

O-062-10

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2389890
IN THE NAME OF COMMERCIAL POWER SOLUTIONS LIMITED**

IN RESPECT OF THE TRADE MARK:



IN CLASSES 37, 39 & 42

AND

AN APPLICATION TO RECTIFY THE REGISTER (UNDER NO. 82640) BY:

SPECIALIST AUTOSPORT SERVICE LIMITED

TRADE MARKS ACT 1994

**In the matter of trade mark registration 2389890
in the name of Commercial Power Solutions Limited
in respect of a trade mark in classes 37, 39 & 42**

and

An application to rectify the register (under no. 82640) by Specialist Autosport Service Limited

Background

1. The details of Commercial Power Solutions Limited's ("CPS") trade mark registration are as follows:



Filing date: 20 April 2005

Registration date: 09 June 2006

List of goods or services

Class 37: Maintenance and repair of motor vehicles; installation, maintenance and repair of computer hardware; advisory, consultancy and information services relating to all the aforesaid services.

Class 39: Transport; travel arrangement; leasing, rental and hire of vehicles; delivery and inspection of motor vehicles; advisory, consultancy and information services relating to all the aforesaid services.

Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others; compilation, creation and maintenance of a register of domain names; leasing of access time to a computer database; advisory, consultancy and information services relating to all the aforesaid services.

2. An application to rectify the register in relation to the above trade mark registration was made on 25 September 2006 by Specialist Autosport Service Limited ("SAS"); its pleaded case is set out below. CPS filed a counterstatement

denying the grounds for rectification; a summary of its counterstatement is also set out below.

The pleaded case and the counterstatement

3. SAS' pleaded case is as follows:

- a) That when CPS applied for its trade mark registration it was doing so as the exclusive licensee of a Danish company called Turbochip A/S ("Turbochip"). CPS' application for registration was made with Turbochip's knowledge and approval. The license agreement was not reduced to writing.
- b) That on 24 April 2006 Turbochip terminated CPS' right to use the trade mark in the UK and gave that right (as an exclusive licensee) to SAS. SAS has acted as an exclusive licensee in the UK since that date.
- c) That when the trade mark was formally registered (on 9 June 2006) CPS had no right to use the trade mark in the UK (due to the termination of its license) and, thus, the registration of the mark in CPS' name was an error. SAS seeks rectification of the register (by replacing CPS with SAS as the registered proprietor) under the provisions of section 64(1) of the Trade Marks Act 1994 ("the Act").

4. CPS' defends the rectification on the following basis:

- a) That CPS is controlled and owned by two directors, namely, Mr Christopher John and Mr Nick Heyes. Mr John and Mr Heyes are also directors of a company called Turbochip Ltd.
- b) That Mr Heyes is also a director of SAS (the applicant for rectification) and that Mr Heyes (and SAS) have attempted to take control of the use of the mark in question by various unauthorized/unlawful methods.
- c) That CPS has never been an exclusive licensee of Turbochip and that Turbochip had no involvement in the registration of the trade mark. Turbochip currently supply CPS and others in the UK including Dingoo Ltd, Mr Paul Wright, Mr Tom and Mr John Gray and Mr Alistair Milne.
- d) That the only person with any documented rights to use Turbochip's TURBOCHIP name is Mr John who purchased "substantial product" and the use of the name in October 2002.
- e) That Mr John then granted the use of the Turbochip name under license to CPS on the proviso that if Mr John or Mr Heyes dissolved their business

relationship the name would revert back to Mr John or, alternatively, be sold as part of a package to any interested party.

Other issues

5. These proceedings are not straightforward. A number of other issues have arisen that complicate matters, including:

- a) **Dissolution of CPS** - Since the commencement of the proceedings CPS has been dissolved. Dissolution took place on 3 December 2008. If SAS' application for rectification fails then the property in the registered trade mark will, given that CPS no longer exist, have passed to the Crown as *bona vacantia*.

In view of the above, it is the Crown's nominee for such matters, the Treasury Solicitor, who has been deemed (pending the outcome of the proceedings), as the beneficial proprietor since dissolution. It is, though, clear that the Treasury Solicitor, having regard to the nature of the proceedings and the evidence that it has had sight of, does not wish to become involved in the proceedings (a letter from the Treasury Solicitor dated 5 December 2008 makes this clear). The Treasury Solicitor did not, however, disclaim all rights to the mark (it states in its letter that "I do not believe that the trade mark was incontrovertibly an asset which vested in the Crown on the company's dissolution"). The net result of all this is that the merits of SAS' application for rectification still needs to be determined on the basis of the facts and evidence presented.

