

**O-476-19**

**TRADE MARKS ACT 1994**

**TRADE MARK REGISTRATIONS 2554880**

**IN THE NAME OF TOTALLY OUTSOURCED LIMITED**

**AND**

**APPLICATION 84802 BY STEVEN WORBEY**

**FOR THE RECTIFICATION OF THE REGISTER**

## Background and pleadings

1. Trade mark 2554880 was applied for on 2<sup>nd</sup> August 2010 and registered on 12<sup>th</sup> November 2010 in class 45 in relation to *“dating services for the gay community provided via the Internet and mobile devices.”*

2. This is the mark.



3. The application to register the trade mark was filed in the name of 'BENDERAPP.COM', which was described as a partnership.

4. On 18<sup>th</sup> August 2011, Steven Elliott applied on Form TM21 for the name and address of the proprietor to be changed to 'Steven Elliott t/a Benderapp.com Bender Social Networking Limited' at an address in Hove, Sussex. Form TM21 is for recording changes in the names and/or addresses of trade mark applicants or proprietors in accordance with section 64(4) of the Trade Marks Act 1994 ("the Act"). Section 64 is 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.”*

Form TM21 is not for recording changes in the ownership of trade marks under s.25 of the Act (or the removal of matter that has ceased to have effect under s.64(5)). Therefore, the application form includes a declaration that *“there has been no change in the ownership of the mark.”* This declaration was duly signed by Mr Elliott’s legal representative at the time, Be. Legal. Later, in 2014, trade mark 2554880 was assigned from Mr Elliott to Bender Social Networking Limited. Then, in January 2018, the trade mark was further assigned to Totally Outsourced Limited (“TOL”), which is the current registered proprietor.

5. On 11<sup>th</sup> July 2018, Mr Steven Worbey applied under s.64(1) of the Act for the register to be rectified in respect of errors or omissions in the register entry for trade marks 2554880. The rectifications sought were later clarified to be:

- (i) The reversal of the change in the name and address of the proprietor effected by the form TM21 filed on 18<sup>th</sup> August 2011, i.e. the change which led to the proprietor being changed from ‘BENDERAPP.COM, a partnership’, to ‘Mr Steven Elliott, t/a Benderapp.com, Bender Social Networking Limited’.

- (ii) Because of (i) above, the removal of the entries recording the subsequent assignments of the mark from Mr Steven Elliott to Bender Social Networking Limited, and then to TOL.
- (iii) The proprietor being recorded as Steven Worbey.

6. The stated grounds for the first rectification are that Mr. Elliott fraudulently represented that he was the owner of the trade mark and that he had authority to request the change. Neither was true. In fact, Mr Worbey had registered and paid for the trade mark application. He had not agreed to Mr Elliott filing the form TM21 changing the name of the owner of the trade mark.

7. The grounds for the third rectification sought was that there had been a “*mistake*” in the original trade mark application form by the true owner of the mark – Mr Worbey – which resulted in the applicant being wrongly named as ‘BENDERAPP.COM, a partnership’.

8. TOL filed a counterstatement denying the grounds for rectifying the register in relation to trade mark 2554880. I note that TOL:

- Accepts that Mr Worbey applied to register trade mark 2554880;
- Denies that he was the owner of that trade mark when he did so;
- Asserts that Mr Elliott was the owner of the mark because (i) he was the owner of the domain name benderapp.com, and (ii) he devised the logo element of the mark;
- Accepts that during discussions in 2009 between Mr Worbey, Mr Elliott and a Mr Farrell, it was Mr Worbey who came up with the name BENDER for use in relation to a prospective software dating app for gay people;
- Claims that the ownership of the BENDER mark had been determined by the Court of Session in Scotland (at first instance and upheld on appeal) as part of the court’s determination of whether a partnership had existed between Messrs Worbey, Farrell and Elliott;
- Says that as the parties had agreed at the time of the litigation that the existence of a partnership was decisive of whether Mr Worbey was entitled to

a share on the profits generated by the business conducted via the BENDER dating app, and as the court had decided that there was no partnership, Mr Worbey is not entitled to the trade mark;

- Points out that Mr Worbey has been aware of the change in the owner of trade mark 2554880 since August 2011, but took no action for 7 years;
- Claims that the application is vexatious and should be dismissed with off-scale costs.

