TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION No. 2057163 IN CLASS 39 IN THE NAME OF ALAN WILLIAM CROSS

AND

IN THE MATTER OF AN APPLICATION FOR RECTIFICATION THERETO (No. 10334) AND A REQUEST TO REGISTER A CHANGE OF PROPRIETOR BY THE SHARMA GROUP PLC

TRADE MARKS ACT 1994

IN THE MATTER of trade mark registration No: 2057163 in Class 39 in the name of Alan William Cross

and

IN THE MATTER of an application for Rectification thereto (No. 10334) and a request to register a change of Proprietor by The Sharma Group Plc

BACKGROUND

The Decision of 19 July 2000

1. By an application dated 6 October 1998, Nationwide Access Limited sought to have trade mark registration No. 2057163 rectified; in the alternative, they sought a declaration of invalidity. The registered proprietor, Alan William Cross, filed a counterstatement and both parties to the proceedings filed evidence; no Hearing was sought and the matter was decided by the Trade Marks Registry from the papers on file. In a decision dated 19 July 2000, the Hearing Officer dismissed the application for invalidation brought under Sections 3(6) and 5(4)(a) of the Act. He then considered the application for rectification, commenting in the following terms:

> "From the information available to me, I have concluded that Mr Cross did not have the necessary authority to sign the official form on behalf of Skylift Platforms Limited. At the date of the purported assignment (17 October 1996) Skylift Platforms Limited were in the hands of the Liquidator. Any request to record a change of ownership from Skylift Platforms Limited to Mr Cross would have required the Liquidator (on behalf of Skylift Platforms Limited) to sign the form on behalf of the current proprietor. As mentioned above, Mr Cross signed the official form on behalf of both parties and for the reasons indicated, I do not believe he was in a position to do so.
>
> In reaching this conclusion, I do not suggest for one moment that Mr Cross acted with any improper motive. One can understand that when a business is being placed in liquidation there will be a number of competing issues requiring the attention of the owners and Liquidators, and one can quite easily see how communications can break down on issues which at the time may be afforded somewhat less importance than they might deserve.

Having decided that Mr Cross did not have the necessary authority to record the assignment of the mark from Skylift Platforms Limited to himself, I now need to decide in whose name the mark should stand. In their Statement of Grounds the applicants have pointed out the deficiencies in the application to record Mr Cross as registered proprietor, but they have not indicated in whose name they feel the mark should now be recorded. In the light of my findings and in the absence of any better claim, the registration should in my view be reverted back to Skylift Platforms Limited, who were the proprietors of the mark prior to the filing of the defective form TM16.

From the record of Mr Lord's conversation with Ms Johnson, it appears that any rights to the SKYLIFT name may accrue to Readysense Limited, by virtue of their purchase of the assets and goodwill of Skylift Platforms Limited in January 1997. However, the applicants have not requested this amendment and Ms Johnson's hearsay evidence is insufficient to establish that such an assignment took place. In any event, it appears that Mr Lord was under the impression that the application for registration "had been left to lie" and it therefore appears unlikely that an assignment of rights to Readysense Ltd could have included this registration.

In the circumstances, I am satisfied that it would be right to correct matters, and in exercise of the discretion conferred upon me by Section 64 of the Trade Marks Act 1994, I direct that the recordal of an assignment of the application from Skylift Platforms Limited to Allan William Cross be considered null and void and that the register be corrected with the name of Alan William Cross replaced by that of Skylift Platforms Limited. In reaching this conclusion (and as indicated above), I am aware that Skylift Platforms Limited has now been dissolved. As such, the registration must be regarded as an asset of that company and will now fall to the Crown or Duchy of Lancaster as bona vacantia."

The Appeal and request for Intervention

2. An appeal against the above decision was required by 15 August 2000. On 14 August 2000, Mr Cross filed Form TM9 and sought an additional period of one month in which to appeal the Hearing Officer's decision; a request which the Trade Marks Registry subsequently granted. On 13 September 2000, Cobbetts, solicitors acting on behalf of Mr Cross and The Sharma Group plc (previously Readysense Limited) filed an application to intervene in the proceedings (on behalf of The Sharma Group plc) and an indication that they wished to appeal against part of the Hearing Officer's decision. Cobbetts' letter explains the position in the following terms:

> "The application on behalf of The Sharma Group plc constitutes an application to intervene in the current proceedings for rectification on the basis that there is evidence, which was not before the officer hearing in those proceedings, indicating that the decision to rectify the Register so as to show Skylift Platforms Limited (dissolved) as registered proprietor is, in the light of this new evidence, incorrect and that the Sharma Group plc (previously Readysense Limited) ought to be registered proprietor. This is an application under Rule 35 of the Trade Marks Rules 2000.
>
> In addition, on behalf of Alan William Cross, there is an appeal pursuant to Rule 63 against the finding by the Registrar that the Register should be rectified to show Skylift Platforms Limited as the registered proprietor of the trade mark in suit. For the reasons set out in Mr Sharma's statutory declaration and in the statutory declaration of Mr Alan Cross filed in this matter, Mr Cross does not appeal against the finding that the transfer of the mark by Skylift Platforms to him and his signature of the TM16 on behalf of both parties was invalid. It is an appeal merely against the Registrar's findings that on that factual basis Skylift Platforms Limited is now the proper registered proprietor of the mark."

3. In a letter to Cobbetts dated 13 October 2000, the Trade Marks Registry allowed a further period of one month for a Notice of Appeal and accompanying statement to be provided. In so far as the request for Intervention and the filing of further evidence was concerned, the Trade Marks Registry said:

> "With regard to your request for intervention in the proceedings on behalf of the Sharma Group plc and also the filing of further evidence in the form of a statutory declaration by Mr Cross including exhibits and a statutory declaration by Mr Sharma including exhibits.
>
> As the decision of the Registrar has now been issued, the Registrar no longer has any power to deal with any further matters in these proceedings. The matter of intervention and further evidence can only be dealt with by the appointed person on appeal."

