

## O-198-03

### TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2054597  
BY J C BAMFORD EXCAVATORS LIMITED  
TO REGISTER A TRADE MARK IN CLASS 36**

**AND IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 52362  
BY JCB CO LTD**

**AND IN THE MATTER OF AN APPEAL  
BY THE APPLICANT  
AGAINST THE DECISION OF MR M REYNOLDS  
DATED 3 JANUARY 2003**

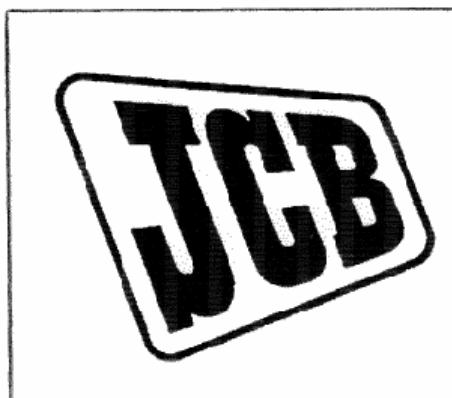
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### DECISION

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#### **Background**

1. On 30 January 1996, J.C. Bamford Excavators Limited (“the Applicant”) applied under No. 2054597 to register the following trade mark:



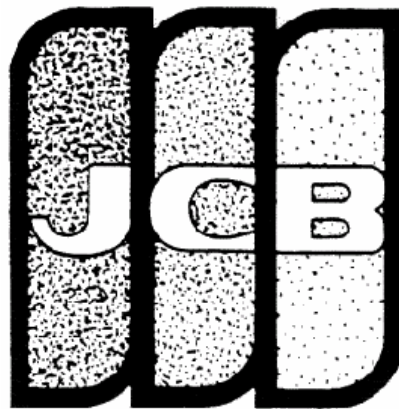
2. The services specified in Application No. 2054597 are:

Class 36: Financial services and the provision of credit and loans; financial services relating to the supply, distribution, purchase, leasing, lease-purchasing and insurance of machines and vehicles; insurance services.

3. The application was published in the Trade Marks Journal as proceeding on the basis of honest concurrent use with Registration No. 1296950. On the 9 April 2001, the proprietor of 1296950, JCB Co. Ltd (“the Opponent”) filed notice of opposition against the application under section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“TMA”). The services protected by 1296950 are:

Class 36: Credit card services; issue of credit cards; credit agency services; credit advice; credit recovery services; insurance services; provision of loans; issue of travellers cheques; all included in Class 36.

The trade mark comprised in 1296950, which was registered on 10 April 1990 is as follows:



4. Both sides filed evidence of use of their respective marks. Insofar as is relevant to the present proceedings, the Hearing Officer held that for the purposes of the global assessment of likelihood of confusion under section 5(2)(b) (the Opponent did not pursue their objection under section 5(4)(a) as a separate matter at the hearing):
  - (a) The evidence adduced by the Opponent failed to show enhanced distinctive character acquired through use for the Opponent’s mark in respect of any of the services in 1296950. Nevertheless, the mark possessed “a reasonably high degree of inherent distinctiveness”.
  - (b) The evidence adduced by the Applicant established honest concurrent use of the Applicant’s mark in connection with the provision of financial services for the construction industry but did not substantiate their claim to a wider trade in general financial and insurance products.
5. Both parties enjoyed a measure of success on opposition. In his written decision issued on 3 January 2003, Mr. M. Reynolds, the Hearing Officer acting on behalf of the Registrar, allowed the application but only if the Applicant restricted their specification in Class 36 to read:

“Financial services relating to the supply, distribution, purchase, leasing and lease-purchasing of construction or agricultural machines and construction or agricultural vehicles; insurance of construction or agricultural machines and construction or agricultural vehicles”.

### **The appeal**

6. On 31 January 2003, the applicant filed notice of appeal to an Appointed Person under section 76 TMA. The grounds of appeal recited that on the same day (31 January 2003) the Applicant had filed an application for partial revocation of 1296950 in respect of “credit agency services; credit advice; credit recovery services; insurance services relating to anything other than credit cards; and provision of loans” on grounds of non-use pursuant to section 46(1)(b) of the TMA, and continued:

“4. The Applicant contends that once the trade mark registration has been revoked for non-use, in respect of “credit agency services; credit advice; credit recovery services; insurance services relating to anything other than credit cards; and provision of loans” the rights afforded the Registration will be significantly restricted. The Applicant further contends that with the more limited scope of protection afforded the Registration, opposition by virtue of Section 5(2)(b) of the Trade Marks Act 1994 would be unlikely to succeed.

5. The Applicant therefore requests that the Appointed Person reviews the Hearing Officer’s decision, giving due consideration to the limited scope of protection afforded the Registration, once a decision has been reached regarding the application for revocation, and accepts the Application for registration for the following services: “Financial services and the provision of credit and loans; financial services relating to the supply, distribution, purchase, leasing, lease-purchasing and insurance of machines and vehicles; insurance services; but not including credit card services; issue of credit cards; insurance services for credit cards, and issuance of travellers cheques”.

