

O/920/22

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NUMBERS 3522624 &
3557870**

FOR THE MARKS

Retrax

AND

Vestro

**STANDING IN THE NAME OF NEVID AHMED
AND THE APPLICATION FOR RECTIFICATION THERETO UNDER NUMBER
84846
BY ZAIN ALI RAHMAN**

Background

1. The two trade marks shown on the cover page of this decision currently stand registered in the name of Nevid Ahmed (“the proprietor”).
2. On 13 December 2021, Zain Ali Rahman (“the applicant”) sought to rectify the register. In his application he stated:

“I am Zain Ali Rahman, Director and owner of Vestro Ltd (12627806). Nevid Ahmed is not a director, and does not have the ability to amend ownership of trade marks without my permission.

The change for the above 2x trade marks is not legitimate, and was not done with my approval or signatory.

This needs to be reversed as a matter of urgency, to the original, and correct owner, Vestro Ltd.”

3. No documents were filed with the original application, but the applicant later requested to file evidence, and was permitted to do so. This will be summarised below.
4. A copy of the application for rectification was sent by the Tribunal to the proprietor on 20 December 2021. The proprietor filed its defence in the form of evidence, which will be summarised below.
5. Neither party requested a hearing, and only the proprietor filed written submissions in lieu of the same. These will not be summarised but will be referred to where necessary within this decision.
6. The proprietor has represented himself throughout these proceedings. The applicant initially represented himself, but following the filing of the initial application, the applicant appointed Sonder IP Limited as his legal representative.

Evidence

The applicant's evidence

7. The applicant filed his evidence in the form of a witness statement in his own name, dated 14 April 2022. The statement introduces 2 exhibits, namely Exhibit ZR-1 and Exhibit ZR-2. The statement explains that Mr Rahman is the sole director of Vestro Limited ("his company"), and that he has held that position since 27 May 2020. He states his company is the proprietor of the UK trade marks RETRAX no. 3522624 and VESTRO no. 3557870. Mr Rahman confirms that Mr Ahmed was a shareholder of his company, and that Mr Ahmed filed a Form TM16 to record the assignment of the trade marks from his (Mr Rahman's) company to himself (Mr Ahmed). Mr Rahman states that at no time has Mr Ahmed been a director of his company.
8. Exhibit ZR-1 is a printout from Companies House page for Vestro Ltd with the company registration number 12627806. The page shows Vestro Ltd as having one director, that being Zain Ali Rahman, appointed on 27 May 2020. Mr Rahman is listed as the sole Director and no resignations are listed.
9. Mr Rahman states that the Termination of Shareholders Agreement ("the termination agreement") did not mention the trade marks, and he provides this document at Exhibit ZR-2. This is signed by both the proprietor and the applicant and is dated 31 December 2021. No additional parties are included in the termination agreement. The termination agreement states (amongst other things) as follows:
 - “h. Zain Ali Rahman agrees to change Vestro Ltd (12627806) company name, upon transfer of shares.
 -
 - j. Nevid Ahmed has no further interest in the Company (V).
 - k. Nevid Ahmed agrees to forfeit any future claims to (V).

10. No mention is made in the termination agreement of either the RETRAX or VESTRO trade mark registrations or the use of the same. Mr Rahman also highlights that the Form TM16 was filed by Mr Ahmed on 17 November 2021, over a month before the termination agreement was finalised.

The proprietor's evidence

11. The proprietor, Mr Ahmed, filed a witness statement also in his own name, dated 12 July 2022. The statement introduces 5 exhibits labelled Exhibit NA1, Exhibit NA2, Exhibit 3, Exhibit 4 and Exhibit 5.

12. Mr Ahmed explains that Vestro Ltd is a company incorporated with three partners, namely the proprietor, the applicant and 'SWG'¹. He states that Mr Rahman was nominated as the appointed Director of the company but did not have full or ultimate voting rights, and that the decision making and voting rights were shared between the shareholders.

13. A shareholder agreement is provided at Exhibit NA1. The shareholder agreement cites a 'proposed conclusion date of the deal' of 5 February 2021 and states that the shareholder agreement should be 'agreed and put in place no later than 28th February 2021'. This is between 'Vestro Limited (12627806)' and 'SWD Group or associated companies'. The proprietor and the applicant are both mentioned in the agreement, and it states they will manage the day to day running including the operations, sales and marketing administration of Vestro Limited. The agreement states that SWD Group will purchase 33.3% of the shares of Vestro Ltd. Both the proprietor and the applicant signed the agreement, and the position for both parties is given jointly as 'Directors'. It is also signed on behalf of SWD Group.