4. On 10 November 2000, Cobbetts filed a Notice of Appeal and accompanying statement. On 24 November 2000, the Trade Marks Registry notified Ashurst Morris Crisp (the solicitors acting for the applicants Nationwide Access Limited) that an appeal had been received and allowed them 28 days to make submissions as to whether the appeal should be referred to the Court. In a letter and accompanying statement dated 14 December 2000, Ashurst Morris Crisp sought (under the provisions of rule 64) the transfer of the proceedings to the Court.

The Hearing before the Appointed Person

5. Prior to the Hearing held on 30 January 2001 before the Appointed Person, Mr Geoffrey Hobbs QC directed that the only issue that would be dealt with at that Hearing would be the applicants' request that the proceedings should be transferred to the Court. In his Decision BL No: (0-099-01) Mr Hobbs said:

> "As will have become apparent to you during the course of the discussions which have taken place this morning, I am conscious of the fact that I am not the Registrar and that I have no original jurisdiction to entertain applications de novo for an order under section 64 of the Act or for the recordal of an assignment under section 25. It does appear to me that what I am being asked to do in the context of this appeal is to exercise a jurisdiction which I do not possess. I am prima facie of that view because there was only one application for rectification under section 64 in the Registry proceedings. That was the application for rectification brought by the respondent to the present appeal, Nationwide Access Limited. That application succeeded. There was no counter-suggestion on behalf of the then registered proprietor (who is the appellant before me) that anyone other than himself should be recorded as the proprietor of the relevant trade mark.
>
> It is now accepted by the appellant that he was not entitled to be recorded as proprietor of the trade mark. He nevertheless wishes to contend, for the first time on appeal, that the trade mark should be registered in the name of the Sharma Group Plc and the Sharma Group Plc seeks leave to intervene in the appeal in support of that contention. The appeal and the intervention thus appear to be directed to the making of an entry in the Register of Trade Marks which no one has previously requested the Registrar to make.
>
> The appellant and the would-be intervener seek leave to adduce evidence for the purpose of substantiating the new claim to proprietorship. The respondents would wish to have the opportunity to file evidence in answer. The appellant and the would-be intervener would probably wish to file evidence in reply. Applications for disclosure of documents and other information and for the cross-examination of witnesses on their written evidence might also be made."

6. He thus stayed the appeal proceedings before him and allowed the parties the opportunity to put in fresh applications to rectify the register.

Applications for Rectification and Assignment by Mr Cross & The Sharma Group plc

7. In a letter dated 12 February 2001, Cobbetts wrote to the Trade Marks Registry. The relevant parts of their letter is reproduced below:

> "At a hearing of the appeal on 30th January 2001 the Appointed Person gave leave to our clients to make such applications to the Trade Marks Registry as they wished to make.
>
> We enclose application for the rectification of a registration in form TM26(R) made by the Sharma Group plc, along with accompanying Statement of case.
>
> We also enclose application to register a change of proprietor in form TM16 made by Alan William Cross. Please note that, in the light of the current proceedings with regard to this mark, it is not signed by Mr Cross. We would like to confirm that Mr Cross is in favour of this change but we feel it more appropriate that our Statement of Case should stand as documentary evidence of the change of proprietor.
>
> Furthermore, please note that the documentation dealing with the transfer is currently in the process of being stamped. A stamped copy of the same will be forwarded to you as soon as we are in receipt of the same from the Stamp Office.
>
> Since the applications have the same object of recording The Sharma Group plc as the registered proprietor of the trade mark SKYLIFT, we would ask that the applications be considered together and that the Statement of Case accompanying form TM26(R) should also stand in support of the form TM16 application."

8. In a letter to Ashurst Morris Crisp dated 3 May 2001 (and in the context of the documents mentioned above), the Trade Marks Registry provided them with the various documents and said:

> "Having received the documents indicated at (1) to (3) above, the proceedings were suspended within the Registry to await the filing of any further documents either party may consider to be appropriate. As nothing further appears to have been received from either party, the Registrar now proposes to review the documents to determine the matter of the assignment (TM16) and rectification (TM26) of this registration. However before doing so, a period of two months is allowed for you to review the documents filed, and if you wish, to comment on them."

The evidential timetable

9. There then followed an exchange of correspondence between Ashurst Morris Crisp, Cobbetts and the Trade Marks Registry culminating in a letter dated 13 August 2001 from the Trade Marks Registry to the parties in which the Trade Marks Registry directed (under the provisions of rule 36 of the Trade Marks Rules 2000) that a Case Management Conference be held to determine the further conduct of the proceedings. In the event, the Case Management Conference did not take place because in a letter from Ashurst Morris Crisp dated 9 October 2001, the parties proposed a timetable for the further conduct of the proceedings which was agreeable to the Trade Marks Registry.

The requests for further disclosure and additional evidence

10. The parties subsequently complied with the various agreed directions and in a letter dated 18 January 2002 Cobbetts filed the applicants' evidence in reply. The evidential stages of the proceedings were then complete. However in a letter dated 25 January 2002, Ashurst Morris Crisp wrote to the Trade Marks Registry asking for an Order for disclosure by Casson Beckman & Partners. Another round of correspondence between the parties and the Trade Marks Registry took place, throughout which Cobbetts maintained the view that the request was not justified. In a letter dated 30 January 2002, Ashurst Morris Crisp requested a Hearing at which their request for disclosure could be argued and an Interlocutory Hearing to decide the matter was arranged. On 28 February 2002, Cobbetts wrote to the Trade Marks Registry. In that letter they explained that they had ceased to act for Mr Alan Cross but sought leave to file additional evidence from him and the Sharma Group; a request with which Ashurst Morris Crisp took issue. In a letter to the parties dated 5 March 2002 the Trade Marks Registry advised that Cobbetts request to file additional evidence would also be considered at the Interlocutory Hearing mentioned above.