6. The Applicant also requests an award of cost be made in its favour.”

7. The Applicant appended to the grounds of appeal copies of Form TM26(N) and statement of case in support of their application to partially revoke 1296950. No period of alleged five years’ non-use is specified for the purposes of section 46(1)(b) and the statement contains no request that any partial revocation of the registration be backdated to any particular date. As matters stand, the assumption is that the alleged five year-period of non-use runs from 31 January 1998 to 30 January 2003, that is, after the date of the application in suit (30 January 1996).

8. On learning that the appeal had been set down for hearing, the Applicant requested a stay, at first “until at least JCB Co. Ltd’s evidence has been received in the parallel revocation proceedings”, and then subsequently in their skeleton argument, pending the outcome of those proceedings. It was agreed that I should hear the Applicant’s request for a stay as a preliminary matter at the hearing appointed for 28 May 2003. There was some question as to whether the Applicant had appreciated my intention also to hear the appeal on that day, to which I return later in this decision.
9. At the hearing on 28 May 2003, the Applicant was represented by Mr. Thomas Mitcheson of Counsel instructed by Forrester Ketley & Co.. Mr. Michael Edenborough of Counsel instructed by Abel & Imray appeared on behalf of the Opponent. After careful consideration of the papers and the written and oral arguments, I indicated at the hearing that I was refusing the Applicant’s request for a stay for reasons that I would detail in this my written decision.

### **The application for a stay of the appeal**

10. Mr. Mitcheson impressed upon me as a general principle that whenever an earlier trade mark upon which opposition is based is challenged in later invalidity or revocation proceedings, the Registry (or the Appointed Person or the Court on appeal) should stay the opposition proceedings until the outcome of the invalidity or revocation proceedings is known. He points out that the effect of a declaration of invalidity is that the registration is deemed never to have been made to the extent of that declaration (section 47(6) TMA). Furthermore, although the effect of revocation is prospective, the Registrar or the Court can declare that the registration is revoked partially or totally as from a date earlier than the date of application for revocation if satisfied that the grounds for revocation existed at that earlier date (section 46(6) TMA).
11. However, as Mr. Edenborough correctly countered, one of the benefits conferred by the TMA upon a registered trade mark is that by virtue of section 72, registration is prima facie evidence of the validity of the original registration. The scheme of the TMA is to provide third parties with mechanisms to apply to the Registrar or the Court for a declaration of invalidity or revocation on the respective grounds listed in the Act (sections 47(3) and 46(4) TMA). The Applicant has stated that it took a positive decision not to challenge the validity of the Opponent’s Registration No. 1296950 on grounds of non-use at any time before or during the opposition proceedings below. Moreover, the Opponent’s case on revocation as presently stated puts the alleged five-year period of non-use after the relevant date for the purposes of this opposition and fails to make explicit that revocation is sought from a date earlier than the date of application and that the alleged grounds for revocation existed at that earlier date.
12. Whilst, therefore, I accept that it might be appropriate in certain circumstances to suspend opposition proceedings or any resultant appeal pending the resolution of invalidity or revocation proceedings, the issue for me to decide is whether to exercise my acknowledged discretion to stay the appeal in this particular case.

13. Mr. Mitcheson also prayed in aid the Human Rights Act 1998 and the European Convention on Human Rights, Article 6 - Right to a fair trial, and Article 1 to The First Protocol – Protection of Property. Mr. Mitcheson says that to decide the outcome of an opposition without taking into account the possibility of the earlier mark being found invalid or revoked prior to the application date would be to deny the applicant the right to a fair trial because fundamental issues were being ignored. However, as already mentioned the TMA provides an applicant with effective mechanisms for declaring invalid or revoking an earlier trade mark. The Trade Marks Register is public and it was open to the present Applicant to request revocation of the Opponent’s mark either before or on application, or on opposition. The fact of the matter is that the Applicant thought they could win the opposition without commencing revocation proceedings against the Opponent’s mark. That was their choice. There is no unfairness under Article 6. The TMA makes clear the strategy to adopt and the rules apply equally to everyone. Mr. Mitcheson does not allege that the opposition proceedings themselves infringed any of the principles the European Court of Human Rights has identified under Article 6, for example, impartial and independent tribunal, “equality of arms”, reasoned decision. In those circumstances, Mr. Mitcheson failed to persuade me that Article 6 was engaged.
14. Further or alternatively, Mr. Mitcheson submits that there is a breach of Article 1 of The First Protocol (“Article 1P”) because “the Registry would be depriving or denying the Applicant the right to the peaceful enjoyment of its possessions, namely the trade mark applied for, by relying on an earlier right that is invalid”. Mr. Edenborough denies that an application for a registered trade mark constitutes a “possession” within the meaning of Article 1P. Article 1P reads:

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. ...”

