

1 THE PATENT OFFICE

Harmsworth House,  
13-15 Bouverie Street,  
London EC48DP.

Friday, 12th September 2008

Before:

5 MR. G. HOBBS QC  
6 (The Appointed Person)

7 - - - - -

8 In the matter of THE TRADE MARKS ACT, 1994.

9 and

10 In the matter of Application No. 2421687 in the name of  
11 The Boots Company PLC for the word mark  
SPIRIT in Class 32

12 and

13 In the matter of Opposition No. 95346 thereto by Spirig  
14 Pharma AG based upon the earlier mark  
SPIRIG

15 - - - - -

16 Appeal of the Opponents from the  
17 Decision of Mr. M. Reynolds

18 - - - - -

19 (Transcript of the Stenograph Notes of Marten Walsh Cherer  
20 Ltd., 6th Floor, 12-14 New Fetter Lane, London EC4A 1AG.  
21 Telephone No: 020-7936 6000)

22 - - - - -

23 MR. KERRY LEE (Boots Company in-house counsel) appeared for the  
24 Applicants/Respondents.

25 MS. LINDSAY LANE (instructed by Messrs. Frank B. Dehn & Co.)  
appeared for the Opponents/Appellants.

- - - - -

DECISION (AS APPROVED)

- - - - -

1 THE APPOINTED PERSON: On 12th May 2006 the Boots Company plc  
2 applied under No. 2421687 to register the designation SPIRIT  
3 as a trade mark for use in relation to the following goods in  
4 class 3: "Soaps; perfumery, essential oils, cosmetics, hair  
5 lotions; dentifrices; deodorants; anti-perspirants;  
6 deodorising body sprays; anti-perspirants deodorants; all for  
7 personal use."

8 The application for registration was subsequently  
9 opposed by Spirig Pharma AG under section 5(2)(b) of the Trade  
10 Marks Act 1994, on the basis of the earlier trade mark rights  
11 to which it was entitled as proprietor of International  
12 Registration No. 860652, consisting of the word mark SPIRIG  
13 protected in the Community for use in relation to: "Soaps;  
14 perfumery, essential oils, cosmetics, hair lotions;  
15 dentifrices; cosmetic goods (included in this Class)."

16 At the conclusion of the evidence rounds the opposition  
17 proceeded to determination on the basis of the papers on file  
18 without recourse to a hearing. The objection to registration  
19 was rejected for the reasons given by Mr. M. Reynolds, acting  
20 on behalf of the Registrar, in a written decision issued under  
21 reference O-138-08 on 15th May 2008. He ordered the opponent  
22 to pay £500 to the applicant as a contribution towards its  
23 costs of the proceedings in the Registry. At paragraph 5 of  
24 his decision the Hearing Officer stated: "Neither side has  
25 filed evidence. Neither side has availed itself of the

1 opportunity to be heard (or to file written submissions).

2 I, therefore, give this decision on the basis of the case as  
3 pleaded above."

4 That, for reasons unknown to the Hearing Officer, was  
5 not an entirely accurate statement of the position. The true  
6 position was that the agents of record for the opponent sent  
7 written submissions to the Registry under cover of a letter  
8 dated 17th April 2008, which stated as follows: "We write in  
9 reply to the Official Letter dated 7 March 2008.

10 "Since we understand that neither party has requested a  
11 hearing on this case, we now file herewith our written  
12 submissions on behalf of the opponent. We request that the  
13 hearing officer give full consideration to these submissions  
14 when reaching a decision from the papers."

15 The enclosure to the letter was a five-page document  
16 containing detailed written submissions on behalf of the  
17 opponent, including submissions as to the significance (or,  
18 rather, the lack of significance as the opponent saw it), of  
19 conceptual considerations relative to visual considerations  
20 and aural considerations in the context of the comparison of  
21 the marks in issue.

22 The letter of 17th April was stamped as received at the  
23 UK IPO London office on 18th April 2008 and stamped as  
24 received in the law section of the Registry on 21st May 2008.  
25 This was brought to the attention of the Hearing Officer only

1 after he had issued his written decision in the opposition  
2 proceedings. He then responded to the information he had  
3 received in the following terms: "I refer to our recent  
4 telephone conversation when you alerted the Registry to the  
5 fact that written submissions which had been filed in relation  
6 to the above opposition had not been taken into account in the  
7 decision I issued on 15 May 2008.

