

**TRADE MARKS ACT 1994**

**IN THE MATTER OF THE ASSIGNMENT OF  
APPLICATION No 2029909 IN THE NAME OF  
JOE COOL (MANCHESTER) LTD  
AND OPPOSITION PROCEEDINGS BY PELLE PELLE INC  
UNDER OPPOSITION No 47888  
AND  
IN THE MATTER OF THE WITHDRAWAL  
OF THE OPPONENTS' EVIDENCE**

**TRADE MARKS ACT 1994**

5 **IN THE MATTER OF the Assignment of  
Application No 2029909 in the name of  
Joe Cool (Manchester) Ltd  
and Opposition Proceedings by Pelle Pelle Inc  
under Opposition No 47888**

10 **and**

15 **IN THE MATTER OF the withdrawal  
of the Opponents' Evidence**

**Background**

20 On 9 August 1995 Joe Cool (Manchester) Ltd (for reasons that will become apparent I will refer to this company by its company number 2,390,254) applied to register the trade mark PELLÉ PELLÉ MARC BUCHANAN for a specification of goods which reads:

25 **Class 25** Jeans, jackets, caps, tops, waistcoats and outerclothing.

30 The application is numbered 2029909 and it was accepted and published. On 5 December 1997 Pelle Pelle Inc, a company incorporated under the laws of Michigan, filed notice of opposition on Form TM7. Subsequently, on 16 March 1998, the applicants filed a Form TM8 and counter-statement denying the grounds of opposition.

35 Under the terms of rule 13(3) of the Trade Mark Rules 1994 the opponents were invited to file evidence in support of their opposition. The opponents requested two extensions to the period allowed for doing so. These were granted and the opponents filed their evidence on 24 December 1998. Their evidence took the form of a single statutory declaration by a Mr A Naeem together with fourteen exhibits.

40 In accordance with rule 13(6) of the Trade Mark Rules 1994 (as amended), the period for the applicants to file evidence in support of the application ran for three months from the date the opponents' evidence was sent to them. Therefore, the period for the applicants to file evidence expired on 18 January 1999. The applicants did not file any evidence within the period set, nor did they request an extension of time to the period for filing evidence. The case was considered to be ready for a decision to be taken and the Office letter of 9 April 1999 invited the parties to seek a hearing within one month of the date of that letter. The letter indicated that in the absence of a request to be heard a decision would be taken from the papers.

The opponents requested an extension of two months and a further extension of three months to the period for requesting a main hearing. These requests were granted and they subsequently requested a main hearing in their letter of 15 September 1999.

5 However, whilst on the 9 April the case was considered to be ready for a hearing, two further issues were raised with the registrar. Firstly, on 6 July 1999, the Office received a letter from Mr A Naeem, the opponents' declarant. The letter states as follows:

10 "I write to inform you that after taking advice from our solicitors, I have no alternative but to withdraw my evidence filed by our trade mark agents fj Cleveland against Joe Cool (Manchester) Ltd application.

15 Our solicitors have told me that after checking documentation between ourselves and Pelle Pelle Inc, I do not have the proper executed agency agreement from Pelle Pelle Inc, and therefore my filed declarations and evidence against Joe Cool (Manchester) Ltd is invalid."

20 The Office invited comments from the opponents and these were filed in their letter of 15 September 1999. The opponents pointed out that Mr A Naeem and the opponents are separate entities and that the opposition had been launched by the opponents and not by Mr Naeem. They argued that Mr Naeem was not a party to the proceedings and so he could not withdraw the evidence. They asked that the Office reject Mr Naeem's request and set a date for the main hearing on the opposition.

25 The Official letter of 26 October noted the opponents' comments on the issue of whether Mr Naeem could withdraw his evidence. However, it expressed the view that Mr Naeem could withdraw his evidence and so the evidence was returned to the opponents' representatives in this matter. The Official letter indicated that in the absence of any evidence from the opponents their opposition would be deemed withdrawn. The opponents were offered an interlocutory hearing and they requested to be heard in their letter of 10 November 1999.

30 The opponents' letter of 10 November 1999 also raised a second issue. The opponents noted that on 26 August 1999 an application had been made to record the assignment of the application in suit. The opponents pointed out that the assignor was shown on the Form TM16 as Joe Cool (Manchester) Ltd (company number 2,390,254) but that this company had been deemed dissolved on 31 December 1998. A copy of the company records was attached to their letter. They also noted that the assignee, a second company named Joe Cool (Manchester) Ltd (company number 3,768,854), had been incorporated on 12 May 1999.

