has the right to be heard or file written submissions on the matter. This is in accordance with Rule 54(1).”

I note that a period expiring on 11 October 2005 was allowed for the parties to respond. There being no request to be heard and no written submissions filed, the TMR, in decisions dated 20 October 2005, revoked both registrations with effect from 5 March 2004. In official letters dated 20 October 2005, the parties were allowed until 17 November 2005 to consider filing appeals; no appeals against the TMR’s decisions were received.

The requests for Invalidation

12. On 24 July 2006, BWT acting on behalf of O2 filed requests for the invalidation of trade mark Nos. 2101627 and 2101632. In so far as it is relevant, the request filed in relation to No. 2101627 reads as follows:

“3. By an application filed on 19 January 2005, O2 applied for revocation of the subject trade mark registration under the provisions of Section 46(1)(a) and Section 46(1)(b) ...By decision dated 20 October 2005 the Registrar revoked the subject registration with effect from 5 March 2004.

4. T-Mobile has now filed an opposition to UK Trade Mark Application No. 2356802 owned by O2 on the basis of the subject registration, as the revocation date postdates the application date of O2’s Application No. 2356802 by a few days.

5. O2 are therefore applying to invalidate that registration on the following grounds:

- i) O2 submits that the sign BUSINESSZONE PLUS (or BusinessZone Plus) consists of a trade mark which is devoid of any distinctive character in respect of telecommunications apparatus and telecommunications services, or indeed for any of the goods and services covered by the subject registration. As such O2 submits that the registration should be declared invalid under Section 47(1) of the Act by virtue of it falling foul of Section 3(1)(b);
- ii) O2 also submits that the sign BUSINESSZONE PLUS (or BusinessZone Plus) consists exclusively of a sign or indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of the goods or services. As such O2 submits that the application should be declared invalid under Section 47(1) of the Act by virtue of it falling foul of Section 3(1)(c) of the Act;
- iii) O2 submits that the trade mark application in question was made in bad faith and that therefore the subject registration should be declared invalid under Section 47(1) of the Act by virtue of it falling foul of Section 3(6) of the Act. In particular, as can be seen from paragraph 3 above O2 has already revoked the subject registration on the basis of non use. During the revocation proceedings it became apparent that T-Mobile were the owners of that registration (and not ONE 2 ONE) as were listed as the registered proprietors at the beginning of the revocation proceedings. Correspondence was filed at the Trade Marks Registry relating to the relevant date of revocation, but no evidence at all put in on the revocation proceedings in respect of use of the mark in question. Before corresponding with the Registry T-Mobile also filed new applications to register this trade mark (and also the trade mark BUSINESSZONE PLUS). T-Mobile contend that the marks in question continue to be of commercial relevance to the Opponent “as evidenced by Application No. 2389216 and Application No. 2389265 (at paragraph 11 of their Statement of Grounds in Opposition No. 94254). However, it is common knowledge that O2 have used the trade mark BUSINESSZONES in the context of telecommunications for at least two years on an extensive scale and have developed a significant goodwill in relation to that trade mark in the field of telecommunications. O2 have sent open correspondence to the agents of T-Mobile requesting clarification relating to their intentions in respect of this mark but have received no response. O2 believe that there is no legitimate interest in this trade mark when it was filed, and that there continues to be no legitimate interest in the mark now.”

13. The TMR responded to these requests in official letters dated 27 July 2006; it did so in the following terms:

“I note that you, on behalf of O2 Holdings Limited are seeking the invalidation of registration No. 2101627 which stands in the name of T-Mobile (UK) Limited, but as the status of the registration is currently revoked, the Registry’s preliminary view is that it is not possible to pursue the invalidation action.

Section 63(1) of the Trade Marks Act 1994 sets out the definition of a registered trade mark which means a registration in the Register and Section 46(6) states:

Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

- (a) the date of the application for revocation, or
- (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.

From which it is clear that the registration (therefore the registered trade mark), no longer exists on the Register.”

I note that if the parties disagreed with the preliminary view they were allowed until 10 August 2006 in which to request a hearing.

14. Both parties responded to the official letter. BWT, in a letter dated 2 August 2006, commented, *inter alia*:

“Please note that these revoked trade mark registrations form the basis of oppositions filed by T-Mobile (UK) Limited to trade mark applications owned by O2 Holdings Limited...

