

O/566/17

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 2490544

IN THE NAME OF ARDENT RECRUITMENT LIMITED

AND

APPLICATION No. 84783 BY ARDENT CAREERS LIMITED

TO RECTIFY THE REGISTER

BY REVERSING THE ERRONEOUS RECORDING OF AN ASSIGNMENT

AND RECORDING THE OWNER OF THE TRADE MARK AS CALTON

CONSULTING LIMITED

Background and pleadings

1. Ardent Careers Limited (“the applicant”) applied on 12th June 2017 to rectify the register of trade marks by correcting the identity of the proprietor of trade mark registration 2490544 so that it stands in the name of Calton Consulting Limited (“Calton”) rather than the current proprietor, Ardent Recruitment Limited (“the registered proprietor”).

2. The trade mark consists of the word ARDENT and it is registered with effect from 19th June 2008 in relation to, inter alia, recruitment services.

3. The trade mark was previously registered in the name of Calton. However, an application to record a change of ownership on form TM16 was received on 7th March 2017. That application was made by the registered proprietor. It stated that a transfer of ownership occurred on 3rd March 2017.

4. Accompanying the application was a witness statement dated 3rd March 2017 by Gerald Arbuckle, who is a director of the registered proprietor. Mr Arbuckle stated that:

- he became aware of trade mark 2490544 and that Calton was in liquidation;
- the registered proprietor wanted to acquire the trade mark;
- the liquidators of Calton are John Twizell and James Sleight of Geoffrey Martin & Co Limited;
- Geoffrey Martin & Co Limited were contacted to see if the trade mark could be purchased;
- John Birkenshaw of Geoffrey Martin & Co Limited replied by email stating that the liquidators believed that the trade mark was assigned to Calton Consulting (UK) Limited (“Calton UK”) in 2009;
- having acquired the trade mark at issue, Calton UK went into administration on 9th November 2009;
- on the same day, the administrators of Calton UK signed a sale and purchase agreement with Watson Moore Limited (“Watson”) which assigned the intellectual property of Calton UK to Watson, including the trade mark at issue;

- Calton UK went from administration into creditors' voluntary liquidation on 4th February 2010;
- the liquidation was completed on 27th September 2011 and Calton UK was dissolved on 4th January 2012;
- Watson assigned the trade mark at issue to the registered proprietor on 3rd March 2017.

5. In support of his various claims Mr Arbuckle exhibited (as GA3 to GA7):

- records from Companies House;
- an email dated 1st December 2016 from John Birkenshaw at Geoffrey Martin & Co Limited;
- a redacted version of the sale and purchase agreement dated 9th November 2009 between Calton UK, its administrators and Watson transferring the intellectual property of Calton UK to Watson;
- a copy of an assignment dated 3rd March 2017 transferring the trade mark at issue from Watson to the registered proprietor.

6. The application to record the assignment was accepted and the register was amended on 21st March 2017. It shows that a change of ownership occurred on 3rd March 2017. The mark is recorded as having been transferred from the previous registered proprietor - Calton - to the current registered proprietor.

7. The applicant's case is that:

- the registered proprietor has filed an application to invalidate the applicant's registered trade mark 3180726, Ardent Careers, which is registered with effect from 17th August 2016 in relation to, inter alia, recruitment services;
- the applicant therefore has 'sufficient interest' in the matter to make an application under section 64 of the Trade Marks Act 1994 to rectify the register;
- there have been a series of errors, both procedural and substantive, which resulted in the trade mark being recorded in the name of the registered proprietor;

- on the face of the assignment application, the trade mark was assigned three times and yet the register shows only one assignment, directly from Calton to the registered proprietor;
- there was no such assignment;
- if there were three assignments, then three forms TM16 should have been filed showing the dates of each assignment;
- these errors cannot be corrected retrospectively;
- if the registered proprietor is able to correct them it should file three further assignment applications once these rectification proceedings are concluded;
- no deed of the alleged assignment from Calton to Calton UK was filed and the unsigned email from the firm of liquidators was not sufficient to prove that the transfer occurred;
- if the first alleged assignment is invalid, it follows that the later assignments are also invalid.