11. In the event the Interlocutory Hearing was not required as all appropriate documentation was disclosed by the Liquidators, Casson Beckman, without the need for an Order. In so far as the additional evidence of Mr Sharma and Mr Cross was concerned, following an agreement between the parties and with the Trade Marks Registry's consent, Cobbetts were allowed until 29 May 2002 to file this evidence with Ashurst Morris Crisp given until 26 June 2002 to file any evidence in reply.

12. Cobbetts subsequently filed the additional evidence on 27 May 2002; with Ashurst Morris Crisp responding with evidence in reply on 26 June 2002. The evidential rounds now finally completed, a substantive Hearing was scheduled for the 15th to 17th October 2002.

13. On 2 October 2002 the Trade Marks Registry received a letter from Ashurst Morris Crisp signed by both Cobbetts, on behalf of The Sharma Group Plc, and by Alan William Cross. The relevant parts of the letter are reproduced below:

> "The current registered proprietor of the trade mark (Mr Cross) and The Sharma Group plc (the Sharma Group) have just agreed a settlement with our client Nationwide, of all matters between the parties regarding the trade mark and any goodwill associated with it.
>
> In accordance with the terms of that settlement, and to save any further unnecessary costs, all the parties hereby request the Registry to consent to:-
>
> (1) the Sharma Group's application being dealt with on paper as soon as convenient to the Registry, with the above listed hearing being vacated;
>
> (2) there being no order as to costs in relation to any of the applications relating to the trade mark in any event;
>
> (3) Nationwide as Intervener also seeks the withdrawal of its evidence to the extent permissible, as it wishes to take no further active part in the application.
>
> We should add that as part of the settlement Mr Cross and the Sharma Group have now assigned all rights they have in the trade mark and any associated goodwill to Nationwide, and we will be lodging an application for that assignment to be recorded to show the change of registered proprietor of the trade mark from the Sharma Group to Nationwide, pending the decision on the current application and assuming that it is successful."

14. Under cover of a letter dated 6 November 2002, Ashurst Morris Crisp filed the Form TM16 mentioned above together with a deed of assignment dated 25 September 2002 between Mr Cross and The Sharma Group plc (as assignors) and Nationwide Access Limited (as assignee).

15. One can see from the contents of Ashurst Morris Crisp's letter to the Trade Marks Registry reproduced above, that the various parties to this dispute ie. Mr Cross, The Sharma Group plc and Nationwide Access Limited have reached an agreement in which Mr Cross and The Sharma Group plc have assigned all rights they have in the SKYLIFT trade mark, the subject of these proceedings, to Nationwide Access Limited. Of course this is not in itself conclusive. What I need to determine in these proceedings, is whether sufficient evidence has been provided to establish that Skylift Platforms Limited (in liquidation) transferred whatever

rights they may have had in the SKYLIFT trade mark to Readysense Limited (now The Sharma Group plc). Only once I am satisfied in this regard is there any question of The Sharma Group plc having the authority to then further assign the SKYLIFT trade mark to Nationwide Access Limited.

16. In reaching a conclusion on this point I must of course consider the evidence filed in the first set of proceedings (in which Nationwide Access Limited were the applicants) together with the evidence filed in these second set of proceedings in which Mr Cross and The Sharma Group plc are the applicants and Nationwide Access Limited the Interveners.

17. In their letter of 2 October 2002, Ashurst Morris Crisp on behalf of the Interveners said:

> "(3) Nationwide as Intervener also seeks the withdrawal of its evidence to the extent permissible, as it wishes to take no further active part in the application."

Not surprisingly no objection has been raised by the applicants in this respect. As such, I see no reason why the evidence filed by the Interveners in these proceedings should not be disregarded; similarly the evidence of the applicants in reply to that of the Interveners together with the applicants' additional evidence which addresses queries raised in the Intervener's evidence can also be disregarded. That being the case, I am now left to consider only the evidence filed in the first set of proceedings together with the (relevant) evidence filed by the applicants in these proceedings.

The Sharma Group plc's request for Rectification of the register

18. In their statement of case accompanying the Form TM26(R), The Sharma Group plc put their case for rectification in the following terms:

> "1. Alan William Cross is registered as the proprietor of registered trade mark number 2057163 SKYLIFT (the trade mark), although his proprietorship has been the subject of rectification proceedings on behalf of Nationwide Access Limited (application number 10334), leading to the decision of hearing officer, C J Bowen, given on 19th July 2000 (the decision), in which it was held that the Register be rectified to show the trade mark as registered in the name of Skylift Platforms Limited instead of that of the registered proprietor. The decision is itself the subject of an appeal to the Appointed Person by Alan Cross and The Sharma Group plc has applied to intervene in the rectification proceedings.

2.The Sharma Group plc, formerly Readysense Limited (the applicant) is applying for a rectification of the Register so as to record The Sharma Group plc as the registered proprietors since:

(a) there exists evidence which the hearing officer, C J Bowen, did not have the benefit of seeing in exercising his discretion and which would have supported a finding that rights to the trade mark are, in fact, those of the applicant rather than Skylift Platforms Limited; and

(b) some of the evidence put forward on behalf of Nationwide Access Limited was inaccurate and misleading and conflicted with other evidence put forward in the proceedings leading to a confusion of the fact and, it is contended, a wrong decision as to proprietorship.