## **The evidence**

9. Mr Worbey filed a witness statement with his application for rectification of trade mark 2554880. His evidence includes a copy of the Opinion of Lord Tyre in the Outer House of the Court of Session dated 14<sup>th</sup> October 2016<sup>1</sup>. Mr Worbey subsequently filed a further witness statement clarifying certain aspects of his case.

10. TOL also filed evidence in the form of a witness statement by Ms Clare Turnbull of Brookes IP (TOL's attorneys). Ms Turnbull's statement is essentially a vehicle through which TOL provides me with the documents it considers relevant to the matters at hand. This includes a copy of the judgment of the Extra Division, Inner House, Court of Session, in which Lord Brodie, Lord Clark of Calton and Lord Glennie upheld the judgment of the Outer House referred to above.

11. I pause at this point to summarise what happened before the Scottish court. The pursuers were Messrs Worbey and Farrell. Mr Elliott had been declared bankrupt by this time. The business conducted via the BENDER dating app had been transferred to companies overseas and renamed WAPO. The defenders were, therefore, Mr Elliott's Trustee in Bankruptcy, Sharon Campbell (the sole Director of a New Zealand company called Scampbell Limited) and Wapo y Wapa Limited, which appears to be a company controlled by Ms Campbell. Mr Worbey describes the purpose of the litigation like this:

---

<sup>1</sup> [2016] CA200/15

*“33. Meantime we commenced the second action, alleging fraudulent conspiracy to deprive us of our funds to which we laid claim, based on the matters indicated above. This action proceeded against Sharon Campbell and her company. The prior question to be addressed was whether there was in fact a partnership between us, on the one hand, and Mr Elliott on the other as our claim against the company for profits was dependent on our right to receive them. Of course, if there was no partnership, we would suffer no loss; and whether there was a fraud or not would be irrelevant if there was no loss suffered. This was to be determined as a preliminary issue; and unfortunately, we were unsuccessful at first instance and on appeal.”*

12. On appeal, the findings of Lord Tyre were summarised as follows:

*“57. As ultimately presented, the appeal raises a short and narrowly focused question of law, namely: whether, having held (in paragraph [30]) that "all concerned [i.e. the pursuers and Mr Elliott] regarded themselves as entering into some kind of business relationship with a view to profit, the Lord Ordinary was bound, as a matter of law, to hold that they had entered into a partnership between themselves for the purpose of developing, promoting, preparing, marketing and exploiting certain gay dating apps. We express the question in this way because, in presenting his argument in support of the appeal, and having accepted the findings of primary fact made by the Lord Ordinary, Mr Smith QC submitted that the question whether on those facts a partnership existed was not one of "mixed fact and law", the position taken in his Note of Argument, but was a question of "pure law". His submission was that on the primary facts found by the Lord Ordinary, which he did not challenge, it followed as a matter of law that there was a partnership at the relevant time.*

*58. Having carefully considered the submissions made to us on both sides, and having looked carefully at the Lord Ordinary's findings in fact and reasoning as set out in his opinion, we have come to the conclusion that this appeal, thus presented, must fail. We have reached this conclusion for two main reasons.*

*59. The first reason is that, even if the Lord Ordinary's findings are to be understood as meaning that the parties had entered into a business relationship with a view to profit, it would not follow that, as a matter of law, that relationship was necessarily one of partnership. What needs to be established, if it is to be proved that there is a partnership, is that they were carrying on the business "in common". Many people carry on business together with a view to profit without being in partnership. There are a number of other possibilities and the question of whether the relationship is one of partnership or of some other kind depends upon whether it can be established that they are carrying on that business together "in common". That is not a pure question of law but depends upon further fact findings and the making of an evaluation of all the facts.*

*60. The second reason – we deal with it second, though logically it addresses a prior and more fundamental issue – is that, properly understood, the Lord Ordinary makes no finding that the parties had at any material time actually entered into a business relationship with a view to profit; on the contrary, he finds that although they envisaged entering into some kind of business relationship in the future, they had not actually reached the stage of a concluded contract; and therefore the question whether their relationship amounted to a partnership did not arise.”*

13. The Court of Session therefore concluded that although Messrs Worbey, Farrell and Elliott had a prospective business relationship, the form that it would take was never settled and no contract existed between them.

14. In his second witness statement, Mr Worbey says this about his application to rectify the register entry for trade mark 2554880.