- b) **Mr John's right to act for CPS** – In these proceedings, Mr John has represented CPS and he has also filed evidence on its behalf. This only ceased following the dissolution of CPS as Mr John could no longer be regarded as a representative because the party he was representing no longer existed. SAS, though, have highlighted in its evidence and submissions that Mr John was only one of the directors of CPS (Mr Heyes being the other) and, therefore, he could not have been given the authority to act on its behalf. This could have an effect on whether the defense was legitimately filed and whether the evidence filed by Mr John should be considered.

Whilst I understand the point made, I note that SAS made no formal request to the Intellectual Property Office for CPS' defense to be struck out (or for the evidence to be deemed inadmissible when it was filed). This would have been the correct course of action to prevent the proceedings continuing to substantive determination. Whilst this does not rule out the possibility of this issue being raised now, it is still an important factor. Furthermore, whilst I note that the dealings and

management decisions of CPS were in deadlock due to disagreements between Mr John and Mr Heyes (this is referred to in both sides evidence), it would, in my view, have been remiss of Mr John not to have filed a defense on behalf of CPS. As things stood at the time, the trade mark in question was an asset of CPS, and to do otherwise may have constituted a breach of duty to CPS. I therefore believe that either of its directors could have defended CPS' position regardless of the dispute between them. If this were not the case then a fall out between two directors could have the result of an application for rectification by one of them in the guise of a new company being left unchallenged and the facts set out in such an application deemed to be accepted; this cannot be correct. The defense and evidence filed by Mr John on behalf of CPS will be fully considered in these proceedings.

- c) **Application for Intervention** – I mention this only to complete the picture. An application to intervene in these proceedings was made by Turbochip (UK) Limited. The request to intervene was rejected by a hearing officer at the Intellectual Property Office¹, such rejection being upheld on appeal². I need say no more about this other than to record the fact that the evidence filed by the would-be intervener in support of its request to intervene plays no part in my substantive decision, due to this evidence not being evidence (be it directly from or filed on behalf) of either SAS or CPS.

The evidence

SAS' evidence

First witness statement of Mr Nicholas Heyes dated 21 September 2006

6. Mr Heyes' first witness statement accompanied SAS' application for rectification. Mr Heyes is a director of SAS. He is (now "was" in view of its dissolution) also a director of CPS along with Mr John (both owning one of the two issued shares). He begins by referring to a witness statement he made on 25 November 2005 on behalf of CPS during the examination stage of the subject trade mark; this was required in order to overcome an objection on distinctiveness grounds. This earlier witness statement is also resubmitted in these proceedings; I will come back to its content shortly.

7. Mr Heyes states that CPS' trade mark application was made in its role as the exclusive UK licensee of Turbochip who had knowledge of, and approved the

¹ See the decision of Ms Judi Pike dated 16 June 2008 (BL O-165-08)

² See the decision of Ms Anna Carboni (sitting as the Appointed Person) dated 22 April 2009 (BL O-112-09)

application. He states that CPS were appointed to this role in October 2002 following discussions with Mr Finn Borg of Turbochip. He explains that Mr Borg had an existing business (established in 1997) providing the service of altering the factory programmed computerized engine management systems of cars and commercial vehicles. He states that although no written agreement was put in place, that between 2002 and early 2006 CPS used the TURBOCHIP brand in accordance with the wishes of Turbochip and that this involved the transmission of electronic program files to Turbochip for reprogramming. He states that CPS' use was wholly dependent on the involvement of Turbochip and that it was never intended that CPS would generate goodwill in the TURBOCHIP brand itself.

8. Mr Heyes then describes the falling out between Mr John and himself in the management of CPS. He says that this was to do with concerns about contributions (time and capital) which were being made by Mr Heyes and Mr John respectively and a debt that Mr John owed to CPS. He says that this led to difficulties in running the business and, as consequence, Turbochip raised concerns. Mr Borg of Turbochip then had discussions with Mr John and Mr Heyes regarding the ability of each of them to represent Turbochip in the UK. He says that Mr Borg concluded that CPS could not continue and, instead, appointed Mr Heyes' company, SAS, on a similar exclusive basis. Again, this agreement was not reduced to writing. He states, however, that the new relationship took effect from 24 April 2006. To support this turn of events, Mr Heyes refers to two e-mails in Exhibit NH1. Both are addressed to Mr John and are from Mr Borg. I reproduce the substantive content below:

4 May 2006

I can see that CPS LTD still owe me money for 5 months and still no money!

