

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION TO RECTIFY
TRADE MARK REGISTRATION No. 1501909
IN THE NAME OF ROBERT DENNIS BUSBRIDGE AND MARTIN ALAN
BUSBRIDGE TRADING IN PARTNERSHIP AS COBRETTI ENGINEERING**

**AND IN THE MATTER OF OPPOSITION THERETO
BY KENNETH COOK**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST A DECISION OF MR. M. FOLEY
DATED 12 NOVEMBER 2008**

DECISION

Introduction

1. This is an appeal against a decision of Mr. Mike Foley dated 12 November 2008 (BL O/307/08) in which he granted an application to rectify Trade Mark number 1501909. I should start by stating the nature of the proceedings.
2. Section 64 of the Trade Marks Act 1994 provides as follows:

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

Provided that an application for rectification may not be made in respect of a matter affecting the validity of the registration of a trade mark.

- (2) An application for rectification 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.

(3) Except where the registrar or the court directs otherwise, the effect of rectification of the register is that the error or omission in question shall be deemed never to have been made.

(4) The registrar may, on request made in the prescribed manner by the proprietor of a registered trade mark, or a licensee, enter any change in his name or address as recorded in the register.

(5) The registrar may remove from the register matter appearing to him to have ceased to have effect.”

3. The corresponding rules at the time of the application for rectification were rules 34, 35, 44 and 45 of the Trade Marks Rules 2000 as amended. Rules 34 and 35 prescribed the procedure on an application for rectification of an error or omission of the register under section 64(1) of the Act. Rule 35 provided that persons other than the registered proprietor claiming to have an interest in the proceedings could apply for leave to intervene. Application (stating the nature of the interest) was to be made to the registrar, who after hearing the parties could refuse leave to intervene or grant leave on such terms or conditions as the registrar saw fit. Rule 44 covered requests for change of name or address in the register under section 64(4) (not at issue in the present proceedings).
4. Rule 45 on the other hand dealt with removal of matter from the register under section 64(5) of the Act. In contrast to rule 35, any person (without qualification) was entitled to file notice of opposition to the removal. The procedure specified was as follows:

“45. – (1) Where it appears to the registrar that any matter in the register has ceased to have effect, before removing it from the register-

(a) she may, where she considers it appropriate, publish her intention to remove that matter, and

(b) where any person appears to her to be affected by the removal, she shall send notice of her intention to that person.

(2) Within three months of the date on which her intention to remove the matter is published, or notice of her intention is sent, as the case may be-

(a) any person may file notice of opposition to the removal on form TM7; and

(b) the person to whom a notice is sent under paragraph (1)(b) above may file, in writing-

(i) his objections, if any, to the removal, or

(ii) a request to have his objections heard orally;

and where such opposition or objections are made rule 54 [right to a hearing] shall apply.

(3) If the registrar is satisfied after considering any objections or opposition to the removal that the matter has not ceased to have effect, she shall not remove it.

(4) Where there has been no response to the registrar's notice she may remove the matter; where representations objecting to the removal of the entry have been made (whether in writing or orally) the registrar may, if she is of the view after considering the objections that the entry or any part thereof has ceased to have effect, remove it or, as appropriate, the part thereof."

5. It will be appreciated that the procedures governing: (a) rectification of errors or omissions in the register; and (b) removal from the register of matter appearing to have ceased to have effect were different especially as regards the status of third parties.

The application

6. On 3 January 2007, Robert Dennis Busbridge filed an application to rectify the register on Form TM26(R), which stated in relevant part:
- (a) The trade mark was number 1501909 [VIPER in Class 12, applied for on 18 May 1992 and registered on 12 November 2004].
 - (b) The registered proprietor was Robert Dennis Busbridge and Martin Alan Busbridge, trading in partnership as Cobretti Engineering, 22 Hillfield Avenue, Morden, Surrey SM4 6BA.
 - (c) The application was to rectify the registered proprietor to read: Robert Dennis Busbridge, trading as Cobretti Engineering at the same address.
7. The statement of grounds and witness statement of Robert Dennis Busbridge, dated 3 January 2007, gave the following grounds:

"2. I apply for the subject Trade Mark Registration to be rectified to show the proprietor as myself, trading as Cobretti Engineering, because that has been the correct position since long before when the trade mark became registered.