I accept that for the purposes of the TMA an application for a registered trade mark is treated as personal property with the effect that it can be co-owned and transmitted by assignment, testamentary disposition or operation of law (section 27 TMA). However, the filing of an application does not guarantee that the applicant will be granted the trade mark applied for. Such grant is only in accordance with the TMA, which, inter alia through the relative grounds for refusal of registration in section 5, confers protection on conflicting earlier trade marks. Article 1P applies only to a person’s existing possessions: it does not guarantee a right to acquire possessions (*Marckx v. Belgium* [1979] 2 EHRR 330, and see recently *R (on the application of Carson) v. Secretary of State for Work and Pensions* [2003] EWCA Civ 797, 17 June 2003). In any event, Mr. Mitcheson has not satisfied me by reference to any authority or otherwise that the relevant provisions of the TMA, which implement Council Directive 89/104/EEC (“the Directive”), are not justified in the public interest and proportional to the aims that the legislation seeks to achieve.

15. Finally on the issue of “unfairness”, Mr. Mitcheson referred me to an informal consultation being conducted by the Registry into proposals for a new opposition procedure. One of the changes mooted is the possibility for an applicant to call upon an opponent to prove use of their earlier trade mark where the registration is older than five years. That possibility is allowed for in optional Article 11(2) of the Directive but was not taken up by the UK Government when the TMA was enacted. Mr. Mitcheson in particular highlighted the Registry’s statement that “opponent’s ‘proof of use’ is much fairer; it brings us into line with OHIM and reflects the reality of the market place”. Mr. Edenborough correctly responded that the consultation document contains a proposal only and that primary legislation would be required to enact any such change (which is nowhere proposed to be retrospective). Further, the paper does not state that the current procedure is unfair; under the proposals and in the Community trade mark system, an opponent need only prove use of an older than five years’ mark if called upon to do so by the applicant; and a failure to prove use on opposition does not result in revocation of the mark concerned.
16. At the hearing before me, but not in skeleton argument, Mr. Mitcheson chose to argue his application for a stay as if it were an application to adduce further evidence on appeal, such further evidence being the state of the register once the Opponent’s registration had been partially revoked. His reasoning proceeded on the assumption that under CPR Part 52.11, the interests of justice dictated that the appeal be by way of rehearing rather than review. In my view this method of determining the application for a stay is misguided. It confuses the application for a stay with the appeal and is based on a number of hypothetical occurrences. Nevertheless, the parties’ submissions for and against the admission of further evidence taking into account the relevant factors summarised by Lawrence Collins J. in *LABEL ROUGE Trade Mark* [2003] FSR 13 assisted me in deciding whether to grant or to refuse the Applicant’s request for a stay.
17. The Applicant contends that there are good reasons why they did not apply for revocation sooner. Until the Hearing Officer issued his decision, and given their own use of the mark in suit, the Applicant believed their application would be allowed in full. Also, the Applicant was keen to avoid initiating further disputes with the Opponent or incurring further expense unless absolutely necessary. The Opponent says that the Applicant could have sought revocation much earlier by following the correct procedure. The Applicant’s strategy turned out to be mistaken and could not belatedly be remedied through this appeal.
18. The Applicant seeks to make something of the fact that the Hearing Officer rejected the Opponent’s claim to enhanced distinctive character of the Opponent’s mark, which claim the Hearing Officer understood on the evidence to be limited to the supply of credit card services. The Applicant says that the Opponent relies on the same evidence in defence of the Applicant’s non-use claim and invited me to conclude that it was strongly arguable that the Applicant’s mark had not been used in the United Kingdom across the width of the specification. The Applicant further contends that but

for the breadth of the Opponent's specification, the Hearing Officer would not have restricted the application in the manner he decided. The Opponent vigorously refutes these contentions: the Hearing Officer's findings in relation to the Opponent's evidence on opposition related solely to enhanced distinctive character of the Opponent's mark as part of the global assessment of likelihood of confusion; the Opponent filed similar but not the same evidence in the revocation proceedings and in any event has the opportunity to file further evidence under Rule 31(6) of the Trade Marks Rules 2000; nothing can be drawn out of the Opponent's evidence in the opposition because it was filed in support of a claim for enhanced distinctive character of the Opponent's mark and not to defeat a non-use claim; the Applicant is assuming first, success in the revocation proceedings and second, that revocation will be ordered from a date prior to the application date, which is not claimed in the statement of case on revocation as presently pleaded.