*“4. The legal position that was taken on our behalf was that there was in fact a partnership between Kevin, Mr Elliott and me. However, Mr Elliott disputed (and still disputes that to be the case). We are now prepared to accept that if we thought that, then we must be wrong as a matter of law.*

*5. However, when the original application to register the trademark was made I thought the only way to describe the joint venture I thought we were entering into was a 'partnership'."*

15. In the light of this statement, the pleadings do not explain why the "mistake" Mr Worbey says he made when filing the trade mark application should be corrected by substituting his name (alone) as the proprietor of trade mark 2554880. I therefore appointed a case management conference ("CMC") on 6<sup>th</sup> March 2019 to decide various matters relating to, inter alia, rectification application 84802. The letter dated 19<sup>th</sup> February 2019 which appointed the CMC listed the following matter (amongst others) for resolution.

*"1. The rectification application, clarification of the error or omission made at the time that TM application 2554880 was filed which should lead to..... substituting Steven Worbey as the proprietor;"*

16. The CMC was conducted via teleconference. Mr Worbey was represented by Mr Clive Murray, who is a barrister. TOL was represented by Ms Clare Turnball of Brookes IP. At the CMC, I directed that:

*"(ii) Application 84802 to rectify the register entry for trade mark 2554880 is rejected to the extent that it seeks the entry of Steven Worbey as the proprietor of the mark:*

*(iii) Application 84802 to rectify the register entry for trade mark 2554880 to reverse the change of name of the proprietor from Totally Outsourced Ltd back to 'Bender.App' shall proceed to determination as separate proceedings;*

*(iv) A hearing shall be appointed to hear the parties' arguments on the matter covered in (iii) above;"*

17. I gave my reasons for these directions in a decision issued on 3<sup>rd</sup> April 2019<sup>2</sup>. There was no appeal against that decision.

---

<sup>2</sup> BL O/176/19



## **Hearing 18<sup>th</sup> June 2019**

18. A further hearing was held on 18<sup>th</sup> June 2019. Mr Maxwell Keay appeared as counsel for Mr Worbey. TOL was represented by Ms Clare Turnbull of Brookes IP.

19. Prior to this hearing, I received a letter from Mr Worbey's representative proposing an amendment to his application for rectification. The amended application asks for the name of the proprietor of the trade mark to be amended to Steven Worbey, Kevin Farrell and Steven Elliott as joint proprietors.

20. TOL's representative opposed the amendment to the rectification application. However, TOL's primary position remains that the register should not be rectified at all. Consequently, the matter which remains to be determined is whether the change of name of name of proprietor filed on 18<sup>th</sup> August 2011 from 'Bender.app.com, a partnership', to Steven Elliott t/a benderapp.com created an error in the register. If that change is reversed, there is a further issue as to whether it is appropriate to put the trade mark back in the name of 'Benderapp.com, a partnership'. This is because the Court of Session found that there was no partnership between Messrs Worbey, Farrell and Elliott. Therefore, if Benderapp.com is taken to mean a partnership between these three men, restoring the position back to as it was before 18<sup>th</sup> August 2011 would mean re-entering the name of a non-existent partnership. This is why Mr Worbey says that the trade mark should now be recorded in the names of himself, Kevin Farrell and Steven Elliott as joint proprietors.

### **TOL's case for rejecting the application for rectification**

21. TOL's case is that:

- (i) At the time he filed the trade mark application in August 2010, Mr Worbey indicated that the applicant was a partnership;
- (ii) He now accepts that there was no partnership;
- (iii) The only person who intended to use the mark at that time was Mr Elliott;