[...]

4. My brother Martin left the business and has taken no active part in the activities of Cobretti Engineering since the end of June 1992 and everyone with whom we deal including the tax authorities and others has regarded Cobretti Engineering as owned entirely by myself since that time. I have located a document signed by myself and my brother

dated 29 June 1992, a copy of which is attached, which states “it was decided that the partnership between the two parties would be terminated.” Following that my brother took no part in the activities of Cobretti Engineering and the business was carried on by me alone.

5. I also attach copies of two letters from Taylor Willcocks to me dated 28 January 1993 and 17 February 1993, addressed to “R D Busbridge Esq, Cobretti Engineering”, which confirms that the partnership has been formally dissolved, and asking for an indemnity from me, effectively that I would hold him harmless against any adverse financial consequences of carrying on with the business.

6. I continued all liabilities of Cobretti Engineering from when my brother left. In 1992 copyright litigation was started against Cobretti Engineering by Mr Kenneth Cook. My brother Martin did not want to become involved in that and basically walked out of the firm. There were difficulties between us anyway. I defended Cobretti Engineering against all the litigation without Martin’s help or involvement; it ended with a Consent Order in 1999.

7. I am still continuing to trade as Cobretti Engineering and I have a website and advertise in Kit Car magazine, other magazines and local newspapers.

[...]

9. I have not been able to make contact with my brother for some years, despite attempts to do so. After leaving the business in 1992, Martin travelled to the Philippines, New Zealand and Australia. I tried to contact him with regard to this trade mark more recently when he was living in Spain. He moved to Spain I believe in approximately 1996 or 1997, and he was in contact with my parents from time to time. I saw Martin again in June 2003 at our father’s funeral in Fuengirola, Spain, where my parents resided. Martin was then living in a town called Benalmadena, near Fuengirola. Once again we fell out, over my mother’s welfare, and I have not seen or heard of him since.

10. I have attempted to contact Martin since 2004 and I have travelled to Spain on numerous occasions to see my mother, during which I have been to his last known address in Benalmadena but he is no longer there. I have had information that the possible reasons for Martin leaving is due to some difficulties with certain UK authorities; I do not know of the details. I believe that he will have moved on and no longer be in Europe, and that he may now be using a different name to his legal name. This makes it very difficult for me to try and trace him.

11. It seems to me therefore that the inclusion of his name on the Trade Mark Register is an error which needs correction, particularly as

he left long before the mark was registered. The entry of his name on the Register has long since ceased to have any proper effect.

12. In summary, Martin Busbridge has not had any involvement with Cobretti Engineering or myself since he left in June 1992 to date.”

8. The Registrar responded to the application in a letter from Allan James to Robert Busbridge, dated 30 January 2007:

“The application made on Form TM26 does not appear to me to be an application to correct an error or omission in the register. Rather the application appears to me to be one to remove matter that has ceased to have effect. As such it appears to fall to be treated under Section 64(5) of the Act and in accordance with the procedure set out in Rule 45 of the Trade Mark Rules 2000.

If you agree with the application being treated in this way, I propose to proceed with it as follows. Firstly, the evidence that you have provided will be regarded as being sufficient to present a prima facie case that the entry in the register of your brother as a member of the partnership has ceased to have effect. Secondly, the registrar shall serve notice of his intention to remove that matter to the person affected by the removal – your brother. Thirdly, unless an objection is received within three months of the date of that notice, your brother’s name will be removed from the register and the proprietor recorded as being yourself, trading as Corbretti [sic] Engineering.”