3. The evidence which was in the possession of Nationwide Access Limited's solicitors before the decision but not put before the hearing officer is an invoice dated 19 January 1997 from Skylift Platforms Ltd (in liquidation) to Readysense Limited a copy of which is exhibited as Exhibit A to this statement of case. The invoice details the sale of the trade mark SKYLIFT by Skylift Platforms Limited, to Readysense Limited for a consideration of £1. This invoice had been referred to in the evidence before the hearing officer in the file note dated 11 March 1999 exhibited as CJJ1 to the statutory declaration of Candida Johnson who acts for Nationwide Access Limited. However, the reference is only to the invoice's existence and that it evidences the sales of the assets of Skylift Platforms Limited to Readysense Limited. Solicitors for Nationwide Access Limited did not bring to the attention of the hearing officer or Alan Cross that the invoice actually specifically refers to the sale of the SKYLIFT trade mark to the applicant.

4. Although both parties to the original rectification proceedings were aware of the applicant's existence and interest, the applicant was not invited to make submissions in the application. In his decision, Mr C J Bowen states:

> "From the record of Mr Lord's conversation with Ms Johnson, it appears that any rights to the SKYLIFT name may accrue to Readysense Limited, by virtue of their purchase of the assets and goodwill of Skylift Platforms Limited in January 1997. However, the applicants have not requested this amendment and Ms Johnson's hearsay evidence is insufficient to establish that such an assignment took place. In any event, it appears that Mr Lord was under the impression that the application for registration "had been left to lie" and it

> therefore appears unlikely that an assignment of rights to Readysense Ltd could have included this registration."

The application for registration referred to is the application for registration of the trade mark which would have been "left to lie" if Alan Cross had not taken the application forward in his own name having acted as Skylift Platforms Limited's agent in purportedly assigning the rights to the application to himself in September or October 1996. In the decision it was found that Alan Cross did not have the authority to assign the rights to himself in this way and, therefore, his purported assignment was null and void. This is not contended by the applicant.

5. The invoice provides the evidence sufficient to establish that an assignment of all rights in the SKYLIFT trade mark to the applicants took place. It is a receipted invoice from Skylift Platforms Limited (in liquidation) signed "Paid in Full Casson Beckman & Partners". This is arguably enough to constitute a legal assignment of the rights in the SKYLIFT trade mark for the purposes of Section 24(3) of the Trade Marks Act 1994, being as it is in writing and signed on behalf of the assignor by the assignor's liquidator. In the alternative, it is at the least an agreement for sale, operating to transfer beneficial ownership of the trade mark to the applicant.

6. Furthermore, the file note which was given as evidence on behalf of Nationwide Access Limited is significantly inaccurate and contradicts the true position, with the result that the hearing officer was led to the wrong conclusion as to actual proprietorship. Paragraph 6 onwards of the file note presents a purported description of the transaction between Readysense Limited and the liquidator and says:

> "During the negotiations with Mr Sharma (of Readysense Limited, now the Sharma Group plc), the subject of the trading name came up. It was agreed that the goodwill of the company would be sold to Readysense Limited for £1. As far as the parties were concerned, this gave Readysense Limited the right to trade under the SKYLIFT name, and gave Readysense the benefit of the goodwill vested in Skylift Platforms Limited.
>
> Until recently Jonathon Lord was not aware that the SKYLIFT trade mark application filed by Skylift Platforms Limited had proceeded to registration. As far as he and the rest of Casson Beckman were aware, the application had been left to lie as he and Mr Walker (of the liquidator) had decided in 1996. No thought was given to assigning the trade mark application to Readysense Limited."

The invoice makes it clear that it was not merely a transfer of goodwill, which might mean anything and nothing in the context of a company in liquidation, but that the trade mark was specifically sold to Readysense Limited. The statement "No thought was given to assigning the trade mark application to Readysense Limited" is also completely false, as evidenced by a letter from the liquidator to solicitors for Nationwide Access Limited dated 8 January 1999 (ie. 2 months before the erroneous file note was made. (This letter was put before the hearing officer by Alan Cross although not by solicitors for Nationwide Access Limited). A copy of the letter is exhibited as Exhibit B to this Statement of Case. The letter states:

> "We refer to your letter of 11 November 1998. There is some confusion in this matter which we will now try to clarify.
>
> At the time of the liquidation we were told that an application to register the "Skylift" trademark had been made and that it was an application and was not as yet a registered trademark. It was evident that to complete registration, funds would have to be expended by the liquidator, which were not available.
>
> At the time of the sale of the Company's assets to Readysense Limited, we were not aware that the trademark had been issued.
>
> It would be fair to say that the sale was of whatever rights to the application for the trademark that the company could establish, and the consideration given to this was £1."

This letter shows that at the time of the sale to Readysense Limited, what Casson Beckman acting as liquidators of Skylift Platforms Limited believed they were selling to Readysense Limited was all such rights that might accrue in the trade mark SKYLIFT, comprising both the rights to the name SKYLIFT as an unregistered trade mark (incorporating the right to sue for passing off) and any such rights that might then subsist in the application.

Although the liquidator then went on to say in the letter that as the trade mark then subsequently issued no rights attached themselves to Readysense Limited, this was a mistaken view of the legal position and solicitors for Nationwide Access Limited were not entitled to rely on it, since they were in possession of all the facts (including the invoice) from which a correct legal conclusion could be drawn, namely that the application to register the trade mark had been transferred by the person having the legal right to do so, to Readysense Limited.