- (iv) When Mr Elliott filed Form TM21 amending the register he was the sole owner of the trade mark;
- (v) The reference in the register to a partnership was therefore redundant matter;
- (vi) The copyright in the logo was owned by Mr Elliott;
- (vii) The domain name benderapp.com was also owned by Mr Elliott;
- (viii) A domain name cannot own property, including trade marks, therefore the owner of the domain name benderapp.com was the real owner of the trade mark;
- (ix) Mr Elliott asked Mr Worbey to file the trade mark application;
- (x) It is inconsistent with Mr Elliott's ownership of the domain name, copyright in the logo, as well as the fact that he was developing the related software for the BENDER app, for him to have asked Mr Worbey to register the trade mark in anyone else's name;
- (xi) The change of owner recorded in August 2011 was made on form TM26R (application for rectification) not TM21 (change of proprietor's name or address) and the registrar accepted that ownership of the domain name benderapp.com justified Mr Elliott's request to be named as the owner of the trade mark;
- (xii) If the register is rectified to reverse the change made in 2011 (and the subsequent changes of ownership which depend on the first change), then the owner of the trade mark would revert to benderapp.com, a non-existent partnership;
- (xiii) The application and resulting registration would then be null and void;
- (xiv) However, such a result cannot be achieved through the current application for rectification because neither side asks for it;
- (xv) TOL purchased the trade mark from the liquidator of Bender Social Networking Limited and will suffer loss if it is deprived of its property;
- (xvi) As Mr Worbey admits that he discovered during the Scottish litigation that Mr Elliott amended the ownership of the trade mark in 2011, his delay in bringing this application would have inequitable results and should be refused because of laches.

22. It is no longer disputed that Messrs Worbey, Farrell and Elliott never entered into a partnership.

23. Mr Worbey's evidence is that *"we were all concerned about apps like [Q] and [G] copying our brand while the app was being developed"* and that on 16<sup>th</sup> June 2010 Mr Elliott sent an email to him and Mr Farrell asking them to register the trade mark. A copy of Mr Elliott's email is in evidence<sup>3</sup>. The email starts:

*"I'd say it's essential, we need to protect our brand from copycats..."*

Mr Elliott therefore suggested that a trade mark application be filed as soon as Apple (the web service provider) approved the Bender app. The email concluded with *"Can I leave it to you boys to sort it out between now and then?"*

24. Mr Worbey says that he completed the online trade mark application and paid the fee. He says that he entered the applicant as 'benderapp.com', a partnership, because he could not fit all three men's names in the appropriate online field. He used his own address as the address of the applicant.

25. There is no evidence that BENDER was in use when Mr Worbey applied to register the mark on 2<sup>nd</sup> August 2010. However, Mr Worbey's evidence is that *"by the end of November 2010, it was clear that the [BENDER] app was going to be a huge success. The app was (according to Mr Elliott) the 10th most popular networking app in Spain and had considerable success elsewhere in the world. It continued to be extremely successful as a free app, and the plan was that once a sufficient user base had been built up, it would become a "pay to use" app with various features which could be purchased."*

26. Lord Tyre's account of the business relationship between Messrs Worbey, Farrell and Elliott between December 2010 and April 2011 are set out in paragraphs 19 – 23 of his Opinion. It appears from this description of events that the nature of the

---

<sup>3</sup> See exhibit SWEX8

prospective business relationship was never settled. Mr Elliott drew up a business plan in December 2010 in which he envisaged establishing a company called Bender Social Networking Limited. He would own 80% of the shares. Messrs Worbey and Farrell (together with another prospective business investor called Barron) would own the remaining 20%. Messrs Worbey, Farrell and Barron would each invest £250 a month in the venture for about a year until user fee income was generated. Otherwise, Mr Elliott would use his savings to fund the project. Mr Worbey replied to the proposal on 16 December 2010. He was mostly positive about it, except he thought that £200 a month was the most that he and Mr Farrell could afford. They paid this amount to Mr Elliott in January, February and March 2011.

27. On 18th March 2011, Mr Elliott emailed Messrs Worbey and Farrell offering two options for their business relationship: a shareholding in Bender Social Networking Limited (as per his business plan) or a royalty agreement with a share of the future profits. Mr Worbey replied on 1st April 2011 agreeing to the second option. However, Messrs Worbey and Farrell did not make the agreed payment of £200 to Mr Elliott in April 2011. This resulted in Mr Elliott terminating their planned business relationship on 9<sup>th</sup> May 2011 when he sent them a cheque for the amount that they had invested in the project up until that date with 4% interest.

28. I understand that Bender Social Networking Limited was incorporated in February 2011 with Mr Elliott as the sole shareholder.

29. In my view, it is clear from the above description of events that as at 2<sup>nd</sup> August 2010 there was a prospective business relationship between Messrs Worbey, Farrell and Elliott. I find that the trade mark application was filed to further and protect the business they planned to commence together. This is reflected in the language of Mr Elliott's email of 16<sup>th</sup> June 2010 – "*we need to protect our brand..*".