As such they are very much live rights, as they were deemed to be in existence at the time of filing UK Trade Mark Application Nos: 2356802 and 2356807.

O2 Holdings Limited requires to invalidate Registration Nos. 2101627 and 2101632 so that they are deemed not to have been in existence at the relevant date for the purposes of Opposition Nos: 94253 and 94254.

Indeed, Section 46(6) as quoted in your letter confirms that the revocation of the registration simply means that the rights of the proprietor shall be deemed to have ceased from a specific date. However, it makes clear that the rights are or were still live for the period of its life. An invalidation if successful means that the registration shall be deemed never to have been made, meaning that those registrations will not be regarded as being live at the relevant dates in respect of Opposition Nos: 94253 and 94254. We refer to Section 47(6)...in this regard.”

In a letter dated 3 August 2006, ARA indicated that they agreed with the preliminary view: “At face value....” adding that without sight of the papers they were not in a position to comment further.

15. In a letter dated 13 September 2006, the TMR responded to BWT’s letter in the following terms:

“The Trade Mark Rules continues to hold that the trade marks the subject to the invalidation are not registered trademarks, having been revoked earlier by the applicant for invalidation.

The position under the Trade Marks Rules has been laid out in our letter dated 27 July 2006. The date of revocation was the earliest possible being 5 years after the completion of the registration.

An application for invalidation might also be considered an abuse of process.”

16. In a letter dated 28 September 2006, BWT commented, *inter alia*:

“However, the revoked registrations do still constitute rights for the period from the application date until the revocation date, and it is certainly clear that the registrations could have been put on to the Register invalidly. There is nothing in Section 47 or in Section 63 that seems to preclude this. Indeed, the fact that they are live rights means that there must be a possibility to challenge them on the basis of the provisions of Section 47.”

The joint hearing

17. A joint hearing to consider the Preliminary View expressed in the official letters of 27 July and 13 September 2006 took place before me, by video conference, on 20 October 2006. At the hearing, O2 were represented by Ms Jacqueline Reid of Counsel instructed by BWT; TM were represented by Mr Simon Malynicz of Counsel instructed by ARA.

The skeleton arguments

18. Both parties’ provided skeleton arguments. Whilst Mr Malynicz’s was quite brief, Ms Reid’s was more much extensive. Given the nature of the issues under consideration, I have (somewhat unusually) reproduced below the majority of Ms Reid’s skeleton argument, in order to accurately reflect her arguments before me.

O2’s skeleton arguments

- that it is unclear on which basis the TMR refuses to consider the invalidation requests. There appears to be three potential grounds: (i) lack of jurisdiction, (ii) statutory construction of section 47 and (iii) abuse of process;
- that in relation to **(i), lack of jurisdiction**, the TMR is a specialist tribunal and is designated as one of the two possible tribunals where invalidity proceedings can be heard – section 47(3) refers; the court and the TMR have parallel jurisdiction. In addition, the TMR has an inherent jurisdiction – see *Pharmedica* [2000] RPC 536 at page 541, accordingly the TMR has both express and inherent jurisdictions to deal with declarations of invalidity;
- it is submitted that the TMR has as part of its inherent jurisdiction the power to grant declarations as to whether a trade mark was as a matter of fact and law invalidly registered, whether it remains on the register or not; the question of invalidity relates to the decision to register, thereafter the mark exists on the register only because of that initial wrong decision. It is clear that there is a public interest in ensuring that invalid, and in this case unused marks are not used to prevent the registration of other marks. There is also a clear private interest

for O2 since TM are relying on the unused marks in an attempt to prevent registration of O2's marks;