14. Exhibit NA2 provides a Companies House print out showing the applicant as an 'active' person with significant control, and the proprietor as a 'ceased'

¹ From the evidence as a whole including Exhibit NA1 provided, it appears likely this is intended to be a reference to SWD Group.

person with significant control. This confirms that whilst active the proprietor had ownership of voting rights and the right to appoint and remove directors. This is shown to have ceased on 31 December 2021.

15. Mr Ahmed stated he originally registered and paid for the trade mark Vestro. He states it is significant to him as it is the name of a street that he lived on growing up. He states that initially the shareholders decided to dissolve the company, but that the applicant Mr Rahman insisted that he would carry it on. He states it was decided that Mr Rahman could retain the company and the shareholders would exit the company, and that the terms of the termination agreement are provided at Exhibit 3. Exhibit 3 provides the same termination agreement as provided by the applicant at Exhibit ZR-2 above.

16. Mr Ahmed states that under the termination agreement provided, Mr Rahman agreed not to trade under Vestro Ltd. However, the closest term to this in the agreement provided is the agreement to change the company name as shown at h. set out above.

17. Exhibits 4, 5 and 6 comprise emails between Mr Ahmed and a third party, a third party and Mr Rahman and between Mr Ahmed and Mr Rahman. None of the emails provided show anything from Mr Rahman himself. One email at Exhibit 4 from Mr Ahmed to Mr Rahman dated 30 December 2021 (the day before the date of the termination agreement) states as follows:

“Only few other points –

Name change, Trademark, emails.

Name Change – simultaneously done today.

Trademark – to be held with NA

Emails – zain & accounts @ vestro.co.uk can be forwarded to your new email address for 3 months.”

18. A further email at Exhibit 6 provides an email from an individual under the title Finance Director using an @swdgroup.biz email address dated 19 February

2022 to Mr Rahman providing 24 business hours to “change the name and stop using Vestro”.

19. Mr Ahmed states:

“9. At the time of transfer of the Trademark Vestro, I acted as shareholder of Vestro. I also had the support of the shareholder – SWG, as it is clear in the supporting documents provided in the Exhibits. It was decided among shareholders that Vestro name will not be used, and Zain will change the company name. SWG and myself have adhered to this agreement but unfortunately Zain has not fulfilled his responsibility and has not changed the company name but on the contrary has decided to pursue to unethically reclaim the trademark.

10. Retrax - UK00003522624, this name/brand is of no significant to the agreement and can be transferred to Zain. If he wishes he could rename the company to Retrax, the previous shareholders have no objection.”

Applicant’s evidence in reply

20. The applicant filed his evidence in reply in the form of a further witness statement in his own name, dated 8 August 2022. This statement introduces a further 10 exhibits, namely Exhibit ZR-3 to Exhibit ZR-13.

21. Mr Rahman states in response to Mr Ahmed’s statement that there were only ever two shareholders of Vestro Ltd. Mr Rahman also states that there was only ever one officer of the company, that being himself. Provided at Exhibit ZR-3 is the Certificate of Incorporation for Vestro Ltd dated 27 May 2020 showing 500 shares allocated to each Mr Ahmed and Mr Rahman. It is shown on the document that these individuals are the only parties listed as ‘Persons with Significant Control’ at that time. Mr Rahman states that the document provided at Exhibit NA1, namely the shareholders agreement, was not followed through in its entirety by the parties, and no company shares were purchased by either SWD Group or an associated company. At Exhibit ZR-4 Mr Rahman provides

a disclaimer dated 31 December 2021 signed by SWD Group² stating that no 'share capital' was purchased by SWD or an associated company. An email with an attachment named 'SWD Disclaimer (1).pdf' is provided at Exhibit ZR-5 from an email address @swdgroup.biz. The email appears to have been sent to both Mr Ahmed and Mr Rahman on 31 December 2021.