8. The registered proprietor indicated on 4th August that it contested the application for rectification.

9. Both sides seek an award of costs.

Representation

10. The applicant is represented by HGF Limited. The registered proprietor is represented by Barker Brettell LLP.

The registered proprietor's further evidence

11. The registered proprietor filed three further witness statements. One by Rosalyn Newsome of Barker Brettell and two by David Colgrave, who is a director of Calton (in liquidation) and was the sole director of Calton UK.

12. Ms Newsome's statement goes to the procedural aspects around the recording of the contested assignment. She says when looking to record the 2017 assignment from Watson to the registered proprietor it became apparent that the previous two assignments had not been recorded. According to Ms Newsome, it was not possible to file assignment applications in relation the first or second transfer of ownership of the trade mark because Calton UK, the assignee in the first assignment and the

assignor in the second, no longer existed. Consequently, there was no one to sign on its behalf.

13. In his first statement dated 4th August 2017, Mr Colgrave states that in his capacity as a director of Calton, he signed the sale and purchase agreement between Calton, its administrators, and Calton UK, through which the trade mark at issue was assigned from the former to the latter. However, he says that as the transaction occurred many years ago he no longer had a copy of the document. Mr Colgrave also confirmed the information given by Mr Arbuckle as to the second transfer of the mark from Calton UK to Watson.

14. In his second statement, dated 14th August 2017, Mr Colgrave states that he subsequently found a copy of the sale and purchase agreement. However, he says that he cannot provide a copy of it because that would be contrary to a confidentiality clause in the agreement. According to Mr Colgrave, the agreement was signed and “*delivered*” on 3rd April 2009.

15. The applicant filed no evidence in support of its application for rectification, but both sides filed written submissions, which I have taken into account. I note, in particular, the applicant submits that:

- (1) The application is to rectify the recorded ownership of the trade mark at issue back into the name of Calton; no other correction is sought or within the discretion of the registrar to make.
- (2) Consideration should be limited solely to whether the application to record the assignment(s) was correctly recorded at the time of the application.
- (3) The evidence filed on behalf of the registered proprietor should be examined to the extent that it sheds light on that matter, but ‘new’ evidence going to the substantive nature of the original assignments is not relevant.
- (4) If the registered proprietor’s application to record the assignment(s) was substantively or procedurally wrong, it must be reversed leaving the registered proprietor to make any fresh applications it is entitled to make.

16. In support of these points the applicant's representative drew my attention to the decision of the registrar in rectification No. 82431, *Dasema Trading Ltd v Department of Trade and Industry*.¹ That case concerned an application to rectify the register so as to reverse a recorded assignment from Man Not Included.com Limited to Dasema Trading Ltd. The former company was in liquidation and the application to record the assignment had been filed and signed by a director of the company after it was placed in liquidation. He had no power to do so. The registrar reversed the erroneous recording of the assignment, but rejected an informal and unpleaded request that the trade mark be registered in the name of one of the liquidators. The Hearing Officer held that a further assignment application was necessary to bring about that result. Previous decisions of the registrar are not binding on me. However, I see the cited decision as persuasive in relation to point (1) above. I see it as less persuasive on points (2) and (4), and irrelevant to point (3).

Assessment

17. The power to rectify the register is set out in section 64 of the Act, the relevant part of which reads:

“64. - (1) Any person having a sufficient interest may apply for the rectification of an error or omission in the register:

Provided that an application for rectification may not be made in respect of a matter affecting the validity of the registration of a trade mark.

(2) [...]

(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) [...]. (5) [...].”