The position is that by January 1997 the liquidators intended to transfer to Readysense Limited such rights as the company then had in the trade mark SKYLIFT. Furthermore, that is what Readysense Limited intended to buy. As it so happened, Alan Cross's action in the mistaken belief that the mark belonged to him had preserved the application and taken it through to grant, but that does not affect the underlying nature of the transaction between Readysense Limited and Casson Beckman & Partners which was, quite simply, the transfer to Readysense of any right that the company had in respect of the trade mark SKYLIFT, including the application for registration.

7. The hearing officer's reasons for not giving proprietorship of the trade mark to the applicant were twofold:

(a) that there was insufficient evidence to establish that an assignment of the rights in the trade mark to Readysense; and

(b) that the liquidator had thought that the application had been "left to lie" and therefore could not have been included in any assignment of rights by the sale of assets in January 1997.

Dealing with (a), it has been shown that there was evidence in existence before the decision sufficient to prove an assignment of the rights in the trade mark (including the registration) to the applicant, it was just that in the case of the invoice, such evidence was not produced as it properly should have been by solicitors for Nationwide Access Limited, and in the case of the letter from the liquidator, in which the liquidator admits that they intended to transfer "whatever rights to the application for the trade mark that the company could establish", the hearing officer was misled from this clear admission by the inaccurate and false statements in the file note of solicitors for Nationwide.

In respect of (b), it appears that the hearing officer was misled by the file note of solicitors for Nationwide. The words "left to lie" are the words of solicitors for Nationwide, not those of the liquidator. The reason the liquidator thought the rights in the application could not have passed to the applicant is that the trade mark had been registered before the sale of assets, which is an incorrect conclusion. The admitted sale by them of the rights to the application includes the right to any trade mark issued pursuant to the application.

10. It is contended that the signed invoice is enough to constitute a legal assignment of rights in the trade mark, albeit an informal one. In the alternative, the invoice

constitutes an agreement for sale of the rights in the trade mark, operating to confer beneficial ownership of such rights and merely requiring a formal assignment to upgrade its ownership to legal ownership.

To ensure all formalities are complied with, solicitors for the applicant have applied to the Duchy of Lancaster (to which the rights in the trade mark revert according to the decision) for such formal assignment.

In any event the applicant has satisfied the two concerns raised by the hearing officer in the decision which prevented him from allocating proprietorship to the applicant and therefore it is requested that the Register now be corrected to show the applicant as the registered proprietor.".

Further (relevant) evidence filed by the applicants in the second set of proceedings

19. The relevant evidence filed by the applicants following the appeal Hearing before Mr Hobbs consists of five statutory declarations (three as evidence-in-chief and two as additional evidence); as indicated above, for the purposes of this decision, I do not propose to consider the applicants' additional evidence. However, two statutory declarations (by Mr Sharma and Mr Cross) were also filed in September 2000 when The Sharma Group plc initially sought leave to intervene in the proceedings. Although at the appeal Hearing Mr Hobbs said:

> "....I decline at the present point in time to make a ruling on the question of intervention...",

given the agreement reached by the respective parties to these proceedings since that Hearing, it seems to me appropriate that I should also consider these two declarations in reaching my decision. Under the provisions of rule 34(2)(b) of the Trade Marks Rules 2000, the Trade Marks Registry have the power to give directions in relation to the filing of evidence in rectification proceedings. Although none of the parties to these proceedings have asked the Trade Marks Registry to admit these declarations under this provision, given that they would have been available at the Hearing before the Appointed person, I intend in the somewhat unusual circumstances of these proceedings, to infer that the parties would want all relevant information to be considered. I propose therefore to formally admit into these proceedings the two declarations mentioned above under the provisions of rule 34(2)(b).

20. The first statutory declaration dated 13 September 2000 is by Alan William Cross. Mr Cross states that he is currently the registered proprietor of trade mark registration No. 2057163; the purpose of his declaration is, he explains, to appeal in part the decision of the

Hearing Officer dated 19 July 2000 when he decided that the Trade Marks Register should be rectified to transfer the registration in suit into the name of Skylift Platforms Limited.

21. Mr Cross states that he now accepts that he probably did not have the authority to transfer the application at the time he signed the Form TM16 on behalf of both himself and Skylift Platforms Limited, although he stresses that he did not intend to do anything wrong in this regard. He adds that subsequently the assets of the business were bought by Readysense Limited (now the Sharma Group plc) and in so far as only the physical assets were concerned were subsequently transferred into a company called Flying Leap Limited. Exhibit AWC1 consists of a copy of an invoice dated 30 November 1996 from Readysense Limited to Flying Leap Limited (for 8 mixed scissor lifts amounting to £23,500) in respect of the physical assets purchased by Flying Leap Limited. He explains that Mr Sharma assigned a 51% shareholding in Flying Leap Limited until mid 1998 when Mr Cross bought him out; Mr Cross states that Flying Leap Limited used the name SKYLIFT under an informal licence.

22. Mr Cross comments that if the SKYLIFT name was not validly transferred by Skylift Platforms Limited to him, then it would have been available for Readysense Limited to purchase under the invoice dated 19 January 1997. He adds that having had the opportunity to read the Statutory declaration of Mr Sharma, he believes a better claim to the registration lies with Readysense Limited (now The Sharma Group Plc); he adds that he would consent to the rectification of the Register to show the Sharma Group plc as the registered proprietors.

23. The second statutory declaration also dated 13 September 2000 is by Harish Sharma. Mr Sharma explains that he is the Managing Director of The Sharma Group plc; he confirms that he is authorised to make his declaration on the Company's behalf adding that the information contained in his declaration comes from his own personal knowledge and from Company records. Exhibit HS1 consists of copies of the original Certificate Of Incorporation of the Sharma Group plc (dated 21 October 1991) under its previous name Readysense Limited, together with a copy of the Certificate of Incorporation On Change Of Name of Readysense plc (dated 10 March 1997) which had, in the interim, been re-registered as a public company, under the name The Sharma Group plc.