22. Mr Rahman states that contrary to Mr Ahmed's statement, he registered the trade mark VESTRO and provides at Exhibit ZR-6 the filing certificate which gives the declarant of the application as Mr Rahman. He also provides at Exhibit ZR-7 invoices for the filing fee issued to Vestro Ltd. In response to Mr Ahmed's claim that the payment for the marks was made on Mr Ahmed's card, Mr Rahman states that they did not have company credit cards at the time, but that Mr Ahmed's personal cards were fully reimbursed by Vestro Ltd, and he provides at Exhibit ZR-8 Mr Ahmed's expenses from 'Nov 2020' showing two 'IPO' fees of £220 on the same. Also attached at Exhibit ZR-9 is a screenshot of the file properties for the expenses page, showing the author and last saved name as Mr Ahmed. A payment of £8000 to Mr Ahmed that is said to be an expenses payment is provided at Exhibit ZR-10.

23. Mr Rahman states that at no point did he agree to Mr Ahmed's email provided at Exhibit 4. Mr Rahman states that although he agreed to change the company name within the termination agreement, within 24 hours of that agreement being signed, Mr Ahmed had breached another part of the agreement by revoking his access to his invoicing and accounting software before the agreed date. He provides at Exhibit ZR-11 an email dated 5 January 2022 confirming that although he was due to change the company name, he had decided to put this on hold due to Mr Ahmed's own breaches which are detailed in the email. He also provides at Exhibit ZR-12 part of a WhatsApp message referring to the breach of the provision of access to the software. He states however, that the company name has now been changed to Vestro Packaging Ltd, and a Companies House document recording the change is provided at Exhibit ZR-13 dated 8 August 2022.

² The document is not signed by Vestro Ltd in the signature box provided.

24. Mr Rahman states that the signature provided in the Form TM16 filed by Mr Ahmed falsely represents his company and that no assignment has taken place.

Decision

25. Section 72 of the Act states:

72 Registration to be prima facie evidence of validity

In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.

26. Rectification of the register is provided for under section 64 of the UK Trade Marks Act 1994 (“the Act”), which states:

64 Rectification or correction of the register

(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.

Sufficient interest

27. The applicant must have sufficient interest to apply for rectification. I note the applicant is, and appears to have always been, the sole director of Vestro Ltd as recorded on Companies House.³ Vestro Ltd was the former proprietor of the trade marks before the transfer of ownership was recorded. I therefore accept that the applicant has sufficient interest to bring the proceedings.

Is the claimed error capable of correction?

28. Section 64(1) deals with errors or omissions in the register and is interpreted more broadly than rectifying simple clerical errors. It can and has been used to rescind erroneous assignments and deal with issues of disputed ownership.

29. Assignments are dealt with under section 24 of the Act as follows:

24 Assignment, &c. of registered trade mark

³ Now Vestro Packaging Limited

(1) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property.

It is so transmissible either in connection with the goodwill of a business or independently.

(1A) A contractual obligation to transfer a business is to be taken to include an obligation to transfer any registered trade mark, except where there is agreement to the contrary or it is clear in all the circumstances that this presumption should not apply.

(2) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply—

(a) in relation to some but not all of the goods or services for which the trade mark is registered, or

(b) in relation to use of the trade mark in a particular manner or a particular locality.

(3) An assignment of a registered trade mark, or an assent relating to a registered trade mark, is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative. Except in Scotland, this requirement may be satisfied in a case where the assignor or personal representative is a body corporate by the affixing of its seal.

(4) The above provisions apply to assignment by way of security as in relation to any other assignment.

(5) A registered trade mark may be the subject of a charge (in Scotland, security) in the same way as other personal or moveable property.

(6) Nothing in this Act shall be construed as affecting the assignment or other transmission of an unregistered trade mark as part of the goodwill of a business.

Retrax

30. I begin firstly by considering the recordal of the assignment of ownership for the mark 'Retrax' to Nevid Ahmed. Very little has been said about this mark by either party. However, I note the original TM26R states that the recordal of the transfer was not legitimate and that Mr Ahmed did not have authority to make the transfer without the permission of the applicant, namely the director of the company Vestro Ltd, with Vestro Ltd being former proprietor of the trade mark.

31. There has been no denial from the proprietor of the above claims, and the proprietor instead states that Retrax is of "no significant agreement" and can be transferred to the applicant. I take this statement, along with the lack of evidence on the contrary, to indicate that there was and is no assignment in place authorising the transfer of the mark from its original owner Vestro Ltd to Mr Ahmed. As there appears to have been no assignment enacting the transfer of ownership of the mark, the recordal of the assignment of the same via a Form TM16 was clearly requested and recorded in error. I do not find the fact that the current proprietor, Mr Ahmed, was a shareholder of Vestro Ltd to have any impact on this finding.