I decide now that CPS LTD not sell Turbochip product in UK from 24.4.06

I see SAS ltd always pay and sell lots of Turbochip product in UK through CPS ltd.

I am happy for SAS LTD to take over from CPS LTD on 24/4/06 as it can only better for me.

Do not use Turbochip name from now on

Do not sell any Turbochip files [sic] from now on

Can you please pay all CPS LTD account then we close account.

I supply you files for now paid of credit [sic] card with Danish TAX.

30 May 2006

I told you in my email of 4 May 2006 that SAS Limited is now the authorized dealer for Turbochip product in the United Kingdom. Neither you nor CPS can use the "Turbochip" name. CPS is seeking to register the "Turbochip" trade mark in the United Kingdom, but the only people authorized to use that trade mark in the United Kingdom are Nick Heyes and SAS Limited. It appears that you do not accept this, but I have to tell you that, if you do not respect my trade mark, I will instruct my lawyers to

take action against you. I hope that this should not be necessary, but I am now told that the website address www.turbochip.com has been assigned by you to a third party without my or Nick Heyes' agreements. This is unacceptable, and I must insist that the domain name (which includes my trade mark) is transferred to SAS immediately.

Please co-operate with me on this. CPS no longer has any right to use "Turbochip" in the United Kingdom, and you should accept this, in order to avoid legal action.

9. Mr Heyes states that since SAS were appointed, it has successfully developed the TURBOCHIP business in the UK. Extracts from SAS' website are provided to illustrate its use. I note that these prints show that the web pages are the responsibility of a company called Turbochip Limited, but Mr Heyes explains that this is a dormant company owned by him and that SAS is the trading company involved. Mr Heyes highlights that SAS continue to use the stylized form as represented by the trade mark originally developed by Turbochip.

10. Mr Heyes explains that he and Mr John have been trying to wind up the affairs of CPS but disputes between them have led to deadlock.

11. Mr Heyes' evidence of 25 November 2005 (on behalf of CPS) during the examination stage of the application for registration is consistent with the above. He explains CPS' exclusive licensee relationship with Turbochip and that Turbochip are involved in the altering of engine programming with files being emailed to Turbochip. It is stated that CPS performs the service in the UK on an exclusive basis and that it (or CPS' authorized dealers) will download a file and then send it to Turbochip. Promotional material is also supplied. Most is on behalf of CPS and it shows the trade mark including the line through the centre of the word TURBOCHIP. Also provided is a print showing Turbochip's use in Norway dating from 2004 (again with the line through it) and also prints showing use of the mark by a company called A&G Commercials, one of CPS' authorized dealers.

Witness statement of Mr Finn Borg

12. Mr Borg is the proprietor of Turbochip. He states that he first started to use the TURBOCHIP brand in 1997 (he does not say where). Turbochip was then established in 1998 and it has a network of exclusive authorized dealers in many countries.

13. Mr Borg has seen a draft witness statement of Mr Heyes (I presume this to be a draft of his 21 September 2006 witness statement). He states that references to him and to Turbochip are accurate and that he did send the emails to Mr John referred to and exhibited in Mr Heyes' statement. He states that CPS' appointment as authorized dealer in the UK was terminated on 24 April 2006 with

SAS appointed in its place. He confirms that SAS' application for rectification was made with the full knowledge and approval of Turbochip.

Second witness statement of Mr Heyes – 30 January 2007

14. By this time Mr Heyes had seen CPS' counterstatement. He begins by stating that Mr John has no authority to represent CPS in view of the deadlock described in his previous witness statement. He refers to the appointment of Mr John as agent for the trade mark in issue (the previous agent being Baines Wilson). He assumes that Mr John described himself as authorized to act, however, this has never been agreed. I have already dealt with this issue in paragraph 5 above so I will say no more about this. Mr Heyes also denies any allegation of wrong doing alleged by Mr John.

15. Mr Heyes provides an even earlier use by Turbochip of the TURBOCHIP brand dating from 1999. It is in a Danish magazine called *TRANS INFORM*. The advertisement shows the TURBOCHIP mark with the line through the centre. He also provides examples of use by other dealers that Turbochip has appointed in other territories (Norway, Ireland, the Netherlands); most show the TURBOCHIP name with the line through the centre. Mr Heyes says that the use is consistent with the branding developed by Turbochip. To the best of his knowledge, dealers in other territories are also appointed on an exclusive basis.