19. I should make clear that I consider it entirely inappropriate to make any observations or form any conclusions in relation to the revocation proceedings on evidence that was filed by the Opponent in the present opposition. The two proceedings are entirely separate. I do not believe either Counsel in reality dissented from that view.
20. The Applicant says that to allow the stay avoids a multiplicity of proceedings. The Opponent notes that the number of proceedings is dictated by the TMA and is correct. The Applicant contends there is no prejudice to the Opponent in granting the stay but the Applicant stands to lose their priority date for some of the services applied for if the stay is not granted. The Opponent says that if, and to the extent that, the Applicant succeeds in obtaining partial revocation of 1296950 before the application date, the case on opposition will be different than before the Hearing Officer. If the Appointed Person were finally to dispose of the opposition in those circumstances, the Opponent would be severely prejudiced by losing the right to appeal on what effectively would be a first hearing. The Opponent further submitted that the applicant could make a fresh application for the wider services.
21. At the hearing, I refused the Applicant's request for a stay of the appeal. I took all the above matters into account and also the overriding objective to deal with this case justly. My reasons were as follows:
  - (a) It is incumbent on the parties in proceedings before the Registrar to state the case they wish to rely upon. The revocation proceedings in this case could have been commenced earlier and an application could have been made to the Registrar to suspend the opposition proceedings pending the outcome of the revocation proceedings prior to the opposition hearing.
  - (b) The Applicant's reasons for not commencing revocation proceedings earlier were said to be threefold. First, they thought they could win the opposition proceedings without commencing revocation proceedings. Second, they wished to avoid initiating further proceedings with the Opponent. Third, they did not wish to incur the expense of additional

proceedings. In my view, none of these reasons justifies a stay. As Mr. Mitcheson confirmed in oral argument, the Applicant made a deliberate decision with his advisers to fight the opposition on the basis they did. That was their choice but one by which they must abide.

- (c) The grant of a stay would cause, possibly unnecessary, further delay and expense. If a stay is granted and the revocation proceedings are unsuccessful, the appeal as presently grounded will need to be dismissed (see below). If, on the other hand, the revocation proceedings are successful, I believe Mr. Edenborough is correct in his submission that prejudice would result to his client unless the matter was referred back to the Registrar for a rehearing on the restricted specification. The costs of the first hearing would have been wasted and there would inevitably be a substantial delay until this opposition could finally be resolved.
- (d) I accept Mr. Edenborough's point that the Applicant's request for revocation as presently pleaded reveals no case of any significance to the opposition. That is because even if the Applicant succeeds in their request, the partial revocation would take effect from a date well after the application date of the mark in suit (confirmed shortly after the hearing by Jacob J. in *Omega SA v. Omega Engineering Ltd*, 3 June 2003). However, I have also taken note of Mr. Mitcheson's indication of the Opponent's intention to amend their statement of case. Mr. Edenborough's point alone has not, therefore, swayed my decision either way.
- (e) Finally, should the Applicant succeed in partially revoking 1296950, there is nothing to prevent them making a new application for registration of the mark in suit with a wider specification of services. Admittedly, the prejudice caused to the Applicant is loss of priority in respect of those services. But the cause of that detriment was the Applicant's own chosen strategy.

### **The appeal**

- 22. Having rejected the application for a stay, I indicated my intention to dismiss the appeal. Mr. Mitcheson had confirmed on behalf of the Applicant that no ground other than the revocation proceedings was being put forward on appeal and, in particular, that no error in the Hearing Officer's decision had been identified in the statement of grounds.
- 23. Since there appeared to be some doubt as to whether the Applicant had been apprised of my intention to take also the appeal on that day, I agreed to postpone the writing of this decision for 14 days to allow the Applicant to signify whether they wished to continue with the appeal. After the 14-day period had elapsed, I was notified through The Treasury Solicitor that the Applicant wished to make no further representations in relation to the appeal, which I accordingly dismiss.



## Costs

24. When the 14-day period expired without any indication from the Applicant that they wished to continue with the appeal, the Opponent sent me a request for an award of indemnity costs in relation to the appeal supported by detailed copy invoices. [I note that the majority of the Opponent's costs were occasioned by the application for a stay and not the appeal itself.] The Opponent says that the appeal was fundamentally flawed and they notified the Applicant of those flaws in correspondence at an early date.
25. It is usual in this Tribunal to follow the Registry practice of only awarding a contribution to costs rather than making an award more akin to the High Court. That practice may, however, be departed from (both in the Registry and on appeal) where the losing party pursues a case without any bona fide belief that it is soundly based (*Rizla Ltd's Application* [1993] RPC 365). I have held that there are occasions when it might be appropriate to suspend opposition proceedings or the resultant appeal pending the resolution of invalidity or revocation proceedings but not in the present appeal. Although the Applicant succeeded neither in the application for a stay nor the appeal, I do not believe they acted unreasonably or otherwise behaved in an abusive manner. I decline, therefore, to depart from the normal practice but my award within the scale will reflect the extent of the submissions that were required on the part of the Opponent to refute the Applicant's case.

## Conclusion

26. In the result, the application for the stay and the appeal fail. The Hearing Officer assessed the costs to be awarded to the Opponent on their partial success in the opposition at £1,000. I direct that the Applicant pay the Opponent the sum of £1,000 in respect of the opposition and a further sum of £1,200 towards the Opponent's costs incurred in connection with the application to stay and this appeal, to be paid on the same basis as indicated by the Hearing Officer.