- that if the registrar consider that he does not have such a power, it is clear that the court does – see CPR Pt 40.2 and notes to CPR Pt25.17 – White Book pp.1072-3, 577-8. In the circumstances, where the two tribunals have parallel jurisdiction it would be surprising if the registrar did not have such jurisdiction in the particular area of specialist expertise. Accordingly if the registrar is of the firm view that it is not possible for this application to be made to him for lack of jurisdiction, then it is submitted that it should be transferred to the court pursuant to section 47(3)(b);
- that in relation to **(ii), statutory construction**, the terms of section 47(1) of the Act must be construed in accordance with Article 3 of Directive 89/104/EC; it is clear that the “may” in section 47(1) in respect of absolute grounds should be construed as “shall” or “must” in accordance with the Directive;
- that despite the TMR's view that it is not possible to grant a declaration of invalidity because the marks in question are no longer on the register, it should be noted that whilst the marks have been revoked for the future, the revocation is not effective for the whole period of the “registration”;
- that the TMR's refusal to entertain an application for complete removal of an invalid mark would constitute a failure to give effect to Article 3; Article 3(1) of the Directive is mandatory and has been given effect to in sections 3 and 47 of the Trade Marks Act;
- that there is nothing in the Act which bars an application for invalidity following an application for revocation, indeed it is clear from section 46(6) of the Act that it is contemplated that a period could remain during which the effects of registration will remain after revocation. The proprietor of a registered (whether formerly or presently registered) mark derives rights only from the period of time during which registration is in effect (section 2(1) of the Act). After a successful application for invalidity these rights are removed ab initio whereas in revocation proceedings the whole of the registration is not necessarily removed. Where a period remains, the proprietor's rights during that time remain (see *Riveria Trade Mark* [2003] RPC 50) and the registration still has effect for that period which means that the invalidity can bite for the entire period not covered by the revocation since the registration is still effective for that period;
- that not allowing an invalid mark to be removed ab initio, puts the proprietor of a revoked mark in a better position in an opposition than a proprietor whose mark had not been revoked. The revoked mark, even if it was still being relied upon, would be immune from an invalidity attack whereas the unrevoked mark could still be attacked;
- when considering the use of the word “registration” in section 47 it is important to consider the context in which the word is used. Section 63 of the Act contains the following definition: “References in this Act to “the register” are to that register; and references to registration (in

particular, in the expression “registered trade mark”) are, unless the context otherwise requires, to registration in that register.” The definition of “registration” is circular and does not make it clear whether this means the act of registration which places the mark on the register or whether it refers to the period during which the mark remains on the register or both;

- that in relation to section 47(1) the first mention of “registration” seems to refer to the initial act of placing the mark on the register since it is considering the validity of that act and the relief it refers to is a declaration that the initial decision to allow the mark onto the register was in breach of section 3. The second use of “registration” in section 47(1) clearly refers to the initial act since the phrase “it has after registration acquired a distinctive character” must refer to the time at which the mark was placed on the register. That the word “registration” may have different meanings throughout the Act is inherent in the explanation that “registration” may have a different meaning depending on the context;
- the question is whether it is absolutely certain that the only construction is one which deprives both the registrar and the court of jurisdiction to grant the relief sought. If it is not certain the application should be permitted to continue. Where the proposed construction would fail to give effect to a mandatory requirement of the Directive, it is submitted that the proposed construction is not sustainable;
- that in relation to **(iii) abuse of process**, it is not clear why it is suggested that the application may be an abuse of process. No grounds have been provided for this suggested ground of objection. There is no res judicata and no issue estoppel. The application for revocation is a different cause of action with different consequences, the issues in an application for revocation and invalidity are completely different and the forms and procedures for both are different. It is not reasonable to expect both to be pursued at the same time in the TMR. The cause of this application is that TM has sought to rely on the seven day period during which revoked marks still had effect, accordingly the application for invalidity is entirely defensive;
- that in any event it is not appropriate to determine the matter at this stage on the basis of any alleged abuse since this has not been raised by TM and there is no evidence that demonstrates that TM has any real as opposed to tactical motive for raising the opposition. If it were raised TM would have to substantiate the allegation and bear the burden of proof on an application to strike out. The test for abuse of process is set out in *Johnson v Gore Wood* [2002] AC1. The TMR should be extremely cautious in determining without a proper application, full evidence and submissions made upon the evidence whether a situation amounts to abuse of process. Abuse of process ought only to be applied when the facts are such as to amount to an abuse. Otherwise there is a danger of a party being shut out from bringing forward a genuine subject of litigation. Such a denial of justice would be contrary to the right of a fair trial provided by Article 6 of the Convention as enacted by the Human Rights Act as recognised by Lord Millet in *Johnson v Gore Wood*.