35 The assignment recorded by the registrar purported to show the assignment of the application from Joe Cool (Manchester) Ltd (company 2,390,254) to Joe Cool (Manchester) Ltd (company 3,768,854). The opponents submitted that the assignment was a nullity as at the date of the purported assignment, 1 June 1999, the assignor did not exist as a legal entity having been dissolved. Accordingly the opponents submitted that the application should be deemed withdrawn and requested a hearing if the registrar was minded to disagree with their request.

45

5 The Official letter of 15 November 1999 indicated that the registrar was not minded to deem the application withdrawn and informed the parties that the matter of the assignment and the matter of the opponents' evidence would be determined at an interlocutory hearing. The trade mark attorneys who represented the original applicant (company 2,390,254) wrote to the Office on 26 November indicating that they were taking no further part in the proceedings and that the new applicants (company number 3,768,854) would be contacting the Office direct.

10 The interlocutory hearing took place on the 16 December 1999. The opponents were represented by Mr M Edenborough of Counsel instructed by f J Cleveland. The applicants did not attend but made written submissions in their undated letter, received on 15 December 1999. At the hearing I reserved my decision and informed the parties of my decision in my letter of 11 January 2000.

15 My decision was to deem the assignment filed on the Form TM16 dated 1 June 1999 a nullity. I therefore directed that the record against the application should be returned to show the original applicant Joe Cool (Manchester) Ltd (company 2,390,254) as applicant. However, I refused to find that the application should be deemed withdrawn. In addition, I found that Mr Naeem could not withdraw his evidence and I directed that the opponents should re-file his evidence within 14 days of the date of my letter. As a consequence I directed that the opposition should be allowed to proceed to a main hearing.

20 The opponents have filed Form TM5 requesting a formal statement of grounds.

### **Statement of Grounds**

25 I will deal first with my findings relating to the assignment.

30 Mr Edenborough made submissions concerning the validity of the assignment, details of which were submitted to the Registry on a Form TM16 dated 1 June 1999. The assignment was recorded on 28 August 1999. Relying on copies of company records submitted with the opponents' letter of 10 November 1999, Mr Edenborough noted that on 22 December 1998, Joe Cool (Manchester) Ltd (company number 2,390,254), the original applicant, was deemed dissolved. He pointed out that the Form TM16 stated that the assignment of the application to Joe Cool (Manchester) Ltd (company number 3,768,854) occurred on 1 June 1999. Mr Edenborough argued that, at this date, the original applicant company was dissolved and therefore the assignment of the application from company 2,340,254, to company 3,768,854 was invalid.

35 The applicants in their undated letter stated that the assignment was in good faith. For the sake of completeness I reproduce the text of their undated letter below:

40 "With reference to above hearing due to unforeseen circumstances, I will not be able to attend the hearing date.

However please note that despite the other side protests, the assignment to us was legal.

45 Mr. Ayub, Iqbal Mohammed personally owed us monies, as well as his company and as this application was an asset it was assigned to us.

We were not aware or told of the opposition to it, and the assignment was made in good faith.

5 Nevertheless we understand that the opposition party's UK agent has withdrawn his evidence and declaration, as it was invalid and illegal. Therefore we would like you to find in our favour."

10 I noted the applicants' contention that the assignment to them was in good faith and that Mr Mohammed owed them monies. However, the application for registration was filed on 9 August 1995 in the name of a company and that company was subsequently dissolved on 22 December 1998. I accepted Mr Edenborough's submission that in law at the date the company was dissolved, any property belonging to the company that had not been sold by the liquidator would not be the property of Mr Mohammed or his old company but would be bona vacantia. On the basis of the facts before me therefore it was my view that the assignment submitted on Form 15 TM16 dated 1 June 1999 was a nullity and was invalid.

Mr Edenborough argued that if I was with him on that point then the action taken by the Registrar in recording the assignment was an error which could and should be corrected under the terms of rule 60 of the Trade Mark Rules 1994 (as amended). This states:

20 "Subject to rule 62 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct."

25 Rule 62 refers to time periods and is not relevant to this issue. Mr Edenborough accepted that the registrar had acted in good faith in recording the details set out on the Form TM 16 dated 1 June 1999 but that it was now clear that she had acted in error as the assignment was a nullity. I referred Mr Edenborough to the registrar's decision in *Ducati Trade Mark* [1998] RPC 227 where the Hearing Officer, relying on the wording of section 72 of the Trade Marks Act 1994, found that rule 60 had a limited application. The Hearing Officer found that as the application in 30 that case was on the register in the name of a person registered as proprietor, the registration must be presumed to be valid in the prima facie case.