Professor Ruth Annand, 25 June 2003

Mr. Thomas Mitcheson instructed by Forrester Ketley & Co appeared as Counsel on behalf of the Applicant

Mr. Michael Edenborough instructed by Abel & Imray appeared as Counsel on behalf of the Opponent

## O-198-03

### TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2054597  
BY J C BAMFORD EXCAVATORS LIMITED  
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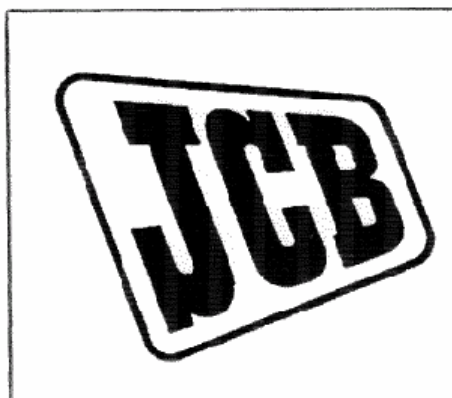
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### DECISION

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#### **Background**

1. On 30 January 1996, J.C. Bamford Excavators Limited (“the Applicant”) applied under No. 2054597 to register the following trade mark:



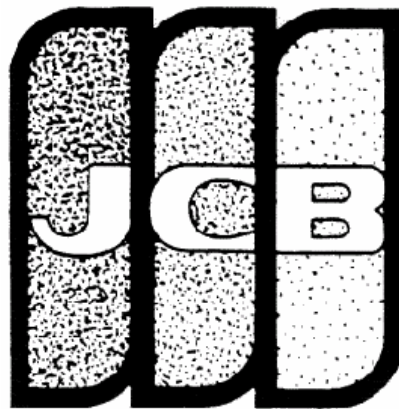
2. The services specified in Application No. 2054597 are:

Class 36: Financial services and the provision of credit and loans; financial services relating to the supply, distribution, purchase, leasing, lease-purchasing and insurance of machines and vehicles; insurance services.

3. The application was published in the Trade Marks Journal as proceeding on the basis of honest concurrent use with Registration No. 1296950. On the 9 April 2001, the proprietor of 1296950, JCB Co. Ltd (“the Opponent”) filed notice of opposition against the application under section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“TMA”). The services protected by 1296950 are:

Class 36: Credit card services; issue of credit cards; credit agency services; credit advice; credit recovery services; insurance services; provision of loans; issue of travellers cheques; all included in Class 36.

The trade mark comprised in 1296950, which was registered on 10 April 1990 is as follows:



4. Both sides filed evidence of use of their respective marks. Insofar as is relevant to the present proceedings, the Hearing Officer held that for the purposes of the global assessment of likelihood of confusion under section 5(2)(b) (the Opponent did not pursue their objection under section 5(4)(a) as a separate matter at the hearing):
  - (a) The evidence adduced by the Opponent failed to show enhanced distinctive character acquired through use for the Opponent’s mark in respect of any of the services in 1296950. Nevertheless, the mark possessed “a reasonably high degree of inherent distinctiveness”.
  - (b) The evidence adduced by the Applicant established honest concurrent use of the Applicant’s mark in connection with the provision of financial services for the construction industry but did not substantiate their claim to a wider trade in general financial and insurance products.
5. Both parties enjoyed a measure of success on opposition. In his written decision issued on 3 January 2003, Mr. M. Reynolds, the Hearing Officer acting on behalf of the Registrar, allowed the application but only if the Applicant restricted their specification in Class 36 to read:

“Financial services relating to the supply, distribution, purchase, leasing and lease-purchasing of construction or agricultural machines and construction or agricultural vehicles; insurance of construction or agricultural machines and construction or agricultural vehicles”.

### **The appeal**

6. On 31 January 2003, the applicant filed notice of appeal to an Appointed Person under section 76 TMA. The grounds of appeal recited that on the same day (31 January 2003) the Applicant had filed an application for partial revocation of 1296950 in respect of “credit agency services; credit advice; credit recovery services; insurance services relating to anything other than credit cards; and provision of loans” on grounds of non-use pursuant to section 46(1)(b) of the TMA, and continued:
  - “4. The Applicant contends that once the trade mark registration has been revoked for non-use, in respect of “credit agency services; credit advice; credit recovery services; insurance services relating to anything other than credit cards; and provision of loans” the rights afforded the Registration will be significantly restricted. The Applicant further contends that with the more limited scope of protection afforded the Registration, opposition by virtue of Section 5(2)(b) of the Trade Marks Act 1994 would be unlikely to succeed.
  5. The Applicant therefore requests that the Appointed Person reviews the Hearing Officer’s decision, giving due consideration to the limited scope of protection afforded the Registration, once a decision has been reached regarding the application for revocation, and accepts the Application for registration for the following services: “Financial services and the provision of credit and loans; financial services relating to the supply, distribution, purchase, leasing, lease-purchasing and insurance of machines and vehicles; insurance services; but not including credit card services; issue of credit cards; insurance services for credit cards, and issuance of travellers cheques”.
  6. The Applicant also requests an award of cost be made in its favour.”
7. The Applicant appended to the grounds of appeal copies of Form TM26(N) and statement of case in support of their application to partially revoke 1296950. No period of alleged five years’ non-use is specified for the purposes of section 46(1)(b) and the statement contains no request that any partial revocation of the registration be backdated to any particular date. As matters stand, the assumption is that the alleged five year-period of non-use runs from 31 January 1998 to 30 January 2003, that is, after the date of the application in suit (30 January 1996).