TM's skeleton arguments

- that TM submits that the registrar's preliminary view should be confirmed for the reasons set out in the official letters;
- that it is an abuse of process for O2 to bring successive applications for revocation and invalidity with all the attendant costs for the parties and demands on the tribunal's resources: see *Markem v Zipher* [2005] RPC 31;
- that whilst the respective statutory effects of invalidity and revocation may be different, the important question is whether there is any good reason why O2 did not bring an application for invalidity at the same time as they sought revocation, contrast *Donette* (0/131/06);
- O2 had no good reason to keep the invalidity application in reserve for a later date.

The decision following the hearing

19. At the hearing I reserved my decision. Having reviewed the hearing transcript, I communicated my decision to the parties in a letter dated 2 November 2006. The substance of that letter is as follows:

“Having considered Ms Reid's submissions in relation to jurisdiction and the meaning of the word “registration”, I have concluded that the use of the word “registration” appearing in Section 47 of the Act should, by reference to Section 63 of the Act, be construed as meaning an “active” registration. By that, I mean a trade mark which is registered and one which is on the trade marks register. Both of the marks at issue have been revoked, and as a consequence, have been removed from the trade marks register. As such, they are not, in my view, susceptible to requests for Invalidation. This conclusion effectively determines the issue before me at the joint hearing in favour of T-Mobile (UK) Limited.

However, if I am found to be wrong in this regard, I still have the abuse of process point to consider. At the hearing, Ms Reid accepted that the Registrar is, of his own motion, entitled to raise the issue of abuse of process. This issue was, in my view, clearly foreshadowed in the official letter of 13 September 2006.

Having considered the respective parties' positions on the abuse of process point, and having balanced the public and private interests in play, whilst keeping firmly in mind Ms Reid's submissions in relation to the comments of Lord Bingham and Lord Millett in *Johnson v Gore Wood*, it is my view that these invalidation requests would constitute an abuse of process. I reach this conclusion, because in my view the guidance provided by the Registrar in his decision in *Riveria Trade Mark* (dated 29 July 2003), and in particular the importance of selecting the correct date, ought to have been well known at the time the applications for revocations were filed on 19 January 2005. In the light of that guidance, it is at this time that the applications for invalidation ought to have been filed, not some 18 months later. To do so at that point in time would, as Mr Malynicz pointed

out at the hearing, vex the Registered Proprietor with a second set of proceedings; it is, he argued, the classic *Henderson v Henderson* ([1843] 3 Hare 100) interest; put simply, I agree. I note in passing that the approach I have adopted in relation to the abuse of process point is, it would appear, consistent with the decision of Mr Richard Arnold QC sitting as a deputy High Court judge in *Hormel Foods Corp v Antilles Landscape Investments NV* (the *Spambuster* case) - [2005] RPC 28.

Having heard submissions on costs from both parties, I do not intend to make any Order in this respect.”

20. The parties were allowed a period of one month from the date of this letter to file Form TM5, and in so doing to request a written statement of reasons for my decisions as a precursor to launching an appeal. BWT filed Form TM5, following which I now give the reasons for my decisions below.

DECISION

21. An application for invalidation is made under Section 47 of the Trade Marks Act 1994 (as amended). Section 47, insofar as it is relevant, reads:

“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) 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.

(2A)*

(2B)

(2C)

(2D)

(2E).....

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

Sections 2 and 63 of the Act are also relevant. They read:

“2. - (1) A registered trade mark is a property right obtained by the registration of the trade mark under this Act and the proprietor of a registered trade mark has the rights and remedies provided by this Act.

(2) No proceedings lie to prevent or recover damages for the infringement of an unregistered trade mark as such; but nothing in this Act affects the law relating to passing off.”

63. - (1) The registrar shall maintain a register of trade marks.

References in this Act to “the register” are to that register; and references to registration (in particular, in the expression “registered trade mark”) are, unless the context otherwise requires, to registration in that register.

(2) There shall be entered in the register in accordance with this Act-

(a) registered trade marks,

(b) such particulars as may be prescribed of registrable transactions affecting a registered trade mark, and

(c) such other matters relating to registered trade marks as may be prescribed.

(3) The register shall be kept in such manner as may be prescribed, and provisions shall in particular be made for-

(a) public inspection of the register, and

(b) the supply of certified or uncertified copies, or extracts, of entries in the register.”

22. Ms Reid made submissions under three separate heads. These were: (i) lack of jurisdiction, (ii) statutory construction and (iii) abuse of process. I will deal with each in turn.