30. The position had changed by 9<sup>th</sup> May 2011 by which time Mr Elliott had decided to go it alone through his company, Bender Social Networking Limited.

31. Messrs Worbey and Farrell responded to this news by instructing a lawyer who wrote to Mr Elliott on 17<sup>th</sup> June 2011 pointing out that he was not legally entitled to assume sole ownership of the Bender app and that:

*“The original Trade Mark for the App was registered by [Worbey and Farrell] at their home address.”*

Mr Elliott’s application to change the name of the proprietor of the trade mark was filed on 18<sup>th</sup> August 2011. On the same day his solicitors responded to the communication from Mr Worbey’s lawyer. The response asserted that Mr Elliott was the creator and sole owner of all rights in the Bender app.

32. It is clear to me that the original intention of all three men was for the trade mark to be registered in the name of the business they proposed to conduct under the trade mark. No real thought was given as to the proper legal identity of the business, but it was intended to be some kind of joint enterprise.

33. I therefore reject the arguments made on behalf of TOL that it was the original intention of Mr Elliott (let alone that of Mr Worbey) to register the trade mark in his name alone. In this connection, I note that Mr Elliott has not filed any evidence in these proceedings challenging Mr Worbey’s account, or the documents filed in support of it. In the light of this finding it is neither here nor there that it was Mr Elliott’s suggestion to make the application to register the trade mark.

34. It is also irrelevant who owns the benderapp.com domain name and/or any copyright in the logo element of the mark. This is because a person’s ownership of a related domain name and/or copyright does not automatically entitle that person to a corresponding trade mark, or disentitle others from claiming a share in the ownership of the trade mark.

35. I therefore reject the argument that Mr Elliott was entitled to the registration of the trade mark because he owned the domain name benderapp.com and/or the copyright in the logo element of the trade mark.

36. In any event, the evidence filed on behalf of TOL does not establish that Mr Elliott owns the copyright in the Bender logo<sup>4</sup>. At most, it shows that he may have contributed to the design. The creator appears to have been Mr Yves Lousteau. There is no evidence that he was an employee of Mr Elliott when he created the work, or that he assigned any copyright in the work to Mr Elliott.

37. The application file shows that the application to change the name of the proprietor was filed on form TM21. This form includes a declaration that *“there has been no change in the ownership of the mark”* (i.e. only in the proprietor’s name). If I am right so far, this statement was not true. The new name - ‘Steven Elliott t/a Benderapp.com, Bender Social Networking Limited’ - was clearly intended to remove Messrs Worbey and Farrell’s claim to a share in the ownership of the trade mark by virtue of being part of Benderapp.com, a purported partnership. Instead all ownership rights would belong to Mr Elliott and/or the company he established in 2011 for the purpose of carrying on business using the Bender app.

38. The section of the IPO responsible for processing changes of name and address appears to have recognised that some change in ownership was, or might be, involved. Consequently, the case worker seems to have treated the application as an application to rectify the register<sup>5</sup> under Rule 44(1) of the Trade Mark Rules 2008 which states that:

*“44.—(1) An application for rectification of an error or omission in the register under section 64(1) shall be made on Form TM26(R) together with:*

*(a) a statement of the grounds on which the application is made; and*

*(b) any evidence to support those grounds.”*

39. The application was indeed supported by a witness statement from Mr Elliott in which he provided details of his ownership of the domain name benderapp.com in support of his application to *“clarify”* the proprietor’s details.

---

<sup>4</sup> See exhibit CVT4

<sup>5</sup> The number of the application form was amended by hand from form TM21 to form TM26R

40. Rule 44(2) requires that:

*“(2) Where any application is made under paragraph (1) by a person other than the proprietor of the registered trade mark the registrar—*

*(a) shall send a copy of the application and the statement, together with any evidence filed, to the proprietor; and*

*(b) may give such direction with regard to the filing of subsequent evidence and upon such terms as the registrar thinks fit.”*

41. No copy of the application was sent to the originally named partnership at the address recorded at the time the trade mark application was filed (i.e. Mr Worbey’s address). It follows that the change of name was procedurally irregular because it did not comply with Rule 44(2). Additionally, the information provided in support of the application did not explain how the proprietor had changed from being a partnership to being Mr Elliott alone and/or a limited company. I therefore find that the change was recorded in error. This means that the entry of ‘Steven Elliott t/a Benderapp.com, Bender Social Networking Limited’ as the proprietor of the trade mark was, and remains, an error in the register which is capable of being corrected under s.64 of the Act and Rule 44.