35 Mr Edenborough noted that in the instant case we were dealing with an application. It seems to me that he is right to draw attention to this distinction. By virtue of section 27(3), details of an assignment of an application are merely recorded against the application and are not recorded on the register. As I found the assignment a nullity, it follows that it should not have been recorded against the application. This was an irregularity in procedure before the Office and so, as such, I directed under the provisions of rule 60, that the details of the assignment should be removed from the record for the application in suit. Further, I directed that the application should, in name, 40 revert back to the original applicant Joe Cool (Manchester) Ltd, that is company number 2,390,254.

45 Mr Edenborough submitted that if I was of the view that the assignment was invalid, then any property remaining at the date the company was dissolved would vest with the Crown. He went on to say that as the Crown could not have the necessary intention to use the trade mark the application should be deemed withdrawn. He referred to the wording of section 32 of the Trade

Marks Act 1994 which states:

- 5
- “32 (1) An application for registration of a trade mark shall be made to the registrar.
- (2) .....
- 10 (3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.
- (4) .....

15 Mr Edenborough argued that the requirement for a *bona fide* intention to use was a continuing obligation. Thus, at the date the company was dissolved and the application vested *bona vacantia* the Crown could not have the necessary intention to use and so the application should be deemed abandoned at that date.

20 I did not accept Mr Edenborough’s submissions on this point. Firstly, the liquidator could have sold the propriety rights in this application to an as yet unknown third party. Secondly, in my view, because of the construction of the statute the lack of an intention to use must be present at the date of application for there to be consequences arising from section 32(3). If the Crown is the current holder of title to this application it was not so at the date of application and therefore the provisions of section 32(3) of the Trade Marks Act 1994 do not apply to it.

25 Mr Edenborough’s second line of argument was that once a company was dissolved an action that it has brought evaporates and cannot thereafter be revived by having the dissolution declared void. He referred me to the authorities *Re Lewis and Smart Ltd* [1954] 2 All ER 19, *Morris v Harris (pauper)* [1927] AC 252 and *In the Matter of Dutton’s Patent* (1923) 40 RPC 84. By analogy he

30 sought to argue that an application for a trade mark evaporates with the dissolution of the company and cannot thereafter be revived by a subsequent declaration. In his view, a trade mark application was similar to a cause in action and was not similar to a normal piece of property. On the dissolution of the company the application itself evaporated and was extinguished and could not be revived.

35 I was of the view that I did not need to determine this issue since, even if I accepted Mr Edenborough’s submissions, it did not take me to the point where I could find that the trade mark evaporated with the dissolution of the company. There was nothing before me to show one way or the other whether the company concerned held the trade mark at the date of dissolution or

40 whether their rights were sold prior to that date. Therefore, I was of the view that the most appropriate course of action would be to return the record against this application to show the original company as applicant.

45 However, I should say that, if this matter fell to be determined it is my view that an application for a trade mark cannot be compared with a cause of action. In particular, I note that section 22 of the Trade Marks Act 1994 states:

“22. A registered trade mark is personal property (in Scotland, incorporeal moveable property).”

Section 27(1) of the Act then goes on to state:

“27.(1) The provisions of section 22 to 26 (which relate to a registered trade mark as an object of property) apply, with the necessary modifications, in relation to an application for the registration of a trade mark as in relation to a registered trade mark”

Certainly under the Trade Marks Act 1938 there were restrictions placed on the assignment of applications for registration, however, these provisions no longer apply. It seems to me that in passing the Trade Marks Act 1994 the legislature was clearly setting out the fact that an application for a trade mark is as much an object of property as a registered trade mark. Further, Mr Edenborough noted that the Trade Marks and Service Marks Rules 1996 made specific provisions in the event that an applicant for registration died prior to registration. There are no such provisions under the 1994 Act or the associated rules. It follows that if an application for a trade mark is an object of property there is no need to make specific provisions in the event that an applicant dies before registration. The normal rules and procedures for dealing with such a persons property would come into operation.

As such, I do not accept Mr Edenborough’s argument that an application for a trade mark is a cause of action which would evaporate when the company dissolved. Therefore, if the application was held by the original applicant at the date of dissolution it is my view that it would not evaporate with the death of the company but would vest bona vacantia.

Mr Edenborough referring to *Dutton’s Patent* noted that if the application had vested bona vacantia there was a question as to whether it would merge with the Crown and therefore could never be revived. He referred to the passage in that case where Romer J quoted from a passage in *Frost’s Patent Law and Practice*, 4<sup>th</sup> edition as follows:

“Upon the dissolution of a limited company any undisposed of patent rights of the company vest in the Crown. It is submitted that a patent being a chose in action which has to all intents the like effect as against the Sovereign, his heirs and successors, as it has against a subject, there is no merger when its vests in the Crown, but the chose in action continues to exist and enures for the benefit of the Crown, and is as much assignable by the Crown as it would have been assignable by a subject who had become possessed of it”.