8. On learning that the appeal had been set down for hearing, the Applicant requested a stay, at first “until at least JCB Co. Ltd’s evidence has been received in the parallel revocation proceedings”, and then subsequently in their skeleton argument, pending the outcome of those proceedings. It was agreed that I should hear the Applicant’s request for a stay as a preliminary matter at the hearing appointed for 28 May 2003. There was some question as to whether the Applicant had appreciated my intention also to hear the appeal on that day, to which I return later in this decision.
9. At the hearing on 28 May 2003, the Applicant was represented by Mr. Thomas Mitcheson of Counsel instructed by Forrester Ketley & Co.. Mr. Michael Edenborough of Counsel instructed by Abel & Imray appeared on behalf of the Opponent. After careful consideration of the papers and the written and oral arguments, I indicated at the hearing that I was refusing the Applicant’s request for a stay for reasons that I would detail in this my written decision.

### **The application for a stay of the appeal**

10. Mr. Mitcheson impressed upon me as a general principle that whenever an earlier trade mark upon which opposition is based is challenged in later invalidity or revocation proceedings, the Registry (or the Appointed Person or the Court on appeal) should stay the opposition proceedings until the outcome of the invalidity or revocation proceedings is known. He points out that the effect of a declaration of invalidity is that the registration is deemed never to have been made to the extent of that declaration (section 47(6) TMA). Furthermore, although the effect of revocation is prospective, the Registrar or the Court can declare that the registration is revoked partially or totally as from a date earlier than the date of application for revocation if satisfied that the grounds for revocation existed at that earlier date (section 46(6) TMA).
11. However, as Mr. Edenborough correctly countered, one of the benefits conferred by the TMA upon a registered trade mark is that by virtue of section 72, registration is prima facie evidence of the validity of the original registration. The scheme of the TMA is to provide third parties with mechanisms to apply to the Registrar or the Court for a declaration of invalidity or revocation on the respective grounds listed in the Act (sections 47(3) and 46(4) TMA). The Applicant has stated that it took a positive decision not to challenge the validity of the Opponent’s Registration No. 1296950 on grounds of non-use at any time before or during the opposition proceedings below. Moreover, the Opponent’s case on revocation as presently stated puts the alleged five-year period of non-use after the relevant date for the purposes of this opposition and fails to make explicit that revocation is sought from a date earlier than the date of application and that the alleged grounds for revocation existed at that earlier date.
12. Whilst, therefore, I accept that it might be appropriate in certain circumstances to suspend opposition proceedings or any resultant appeal pending the resolution of invalidity or revocation proceedings, the issue for me to decide is whether to exercise my acknowledged discretion to stay the appeal in this particular case.

13. Mr. Mitcheson also prayed in aid the Human Rights Act 1998 and the European Convention on Human Rights, Article 6 - Right to a fair trial, and Article 1 to The First Protocol – Protection of Property. Mr. Mitcheson says that to decide the outcome of an opposition without taking into account the possibility of the earlier mark being found invalid or revoked prior to the application date would be to deny the applicant the right to a fair trial because fundamental issues were being ignored. However, as already mentioned the TMA provides an applicant with effective mechanisms for declaring invalid or revoking an earlier trade mark. The Trade Marks Register is public and it was open to the present Applicant to request revocation of the Opponent’s mark either before or on application, or on opposition. The fact of the matter is that the Applicant thought they could win the opposition without commencing revocation proceedings against the Opponent’s mark. That was their choice. There is no unfairness under Article 6. The TMA makes clear the strategy to adopt and the rules apply equally to everyone. Mr. Mitcheson does not allege that the opposition proceedings themselves infringed any of the principles the European Court of Human Rights has identified under Article 6, for example, impartial and independent tribunal, “equality of arms”, reasoned decision. In those circumstances, Mr. Mitcheson failed to persuade me that Article 6 was engaged.
14. Further or alternatively, Mr. Mitcheson submits that there is a breach of Article 1 of The First Protocol (“Article 1P”) because “the Registry would be depriving or denying the Applicant the right to the peaceful enjoyment of its possessions, namely the trade mark applied for, by relying on an earlier right that is invalid”. Mr. Edenborough denies that an application for a registered trade mark constitutes a “possession” within the meaning of Article 1P. Article 1P reads:

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. ...”