18. The registered proprietor has applied to invalidate the applicant's later registered trade mark. I understand that it has also threatened the applicant with infringement proceedings. Therefore, the applicant plainly has sufficient interest in the matter to give it the standing to make the application for rectification.

¹ Case BL O/173/06

19. Section 72 of the Act is also relevant. It states:

“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.”

This places the burden on the applicant to persuade the registrar that there is an error in the register that should be rectified.

20. I reject the applicant’s submission that I should not take all the evidence before me into account in determining whether the register erroneously records the registered proprietor as the owner of trade mark 2490544. My reasons are:

- Rule 44 makes provision for the filing of evidence in rectification proceedings;
- it would not make sense to interpret the Rule as limiting the evidence to that which was already before the registrar (if any) when the original entry was made;
- excluding ‘new’ substantive evidence would therefore be inconsistent with Rule 44;
- such an interpretation could lead to decisions being taken to remove legal property rights contrary to the weight of the evidence before the tribunal;
- such a result would offend the registered proprietor’s right to peaceful enjoyment of its property and/or a fair trial;
- excluding the registered proprietor’s ‘new’ evidence would also stand on its head the persuasive burden which section 72 places on the applicant.

21. The applicant has not filed any evidence of its own or sought to challenge the truth of any of the evidence provided on behalf of the registered proprietor. The registered proprietor’s evidence shows quite clearly that the trade mark at issue was assigned from Calton to Calton UK on 3rd April 2009, from Calton UK to Watson on 9th November 2009, and from Watson to the registered proprietor on 3rd March 2017.

22. The register therefore correctly shows the registered proprietor as having acquired the trade mark as from 3rd March 2017. There is no error in the register in this respect.

23. The applicant's case is partly that the previous two assignments were not recorded. According to the applicant, this means that the latest assignment should not have been recorded because it leaves gaps in the chain of title and/or gives rise to the erroneous impression of an assignment on 3rd March 2017 directly from Calton to the registered proprietor.

24. As regards the first of these points, I note that section 25 of the Act states as follows:

“25. - (1) On application being made to the registrar by-

(a) a person claiming to be entitled to an interest in or under a registered trade mark by virtue of registrable transaction, or

(b) any other person claiming to be affected by such a transaction, the prescribed particulars of the transaction shall be entered in the register.

(2) The following are registrable transactions-

(a) an assignment of a registered trade mark or any right in it”

25. As the equitable owner of the trade mark, the registered proprietor was plainly entitled to apply under section 25 to record the assignment of the trade mark from Watson to itself on 3rd March 2017. There is nothing in section 25 of the Act which prevents the registration of an assignment on the grounds that recording the transaction would create a gap in the chain of title in the register. On the contrary, if the transaction appears genuine the section requires that “*the prescribed particulars of the transaction shall be entered in the register.*”

26. Where a trade mark is registered in the name of A and an application is made to record an assignment of the mark from B to C, the registrar is no doubt entitled to query whether and how B became entitled to the trade mark, and therefore entitled to assign it to C. However, once sufficient information is provided to show that B had a serious claim to have acquired ownership of the trade mark, then section 25 requires that the transfer from B to C shall be recorded. This applies irrespective of

whether the transaction from A to B was (or ever will be) formally recorded. If anyone considers that they are wrongly affected by the recording of the transaction, then they can apply to correct the error in the register. That is essentially what has happened here. Therefore, I reject the application to the extent that it depends on the absence of applications on Form TM16 to record the preceding transfers of the trade mark from Calton to Calton UK and from Calton UK to Watson. These are omissions from, not errors in, the register. If the law were otherwise, a party acquiring the equitable ownership of a trade mark could find itself in a position where it could not register that interest because of the failure of previous owners to record their ownership of the mark. That would be particularly unfair where, as here, one of the earlier owners no longer exists and the correction of the omissions is particularly problematic.