8 "The purpose of this letter is to set out the facts of  
9 the matter for the benefit of the parties and any appeal  
10 tribunal should it progress to that stage.

11 "The sequence of events after the close of the evidence  
12 rounds was that the official letter of 7 March 2008 set a  
13 deadline for written submissions of 18 April 2008. It is the  
14 Registry's practice to allow a period of a week after the  
15 expiry of the deadline for the receipt of incoming mail.  
16 Thereafter, the papers are passed to the hearing officer for a  
17 decision. As you know my decision recorded that no written  
18 submissions had been received. Regrettably, that was not the  
19 case. You had in fact filed written submissions under cover  
20 of a letter dated 17 April copied to the applicant. For the  
21 record, I am attaching a copy of that letter showing the two  
22 receipt stamps applied by this Office. The first is the  
23 London receipt stamp of 18 April 2008. The second is the date  
24 that the letter and enclosure reached Law Section that is to  
25 say 21 May 2008.

1 "There can be no doubt, therefore, that your written  
2 submissions were received in time and should (and would) have  
3 been taken into account in my decision had our normal systems  
4 for linking post operated properly. It is a matter of concern  
5 and regret that the letter took over a month to reach Law  
6 Section. Enquiries to date have not yet yielded any  
7 explanation for the delay.

8 "You will no doubt wish to consider with your client how  
9 to proceed in the light of the above. In the meantime I  
10 apologise unreservedly to the parties that our post handling  
11 systems have failed us so badly on this occasion."

12 On 12th June 2008 the opponent gave Notice of Appeal to  
13 an Appointed Person under section 76 of the Trade Marks Act  
14 1994. The first ground of appeal was that there was a serious  
15 procedural irregularity in the hearing of the opposition, in  
16 that the written submissions filed on behalf of Spirig before  
17 the relevant deadline were not considered by the Hearing  
18 Officer. Relief was requested in the form of an order for the  
19 matter to be remitted to the Registrar for rehearing before  
20 another hearing officer.

21 In the alternative, it was contended that the Hearing  
22 Officer has erred in various respects in his reasoning  
23 relating to the rejection of the opposition and that his  
24 decision should be reversed on appeal.

25 I have, as a preliminary point, heard argument on the

1 first ground of appeal. It appears to me that the Hearing  
2 Officer's decision should be set aside on the basis identified  
3 in ground 1 of the Notice of Appeal. Rule 54 of the Trade  
4 Marks Rules 2000 provides as follows: "54.-(1) Without  
5 prejudice to any provisions of the Act or these Rules  
6 requiring the registrar to hear any party to proceedings under  
7 the Act or these Rules, or to give such party an opportunity  
8 to be heard, the registrar shall, before taking any decision  
9 on any matter under the Act or these Rules which is or may be  
10 adverse to any party to any proceedings before her, give that  
11 party an opportunity to be heard.

12 "(2) The registrar shall give that party at least  
13 fourteen days' notice of the time when he may be heard unless  
14 that party consents to shorter notice."

15 The rule is expressed in imperative terms. Although the  
16 consequences of failure to comply with it are not spelled out  
17 and might, to some degree, be discretionary, it is clear that  
18 the purpose of the rule is to ensure that the Registrar does  
19 not take a decision without having given any party who is or  
20 may be adversely affected by it a proper opportunity to be  
21 heard in relation to the subject matter of the decision. In  
22 the current Registry practice, that includes a proper  
23 opportunity to be 'heard' by way of written submissions,  
24 whether or not an oral hearing is also appointed for that  
25 purpose.

1           In official letters offering parties the opportunity to  
2 be heard it is the standard practice of the Registry to  
3 include a paragraph substantially to the following effect:  
4 "The parties now have a choice as to how the decision should  
5 be reached by the hearing officer. A decision can be made  
6 from written submissions made by the parties. This 'decision  
7 from the papers' will give full consideration of any written  
8 submissions made by the parties."

9           In the present opposition proceedings the parties were  
10 given an opportunity to be heard and the opponent availed  
11 itself of that opportunity by sending written submissions to  
12 the Registry within the time allotted for that purpose.  
13 Through no fault on the part of the Opponent or on the part of  
14 the Applicant, or on the part of the Hearing Officer, the  
15 written submissions were not to any extent taken into account.