16. Mr Heyes responds to Mr John's counterstatement point that Turbochip also supplies other traders in the UK. His understanding of this (from Mr Borg) is that Turbochip will, on occasion, agree to supply third parties with unbranded files, but that the recipients are not allowed to use the TURBOCHIP trade mark in competition with the appointed dealer in the particular territory.

17. In relation to Mr John's claim that it is he who sub-licensed CPS to use (and register) the logo, Mr Heyes states that he has never heard this claim before. He repeats his (and SAS') claim that CPS applied for the mark as an exclusive licensee of Turbochip. He also refers to two disputes with Mr John regarding domain name registrations for turbochip.co.uk and turbochip.com. The former was decided by a Nominet independent expert and the domain name was transferred to SAS, the latter was voluntarily transferred to Turbochip. He states that this is inconsistent with Mr John's claim to be the owner of the trade mark in the UK.

CPS' evidence

Witness statement of Mr Christopher John dated 7 July 2007.

18. Mr John explains that in 2002 his was operating as a sole trader (trading under the name SPS) selling engine management upgrade systems called SUPERCHIPS. Some of his clients wanted to upgrade commercial vehicles so he

located a supplier in Sweden to provide the necessary equipment and experience.

19. Mr John states that around this time Mr Heyes was running SAS. He states that SAS were a SUPERCHIP distributor and that it also had clients enquiring about commercial upgrades. Mr John says that he was introduced to Mr Heyes by another Superchip distributor called Mr David Guildford. He says that having been introduced to Mr Heyes, he started selling some of his SPS commercial vehicle products to SAS. Mr Heyes and Mr John were, though, finding that the current Swedish supplier had a limited product range and he therefore made enquiries to fill the gap. He managed to locate Mr Tom Gray (who is based in Ireland) who was supplying in the UK a product known as TURBOCHIP which originated in Denmark. This led to Mr John being introduced to Mr Borg of Padborg Elektro whom Mr John describes as the main distributor of the TURBOCHIP product in Europe.

20. Mr Heyes and Mr John then travelled to Denmark to meet Mr Borg. Mr John says that he then purchased a quantity of equipment and the right to use the TURBOCHIP name in the UK. The purchase is said to be demonstrated by material in CJ1. This shows an invoice dated 4 October 2002 between Turbochip and Simpelformancesolutions (presumably SPS). The invoice is in Danish with no translation supplied. It uses the TURBOCHIP name throughout the invoice. Also attached is a document headed Turbochip Tools – it is, again, in Danish. One of the final entries on this document is “Turbochip NAME”; an entry reading “Pris kr 11000EUR” is also listed.

21. Mr John states that consequent upon the meeting with Mr Borg, Mr Heyes and himself agreed mutually to be the distributors of the TURCOCHIP product in the UK. He states that they were aware that there would be no exclusivity as Mr Tom Gray and his brother John Gray (from Wembley, London) were already distributing in the UK. It was also later established that software was being supplied to PowerTrucks Ltd in Chester. He also refers to the Gray Brothers setting up Turbochip (UK) Ltd on 13 December 2002, so he and Mr Heyes were aware that there was no possibility of exclusivity.

22. Mr John states that CPS was set up as a vehicle for their company product distribution on 20 September 2002. CPS was not limited to distributing TURBOCHIP products. CPS was to focus on commercial vehicles. As Mr Heyes was running SAS from an office at his home, CPS was also run from there. Out of hours and weekend work was also performed by Mr John at his own home. He says that Mr Heyes largely continued his own work as a dealer, continuing with the SAS business and buying product from CPS and that he himself continued that process also. He says that he also became involved in considerable work setting a website for CPS and dealing with advertising etc. He also registered several domain names on behalf of CPS and they became rights of CPS.

23. Mr John says that CPS' legal advisors suggested that it should register the trade mark in the UK. They were advised to set up a separate legal entity to hold its intellectual property. Turbochip Ltd was set up to do so (although I note that the trade mark was still filed in the name of CPS). He says that he has recently become aware that he has been unlawfully removed as a director of this company and replaced by Mr Heyes' wife.