42. If this error is corrected then it follows that the subsequent assignments from Mr Elliott to Bender Social Networking Limited and then to TOL were also entered in error.

43. I have considered whether the TM21 filed on behalf of Mr Elliott in August 2011 could be treated as an application to remove redundant matter from register in accordance with Rule 53 of the Trade Mark Rules 2008, which states:

*“53.—(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) the registrar may publish in the Journal the fact that it is intended to remove that matter, and*

*(b) where any person appears to the registrar to be affected by the removal, notice of the intended removal shall be sent to that person.*

*(2) Within two months of the date on which the intention to remove the matter is published, or notice of the intended removal 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) may file in writing their objections, if any, to the removal,*

*and where such opposition or objections are made, rule 63 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, the registrar shall not remove it.*

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

44. If there had been a partnership between Messrs Elliott, Worbey and Farrell, which Mr Worbey and Farrell left, then Mr Elliott may have been entitled to be recorded as the sole proprietor of the mark on the basis that he was 'the last man standing' from the Benderapp.com partnership. However, there never was such partnership. Therefore, it was not appropriate to remove the entry of the Benderapp.com partnership from the register on the grounds that it is redundant matter and substitute Mr Elliott alone on the basis that he was the surviving member of the partnership. In any event, no such case was advanced in 2011. And the application that was made in 2011 did not mention Rule 53. Consequently, the procedures set out in Rule 53(2) to 53(4) were not followed.



45. TOL relies on laches as another reason why the register should not be rectified. It points out that Mr Worbey knew about the change of proprietor's details at some point during the Scottish litigation but took no action until 2018, by which time it had acquired ownership of the trade mark.

46. The action in the Scottish courts appears to have commenced in November 2013. The proceedings in Scotland continued until 2016. The application for rectification was filed in July 2018. Therefore, Mr Worbey found out about the error in the register possibly as long as 4 years and 9 months before making the application for rectification, and at least 2 years before doing so.

47. It is for a party seeking to bar a claim based on laches to make out its case. I have received limited assistance from Mr Elliott's representatives about the relevant law in this area: no relevant case law has been brought to my attention. However, I note that in *Fisher v Brooker and Others*<sup>6</sup> Lord Neuberger observed that:

*"64. .... laches is an equitable doctrine, under which delay can bar a claim to equitable relief. In the Court of Appeal, Mummery LJ said that there was "no requirement of detrimental reliance for the application of acquiescence or laches" – [2008] EWCA Civ 287, para 85. Although I would not suggest that it is an immutable requirement, some sort of detrimental reliance is usually an essential ingredient of laches, in my opinion. In Lindsay Petroleum Co v Hurd (1874) LR 5 PC 221, 239, the Lord Chancellor, Lord Selborne, giving the opinion of the Board, said that laches applied where "it would be practically unjust to give a remedy", and that, in every case where a defence "is founded upon mere delay ... the validity of that defence must be tried upon principles substantially equitable." He went on to state that what had to be considered were "the length of the delay and the nature of the acts done during the interval, which might affect either party, and cause a balance of justice or injustice in taking the one course or the other, so far as relates to the remedy."*

---

<sup>6</sup> [2009] UKHL 41

48. I will assume (without deciding) that in purchasing the trade mark from the liquidator of Bender Social Networking Limited, TOL relied, to some extent, on the absence of any challenge prior to 2018 to the recordal of the change of name of the proprietor in 2011.

49. On that footing the issue would then be whether the length of the delay makes it unjust to permit Mr Worbey to apply, in 2018, to rectify the error, particularly having regard to the intervening assignments of the trade mark. In determining this matter, I bear in mind that the Act specifies the requirements for making an application of this kind. It requires the applicant to be a person with 'sufficient interest'. Mr Worbey plainly qualifies on this basis. There is no statutory requirement for an application for rectification to be made within a certain period from the date that the error is discovered. I also bear in mind that there is a public interest in correcting errors in the register. Accordingly, if it is possible to reject an application under s.64(2) of the Act on equitable grounds because of a delay in making the application, the delay must be severe and the circumstances such as to make the applicant's behaviour clearly unconscionable.

