TRADE MARKS ACT 1994

IN THE MATTER of trade mark registration No. 1335163 **PHILOSOPHY** in Class 25 in the name of Nicholas Dynes Gracey and
IN THE MATTER of revocation No. 9206 in the name of Alberta Ferretti.

D E C I S I O N

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1. This is a further interlocutory appeal to the Appointed Person by Nicholas Dynes Gracey, the Registered Proprietor of Registered Trade Mark No. 1,335,163 which is registered in Class 25 in respect of the Trade Mark PHILOSOPHY. This registration is subject to an application for revocation made under the provisions of Section 46(1)(a) and (b) of the Trade Marks Act 1994 which was brought by Alberta Ferretti, as long ago as 25th September 1996.

2. Section 46(1) provides that a registration of a trade mark may be revoked on various grounds where it has not been put to genuine use in the United Kingdom for a period of 5 years or where such use has been suspended for an uninterrupted period of 5 years and there are no proper reasons for the non-use.

3. This sub-section is one of the sub-sections which is conditioned by section 100 of the Act which provides:

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it".

4. On Friday 10th January 1997 Mr. Gracey filed a counterstatement accompanied by an "affidavit" giving evidence on which he proposed to rely in opposition to the application. An issue has arisen as to whether the document is in fact a properly sworn affidavit but nothing turns on this for present purposes.

5. The applicant was invited to file evidence in support of the application and a statutory declaration by Mr. Steven Anton Keith dated 22nd May 1997 was filed. Mr. Keith is a private investigator and his declaration sets out the result of his investigations into the use of the trade mark in suit.

6. Having considered the contents of this declaration, Mr. Gracey sought discovery in relation to certain matters raised by Mr. Keith. The request for discovery was heard Mr. Knight acting for the Registrar at a hearing on 18th June 1998 and he ordered in an Order dated 23rd June 1998 that the applicant should provide details of the location at which an alleged conversation between Mr. Gracey and Mr. Keith took place. The applicant did not seek to appeal this decision.

7. In purported compliance with that order, the applicant provided certain information in a letter dated 16th September 1998. Mr. Gracey contended that the information supplied in that letter was insufficient to constitute compliance with the order. A further interlocutory hearing was held on 29th October 1998 at which Mr. Knight found that the information supplied in the applicant's letter of 16th September 1998 was sufficient to comply with his earlier order and directed that Mr. Gracey should have a period of two weeks to file any further evidence. A formal decision was issued on 2nd December 1998 and although Mr. Gracey did file further evidence on 12th November

1998, he also appealed that part of the decision which had held that the letter of 16th September 1998 did comply with Mr. Knight's Order of 23rd June 1998. That appeal came on for hearing before me on 8th June 1999. I allowed the appeal having concluded that the information contained in the letter of 16th September 1998 did not comply with Mr. Knight's original order.

8. The substantive part of my order provided as follows:

> *(2) The applicant for revocation do within 28 days of the 18th June 1999 comply with the order set out in the decision of Mr. Knight dated the 23rd June 1998 to provide the registered proprietor with details of the location at which the alleged conversations detailed in the statutory declaration of Steven Aton Keith dated the 22nd May 1997 occurred.*

9. In purported compliance with that order, on 22nd June 1999 the applicant filed the second statutory declaration of Mr. Keith.

10. Paragraph 3 of this declaration reads as follows:

> *"3. On 23rd April 1996, I returned to that address (Mr. Gracey's address in North Wales) and eventually had a conversation with Mr. Gracey the details of which I set out in paragraphs 22 to 24 of my first declaration. I have been asked to explain how I went about making these enquiries in greater detail and in particular to provide details of the locations at which the conversations took place between Mr. Gracey and myself. I therefore explain the circumstances of my visit in greater detail below".*

The succeeding paragraphs provide this greater detail.

11. In paragraph 9 Mr. Keith states:

> *"9. After introducing myself in this way, I spoke to Mr. Gracey on the driveway where he made the statements referred to in paragraphs 21 to 24 of my declaration. I spoke to Mr. Gracey for approximately 20 minutes and he told he the following;….."*

12. As I read the Second Statutory Declaration of Mr. Keith, the only information in that declaration which was necessary in order to comply with my order and Mr. Knight's order was the information that he spoke to Mr. Gracey on the driveway of his (Mr. Gracey's) house.