24. Mr Sharma states that his Company is seeking to intervene in these proceedings because in his view The Sharma Group plc should be shown as the registered proprietors of the trade mark in suit rather than Skylift Platforms Limited. In support of this contention he provides the following documentation:

- exhibit HS2 - this consists of a receipted invoice dated 19 January 1997 from Skylift Platforms Limited (In Liquidation) C/O Casson Beckman & Partners to Readysense

Limited in respect of *inter alia*: “To sale of Skylift trademark - £1". I note that the copy invoice bears the handwritten text: “Paid in full Casson Beckman & Partners.”;

- exhibit HS3 - this consists of a letter dated 8 January 1999 from Casson Beckman & Partners to Ashurst Morris Crisp (and copied to Mr Cross). This letter reads as follows:

  “**SKYLIFT PLATFORMS LIMITED - IN LIQUIDATION**

  We refer to your letter of 11 November 1998. There is some confusion in this matter which we will now try to clarify.

  At the time of the liquidation we were told that an application to register the “Skylift” trademark had been made and that it was an application and was not as yet a registered trademark. It was evident that to complete registration, funds would have to be expended by the liquidator, which were not available.

  At the time of the sale of the Company’s assets to Readysense Limited, we were not aware that the trademark had been issued.

  It would be fair to say that the sale was of whatever rights to the application for the trademark that the company could establish, and the consideration given to this was £1.

  It would now appear that the trademark had been issued, and therefore no rights attached in the sale to Readysense Limited.”

25. In Mr Sharma’s view this letter shows that at the time of the sale to him, what Casson Beckman believed they were selling to him was all such rights as might accrue in the trade mark SKYLIFT, comprising both the right to the name SKYLIFT as an unregistered trade mark and any such rights that might then subsist in the application. He adds that although they went on to say that as the trade mark was issued no rights had attached themselves to Readysense Limited, this was, in Mr Sharma’s view, a mistaken view of the legal position. Notwithstanding the actions of Mr Cross mentioned above, in Mr Sharma’s view the position is that by the assignment of the “trade mark” the Liquidators intended to transfer to him such rights as the Company then had in the SKYLIFT trade mark. Mr Sharma comments:

> “.....Furthermore that is what I intended to buy. As it so happened, the application had been preserved and taken through to grant rather than had been allowed to lapse by virtue of Mr Cross’s action in the belief that the mark belonged to him, but that did

not affect the underlying nature of the transaction between me and Casson Beckman & Partners which was, quite simply, the transfer to Readysense Limited of every right that they had in Skylift's name..."

26. Having commented on what Mr Sharma considers to be inaccuracies in Ms Johnson's file note dated 11 March 199 (exhibit CJJ1) Mr Sharma says:

> "As will be seen from the letter of Casson Beckman to Ashurst Morris Crisp exhibited by me at HS3 that they clearly stated, by a letter dated over two months before the date of the stated meeting, that they had taken the view that the sale to me did include the application and furthermore, I now exhibit HS4 a copy of the fax transmission dated 13 January 2000 from Jonathon Lord of Casson Beckman to Ashurst Morris Crisp and attaching a copy of the invoice. The invoice, therefore, makes it clear that it is not merely a transfer of goodwill which might mean anything and nothing in the context of a company in liquidation, but that the trade mark was specifically sold to Readysense Limited."

27. The third declaration dated 14 November 2001 is by the same Harish Sharma mentioned above. The following information emerges from Mr Sharma's declaration:

- that some time in 1996 Mr Sharma reviewed the accounts of Skylift Platforms Limited and recommended to Alan Cross that the Company be placed into liquidation;

- that in this regard Mr Sharma referred Mr Cross to Casson Beckman & Partners, a firm for whom Mr Sharma had worked some ten to twelve years earlier when it was known as Halpern & Woolf;

- that Mr Cross approached Mr Sharma with an idea for a new venture carrying on the same business as Skylift Platforms Limited;

- that to this end Mr Sharma (whose Company at the time was called Readysense Limited) bought all the assets of Skylift Platforms Limited from the Liquidator;

- exhibit HS1 consists of a copy of a letter addressed to Cobbetts Solicitors dated 9 August 2001 from Jonathon Lord who was the Case Manager of the liquidation of Skylift Platforms Limited and the individual with whom Mr Sharma dealt. This letter reads as follows:

  "**Trademark Registry Proceedings "Skylift"**
  Skylift Platforms Limited - In Liquidation

With reference to the above trademark, I write to confirm the following:-

I was previously employed by Casson Beckman & Partners (now known as Cassons). During this period of employment, I was involved as a case manager in the liquidation of Skylift Platforms Limited. The liquidator was Steven Walker, a partner in Casson Beckman & Partners at the time.

Part of my duties as case manager was to dispose of the assets of Skylift Platforms Limited. The assets were sold to Readysense Limited, which I understand is now The Sharma Group Plc. An invoice was raised by the company in liquidation, and this invoice was numbered SP01.

I can confirm that the invoice number SP01 for the sum of £19,975 was paid in full by Readysense Limited, and I further confirm that I receipted the invoice as "paid in full."