9. Mr. Robert Busbridge replied to Mr. James by letter dated 18 February 2007. In that letter, Mr. Robert Busbridge confirmed that he was content for the registry to deal with the application under section 64(5) of the Act, i.e., an application to remove matter from the register that has ceased to have effect. As requested, he provided the last known address of his brother, Martin Alan Busbridge, in a witness statement accompanied by a statement of truth dated 15 February 2007.
10. Subsequently, the Registrar served notice pursuant to rule 45(1)(b) of the Registrar’s proposal to remove Martin Alan Busbridge’s name from the register. Letters from Mr. James to Mr. Martin Busbridge were sent to Mr. Martin Busbridge’s address on the register (1 March 2007) and to his last known address in Spain (23 April 2007). Mr. Martin Busbridge’s objections were invited by the latest 23 July 2007. No response was forthcoming.
11. At the same, the Registrar wrote to Kenneth Cook to “provide you with an update as to the current situation in these proceedings”. In a letter dated 26 April 2007, Raoul Colombo on behalf of the Registrar informed Mr. Cook of (a) the application for rectification, (b) the Registrar’s intention to use his powers under section 64(5) and rule 45(1)(b) to treat Mr. Robert Busbridge’s request as an application to have removed from the register matter appearing to have ceased to have effect, (c) the notice sent to Mr. Martin Busbridge at

his last known address, and (d) Mr. Cook's opportunity to oppose the application under rule 45(2)(a).

12. I presume that the Registrar decided upon that course of action because there was a history of proceedings between the parties and Mr. Cook had made a complaint of maladministration on the part of The Patent Office. However, I am puzzled by the Registrar's words "update as to the current situation in these proceedings" since Mr. Cook was not a party to the most recent proceedings involving the VIPER mark, which were *ex parte* and Mr. Cook's earlier opposition to registration of the mark was decided in 2004 (BL O/220/04) and not appealed.
13. Be that as it may, rule 45(2)(a) permitted any person to oppose an application under section 64(5). On 12 June 2007, Mr. Cook filed notice of opposition to the application on Form TM7. Opposition was stated to be under rule 45(2)(a) and (b) and section 64(5), i.e., on the understanding that the application concerned a request to remove from the register matter that had ceased to have effect.
14. The Hearing Officer referred in his decision to section 64(1) – (3) of the Act rather than section 64(5). I agree with Mr. Cook's observations at pages 3 – 4 of the statement of grounds for appeal, dated 25 November 2008, that the present application did not involve any error or omission in the register under section 64(1) – (3)¹. Instead, as I have described, all parties including the Registrar accepted that the application was made under section 64(5) and rule 45. That is the basis on which I intend to treat the Hearing Officer as having proceeded.

The application to introduce further evidence

15. On 18 February 2009, Mr. Cook filed an application to introduce further evidence on appeal. In a further statement of grounds for appeal of the same date, Mr. Cook also requested that I call a named member of The Insolvency Service for questioning (penultimate paragraph). In the event, Mr. Cook confirmed that he did not wish to proceed with the latter request (transcript, page 2).
16. I indicated in writing through the Treasury Solicitor to the parties that I would hear Mr. Cook's request to introduce fresh evidence as a preliminary to the appeal (letters dated 5 and 6 March 2009). At the hearing, I explained to the parties who were representing themselves, that three main conditions must be satisfied in order for the new evidence to come into the appeal (*DU PONT Trade Mark* [2004] FSR 15, paras. 103 - 104). First, it must be shown that the evidence could not have been obtained with reasonable diligence for use before the Hearing Officer. Second, the evidence must probably have an important influence on the result of the case, although it need not be decisive.

¹ If it had, the nature of the proceedings would have been different and Mr. Cook would have needed to apply for leave to intervene as a person "claiming to have an interest in the proceedings" (rules 34 and 35). That of course did not happen.