27. The applicant has further points based on alleged procedural errors. Before turning to these points I remind myself that section 64 only gives the registrar the power to correct errors or omissions in the register, not in the procedures that resulted in entries in the register. This means that if the register is correct, any failure in procedure which preceded the recording of that information is not itself subject to correction under section 64.

28. Rule 49 of the Trade Mark Rules 2008 is (as far as relevant) as follows.

“ 49.—(1) An application to register particulars of a transaction to which section 25 applies or to give notice to the registrar of particulars of a transaction to which section 27(3) applies shall be made—

(a) relating to an assignment or transaction other than a transaction referred to in subparagraphs (b) to (d) below, on Form TM16;

(b) –

(c) –

(d) –

(e) –

(2) An application under paragraph (1) shall—

(a) where the transaction is an assignment, be signed by or on behalf of the parties to the assignment;

(b) where the transaction falls within sub-paragraphs (b), (c) or (d) of paragraph (1), be signed by or on behalf of the grantor of the licence or security interest,

or be accompanied by such documentary evidence as suffices to establish the transaction.”

29. The alleged procedural errors are:

(1) The recording of three assignments on one form TM16 with only one fee and one assignment date.

(2) The absence of a form TM16 recording the assignment from Calton to Calton UK signed on behalf of the assignor and assignee or with sufficient documentary evidence to support the existence of the assignment.

(3) The entry in the register dated 21st March 2017 erroneously indicating a change of ownership occurred on 3rd March 2017 through which the mark transferred from Calton to the registered proprietor.

30. As to points (1) and (2) above, they are based on the applicant’s misconception that the application filed on 7th March 2017 was to record three assignments. As the form itself required, the registered proprietor (correctly) named Calton as the party currently recorded in the register as the owner of the mark. The registered proprietor named itself as the new owner who had acquired the mark on 3rd March 2017. There was no error in any of that information. Although the form TM16 was not signed on behalf of Watson, the documents filed with the application clearly showed that Watson had assigned the mark to the proprietor on 3rd March 2017. This satisfied Rule 49(2).

31. The application was therefore to record the assignment to the registered proprietor on 3rd March 2017. It was not an application to record three assignments. That is why only one date of transfer was shown on the form. The information provided with the application about the previous two assignments was necessary to satisfy the registrar that this was a proper application to record the latest assignment

to the registered proprietor. In my judgment, it was sufficient for that purpose. And in the light of the evidence filed in these proceedings, there plainly was no error in the entry of the registered proprietor in the register as the owner of the trade mark.

32. As to point (3) in paragraph 29 above, I find that the entry in the register is in error in showing the transfer on 3rd March 2017 as between Calton and the registered proprietor. It should have showed a transfer of the mark from Watson to the registered proprietor.

33. I have considered whether to correct this error. However, I am mindful that the applicant has specifically stated that the only correction sought is the reversal of the recorded assignment dated 3rd March 2017. In these circumstances, I reject the current application for rectification in total. If either party wishes to correct the entry in the register I have identified, then the proper course is to file a further application under section 64.

Outcome

34. The evidence shows that Calton has not owned the trade mark at issue since 2009. Therefore, amending the register to show Calton as the proprietor of the mark would create, not correct, an error in the register. The application to record Calton as the proprietor of the trade mark is rejected.

Costs

35. The application has failed and the registered proprietor is entitled to a contribution towards its costs. I calculate this as follows:

£200 for considering the application for rectification;

£500 for filing evidence resisting the application;

£200 for filing written submissions in lieu of a hearing.

I have also considered whether to award costs in respect of the case management conference (“CMC”) held on 18th July 2017. However, that was mainly to do with the suspension of the parallel invalidation proceedings. I therefore direct that any costs for that CMC be assessed as part of the invalidation proceedings, which will now be resumed.

36. I order Ardent Careers Limited to pay Ardent Recruitment Limited the sum of £900. This sum to be paid within 14 days of the end of the period allowed for appeal.

Dated this 3rd day of November 2017

**Allan James
For the Registrar**