50. In my view, the delay in this case was not so long as to justify rejecting the application on grounds of laches. It does not assist TOL's case that Mr Elliott applied to change the name of the proprietor without informing Mr Worbey (or Mr Farrell) that he was doing so. This effectively deprived Mr Worbey of the opportunity to take issue with the amendment at the time it occurred. Taking account of the length of the delay and the surrounding circumstances, I do not consider that it was unconscionable for Mr Worbey to make this application when he did.

**Mr Worbey's case for correcting the error made in 2011 by recording the proprietor as himself, Mr Farrell and Mr Elliott, jointly**

51. As noted above, Mr Keay submitted at the hearing that, if necessary, Mr Worbey should be allowed to amend his application. However, Mr Keay's primary position was that it was not necessary for Mr Worbey to amend his application. This is because the proposed amendment is an inevitable consequence of my decision of

3<sup>rd</sup> April 2019 that Mr Worbey alone could not be entered as the proprietor of the trade mark. In this connection, my attention was drawn to two other decisions of the registrar in rectification proceedings where the register was amended to something different to that originally requested, without a formal application to amend the application for rectification<sup>7</sup>.

52. The registered proprietor is plainly entitled to know what amendment is being sought. Therefore, in my view, it was appropriate for Mr Worbey to apply to amend his application in the light of my decision of 3<sup>rd</sup> April. It is true that the amendment application was made only a few days before the hearing. However, Mr Keay is correct to point out that the amendment seeks to reflect the logic of my decision of 3<sup>rd</sup> April. Therefore, there is no question of TOL having been taken by surprise. I consider that the hearing on 19<sup>th</sup> June afforded TOL with ample opportunity to deal with the amendment. I therefore allow it.

53. Mr Worbey's case is essentially that when he filed the application, it was intended for the trade mark to be property in common. He was mistaken in classifying Benderapp.com as a partnership. The correct classification was joint proprietors. The intended proprietors were himself, Mr Farrell and Mr Elliott. The register should be corrected accordingly.

54. TOL's case for opposing the proposed correction is that:

- (i) Any prospective business arrangement between Messrs Elliott, Worbey and Farrell was terminated by Mr Elliott's letter of 9<sup>th</sup> May 2011;
- (ii) Lord Tyre in the Court of Session found that Messrs Worbey and Farrell were only investors in the planned business with Mr Elliott;
- (iii) If the three men were recorded as joint proprietors this would give them an equal share in the trade mark, whereas the prospective arrangements for the company that was being discussed at the time envisaged that Mr Elliott would have (at least) a majority share in the business;

---

<sup>7</sup> *Dasema Trading Limited's Trade Mark*, BL O/173/06 and *Lipodema Ladies*, BL O/236/15

- (iv) Amending the register as proposed would not accurately reflect Mr Worbey's intention at the time of filing because he did not at that time understand what property in common meant.

55. I have carefully considered whether the register should be amended to show Messrs Elliott, Worbey and Farrell as joint proprietors of trade mark 2554880. I reject that application for the following reasons. Although I am satisfied that the persons concerned intended some kind of joint enterprise under the trade mark, I am not satisfied that they intended to be joint proprietors on the terms envisaged in s.23 of the Act, which states:

*"23.- (1) Where a registered trade mark is granted to two or more persons jointly, each of them is entitled, subject to any agreement to the contrary, to an equal undivided share in the registered trade mark.*

*(2) The following provisions apply where two or more persons are co-proprietors of a registered trade mark, by virtue of subsection (1) or otherwise.*

*(3) Subject to any agreement to the contrary, each co-proprietor is entitled, by himself or his agents, to do for his own benefit and without the consent of or the need to account to the other or others, any act which would otherwise amount to an infringement of the registered trade mark.*

*(4) One co-proprietor may not without consent of the other or others-*  
*(a) grant a licence to use the registered trade mark, or*  
*(b) assign or charge his share in the registered trade mark (or, in Scotland, cause or permit security to be granted over it).*

*(5) Infringement proceedings may be brought by any co-proprietor, but he may not, without the leave of the court, proceed with the action unless the other, or each of the others, is either joined as a plaintiff or added as a defendant.*

*A co-proprietor who is thus added as a defendant shall not be made liable for any costs in the action unless he takes part in the proceedings.*

*Nothing in this subsection affects the granting of interlocutory relief on the application of a single co-proprietor.*

*(6) Nothing in this section affects the mutual rights and obligations of trustees or personal representatives, or their rights and obligations as such.”*

56. I accept the point made on behalf of TOL that no specific agreement existed as at 2<sup>nd</sup> August 2010 about the parties' share in the trade mark. Therefore, allowing the amendment sought could gift Messrs Worbey and Farrell with a larger share in the property than they could reasonably have expected at the time of the application.