13. With hindsight, it is regrettable that the Applicant, through Mr. Keith, sought to go any further than this and gave any evidence other than that in paragraph 9 set out above. The second declaration went into significantly greater detail. In particular, in paragraph 11 Mr. Keith stated as follows:

> *"11. I doubt whether Mr. Gracey will have any difficulty remembering my conversation with him because, after the conversation had ended, he stared at me as I walked down the road towards the local pub where I had decided to have lunch. He then began to follow me. However I went into the pub knowing that he would not be able to follow me inside. This was because the bar staff had already told me that he had been banned from the pub".*

14. In response to this statutory declaration, on 25th June 1999 Mr. Gracey made a request for further "discovery". Whilst the request covered a number of matters, it specifically requested disclosure of the name and location of the public house and a description of the bar staff which would enable Mr. Gracey to identify the bar staff concerned.

15. In order to seek to address this request, the applicant filed a third statutory declaration of Mr. Keith dated 8th July 1999.

16. The relevant paragraphs read as follows:

> *"2. In paragraph 11, on page 2 of my second declaration, I made reference to entering a local pub for lunch. This was at approximately 2.00 p.m. on 23rd April 1996.*
>
> *3. Since I did not visit the pub as part of my investigations, I did not make a note of the name of it. The investigations took place over three years ago and I am unable to recall the name of the pub.*
>
> *4. I recall being told in passing, without prompting, by a female in the pub that Mr. Gracey was banned from the premises. I believe that the lady thought that Mr. Gracey was an acquaintance of mine. As I had made no investigations in the pub about Mr. Gracey or his business and entered the pub intending taking refreshment only, I made no note of the name or address of the pub and I now cannot recall when exactly the comment was made. I do not remember what the lady looked like either".*

17. By letter dated 16th July 1999 Mr. Gracey maintained that his request for "discovery". Mr. Rowan, the Officer acting for the Registrar, indicated, by letter of 9th August 1999, that he was not minded to grant an order for discovery as the particulars being sought were not considered to be relevant to the matters in question in the proceedings. Mr. Gracey requested an interlocutory hearing which took place on 23rd September 1999. The hearing took place before Mr. Rowan and at that hearing Mr. Gracey stated that he was restricting his request to an order that the applicant reveal the name of the public house. The only question therefore that Mr. Rowan had to decide was whether or not he should order the applicant to provide Mr. Gracey with the name of the public house referred to in the second and third

Statutory Declarations of Mr. Keith. Subsequent to the hearing Mr. Rowan refused this application and gave his reasons in a decision of 17th November 1999.

18. It is against this refusal that Mr. Gracey appeals to the Appointed Person.

19. As is set out in Mr. Rowan's Decision, Mr. Gracey put forward three reasons as to why discovery of the information was sought. He argued that discovery of the name of the public house would:

(1) Assist him in establishing whether the alleged conversation with Mr. Keith took place;

(2) Enable him to take action against the public house for defamation; and

(3) Enable him to take action for perjury if the allegation that he was banned from the public house was shown to be untrue.

20. I think I can, without injustice, summarise the reasoning of Mr. Rowan as follows:

(1) As regards points (1) and (3) above, Mr. Gracey contended that discovery was necessary to dispose fairly of the proceedings.

(2) Relying on the authority of Aldous J. in *Merrell Dow Pharmaceuticals Inc's*. (Terfenadine) Patent (1991) RPC 221, he concluded that disclosure should not be widespread in Registry proceedings and that it should only be ordered if the documents related to matters in question in the proceedings and that disclosure was necessary to dispose fairly of the proceedings.

(3) That, pursuant to Rule 52(1) of the Trade Mark Rules 1994 (which was in force at the relevant date), the Registrar's powers were restricted to ordering the production of documents and not the provision of information.

(4) That the third Statutory Declaration of Mr. Keith had made it plain that there were no documents and that therefore disclosure of them could not be ordered.

(5) That even if this were not the case, he was not satisfied at the disclosure related to the matters in question or was necessary to dispose fairly of the proceedings.

(6) In relation to point (2) set out above, the possibility of proceedings for defamation, Mr. Rowan concluded that the Registrar's powers to order discovery should be exercised within the confines of the Trade Marks Act and Rules, unless there were overwhelming reasons for doing otherwise, and that the making of an order for discovery for the purpose of taking action against a third party was outwith the practice of the Registry. He relied upon the fact that in both *P.v.T* (1997) 1 WLR 1309 and *Norwich Pharmacal v. Customs & Excise Commissioners* (1997) A.C. 113, the action was before the court.