16           There can be cases in which it is demonstrable that the  
17 process by which a decision has been reached was good enough,  
18 even if it involved a breach of procedure, to leave no room  
19 for any real doubt as to the rectitude of the determination.  
20 If so, the breach of procedure may be regarded as immaterial,  
21 both in the context of proceedings by way of judicial review  
22 and in the context of proceedings by way of appeal.

23           It is, none the less, clear that the denial of a right  
24 to be heard will not readily be regarded as an immaterial  
25 breach of procedure. The opportunity to put one's case to a

1 decision taker who is expected to be reasonably receptive to  
2 argument is basic to the principles of natural justice as they  
3 apply with the added force of Article 6 ECHR. Appearances  
4 matter in the context of the proposition that justice must not  
5 only be done, but also be seen to be done.

6 In relation to Rule 54, there is the further potential  
7 concern that the Registrar may not be entitled to waive or  
8 vary a statutory requirement on which the very exercise of his  
9 decision taking power depends.

10 In the present case I am clear in my own mind that there  
11 has been a material breach of procedure, with the result that  
12 the Hearing Officer's decision should be set aside and the  
13 matter should be remitted to the Registry for determination by  
14 a different Hearing Officer, in accordance with the provisions  
15 of the Act and the Rules.

16 It would not be right for me to say anything at all  
17 about the merits of the decision I have ordered to be set  
18 aside. I would simply be compounding the breach of procedure  
19 if I made any attempt to do so.

20 MS. LANE: On the basis of that decision, I would ask for the  
21 costs of this hearing, particularly in light of the fact that  
22 the applicant did not, essentially, contest that there had  
23 been an irregularity in the procedure. So I would submit that  
24 we should be entitled to our costs of this hearing.

25 THE APPOINTED PERSON: Do you have a fallback position?



1 MS. LANE: Do I have a fallback position?

2 THE APPOINTED PERSON: Yes. You are all blameless. Everybody is  
3 blameless. I was waiting to see and hear whether Mr. Lee  
4 would try to justify (in other words, defend) the decision  
5 below, and he did not. What he said was that the Tribunal  
6 must do what the Tribunal believes to be right in these  
7 circumstances. That is, I think, let us put it this way, to  
8 his credit. What do you think should happen about costs?

9 MR. LEE: I think each party bears its own costs.

10 THE APPOINTED PERSON: As I have said to you before, this kind of  
11 thing has happened on more than one occasion. This is the  
12 latest blip on the radar screen. What I would be minded to  
13 do, and I put it that way because I will hear you further, is  
14 to direct that the costs of this hearing be treated as costs  
15 in the opposition proceedings and, therefore, in principle,  
16 within the remit of the Hearing Officer who ultimately comes  
17 to a decision in this matter.

18 I would, at the same time, take the opportunity to  
19 observe that it is open to parties in situations such as this  
20 to make a request to the Registrar for an ex gratia payment in  
21 respect of the extra costs and inconvenience to which they  
22 have been subjected. It is an ex gratia procedure because  
23 there is a provision in the Act, which I cannot immediately  
24 remember the number of, which gives the Registrar's officials  
25 immunity from liability for basically anything they do wrong.

1 MS. LANE: How sensible.

2 THE APPOINTED PERSON: And necessary, perhaps. What I am  
3 proposing to do is that all options be kept open, rather than  
4 any options closed by me at this stage today. Do you have  
5 anything you want to say about that?

6 MS. LANE: Can I quickly take instructions?

7 THE APPOINTED PERSON: Yes, of course.

8 MS. LANE: **(After a pause)** Yes, that seems to us to be reasonable.

9 MR. LEE: I agree.

10 THE APPOINTED PERSON: Just to finalise on that point, the costs  
11 of today's hearing will be treated as costs in the opposition  
12 proceedings which have now been remitted to the Registry.  
13 They will in principle, therefore, be within the determination  
14 or within the discretion of the hearing officer who ultimately  
15 decides that opposition and that will be without prejudice to  
16 any opportunity which either party wishes to avail itself of  
17 with regard to any application for an ex gratia request for  
18 compensation from the Registrar for what has happened.

19 Does that conclude it? I believe it does.

20 MS. LANE: Yes.

21 MR. LEE: Yes.

22 THE APPOINTED PERSON: Thank you all very much indeed.  
23  
24  
25