Third, the evidence must be credible (*Ladd v. Marshall* [1954] 1 WLR 1489 at 1491).

17. We went through the evidence at the hearing in the light of those criteria. It became clear that parts of the evidence were either: (a) argument, (b) already in the case, or (c) otherwise on the registry file and were not fresh evidence at all. Category (a) covered Mr. Cook's further statement of grounds for appeal; category (b) included documents submitted by Mr. Robert Busbridge in conjunction with the application or in reply to Mr. Cook's opposition; category (c) took in documents mentioned in previous decisions relating to the trade mark and letters of complaint to The Patent Office. I have taken note of all such material.
18. The fresh evidence essentially comprised correspondence entered into between Mr. Cook and David Chapman of The Insolvency Service in the period November 2008 – February 2009 relating to the bankruptcy of Mr. Robert Busbridge in 1993. It also included a copy of a letter sent by the Official Receiver to Mr. Cook dated 16 November 1995, which Mr. Cook says he never received and which had been provided to Mr. Cook by Mr. Chapman in the course of their 2008/09 correspondence.
19. Mr. Cook explained to me that the reason for the late production of this evidence was that until he received a copy of the Hearing Officer's decision he did not appreciate the importance that would be attached to a letter dated 29 November 2007 from The Insolvency Service to Mr. Robert Busbridge (Document 14, filed by Mr. Robert Busbridge in response to Mr. Cook's opposition) in which the Official Receiver stated:

“I can confirm that the trademark number 1501909 (Viper) has not at any time formed part of the bankruptcy estate and the Official Receiver as trustee has no interest in the trademark.”
20. The object of his correspondence with Mr. Chapman, Regional Director, London and South East was to query the veracity or reliability of the above statement since Mr. Cook had been informed that the Official Receiver files relating to Mr. Robert Busbridge's bankruptcy had been destroyed. It seems that Mr. Cook has had a long-standing complaint against The Insolvency Service over their handling of Mr. Robert Busbridge's bankruptcy in 1993.
21. I refused Mr. Cook's request to introduce such further evidence into the appeal because in my judgment it would have no effect on the result of the case. Whatever the outcome of this appeal, Trade Mark number 1501909 will remain in the name of Mr. Robert Busbridge either as a co- or as a sole owner. As Mr. Chapman advised in correspondence, if Mr. Cook remains dissatisfied with the responses provided by The Insolvency Service, he should pursue his complaint with the Adjudicator. The present proceedings are to remove the name of Mr. Martin Busbridge from the register. Mr. Martin Busbridge was not involved in his brother's bankruptcy.

Martin Busbridge

22. The Hearing Officer granted the application to remove Mr. Martin Busbridge's name from the register so that the registered proprietor of Trade Mark number 1501909 would henceforth be shown as Robert Dennis Busbridge trading as Cobretti Engineering. Mr. Cook argues that the Hearing Officer erred in so doing because there was no or insufficient evidence that Mr. Martin Busbridge had given up his interest in the business and the VIPER trade mark. Mr. Cook complains, rightly in my view, that the Hearing Officer strayed into other proceedings namely: (a) the handling by The Insolvency Service of Mr. Robert Busbridge's bankruptcy, on which I have already commented; (b) the renewal of Trade Mark number 1501909, which was an *ex parte* proceeding between the registered proprietor and the registry; and (c) the opposition brought by Mr. Cook against the application for registration of Trade Mark number 1501909, which was decided by Mr. M. Reynolds for the Registrar on 27 July 2004 and not appealed.
23. The findings of the Hearing Officer in relation to Mr. Martin Busbridge were as follows:

“17. The core issue raised by Mr Cook is that the assets of the partnership should not be handed over to Mr Robert Busbridge, potentially against the wishes of Mr Martin Busbridge, simply because the latter cannot be located. Mr Robert Busbridge has provided a document signed by him and his brother dated 29 June 1992. This states “it was decided that the partnership between the two parties would be terminated”. Mr Cook states that this document, which is claimed to establish Robert Busbridge's rights to the business is merely a photocopied piece of paper that could have been made at any date between 1992 and present. He asserts that it is not a legal document in any sense, cannot be relied on, and in any event does not assign or sell Mr Martin Busbridge's share of the business or assets to his brother. Unlike the information from sources such as advertisements, features and formal correspondence from legal representatives, this note does suffer from the flaws identified by Mr Cook, and would be unsafe as evidence of fact.