(i) Lack of jurisdiction

23. In the parties’ skeleton arguments and in submissions at the hearing, I was addressed on the decisions of Mr Justice Pumfrey in *Pharmedica GmbH’s Trade Mark Application* [2000] RPC 536, and the decision of the Registrar’s Hearing Officer in *Kevin Thomas Rogers and Panrico SA* (O/131/06), which I will refer to as *Donettes*.

24. In *Pharmedica* Mr Justice Pumfrey said:

“Notwithstanding the fact that the registrar is, like the county court, a tribunal which is established by statute, I have no doubt that the registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her.”

25. Ms Reid’s principle submissions under this head are reproduced at paragraph (18) above. She also relied on various comments in the *Donettes* decision, and in particular drew my attention to paragraphs 25 and 26 which read:

“25. If one considers the matter from a practical point of view it seems to me that there is force in the argument that the effects of revocation and invalidation are different. With the former a mark is revoked from the date of the application for revocation or an earlier date if the registrar or court is satisfied that the grounds existed at that earlier date (but not earlier than a date five years following the date of completion of the registration procedure) – see Section 46(1) and 46(6). In contrast, as Mr Malynicz has rightly pointed out, an invalidation has the effect of rendering a mark invalid ab initio (“deemed never to have been made” in the words of Section 47(6)).

26. The difference between these positions may be significant in that the rights of the proprietor of a revoked registration continue to exist in respect of the period up to the date at which revocation is ordered (*Riviera*, paragraph 14). The same would not be true in respect of an invalidated mark with the limited exception of the ‘transactions past and closed’ provision contained in Section 47(6). It is not difficult to see that an apparent inequity may result if a proprietor was shielded from the consequences of an invalidity action because the outcome of a successful revocation action had already been put into effect. Would that, for instance, deny a defendant in an infringement action from

counterclaiming for invalidation because the mark was no longer on the register despite the fact that the proprietor retained the right to sue in relation to acts occurring in the period prior to the date of revocation? Any such inequity might be further compounded if the party denied the opportunity to bring an invalidation action was not the same party who had brought the successful revocation action. These considerations suggest that there may be force to Mr Malynicz's submissions that I should not be debarred from dealing with the invalidity action."

26. For his part, Mr Malynicz did take a contrary position in relation to jurisdiction. By reference to paragraph 26 of *Donettes* reproduced above, he said:

"Whilst that may tend to suggest that the equity ought to be resolved in favour of the defendant in that case, in fact it begs the question. That is no reason to assume that the defendant could not be prevented in relation to residual rights, as my learned friend rather appropriately call them. The fact is if residual rights are capable of being enforced against a defendant then it is bad luck for the defendant. If they are not they are not and it is good luck for the defendant. But there is no necessary starting point that just because they are residual rights and they can be asserted against a defendant that that somehow should have anything to do with the way that you need to construe the relevant provisions. As I say, that begs the question rather than answering it".

27. I note that in *Donettes*, the Hearing Officer considered, *inter alia*, whether a revoked trade mark was also susceptible to being declared invalid by reference to regulation 3 of the Community Trade Marks Regulations 1996. He said:

"However, it is difficult to reconcile that reasoning with the provision of regulation 3 of the Community Trade Mark Regulations 1996 (SI 1996 No 1908) which, including the heading, reads in so far as is relevant for present purposes:

"Determination *a posteriori* of invalidity and liability to revocation

3.-(1) Where the proprietor of a Community trade mark claims the seniority of a registered trade mark which has been removed from the register under Section 43 or has been surrendered under Section 45, application may be made to the registrar or to the court by any person for a declaration that, if the registered trade mark had not been so removed or surrendered, it would have been liable to be revoked under Section 46 or declared invalid under Section 47."

If the provisions in the Act itself are to be construed as allowing for invalidation actions notwithstanding that a mark has already been removed from the register, one might pose the question as to why it was considered necessary to have the above provision dealing with *a posteriori* action in the context of the Community Trade Mark Regulation. The most obvious answer would seem to be that, without such a provision in the Community Trade Mark Regulation, *a posteriori* invalidation or revocation would not be possible."

28. Given what the Hearing Officer described as “..an uncertain position based on the existing legislative framework...”, he concluded that as the proceedings were not “...a case of successive actions, or more specifically, a later filed invalidation action...”, that he thought it right “...to allow the applicant to bring this particular case to a conclusion notwithstanding my lingering concern as to how such a course sits with the *a posteriori* provisions referred to above.”