Romer J continued:

“In my opinion that is good law and I shall act upon it.”

Mr Edenborough noted the next passage of the judgment where Romer J stated:

“In the present case moreover the beneficial interest has been in the Petitioners throughout. Even if, when the beneficial interest has become vested in the Crown the

Patent could merge, I cannot conceive that, where the beneficial interest does not vest in the Crown, it would cease to exist by virtue of a vesting in the Crown of the legal interest. In my opinion there is no merger, and as this is the case of a trustee who cannot be found, I will make the vesting order.”

5

Whilst, for the same reasons set out above, I am of the view that the facts of this case do not require me to make a finding on this point, (and indeed Mr Edenborough was of the view that I did not need to resolve this issue because in his view the application should be deemed abandoned as there was no bona fide intention to use under section 32 of the Act), I nevertheless go on to consider his submissions.

10

Mr Edenborough noted *Dutton's* was a patent case and concerned a granted letters patent, however, I accept that patent and trade mark rights are analogous and that it is a useful authority. He also noted that in *Dutton's* the beneficial interest did not vest in the Crown, whilst, in the application in suit both the beneficial and legal interest had vested in the Crown. He pointed out that Romer J did not decide this point. However, it seems to me that the passage of *Frost*, cited by Romer, suggested that even if the legal and beneficial interests had vested with the Crown, the patent would have continued to exist and enure for the benefit of the Crown and as such would be as much assignable by the Crown as any other person. I note that Romer J cited this passage with approval. I also note the passage in the judgment where Romer J refers to a previous case *Re Taylor's Agreement Trust (1904) 21 RPC 713*. Romer J states:

15

20

“Then the only difficulty is that here the subject matter of the trust is a patent, and it was held in *Re Taylor's* that a patent on the dissolution of the company vested in the Crown, and in so vesting in the Crown, ceased to exist. I cannot, however, see why a patent should cease to exist at the moment when it becomes vested in the Crown. It is not a right against the Crown only; it is a right to prevent others from using the invention.”

25

As I have set out above, section 27(1) of the Trade Marks Act sets out that the provisions of the Act relating to a registered trade mark as an object of property apply with necessary modification to an application for a trade mark. With that in mind, I am of the view that if the trade mark application had vested bona vacantia it would not merge with the Crown and would therefore be a property right which the Crown could assign on to a third party.

30

In the light of my findings in respect of the assignment I gave instructions for the Registry to write to The Treasury Solicitor (Bona Vacantia Division), to the solicitors who represented the original applicant and to the liquidators responsible for the winding up of the applicant company. The letter gave a period of one month for the Treasury Solicitor or any third party who might have acquired the rights in the application to come forward and to give notice that they intended to defend the application. Subsequently the Registry received a response from The Treasury Solicitor dated 27 January 2000, indicating that if the application vested bona vacantia it would be the responsibility of the Duchy of Lancaster. The Registry received a letter dated 11 February 2000 from Farrer & Co, the solicitors responsible for the affairs of the Duchy of Lancaster, indicating that they were content to bide by any decision of the Hearing Officer.

35

40

45

If a notice to defend was not received within the period specified I directed that the opposition



proceedings should continue with the opponents being given an opportunity to be heard. If any third party came forward and sought to defend the application then, subject to the necessary assignment of the application, I found that they would have a right to be heard at any main hearing.

5

Opponents' Evidence

The opponents submitted evidence under the provisions of rule 13(3) in the form of a statutory declaration by a Mr A Naeem. This was received on 24 December 1998.

10

After hearing Mr Edenborough's submissions on this point I was of the view that Mr Naeem could not withdraw his evidence from these proceedings. I accepted the opponents' submission that as Mr Naeem was merely a witness and was not a party to these proceedings he had no authority to withdraw his evidence.

15

I also accepted Mr Edenborough's comment that Mr Naeem was not saying that the evidence he submitted was wrong. The opponents and Mr Naeem seem to have had a close business relationship which appears to have broken down. It does not in my view affect the veracity of the evidence submitted on their behalf.

20

Therefore, I found that Mr Naeem could not withdraw his evidence from these proceedings and I directed that the opponents should re-file this evidence within 14 days of the date of my letter. I also directed the opponents to inform Mr Naeem of my decision to allow his evidence to remain in the proceedings.

25

**Dated this 10 day of May 2000**

30

**S P Rowan  
Hearing Officer  
For the Registrar, the Comptroller-General**