18. As part of his written submissions, Mr Robert Busbridge provided two letters from Taylor Willcocks, Solicitors that refer to the granting of an indemnity by Mr Robert Busbridge to Mr Martin Busbridge following the dissolution of the partnership. Mr Cook refers to these letters, and whilst he disputes their evidential value, unlike the handwritten note he does not challenge their validity. It therefore seems appropriate that their contents should be taken into account.

19. It is at this point that I will return to the words of Mr. Hobbs QC sitting as the Appointed Person in the appeal hearing. Mr Hobbs QC questioned Mr Robert Busbridge about the possibility of his contacting his brother Martin and obtaining an agreement from him to the transfer of his share of the business. Whilst that would have been tidier, it has

not happened. Mr Hobbs QC helpfully went on to set out the perspective of the law in relation to partnerships and the means by which ownership may pass from one partner to another, Mr Hobbs said the following:

“If it is a handover, there may be a handover for money or there may be a handover for other valuable promises like an indemnity that the outgoing partner will no longer be bothered in any way with the debts of the ongoing business, past, present or future, which is very valuable consideration.”

20. The earlier letter proposes an indemnity being granted from all debts from the date of dissolution. The later letter changes this to Mr. Robert Busbridge granting an indemnity to Martin from whenever the debts may have occurred with the exception of half of a bank overdraft secured on Martin’s house. There is nothing beyond these letters to show that agreement on the indemnity had been concluded. However, the change in the offer shows a clear intent by Mr. Martin Busbridge to leave the partnership and put his liabilities in order. He was clearly prepared to relinquish his interest on the basis of a suitable indemnity being granted, and having left the partnership and gone abroad, it would be reasonable to infer that the matter was concluded. To my mind this falls within the “handover” circumstances set out by Mr Hobbs, and it is reasonable to take the partnership as having been passed into the ownership of Mr Robert Busbridge.

21. ... The letters filed with Mr Robert Busbridge’s written submissions show that in 1992 his brother and business partner, Mr Martin Busbridge sought an indemnity against his liabilities to the partnership. On the basis of the guidance provided by the Appointed Person this is one of the circumstances that can effect a handover of the business. Although there is no evidence that agreement on the indemnity was ever concluded, it is clear that Mr Martin Busbridge was prepared to relinquish his share of the partnership on this basis, and having had no further involvement, indeed having left the country, it is reasonable to infer that the indemnity was granted. This puts the ownership of Cobretti into the name of Mr Richard [sic] Busbridge which, appears to be no more than a reflection of the de facto position. Although limited, the features and advertisements provided show that Mr Robert Busbridge has carried on the business on his own, and with his name alone being connected with it.”

24. Mr. Cook criticised the Hearing Officer’s reference to “the words of Mr Hobbs QC sitting in the appeal hearing”. Those words were spoken in the context of an appeal to the Appointed Person by Mr. Robert Busbridge against a decision of Mr. David Landau for the Registrar issued on 31 August 2005 (BL O/239/05). The decision concerned an application for the recordal of two assignments relating to the VIPER trade mark, which were subsequently withdrawn. Although the appeal was heard by Mr. Hobbs sitting as the Appointed Person (22 March 2006), no decision in the appeal was ever handed

down because the substance of the case was deemed to have disappeared following the withdrawal of the assignments.