29. Whilst in the light of regulation 3 of the Community Trade Mark Regulations I, like the Hearing Officer in *Donettes*, had concerns as to whether the Registrar has the jurisdiction to consider a request for the invalidation of a revoked trade mark, given my findings on the statutory construction and abuse of process points mentioned later in this decision, it was unnecessary for me to reach a concluded view on the point.

(ii) Statutory construction

30. This head together with head (iii) forms the basis of the objections taken by the TMR to O2’s proposed requests for invalidation. Ms Reid took me to Sections 47 and 63 of the Act and made submissions on the meaning of the word “registration” as it appears in these various sections; once again, her principle submissions are reproduced at paragraph (18) above. In response to these submissions, Mr Malynicz said:

“...Section 47 is very unhelpful for my learned friend. She strains every nerve to get around the express language of it. The first words in section 47 is “The registration of a trade mark may be declared invalid”. The problem is that she wants that to read that the rights enforceable pursuant to a trade mark can be declared unenforceable or invalid. That is just not what it says.

In order to get around that, she takes you to section 63 which she acknowledged is also a difficult provision for her. Section 63, in my submission, puts it beyond doubt that references to the register are, unless the context requires otherwise, to registration in that register. Again, it supports a strict construction of section 47.

My learned friend then took you to the second use in section 47 where it goes on to say: “Where the trade mark was registered in breach of.....it shall not be declared invalid if....it has after registration acquired a distinctive character.” She suggested that that must be the point in time rather than the actual mark sitting on the register. It is a superficially attractive argument but I would suggest this; that all that is an example of what we saw in section 63 of the context requiring otherwise in relation to the meaning of the word “registration”, that the first use of registration is clearly referring to registration on the register and that second use of registration is, because the context requires otherwise, referring to the point of registration and what happened during registration.

The first use of registration cannot be referring to the act of putting the mark on the register which is what my learned friend seemed to be suggesting because that really is a matter of opposition. The whole provision of 47 is to look at declarations of invalidity once the mark has already been put on the register. The starting point, the default position, is registration means sitting on the register, save as otherwise provided by the

context, under the proviso referring to the point of registration, referring back to the date of registration.”

31. As I explained in my letter reporting the outcome of the joint hearing, in my view, the use of the word registration as it appears in the phrase “The registration of a trade mark may be declared invalid..” in Section 47(1) of the Act, should, by reference to Section 63 of the Act, be construed as meaning an “active” registration.

32. Section 63 of the Act defines “registration”(unless the context requires otherwise) to registration in that register. Section 47(1) of the Act, which for the sake of convenience is reproduced again here reads:

“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”,

and should in my view be construed in the following manner. The first use of “registration” in the phrase “the registration of a trade mark may be declared invalid..” refers to a trade mark registered in the trade marks register. The uses of “registered” in the phrases “..may be declared invalid on the ground that the trade mark was registered in breach of section 3..” and “where the trade mark was registered in breach of subsection...” refers to the act of registration i.e. the point in time that the trade mark achieved the status of a registered trade mark.

33. If I am right in this interpretation (and I accept that there is an arguable case to the contrary), and bearing in mind the wording of Section 63 of the Act, it is, as mentioned above, my view that the word “registration” as it appears in the phrase “The registration of a trade mark may be declared invalid...” refers to a registration extant at the date the application for invalidation was filed and not one which had been revoked and removed from the register before that date.

(iii) Abuse of process

34. Finally, I turn to the abuse of process point. At the hearing, Ms Reid argued strongly that, *inter alia*, this issue had not been sufficiently well signposted by the TMR for it to be considered by me at the hearing.

Ms Reid said:

“The next head was abuse of process. This was raised in a somewhat throwaway line in a letter saying it might be an abuse of process. In my submission, this should not properly be and is not indicated as the subject of this hearing.”

35. Having commented that the official letter of 18 September 2006 (which appointed the hearing) made no mention of the abuse of process point, Ms Reid continued:

“In my submission, it is not an appropriate way to deal with such an allegation. It is a very serious allegation. It is only one arises if the registrar decides that there is jurisdiction to hear the application because at the present moment the application is in limbo. It is not, in effect, an application for invalidity because no decision has been made whether there is jurisdiction to hear it. Only once that decision has been made does the abuse of process arise, if at all.”