21. Mr. Rowan concluded as follows:

> *"In addition, by complying with the original order of the Hearing Office the applicants have already provided information relating to the alleged conversation. Through this request, the registered proprietor is in effect seeking to expand on the original order of the Hearing Officer. If the registered proprietor thought that the original order was insufficient he should have appealed the order at that time. I do not think that a further request for discovery*

should be used as a way for circumventing the original order. I therefore, refuse the registered proprietor's request".

22. Mr. Gracey contended before me that this last paragraph was erroneous and that this error undermined his decision. Mr. St. Ville, Counsel for the Applicant, expressly rejected any reliance upon the reasoning in this paragraph. I do not believe that the last paragraph forms the basis of the decision of Mr. Rowan. It is an afterthought which does not, of itself, serve to invalidate the earlier reasoning of Mr. Rowan. I therefore decline to allow the appeal on the basis of this last paragraph.

23. Before me Mr. Gracey, in substance, repeated the contentions made before Mr. Rowan, but I think it is fair to say that he now places less reliance upon point (2). I shall therefore dispose of this point first.

24. In a previous Appeal before me (In the Matter of an Application by *Unilever plc* to revoke Registered Trade Mark No. 1259790), a similar question arose as to the power of the Registry to order disclosure for collateral purposes. This was another trade mark in respect of which Mr. Gracey had an interest and again in that case he relied on the decision in *P.v.T.* In rejecting the application for disclosure I stated as follows:

"Mr. Gracey referred the Hearing Officer and me to the decision in P.v.T. (1997) 1 W.L.R. 1309, a decision of the Vice-Chancellor, Sir Richard Scott. This, on analysis, is an application to the High Court for discovery from a third party analogous to the well-known authority in Norwich Pharmacal v. Customs & Excise Commissioners (1974) A.C. 113. Such applications are rare.

In my judgment, Mr. Gracey has put forward insufficient grounds in the present case for invoking an application for discovery along the lines of the Norwich Pharmacal case. In any event, whilst I do

not rule out the possibility that in an extreme case it may be appropriate for the Registrar to make discovery on a Norwich Pharmacal basis, I am most concerned that this should not become a frequent practice. I have not heard full argument as to the possibility of an inferior tribunal, such as the Registry, making a Norwich Pharmacal order and therefore I am unable to give conclusive directions as to whether this is possible. I should however state that it is my view that applications for disclosure on the basis of the Norwich Pharmacal case should in general be directed to the High Court and to a Judge".

25. Again, in this case, I have not had full submissions on the power of the Registry to make an order of this sort. As indicated above Mr. Gracey did not press this aspect of his appeal and I think he was right not to do so. In the face of a sworn statement by Mr. Keith that he has neither a record nor any recollection of the either name of the or the identity of the barmaid, it is plain that an order for disclosure of documents cannot assist Mr. Gracey even if the Registrar had power. There are no documents. Accordingly in the present case it is not necessary that I should decide whether or not the Registrar has the power which Mr. Gracey suggests he has. I stand by my statements in the *Unilever* appeal.

26. I turn then to consider points (1) and (3). Should Mr. Rowan have ordered disclosure of the name of the pub? In my judgment, quite plainly he should not have done in the face of the sworn evidence before him. Mr. Keith has sworn in his third declaration that he had no written material relating to the name of the pub or as to the identification of the barmaid. The powers of the Registrar at the relevant date to order disclosure was contained in Rule 52 of the Trade Mark Rules 1994 which gave to the Registrar all the powers of an Official Referee of the Supreme Court in relation to the examination of witnesses on oath and the discovery and production of document. It is well settled law that further disclosure of documents will not be ordered unless

there is sufficient evidence that the documents in question exist. The evidence here is that the documents do not exist and therefore I believe Mr. Rowan was correct in concluding that an order for disclosure could not be made.

27. Mr. Gracey contended before me however that under Rule 51 the Registrar's powers were wider.

Rule 51 (as then in existence) provided as follows:

> *"At any stage of any proceedings before the Registrar, he may direct that such documents, information or evidence as he may reasonably require should be filed within such period as he may specify".*

28. Whilst I do not doubt that this is a valuable power which has been given to the Registrar, particularly in the exercise of his duties in respect of examination and granting of trade marks, which are ex parte proceedings in which the Registrar acts, amongst other things, as guardian of the public interest, its applicability to inter partes proceedings must be regarded with care.