28. Mr Sharma comments that this letter shows that Mr Lord had the authority to dispose of the company's assets, that they were sold to Readysense Limited, that the sales invoice relied upon by the applicant as an assignment of the rights in the registered trade mark is valid and was receipted by him and that the full invoice amount was paid by Mr Sharma's Company;

- exhibit HS2 consists of a copy of Invoice No SPO1 (mentioned by Mr Lord in exhibit HS1);

- exhibit HS3 consists of a copy of the same letter attached to Mr Sharma's first declaration (also as HS3). Mr Sharma notes that the fourth paragraph of this letter (which is reproduced above) makes it clear that the Liquidator intended to transfer whatever rights to the application that the company had;

- that Mr Sharma had intended to buy every asset the company had. In this regard, he says that he had specifically required that the trade mark rights were itemised in the sale which he understood on the basis of information provided by the Liquidator included a pending application for the registration of the trade mark. Mr Sharma's understanding was that Readysense Limited were buying all rights the company had in respect of the trade mark including the rights to the application;

- it was not until approximately March 1997 that Mr Sharma became aware that Mr Cross was the registered proprietor of the trade mark in suit. This situation did not, says Mr Sharma cause him any concern as the new company he and Mr Cross had

established, Flying Leap Limited, was trading under the name of Skylift Platforms and Mr Sharma was the majority shareholder;

- that Mr Sharma did not receive the receipted invoice until some time in April 1998 when the last installment of the price of the assets was paid. By this time explains Mr Sharma, he had sold his shareholding in Flying Leap Limited to Mr Cross with the transfer affected on 3 April 1998;

- that at the appeal Hearing, Mr Hobbs QC noted that the invoice amount was not paid in full by Readysense Limited in January 1997. Mr Sharma explains that this is because he had agreed a deferred payment schedule with Mr Lord. Exhibit HS4 consists of copies of his company's Purchase Ledger records for Casson Beckman & Partners for the relevant period, which says Mr Sharma, shows that he received the invoice in January 1997 and put it through his books together with the six instalment payments made. Exhibit HS5 consists of copies of letters received from his company's Bank together with copies of the six cheques which paid for the assets. Mr Sharma adds that as the payments were made over a period of a year, this explains why the Liquidator's published accounts show the payments being received from Readysense Limited and the Sharma Group plc. Mr Sharma says:

  > "The final payment was made in April 1998 and soon after I received a receipted invoice from Jonathon Lord. When Jonathon Lord added the receipt in April 1998 the legal assignment was affected. The only quibble could be that Readysense Limited had now changed its name to The Sharma Group plc and this had not been changed on the invoice, but the document does show the correct entity as assignee."

- that even if the receipted invoice does not constitute a legal assignment, which is strongly contended, it constitutes in the alternative an equitable assignment which should be noted on the Register by stating that The Sharma Group plc owns the beneficial interest in the registered trade mark;

- that Mr Sharma's solicitors have applied to the Duchy of Lancaster for formal legal assignment of the registered trade mark (in the event that the invoice is held to constitute merely an equitable assignment). Exhibit HS7 consists of a copy letter dated 28 March 2001 from the solicitors acting for the Duchy of Lancaster to solicitors acting for Mr Sharma. In Mr Sharma's view a formal assignment is unnecessary as the receipted invoice constitutes a legal assignment of the mark to his company.

29. The fourth declaration dated 9 November 2001 is by the same Alan William Cross mentioned above. The following information emerges from Mr Cross's declaration:

- that Mr Cross agrees that the Register should now properly show The Sharma Group plc as the registered proprietor of the registration in suit;

- that he recalls discussing the application to register SKYLIFT during the liquidation with Mr Lord . Mr Cross says that Mr Lord attached only a minimal or nominal value to the application as it was not clear to him that the mark if registered would be of any value. Following his discussions with Mr Lord, Mr Cross assumed that it was permissible for him to take the application forward himself since no sale of the application was foreseen or mentioned to him by Casson Beckman & Partners. Mr Cross now understands and accepts that he did not have the authority to take this action and that the transfer into his name was invalid;

- that he first became aware that the sales invoice from Casson Beckman & Partners to Readysense Limited detailed the sale of the SKYLIFT trade mark following the Trade Marks Registry's decision in the earlier proceedings;

- that having seen the receipted invoice from the Liquidator he realised that The Sharma Group plc is the rightful owner of the registered trade mark.

30. The fifth declaration dated 29 November 2001 is by Jonathon Lord. Mr Lord explains that he is an insolvency practitioner with the firm of McCann Taylor. He explains that he joined Casson Beckman on 5 January 1989 as an administrator, at that time the firm was known as David Nisbet & Co. In 1992 the firm's name was changed to Halpern, Woolf & Partners and at the time of the liquidation of Skylift Platforms Limited the firm was known as Casson Beckman & Partners. At that time Mr Lord was a manager or senior manger, he later became a partner and left the firm on 13 November 2000.

31. Mr Lord states that he had the day to day conduct of the liquidation of Skylift Platforms Limited subject to Steven Walker's supervision. In this role he was authorised to sign everything that needed to be signed including any documents disposing of assets; he was the person within Casson Beckman who had dealings with Mr Cross. Mr Lord explains that he has carried out a search but has been unable to find any documentation relating to his dealings with Mr Cross; he presumes that it must have been retained by Casson Beckman & Partners. However, he can, he says, recollect the circumstances surrounding the disposal of assets to Readysense Limited and comments in the following terms:

"I had a conversation with Alan Cross in my office in the course of the disposal in which Alan Cross alluded to the trade mark. I was not made aware at that time of the fact that the trade mark application had been completed at the time of the disposal of the assets, although I now believe that the registration went through in October 1996.