In response to this Mr Malynicz said:

“Sir, turning now to the abuse. The first point my learned friend takes is that the letters of the Registry made I think she called a passing reference to abuse. I understood her to be contending that somehow her client was not put on sufficient notice of the allegation. We say that is wrong. The letter of 13th September made it very clear that there were two bases on which objection was being taken: jurisdiction and abuse of process.”

36. Having explained that in her view the proper way to deal with the abuse of process point was for a timetable for evidence and submissions to be set, and then for a hearing to be held specifically on the abuse of process point, Ms Reid said:

“...I am not saying that the Registry does not have power to raise this as an issue, I am just saying the more appropriate way to deal with it would be to raise it after the proceedings are on foot and then there are actually two parties”.

37. In response to Ms Reid’s arguments regarding an evidential timetable and hearing to consider the abuse of process point, Mr Malynicz said:

“...She also used the word “proportionate” sir. I think that is an important point for you to bear in mind because we say this is an entirely appropriate and indeed proportionate way of dealing with this issue. The facts speak for themselves in this case”.

38. In short, I agree with Mr Malynicz. While I accept that the official letters of 18 September and 6 October 2006 (which appointed the hearing) did not specifically mention the abuse of process point, in my view, the official letter of 13 September 2006 made it quite clear that abuse of process was a live issue and one which O2 would need to address if the TMR’s objections were to be overcome. I also note Ms Reid’s very fair concession that the TMR is entitled to raise abuse of process of its own motion; that is what happened here, and for the reasons I am about to give, I think it was not only entitled but right to do so.

39. In deciding the abuse of process point, Ms Reid drew my attention to the comments of Lords Millet and Bingham in *Johnson v Gore Wood & Co* [2002] AC1 when they said:

“In so far as the so-called rule in *Henderson v Henderson* suggests that there is a presumption against the bringing of successive actions, I consider that it is a distortion of the true position. The burden should always rest upon the defendant to establish that it is oppressive or an abuse of process for him to be subjected to the second action.”

“But *Henderson v Henderson* abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interests of the parties and the public as a whole. The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. I would not accept that it is necessary, before abuse may be found, to identify any additional element such as a collateral attack on a previous decision or some dishonesty, but where those elements are present the later proceedings will be much more obviously abusive, and there will rarely be a finding of abuse unless the later proceeding involves what the court regards as unjust harassment of a party. It is, however, wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before. As one cannot comprehensively list all possible forms of abuse, so one cannot formulate any hard and fast rule to determine whether, on given facts, abuse is to be found or not. Thus while I would accept that lack of funds would not ordinarily excuse a failure to raise in earlier proceedings an issue which could and should have been raised then, I would not regard it as necessarily irrelevant, particularly if it appears that the lack of funds has been caused by the party against whom it is sought to claim. While the result may often be the same, it is in my view preferable to ask whether in all the circumstances a party's conduct is an abuse than to ask whether the conduct is an abuse and then, if it is, to ask whether the abuse is excused or justified by special circumstances. Properly applied, and whatever the legitimacy of its descent, the rule has in my view a valuable part to play in protecting the interests of justice.

And:

“It is one thing to refuse to allow a party to relitigate a question which has already been decided; it is quite another to deny him the opportunity of litigating for the first time a question which has not previously been adjudicated upon. This latter (though not the former) is *prima facie* a denial of the citizen's right of access to the court conferred by the common law and guaranteed by article 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms (1953). While, therefore, the doctrine of *res judicata*

in all its branches may properly be regarded as a rule of substantive law, applicable in all save exceptional circumstances, the doctrine now under consideration can be no more than a procedural rule based on the need to protect the process of the court from abuse and the defendant from oppression”.

40. Mr Malynicz pointed out that the reason why residual rights were a feature of this case, was because the revocation actions did not (and in fact were incapable of specifying) an early enough date to clear the way for the later filed applications by O2. He asked rhetorically, why declarations of invalidity were not filed at the same time as the revocation actions, pointing out that in *Donettes* revocation and invalidity actions were filed at the same time. Having identified that there was an eighteen month delay in bringing the invalidation actions, he said:

“The net effect of this....is that there is what I would call in short hand a Riveria problem. Effectively, the penny has dropped on that. Once the penny dropped on that the invalidity applications have been brought.....This appears to have been an error. That is all it appears to have been, a legal error, not to have launched the invalidity proceedings at the time of the revocation proceedings”.