24. Mr John says that he spoke to Mr Heyes on most days (normally on the telephone) but that CPS was not operated on a strict basis with regular board meeting etc. He then details some of the things that led to the falling out with Mr Heyes. I will not detail them here because, whilst they set out the background to Mr Heyes' and Mr John's parting of ways, I do not regard the exact circumstances to be particularly relevant to the application for rectification. Mr Heyes, in any event, provides a different version of events and denies the allegations that Mr John makes about him.

25. In relation to the emails from Mr Borg, Mr John highlights that Mr Borg continues to engage in correspondence with him including offers for sale and supply of his services in the UK. Examples are shown in CJ3 from June 2007 where Mr John is asking for quotes (they are provided) for chipping certain vehicles. Mr Borg also sent an email to Mr John in November 2007 wishing him a happy birthday; all the emails use SPS' email address.

SAS' reply evidence

Third witness statement of Mr Nicholas Heyes – 11 September 2007

26. Mr Heyes repeats his earlier statement that any other party supplied by Turbochip is not permitted to use the name and he highlights that Mr John has provided no evidence of others using the name. In relation to Tom and John Gray, he says that they are the official dealers for the Republic of Ireland (his previous witness statement included an extract from their website). He says that prior to CPS' agreement with Turbochip, the Grays sold some TURBOCHIP product in the UK with the consent of Turbochip. He says that the Grays have sold some product since then but that this is not with the consent of Turbochip, CPS or SAS and that CPS wrote to them in December 2005 (with Mr John's approval) to ask them to stop.

27. In relation to Mr John's claim that it was he who purchased the right to use the name in the UK and the invoice he provided in support, he highlights that CPS was set up prior to that meeting, that the meeting in Denmark was between Mr John, Mr Borg and himself and that the negotiations were carried out as directors of CPS, and that the agreement was between Turbochip and CPS. He recalls that as part of the split of the initial set-up costs for CPS, he subsequently re-reimbursed Mr John for half of his outlay.

28. Mr Heyes says that the trade mark is only of considerable value to CPS to the extent that it continued to be licensed by Turbochip. He says that Mr John has not disputed the termination of CPS' license. He highlights that as CPS' license was terminated before the registration of the mark then registration in the name of CPS was in error.

Analysis of the evidence

29. Mr Heyes and Mr John set out different versions of events as to how CPS came to be the proprietor of the trade mark and its relationship with Turbochip. I will begin by making an analysis of the evidence to decide which version of events is to be believed. I should stress at this stage that even if I believe Mr Heyes' version of events, this does not mean that the rectification will succeed because, regardless of the position, the resulting circumstance must still be one capable of rectification under the provisions of section 64(1) of the Act.

30. Mr Heyes evidence is, for the most part, clear and concise. He states that CPS were appointed as Turbochip's exclusive UK licensee and that the trade mark was applied for against that background. I should stress at this point that in terms of being a licensee, I take this to mean the appointment as UK agent on behalf of Turbochip. This is because there was no UK trade mark, as such, to license at the time of the agreement. He states that such appointment was made following a meeting with Mr Borg. He highlights that the trade mark as applied for is consistent with the early branding of Turbochip and that licensees (agents) in other territories use similar branding. He states that the business could not operate without Turbochip as they are involved in the re-programming of files. It is also telling that this is consistent with Mr Heyes' evidence which he gave on behalf of CPS in November 2005 – at this point in time Mr Heyes had no axe to grind, his evidence is on behalf of CPS when it was still being operated by Mr Heyes and Mr John.

31. I find Mr John's evidence to be less clear. He states that it is he who purchased the "right to use the TURBOCHIP name in the UK" but he does not explain on what basis. As I stated above, there was no trade mark to purchase/license so, again, the assumption must be that he purchased the right to be Turbochip's agent in the UK. Either way, what he means is not clear. If it was him who purchased the agency rights, he does not explain why Mr Heyes accompanied him in his meeting with Mr Borg. Mr John himself, though, goes on to state that:

“..consequent upon the meeting with Mr Borg, Mr Heyes and myself agreed mutually to be distributors of the TURBOCHIP product in the UK”

32. On the face of it, the above statement is more supportive of SAS' version of events than CPS' version. The alternative is that at the meeting between Messrs Heyes, John and Borg, Mr John personally bought the UK agency rights but then

agreed (presumably at that same meeting) that a separate company (CPS) would actually be the UK agent effectively as a sub-agent. This strikes me as highly implausible and, in any event, Mr Borg has filed evidence himself and his explanation is in line with Mr Heyes rather than Mr John. Mr Borg highlights that his company has exclusive dealers in various territories, that CPS was one of them and that CPS was replaced by SAS. I further note that CPS was set up prior to this meeting and, so, the agreement between CPS and Turbochip was able to be undertaken at that time. This also supports Mr Heyes view that at the meeting, both he and Mr John were attending in their capacity as directors of CPS.