I accept that for the purposes of the TMA an application for a registered trade mark is treated as personal property with the effect that it can be co-owned and transmitted by assignment, testamentary disposition or operation of law (section 27 TMA). However, the filing of an application does not guarantee that the applicant will be granted the trade mark applied for. Such grant is only in accordance with the TMA, which, inter alia through the relative grounds for refusal of registration in section 5, confers protection on conflicting earlier trade marks. Article 1P applies only to a person’s existing possessions: it does not guarantee a right to acquire possessions (*Marckx v. Belgium* [1979] 2 EHRR 330, and see recently *R (on the application of Carson) v. Secretary of State for Work and Pensions* [2003] EWCA Civ 797, 17 June 2003). In any event, Mr. Mitcheson has not satisfied me by reference to any authority or otherwise that the relevant provisions of the TMA, which implement Council Directive 89/104/EEC (“the Directive”), are not justified in the public interest and proportional to the aims that the legislation seeks to achieve.

15. Finally on the issue of “unfairness”, Mr. Mitcheson referred me to an informal consultation being conducted by the Registry into proposals for a new opposition procedure. One of the changes mooted is the possibility for an applicant to call upon an opponent to prove use of their earlier trade mark where the registration is older than five years. That possibility is allowed for in optional Article 11(2) of the Directive but was not taken up by the UK Government when the TMA was enacted. Mr. Mitcheson in particular highlighted the Registry’s statement that “opponent’s ‘proof of use’ is much fairer; it brings us into line with OHIM and reflects the reality of the market place”. Mr. Edenborough correctly responded that the consultation document contains a proposal only and that primary legislation would be required to enact any such change (which is nowhere proposed to be retrospective). Further, the paper does not state that the current procedure is unfair; under the proposals and in the Community trade mark system, an opponent need only prove use of an older than five years’ mark if called upon to do so by the applicant; and a failure to prove use on opposition does not result in revocation of the mark concerned.
16. At the hearing before me, but not in skeleton argument, Mr. Mitcheson chose to argue his application for a stay as if it were an application to adduce further evidence on appeal, such further evidence being the state of the register once the Opponent’s registration had been partially revoked. His reasoning proceeded on the assumption that under CPR Part 52.11, the interests of justice dictated that the appeal be by way of rehearing rather than review. In my view this method of determining the application for a stay is misguided. It confuses the application for a stay with the appeal and is based on a number of hypothetical occurrences. Nevertheless, the parties’ submissions for and against the admission of further evidence taking into account the relevant factors summarised by Lawrence Collins J. in *LABEL ROUGE Trade Mark* [2003] FSR 13 assisted me in deciding whether to grant or to refuse the Applicant’s request for a stay.
17. The Applicant contends that there are good reasons why they did not apply for revocation sooner. Until the Hearing Officer issued his decision, and given their own use of the mark in suit, the Applicant believed their application would be allowed in full. Also, the Applicant was keen to avoid initiating further disputes with the Opponent or incurring further expense unless absolutely necessary. The Opponent says that the Applicant could have sought revocation much earlier by following the correct procedure. The Applicant’s strategy turned out to be mistaken and could not belatedly be remedied through this appeal.
18. The Applicant seeks to make something of the fact that the Hearing Officer rejected the Opponent’s claim to enhanced distinctive character of the Opponent’s mark, which claim the Hearing Officer understood on the evidence to be limited to the supply of credit card services. The Applicant says that the Opponent relies on the same evidence in defence of the Applicant’s non-use claim and invited me to conclude that it was strongly arguable that the Applicant’s mark had not been used in the United Kingdom across the width of the specification. The Applicant further contends that but

for the breadth of the Opponent's specification, the Hearing Officer would not have restricted the application in the manner he decided. The Opponent vigorously refutes these contentions: the Hearing Officer's findings in relation to the Opponent's evidence on opposition related solely to enhanced distinctive character of the Opponent's mark as part of the global assessment of likelihood of confusion; the Opponent filed similar but not the same evidence in the revocation proceedings and in any event has the opportunity to file further evidence under Rule 31(6) of the Trade Marks Rules 2000; nothing can be drawn out of the Opponent's evidence in the opposition because it was filed in support of a claim for enhanced distinctive character of the Opponent's mark and not to defeat a non-use claim; the Applicant is assuming first, success in the revocation proceedings and second, that revocation will be ordered from a date prior to the application date, which is not claimed in the statement of case on revocation as presently pleaded.