41. He drew my attention to the successive applications issue dealt with by the Court of Appeal in *Markem Corp v Zipher Limited* [2005] RPC 31 and mentioned by the Hearing Officer in *Donettes*, adding that in *Johnson v Gore Wood & Co* the Court approached the abuse of process point from a public policy standpoint in which the public and private interests must be balanced. In this respect Mr Malynicz characterised the public interest as the finality in litigation and O2’s interest as rectifying their own legal error mentioned above. He described TM’s interest in the following terms:

“We have a clear interest. Our is not to be vexed with a second set of proceedings. The classic Henderson interest. Why should we be put to the expense and trouble of defending proceedings that ought to have been resolved long before now? The public interest is clearly in the finality of litigation. The registrar’s resources are not unlimited.....people in my learned friend’s position should bring their whole case up front or not at all.”

42. In deciding the abuse of process point, I think it is helpful to review a brief chronology of the earlier revocation proceedings and how they interact with the later filed invalidation actions. However before doing so, I think it is important to provide some background. Although separate Forms are required, it is commonplace for parties in Registry proceedings looking to clear the way for their later filed application(s), to simultaneously file requests for both revocation and invalidation; indeed this is what happened in *Donettes*. In addition, the importance of selecting the correct date was made clear in the Hearing Officer’s decision in *Riveria Trade Mark* [2003] RPC 50, which ought to have been well known to those in the trade mark profession at the time the applications for revocation were filed in the earlier proceedings.

43. With that background explained, the key dates are, in my view, as follows: the applications for revocation were filed by O2 on 19 January 2005; following an exchange of correspondence and in particular a letter of 21 April 2005 from TM (see paragraph (4) above) which noted that the date from which O2 were seeking revocation i.e. 25 February 2004 was not permissible, the

earliest date of revocation was amended from 25 February 2004 to 5 March 2004; in a letter dated 17 June 2005, (see paragraph (9) above), TM made it quite clear in my view that they intended to rely on any rights that would remain once the proposed revocation actions had taken place, to block the further progress of O2's applications. These letters should have alerted O2 to the fact that their revocation actions would not achieve the desired result and further actions in the form of invalidation requests would be required. Had O2 reacted to the situation at the time of these letters, only three or six months would have passed since the filing of the revocation actions and the revocation actions would have still been pending before the TMR. There were of course further exchanges of correspondence (paragraphs (10) and (11) above) culminating in the TMR's decisions of 20 October 2005. However, it was not until 24 July 2006, some eighteen months after the original revocation actions were filed, and some 13 months after TM had, in my view, put O2 on notice that they intended to rely on any rights which existed following revocation to block O2's applications, that O2 filed the requests for invalidation.

44. Having applied the "...broad merits-based judgement.." advocated in *Johnson v Gore Wood*, I came to the clear conclusion that O2 waited far too long to launch the invalidation proceedings. I reached this conclusion on the basis of the evidence before me and having balanced the various public and private interests in play. As Ms Reid pointed out at the hearing, Mr Malynicz's comments as to why, in his view, the invalidation actions were not filed at the correct time i.e. at the same time as the revocation proceedings, amounted to no more than submissions on his part. Equally, I do not place any weight on why the witness statement of Ms Pettipher dated 18 October 2006 chose not to address the abuse of process point.

45. I should say that I find support for the approach I have adopted in relation to the abuse of process point in the decision of Mr Richard Arnold QC sitting as a deputy High Court judge in *Hormel Foods Corp v Antilles Landscape Investments NV* (the *Spambuster* case) [2005] RPC 28; and in particular, the conclusions he reached in paragraphs (98) – (108) of his decision.

46. Finally in relation to costs, at the hearing Mr Malynicz said:

"...Of course, we are here to protect our client's interests but if my learned friend is successful which, of course, I hope very much she is not, but if she is then we say there should be no order as to costs. We certainly should not have to pay them. We are not asking for her to pay ours. We are here to protect our client's interests if we are successful."

In light of those submissions, and as TM were successful at the hearing, I made no order as to costs.

Dated this 29th day of March 2007

**C J BOWEN
For the Registrar
The Comptroller-General**