

O/248/09

TRADE MARKS ACT 1994

IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO REGISTRATION NO 958244
IN THE NAME OF SOVEX LTD

AND

AN APPLICATION FOR RECTIFICATION THEREOF UNDER NO 83402
BY CALJAN RITE-HITE LTD

Background

1.Registration no. 958244 currently stands in the name of Sovex Ltd (“Sovex”). On 30 January 2009 Caljan Rite-Hite Ltd (“Caljan”) filed an application seeking to rectify the register. The information Caljan set out in its application is complex involving many separate companies, changes of names of companies and assignments however, for the purposes of this decision, I do not need to set these out in detail. Suffice to say that Caljan set out a chain of title of the mark, claimed that an assignment of the registration had been unlawfully recorded on the trade marks register and that Sovex was not the owner of the registration. It requested the register be rectified so as to show Caljan as the proprietor of the registration as it claimed the mark belongs to it.

2.Sovex filed a counterstatement denying the claims. It also requested the application for rectification be struck out as defective. It did so because it claimed that Caljan had not pleaded a chain of title under which it could claim ownership of the registration. In the alternative, it requested the application be transferred to the High Court for determination on the basis that this was the appropriate venue for hearing the proceedings as it claimed there was a matter of equitable title and constructive trust to be determined.

3. An interlocutory hearing was set down to take place before me on 6 August 2009. Sovex filed a skeleton argument on 4 August in line with practice set down by the registrar. Caljan filed its skeleton argument late that same day. On the 5 August, Caljan then filed a request seeking to file an amended statement of reasons for the application and Sovex filed a supplementary skeleton argument in response. Having received these papers, I reviewed them and noted that the amended statement of reasons Caljan sought to file referred to a chain of title which differed significantly from that originally pleaded. Again I do not need to set out this new chain of title for the purposes of this decision. It is sufficient to say that this new chain of title referred to details of a series of events regarding the change of legal status of certain companies and the transfer of ownership of the mark which were said had taken place in June and July 2009, i.e. well after the application for rectification had been made.

4. I wrote to the parties that same day. My letter stated:

“An interlocutory hearing in relation to these proceedings is due to take place before me tomorrow. I received skeleton arguments filed on behalf of the registered proprietor yesterday morning. I have, this morning, received skeleton arguments which I understand were filed late yesterday on behalf of the applicant. I am also in receipt of a request filed on behalf of the applicant this morning which seeks to file amended statement of reasons for the application. Despite the lateness of the request, the registered proprietor is aware of it and has subsequently filed a supplementary skeleton argument.

Whilst the request for amendment of the statement of reasons for the application has not yet been considered by the registrar and is not therefore strictly a matter which forms part of tomorrow’s hearing, it seems to me that the content of the amended statement has an impact on that hearing and I am

considering whether it should go ahead or not. I am therefore writing to both parties to set out my initial thoughts and to seek clarification from the applicant.

From my, necessarily brief, review of the skeleton argument and the amended statement which the applicant seeks to have admitted, and taking into account the comments from the other side, it is clear that the basis of the application as raised in that amended statement differs significantly from that originally filed.

I therefore seek clarification from the applicant as to whether it now agrees with the registered proprietor's claim that the original application is defective. If so, it would seem to me that the need for a hearing effectively falls away. As a separate but related issue, and noting that no decision has yet been made on whether or not to admit it, given that the amended statement on which the applicant now seeks to rely refers to matters which post-date the filing of the original application it would seem to me that the original application could not proceed with that original filing date in any event.

Your comments are invited. Given the proximity of the hearing, I would ask for a response by return."