57. Further, subject to any agreement to the contrary, s.23(3) would entitle each of the joint proprietors to use the mark without the consent of the others. That does not appear to have been their intention at the time of the application: the intention appears to have been that the mark would be used by the business Messrs Worbey, Farrell and Elliott were planning together. However, if there was no partnership-at-will then there was no agreement as to the ownership of that business. It is therefore difficult to see how there could have been an agreement about which entity was entitled to use the mark. In those circumstances, the default terms set out in s.23(3) would apply. If that is right, changing the classification of the original registrant from a partnership called benderapp.com to one of joint proprietors may not reflect the parties' proposed business relationship at the time. Although none of the parties appears to have turned their mind to the legal identity of the proposed user of the mark, it seems unlikely that anyone intended that, for example, Mr Worbey should be able to use the mark on his own account.

58. Finally, I consider that amending the register to show Messrs Worbey, Farrell and Elliott as joint proprietors of the trade mark is inconsistent with:

- (i) The intention that the mark would be used in relation to the prospective Benderapp.com business;

- (ii) The finding of the Court of Session that Messrs Worbey and Farrell were only investors in that business.

59. I therefore find that it would be inappropriate to retrospectively approximate the parties to the trade mark application to joint proprietors. This means that there is no such omission in the register. Consequently, I reject Mr Worbey's application for the register to be corrected to show Mr Elliott, Mr Farrell and he as joint proprietors of the trade mark.

**How else should the error identified in paragraphs 41 and 42 above be corrected?**

60. In my view, the proper course is to reverse the change of name of proprietor filed on 18<sup>th</sup> August 2011 and the later entries in the register resulting from the subsequent assignments of the trade mark to Bender Social Networking Limited and TOL.

61. This is in accordance with the first two rectifications sought in Mr Worbey's application<sup>8</sup>.

62. However, to properly identify the originally intended proprietor of the trade mark the entry in the register should be corrected to 'Benderapp.com, a partnership composed of Steven Worbey, Kevin Farrell and Steven Elliott'.

**Removal of redundant matter**

63. My decision means that the trade mark stands in the name of a non-existent partnership. If the intended applicant for registration and initial registrant never existed, the registration is a nullity.

---

<sup>8</sup> See paragraph 5(i) and (ii) above.

64. As noted above, s.64(5) provides for the removal from the register of any matter which has ceased to have effect. I see no reason why this should not include all the entries relating to a trade mark which is found to be null and void.

65. I consider that trade mark 2554880 should be removed from the register as an entry which, because of this decision, has ceased to have effect.

66. Therefore, subject to a successful appeal, I direct that a notice be published in the Trade Mark Journal stating that it is intended to remove the entry in the register corresponding to trade mark 2554880 because it has ceased to have effect. The procedures set out in Rule 53 should be followed.

### **Outcome**

67. The application to rectify the register has partly succeeded. Subject to appeal, the register will be corrected to show the proprietor of the trade mark as 'Benderapp.com, a partnership composed of Steven Worbey, Kevin Farrell and Steven Elliott'. However, the requests to correct the established error by recording the proprietor as Mr Worbey, or Messrs Worbey, Farrell and Elliott as joint proprietors, have been rejected.

### **Costs**

68. I am provisionally minded to direct that each side should bear its own costs in relation to the rectification application. However, at the hearing the parties asked for an opportunity to make submissions on costs after seeing my decision on the substance of the matter. I will therefore permit the parties 21 days to make written submissions on costs.

### **Status of this decision**

69. This is a final decision on the merits of the rectification application. The period for appeal runs from the date shown below.

70. I will issue a final decision on costs (alone) in due course. The period for appealing that decision will run from the date of my final decision.

**Dated 15th August 2019**

**Allan James  
For the Registrar**