My recollection of the disposal of assets to ReadySense Limited was that I was disposing of chattels and whatever trade mark rights the company had, and that the consideration apportioned to those trade mark rights was £1. I can recall sending a lengthy letter to Candida Johnson at Ashurst Morris Crisp and explained the situation with Alan Cross at the point when Alan Cross appeared to be trying to take over the trade mark. So far as I can recollect at this time I believe that I discovered about the registration after I had issued the invoice. I believe that there would have been about a six month gap between the commencement of the liquidation and the issue of the invoice.

It was usual at Casson Beckman only to issue the invoice when the monies had been paid in full but in this particular case it appears that there must have been some exceptional circumstances which allowed Casson Beckman to issue an invoice before it had received a payment for the assets under it. However, I am quite clear that Casson Beckman would never have authorised the receipting of an invoice until all the monies had been paid in full. I recognise the handwriting on the invoice as being that of Josephine Brown, who was working under my direction and I asked her to execute the invoice when the final payment was received.

It would have been normal practice either to swap the receipted invoice for the final cheque or to arrange for Mr Sharma to come in to collect the receipted invoice once his final cheque had cleared. I am quite clear that there would have been no likelihood whatsoever of a receipted invoice being given if the payment had not been received in full.

It is usual for a liquidator's account to refer to specific assets and the consideration which each has realised on the disposal in the liquidation. I would normally have expected an apportionment of the consideration received from ReadySense Limited to be so allocated on the computer system at Casson Beckman and for that allocation to have made it into the final receipts at Companies House. However, it may well be that the apportionment was not made in the accounts by oversight. However, I am clear that the payment was intended to cover the sale of the trade mark rights."

DECISION

The law

32. Rectification of the Register is governed by Section 64 of the Trade Marks Act 1994. Section 64 of the Act reads 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."

33. Section 24 of the Trade Marks Act 1994 is also relevant. This reads as follows:

> "**24.** - (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.
>
> (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."

34. As a party whose business may be affected by the continuation of the registration in Mr Cross's name, I consider that the applicants, The Sharma Group plc have sufficient interest to make the application. In his decision in the first set of proceedings the Hearing Officer provided a chronology of event. This is reproduced below:

"(i) 16 February 1996 - application for registration filed;

(ii) 3 July 1996 - application published for opposition purposes;

(iii) September 1996 - Liquidator appointed and on 26 September 1996 Skylift Platforms Limited enter liquidation;

(iv) 18 October 1996 - letter received by the Patent Office from Mr Cross advising that he was now going to act as his own agent and asking for an official form to be sent to him to effect a change of ownership;

(v) 13 November 1996 - form TM16 filed to transfer ownership from Skylift Platforms Limited to Alan William Cross. The form which was signed on behalf of both parties by Mr Cross, indicates that the date the new proprietor took over ownership was 17 October 1996;

(vi) 29 November 1996 - application No: 2057163 is registered in the name of Alan William Cross;

(vii) 29 June 1999 - Skylift Platforms Limited dissolved."

35. I have quoted at length from the evidence filed in support of this application because I believe that it indicates clearly the purpose and intent of those involved, all of whom were acting in good faith, in relation to the trade mark the subject of the action. That being so, I consider that it directs the conclusions which may be reached. First of all, it is accepted by Mr Cross (and others) that he did not have the necessary authority to seek to assign the application for registration (as it then was) into his own name when he did so.

36. The evidence now filed as a whole, in particular invoice No: SPO1 dated 19 January 1997 (from Casson Beckman & Partners on behalf of Skylift Platforms Limited in Liquidation to Readysense Limited (now The Sharma Group plc)) which included the reference "To sale of Skylift trademark 1.00", and the letter of 8 January 1999 from Casson Beckman & Partners to Ashurst Morris Crisp (exhibits HS2 and HS3 to the declaration of Mr Sharma dated 13 September 2000), together with the declaration of Mr Lord, shows clearly that it was the Liquidator's intentions to sell to Readysense Limited (now The Sharma Group plc)

> ".....whatever rights to the application for the trade mark that the company could establish...".

37. I am satisfied that Readysense Limited changed its name to The Sharma Group plc on 10 March 1997; I am also satisfied, from the evidence of Mr Sharma (dated 14 November 2001) and Mr Lord, that the invoice for the sale of assets from Skylift Platforms Limited (in liquidation) was paid in full by Readysense Limited/The Sharma Group albeit, as explained by Mr Sharma, not at the date the invoice was raised. There is also a question as to whether or not the receipted invoice constitutes a legal or equitable assignment. In this regard, I note that Section 24(3) reads as follows:

> "(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."

38. In my view, and given the evidence of Mr Lord, the invoice (signed as it is by the assignor) ie. Casson Beckman on behalf of Skylift Platforms Limited (in liquidation) constitutes a legal assignment of the trade mark from Skylift Platforms (in Liquidation) to Readysense Limited who later changed their name to The Sharma Group plc.

Conclusion

39. Having regard to all the facts which have now emerged in the evidence in support of this application for rectification I am satisfied that the current entry in the Register which shows Alan William Cross as the registered proprietor of trade mark No: 2057163 is incorrect and that it would be right to correct matters. In the exercise of the discretion conferred upon me by Section 64 of the Trade Marks Act 1994, I direct that the Register be corrected by the removal of the name Alan William Cross as proprietor and that of The Sharma Group plc be substituted in its place. The effect of this correction is to render not only the Form TM16 filed by the applicants in these proceedings but also the reference to bona vacantia mentioned in the first decision otiose. Any further changes in proprietorship (from The Sharma Group Plc

to Nationwide Access Limited) may be dealt with as a straightforward registrable transaction under the Trade Marks Act 1994 and Trade Marks Rules 2000.

Costs

40. The parties involved in this action agreed that neither would seek their costs. That being so, I make no order as to costs.

Dated this 4th day of April 2003

M KNIGHT
For the Registrar
The Comptroller-General