25. During the appeal hearing, Mr. Hobbs had set out by reference to the last edition of Sebastian, The Law of Trade Marks, the different ways in which the goodwill and trade mark of a business may be dealt with on the dissolution of a partnership. Mr. Cook had been provided on request with a transcript of the hearing before Mr. Hobbs. I was also given a copy of the transcript with the present appeal papers. Mr. Cook specifically asked that I read the transcript and Mr. Landau's decision, which I have duly done.
26. Mr. Hobbs' full statement drawn from Sebastian (5th edition, page 123) was as follows (transcript pages 13 – 14):

“... there are essentially three ways in which, on dissolution, a partnership's assets may devolve. The asset is essentially the goodwill with the trade marks, as it were, locked into it.

The first is that there may be a sale of the whole business and concern for the benefit of the partners or their creditors or both. So it is an outright liquidation/sale.

The second, which is actually very common, is that the whole concern is taken over by one or more surviving partners by arrangement with those who are departing. That is extremely common with a professional partnership which has goodwill with people leaving. Those left behind take it over by arrangement. The arrangement usually involves consideration in the form of money paid to the outgoing partner for his share or the deceased partner for his share. But it need not. It could involve an agreement that the surviving partners will hold themselves directly responsible for all the debts and so forth of the business at the time of the departing partner's departure.

The third way, which occurs in some of the cases, is by a simple division of the goodwill pro rata the shares of the partners of the dissolved partnership.”
27. Mr. Hobbs then amplified the second method described in his statement with the words quoted by the Hearing Officer at paragraph 19 of the decision. Since Mr. Hobbs was merely summarising the law as stated in Sebastian, I see nothing wrong in the Hearing Officer referring to Mr. Hobbs in the way that he did.
28. Mr. Cook's other criticism was the lack of evidence of an express indemnity having been entered into. However such an indemnity can be implied on the part of a continuing or surviving partner (Lindley & Banks on Partnership, 18 Edition, paragraph 10-201 and the cases mentioned therein).

Section 64(5)

29. Section 64(5) of the Act is forward looking in that the Registrar is required to look at the circumstances which pertain at the time he determines whether to exercise his power to remove from the register matter appearing to him to have ceased to have effect. At the time of the application on 3rd January 2007, it was undisputed that Mr. Martin Busbridge had taken no active part in the business carried on using Trade Mark number 1501909 since around 1992, when there was corroborated evidence (letters Taylor Willcocks) that the partnership had been dissolved and indemnity arrangements in favour of Mr. Martin Busbridge discussed. Mr. Martin Busbridge had departed from the United Kingdom in 1992 and, as far as it is known, had not returned. In the meantime, the evidence indicated that Mr. Robert Busbridge had continued the business under the VIPER mark and assumed all liabilities. The Registrar had followed the correct procedure and served notice on Mr. Martin Busbridge under rule 45(1)(b) of the Rules. For that purpose Mr. Robert Busbridge had supplied at the Registrar's request, Mr. Martin Busbridge's last known address in a witness statement accompanied by a statement of truth. Mr. Martin Busbridge's objections/observations were invited by the Registrar but no response was forthcoming. Given those circumstances, I believe that it was within the Registrar's discretion to exercise his power to remove Mr. Martin Alan Busbridge's name from the register as matter appearing to him to have ceased to have effect, and to show Trade Mark number 1501909 as henceforth standing in the name of Mr. Robert Dennis Busbridge trading as Cobretti Engineering, 22 Hillfield Avenue, Morden, Surrey SM4 6BA.

Conclusion

30. In the result, the appeal is dismissed. The Hearing Officer ordered Mr. Cook to pay Mr. Robert Busbridge the sum of £650 in costs. I will order that Mr. Cook pay Mr. Robert Busbridge the further sum of £150 towards the costs of this appeal.

Professor Ruth Annand, 13 May 2009

Mr. Kenneth Cook appeared in person on behalf of the opponent/appellant

Mr. Robert Busbridge appeared in person on behalf of the applicant/respondent