29. In my judgment, in inter partes proceedings, it does not give to the Registrar any greater power in respect of the provision of information than is given to the Courts under the CPR Part 18. In particular, I do not perceive that the provisions of Part 18 extend to ordering a party to provide information which he does not possess and to which he does not have access by enquiring of his servants or agents. It is plain from Mr. Keith's third declaration that the applicant does not possess this information or have access to it.

30. What Mr. Gracey is in effect seeking is an order that the applicant require Mr. Keith to revisit North Wales, some 4 years after the date of the original incident, to try to refresh his memory as to the name of the pub he visited.

31. Mr. Gracey realistically accepted that this was the effect of his request but said that this was, in the circumstances, both fair and necessary. He drew my attention to what he saw as a clear discrepancy between paragraph 4 of Mr. Keith's third declaration and paragraph 11 of his second. In paragraph 11 of his second declaration it appears that Mr. Keith already knew before entering the pub after his alleged conversation with Mr. Gracey that Mr. Gracey had been banned from the pub whereas in paragraph 4 it appears that he was told that after he entered the pub for lunch following his discussion.

32. Be this as it may, it is no answer to the fundamental objection to the course which Mr. Gracey urges me to take. I am not persuaded that it is either reasonable or necessary for the fair disposal of these proceedings for the applicant to be put to the expense of sending its private investigator to North Wales. Accordingly, even if the Registrar had power under Rule 51 to order this to be done, which for the reasons given I do not believe she had, it would be entirely inappropriate to order it in this case. Revelation of the name of the pub in the context of an application for revocation of a trade mark for non- use in circumstances that would involve the expense of a visit to North Wales is entirely disproportionate to the good, if any, which would conceivably come from revelation of the name of the pub.

33. Whilst therefore my reasoning is not entirely the same as that of Mr. Rowan, his conclusion was correct. This appeal should be dismissed.

34. I turn to the question of costs. Although it is not apparent from Mr. Rowan's decision, I am told by the parties that he reserved the question of costs to the substantive hearing. This is a decision he was perfectly entitled to take. Before me, Mr. St. Ville argued that if the Appeal were to be dismissed, I should make an award of costs in his client's favour but Mr. Gracey contended that if the Appeal were dismissed the correct order was that no order for costs should be made.

35. In reaching a decision on costs, the following matters should be taken into account.

(1) My order following the previous appeal was in specific terms. It required and required only that the applicant should provide the registered proprietor with details of the location at which the alleged conversation occurred. This was the order which Mr. Knight had made and from which neither party had sought to appeal. The second declaration of Mr. Keith went significantly further than this and it was in relation to those further matters that the current dispute arose.

(2) By letter dated 22nd September 1999, Urqhuart Dykes & Lord, the agents acting for the applicant, proposed that the most cost effective way of disposing of the difficulty caused by paragraph 11 of the second declaration was for the last two sentences of paragraph 11 to be blanked out. This suggestion was refused by Mr. Gracey. Had those two sentences been deleted, the subject matter of the present appeal would have fallen away and the third declaration would have become redundant.

(3) The Applicant has put in a Statement of Costs for the appeal before me amounting to a total of £1678.78.

36. In the normal course of events on an appeal from the Registrar, this Tribunal will make an award of costs of a fixed sum in favour of the successful party. These are generally made on a scale equivalent to the scale used by the Registrar in contested proceedings.

37. Whilst I regard the Applicant's conduct in putting forward the second Statutory Declaration of Mr. Keith in a form which did not solely deal with the matters referred to in my order as being, certainly in hindsight, unfortunate, I do regard their proposals in their agent's letter of 22nd

September 1999 as being sensible. Mr. Gracey did not accept that offer because he saw a forensic advantage in retaining the alleged discrepancy in the evidence before the Hearing Officer. This however is not, in my judgment, a good reason for pursuing the appeal. In these circumstances I am satisfied that it is a correct exercise of my discretion for an award of costs to be made in favour of the applicant in relation to the costs of this appeal.

38. Taking all matters into consideration I shall order that Mr. Gracey do pay to the Applicant the sum of £800.00 by way of a contribution to their costs of this Appeal. The order of Mr. Rowan remains so that the question of costs of the hearing before him will be dealt with subsequent to the substantive hearing.

39. However, it is plainly essential that this matter now be brought to a substantive hearing without further delay. I would hope that this can be done in the course of the next few months. In these circumstances, I direct that the sum that I have just ordered to be paid shall not become payable until after the Registry have issued a final decision in this application. The sum of £800.00 can then be either added to or set off against any award of costs consequent upon that hearing.

Simon Thorley Q.C.
4th May 2000