5. Freeth Cartwright Solicitors, Caljan's legal representatives, subsequently replied to my letter. Although its reply was sent on 5 August, it was sent outside normal business hours and was not received by me until the morning of the planned hearing. As regards my point about the defective application, it said:

"You have asked us to state whether we agree with the registered proprietor's claim that the original application was defective. To avoid unnecessary argument, the Applicant is prepared to accept that as of the date of the filing of the original application, Caljan Rite-Hite Limited was not the legal proprietor of the Mark. The original application was made with two objectives in mind (1) to record that Caljan Rite-Hite Limited as the proprietor of the Mark (2) to show that Sovex Ltd had no title to the Mark. Caljan Rite-Hite assumed that it was sufficient to show that it was the parent shareholder of the legal proprietor for Caljan Rite-Hite to be registered as the legal proprietor. It accepts that in that regard, it was mistaken."

6. As regards the requested amendment referring to matters which post-dated the original filing date of the application it said:

"...it seems that there are two routes forward which are in substance the same which will permit the real issues to be tried between the parties. Firstly, the original application is struck out and Caljan Rite-Hite would simply file a new Application in the next few days based on the Amended Grounds. Sovex would then file a Counterstatement. The issue as to whether this should be referred to the High Court could then be considered on the basis of the new Counter-Statement which will plainly substantially different to the current one.

The other route is to allow the amendment (with a new date attributed to the Application). One could then wait for the new amended Counterstatement. Again, a decision on whether to refer to the High Court would have to wait until receipt of the amended Counterstatement. It would obviously be premature to start referring matter to the High Court without knowing what Sovex's position is on the new grounds."

7. Sovex did not file any comments on either my or Caljan's letters. At my request the hearings clerk then spoke to all parties by telephone to confirm the hearing was cancelled and to advise that I would issue a further letter shortly. My letter, dated 6 August, stated:

"I write further to my letter of yesterday's date and Freeth Cartwright's subsequent letter in response.

In view of the admissions made in Freeth Cartwright's letter, the interlocutory hearing set for this morning was cancelled and I hereby confirm that the above application for rectification will be struck out.

Given that the application is to be struck out, the only remaining issue is that of costs. Both parties are hereby allowed a period of fourteen days from the date of this letter to file submissions in this regard. The level of costs, if appropriate, will be determined, in the first instance, by the examiner responsible for the handling of these proceedings (details as above) and will only be referred back to me should either party wish to be heard in order to challenge his preliminary decision.

I note Freeth Cartwright's comments regarding the possibility of the filing of a fresh application for rectification but clearly, that is a matter for them and their client to determine."

8. Sovex subsequently filed a Form TM5 seeking a statement of reasons for my decision and these I now give.

Reasons

9. The reasons for my decision are brief in the extreme. The application for rectification as originally filed claimed that the trade mark SOVEX "is in fact owned by the Applicant and was never lawfully assigned to the registered proprietor". Although, as I indicated earlier, for the purposes of this statement, I do not need to set it out in full, the application went on to give a detailed explanation of the history of the claimed ownership of the trade mark culminating in its claim that the mark was now legally owned by Caljan.

10. The information provided in its proposed amended pleadings and the admission in its letter of 5 August that Caljan was not the legal proprietor of the mark at the time the original application for rectification was filed, was entirely contrary to the claim it had made in that original application. That being the case, it was clear to me that the application as originally filed was unsustainable and should be struck out. Having

struck out the application it was unnecessary for me to go on to consider whether the application should be amended as had been requested nor was it necessary for me to consider the effect such an amendment would have had on the effective date of that application. I would say in passing, however, that seeking to amend an already confusing claim, particularly one which, as has been admitted, is factually incorrect, is likely to lead nowhere other than to further confusion, particularly where the effective date of that claim also changes. I noted that it was a matter for Caljan to consider whether or not it wished to file a fresh application. Nothing I have said should be taken as an invitation for it to do so.

11. I allowed the parties a period of fourteen days from the date of my letter for them to file submissions as to costs. Subsequently, that period was extended to expire 3 September. Given that no hearing had taken place, I indicated that the costs issue would be considered by the examiner and would only be referred back to me should either party wish to be heard in order to challenge his preliminary decision.

Dated this 2nd day of September 2009

**Ann Corbett
For the Registrar
The Comptroller-General**