19. I should make clear that I consider it entirely inappropriate to make any observations or form any conclusions in relation to the revocation proceedings on evidence that was filed by the Opponent in the present opposition. The two proceedings are entirely separate. I do not believe either Counsel in reality dissented from that view.
20. The Applicant says that to allow the stay avoids a multiplicity of proceedings. The Opponent notes that the number of proceedings is dictated by the TMA and is correct. The Applicant contends there is no prejudice to the Opponent in granting the stay but the Applicant stands to lose their priority date for some of the services applied for if the stay is not granted. The Opponent says that if, and to the extent that, the Applicant succeeds in obtaining partial revocation of 1296950 before the application date, the case on opposition will be different than before the Hearing Officer. If the Appointed Person were finally to dispose of the opposition in those circumstances, the Opponent would be severely prejudiced by losing the right to appeal on what effectively would be a first hearing. The Opponent further submitted that the applicant could make a fresh application for the wider services.
21. At the hearing, I refused the Applicant's request for a stay of the appeal. I took all the above matters into account and also the overriding objective to deal with this case justly. My reasons were as follows:
  - (a) It is incumbent on the parties in proceedings before the Registrar to state the case they wish to rely upon. The revocation proceedings in this case could have been commenced earlier and an application could have been made to the Registrar to suspend the opposition proceedings pending the outcome of the revocation proceedings prior to the opposition hearing.
  - (b) The Applicant's reasons for not commencing revocation proceedings earlier were said to be threefold. First, they thought they could win the opposition proceedings without commencing revocation proceedings. Second, they wished to avoid initiating further proceedings with the Opponent. Third, they did not wish to incur the expense of additional



proceedings. In my view, none of these reasons justifies a stay. As Mr. Mitcheson confirmed in oral argument, the Applicant made a deliberate decision with his advisers to fight the opposition on the basis they did. That was their choice but one by which they must abide.

- (c) The grant of a stay would cause, possibly unnecessary, further delay and expense. If a stay is granted and the revocation proceedings are unsuccessful, the appeal as presently grounded will need to be dismissed (see below). If, on the other hand, the revocation proceedings are successful, I believe Mr. Edenborough is correct in his submission that prejudice would result to his client unless the matter was referred back to the Registrar for a rehearing on the restricted specification. The costs of the first hearing would have been wasted and there would inevitably be a substantial delay until this opposition could finally be resolved.
- (d) I accept Mr. Edenborough's point that the Applicant's request for revocation as presently pleaded reveals no case of any significance to the opposition. That is because even if the Applicant succeeds in their request, the partial revocation would take effect from a date well after the application date of the mark in suit (confirmed shortly after the hearing by Jacob J. in *Omega SA v. Omega Engineering Ltd*, 3 June 2003). However, I have also taken note of Mr. Mitcheson's indication of the Opponent's intention to amend their statement of case. Mr. Edenborough's point alone has not, therefore, swayed my decision either way.
- (e) Finally, should the Applicant succeed in partially revoking 1296950, there is nothing to prevent them making a new application for registration of the mark in suit with a wider specification of services. Admittedly, the prejudice caused to the Applicant is loss of priority in respect of those services. But the cause of that detriment was the Applicant's own chosen strategy.

### **The appeal**

- 22. Having rejected the application for a stay, I indicated my intention to dismiss the appeal. Mr. Mitcheson had confirmed on behalf of the Applicant that no ground other than the revocation proceedings was being put forward on appeal and, in particular, that no error in the Hearing Officer's decision had been identified in the statement of grounds.
- 23. Since there appeared to be some doubt as to whether the Applicant had been apprised of my intention to take also the appeal on that day, I agreed to postpone the writing of this decision for 14 days to allow the Applicant to signify whether they wished to continue with the appeal. After the 14-day period had elapsed, I was notified through The Treasury Solicitor that the Applicant wished to make no further representations in relation to the appeal, which I accordingly dismiss.

## Costs

24. When the 14-day period expired without any indication from the Applicant that they wished to continue with the appeal, the Opponent sent me a request for an award of indemnity costs in relation to the appeal supported by detailed copy invoices. [I note that the majority of the Opponent's costs were occasioned by the application for a stay and not the appeal itself.] The Opponent says that the appeal was fundamentally flawed and they notified the Applicant of those flaws in correspondence at an early date.
25. It is usual in this Tribunal to follow the Registry practice of only awarding a contribution to costs rather than making an award more akin to the High Court. That practice may, however, be departed from (both in the Registry and on appeal) where the losing party pursues a case without any bona fide belief that it is soundly based (*Rizla Ltd's Application* [1993] RPC 365). I have held that there are occasions when it might be appropriate to suspend opposition proceedings or the resultant appeal pending the resolution of invalidity or revocation proceedings but not in the present appeal. Although the Applicant succeeded neither in the application for a stay nor the appeal, I do not believe they acted unreasonably or otherwise behaved in an abusive manner. I decline, therefore, to depart from the normal practice but my award within the scale will reflect the extent of the submissions that were required on the part of the Opponent to refute the Applicant's case.

## Conclusion

26. In the result, the application for the stay and the appeal fail. The Hearing Officer assessed the costs to be awarded to the Opponent on their partial success in the opposition at £1,000. I direct that the Applicant pay the Opponent the sum of £1,000 in respect of the opposition and a further sum of £1,200 towards the Opponent's costs incurred in connection with the application to stay and this appeal, to be paid on the same basis as indicated by the Hearing Officer.

Professor Ruth Annand, 25 June 2003

Mr. Thomas Mitcheson instructed by Forrester Ketley & Co appeared as Counsel on behalf of the Applicant

Mr. Michael Edenborough instructed by Abel & Imray appeared as Counsel on behalf of the Opponent