32. The application for rectification therefore succeeds in respect of UK trade mark registration no. 3522624 for the trade mark Retrax.

Vestro

33. Both parties have filed witness statements and evidence in support of conflicting claims to the proprietorship of the Vestro trade mark. Mr Rahman claims this still belongs to Vestro Ltd. On the contrary, Mr Ahmed claims this belongs to him for the following reasons:

- Mr Rahman did not have ultimate decision-making powers over Vestro Ltd and these were shared between the shareholders, of which there were three;
- Mr Ahmed applied for the registration at the UK IPO and paid for the registration with his own credit card and the mark has special significance to him;
- The termination agreement states that Mr Rahman agreed to change the company name;
- The transfer was made with the support of the shareholders, and it was decided amongst the shareholders that Mr Rahman would not use the name.

34. The applicant, Mr Rahman, has rebutted all of the points above for various reasons. He has filed evidence in support of his position that there were only two shareholders of Vestro Limited as described, and considering the conflicting claims and the evidence, it is my view on balance that the only shareholders of Vestro Ltd were Mr Rahman and Mr Ahmed. The declarant for the original application is also shown to be Mr Rahman, the invoice was sent to Vestro Ltd and the card payment made by the proprietor is shown to have been reimbursed as a business expense. Mr Rahman also states in evidence that the termination agreement was breached by the proprietor within 24 hours and as such he was not obliged to change the company name.

35. It is my view however, that the reasons given above and back and forth between the parties on the same is somewhat missing the key points for consideration. Regardless of the individual that filed the initial application or the card that paid for it, the mark was correctly registered in the name of Vestro Ltd as applied for. When the mark was registered, Vestro Ltd was therefore the rightful owner of that mark, and this does not appear to be in dispute. The personal significance of the mark to the proprietor is of no relevance.

36. There is no evidence that the transfer of the trade mark to Mr Ahmed was made with the support of the shareholders as claimed, and importantly, there is no

evidence that any such transfer was actually made. Notwithstanding the fact that I have found SWD Group were never shareholders of the Vestro Ltd, I also note that the emails from SWD Group to Mr Rahman are dated after the filing of the Form TM16 and make no reference to the transfer of the trade mark. Even if I am to take Mr Ahmed's statement that "it was decided among shareholders that Vestro name will not be used, and Zain will change the company name" on face value, I note here that a trade mark registration is a property item and an entirely different thing to a company name, and I have not been provided with any agreement between the shareholders confirming that the ownership of the trade mark 'Vestro' should be transferred from Vestro Ltd to Mr Ahmed. Further, it is clearly disputed that any transfer was agreed to by the sole director and apparent 50% shareholder of Vestro Ltd at the time. The termination of shareholders agreement not only makes no reference to the transfer of the trade marks to Mr Ahmed, or any reference to the registrations whatsoever, it is also dated after the Form TM16 was filed transferring the ownership to Mr Ahmed and the agreement is not retrospective.

37. Section 24(3) of the Act clearly sets out that an assignment "is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative." There is no evidence of an assignment of the trade mark registration Vestro from Vestro Ltd to Mr Ahmed taking place, and Mr Ahmed himself makes no reference to any written assignment document concerning the mark. On the sum of the evidence, it is my view that no effective transfer of ownership of the mark has taken place. I therefore conclude that the TM16 was filed in error, and the application for rectification of the register must succeed in respect of trade mark registration number 3557870 for the mark Vestro.

38. For completeness, I note that Vestro Ltd has now changed its name to Vestro Packaging Ltd. The appropriate Form TM21A to record this change has not yet been filed. The result of the rectification of the register will be to reverse the effects of the recordal of assignments and revert the proprietor of the marks to Vestro Ltd, as it would stand had the Form TM16 not been filed in error.

However, the proprietor should seek to file the appropriate form to record its change of name to Vestro Packaging Ltd at its earlier opportunity.

Costs

39. The applicant has been successful in these proceedings and is entitled to an award of costs. There is no official fee associated with filing a TM26R and as such no costs are awarded in respect of the same. I therefore award the applicant the amount of £800 as follows:

Preparing a statement of case and evidence:	£500
Considering the other side's defence and evidence:	£300

40. I therefore order Nevid Ahmed to pay Zain Ali RAHMAN the sum of £800. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 24th day of October 2022

Rosie Le Breton

For the Registrar