33. I note, though, that Mr John filed an invoice from Turbochip which invoices SPS (Mr John's personal trading style). Mr John says that this stems from the meeting. Whilst this raises a question, there is nothing implausible in Mr Heyes response to this when he refers to some initial set up costs of CPS that were paid for by Mr John and later re-reimbursed by Mr Heyes.

34. Taking into account the evidence of Mr John, Mr Heyes and Mr Borg, the most plausible version of events is that at the meeting it was agreed that CPS would be Turbochip's UK agent but that whatever money needed to be paid to Turbochip would be paid by Mr John in the first instance (hence the invoice). This does not mean that an agent/sub-agent relationship exists between Mr John and CPS but merely that the invoice was sent to the relevant director that was to make payment. The fact that it was addressed to SPS and not CPS is not really relevant.

35. As to whether the agreement between Turbochip and CPS was exclusive or non-exclusive, I do not see why this is particularly relevant. This is because the trade mark in question was applied for by CPS on the basis of it being an agent of Turbochip and not a sub-agent of Mr John. In any event, the evidence points towards an exclusive relationship rather than a non-exclusive one given the evidence from Mr John and Mr Borg together with the key role that Turbochip retains with its agents in the relevant territory. In terms of others using the mark in the UK, again, I struggle to see the relevance, but Mr Heyes response (which is unchallenged) highlights that such use may not have been under the TURBOCHIP brand and that the Gray's post meeting use was without consent and that such use has been disputed by way of letter (which Mr Heyes states Mr John is aware of).

Rectification

36. The application for rectification is made under the provisions of section 64(1) of the Act. Section 64 of the Act reads:

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

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

(2) An application for rectification may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(3) Except where the registrar or the court directs otherwise, the effect of rectification of the register is that the error or omission in question shall be deemed never to have been made.

(4) The registrar may, on request made in the prescribed manner by the proprietor of a registered trade mark, or a licensee, enter any change in his name or address as recorded in the register.

(5) The registrar may remove from the register matter appearing to him to have ceased to have effect.”

Sufficient interest

37. The applicant, SAS, must have a sufficient interest to apply for rectification. It matters not that Turbochip approves of its application, SAS must have a sufficient interest itself. However, a claim to being the proprietor of the trade mark, even if such proprietorship stems from an agreement with a third party, represents a sufficient interest in this matter.

Has there been an error or omission capable of rectification?

38. Section 64(1) relates to errors or omissions in the register. No omission is claimed, the claim instead relates to error. SAS argue that an error was made when the mark was registered, i.e. that although applied for correctly the replacement of CPS by SAS as exclusive agent occurred prior to the registration of the mark and, therefore, registration in CPS' name was erroneous because by that time it had no right to use the mark. It says that the subsequent registration in CPS' name is clearly one which could not be maintained. SAS highlight a decision of Dr Trott (for the Registrar) in case BL O/336/01 *Bendy Toys* in which it was held that rectification was not limited to situations of clerical mistake and, it says, that a similar situation existed in that case (that case involved an assignment which was held to be in error because the trade mark in question was being held on trust for another party). It says that a possible alternative remedy is for it to seek a declaration from the Court that the registration was

being held on trust for Turbochip/SAS, but that this remedy would have been available in the *BendyToys* case and the fact that there may be an alternate remedy does not mean that rectification should be refused; it says that the test is whether rectification is appropriate in all the relevant circumstances.

39. I agree with SAS that rectification is not limited to circumstances where there is no other remedy available. Whether there is an alternate remedy or not is not relevant. However, whilst I agree with SAS that the test is whether rectification is appropriate in all the relevant circumstance, the test is, still, limited to circumstances of error correction. That being said, the provisions of section 64(1) cover more than the correction of clerical errors. I have no doubt that it can cover situations of disputed ownership for example, to correct an erroneous assignment. The registrar has issued a number of decisions to this effect beyond that of Dr Trott³. However, in those cases, the legal ownership of the trade mark did not actually transfer and, so, the recordal of the purported new proprietors in the register constituted the error as they were not the proprietors of the mark.

40. The circumstances of the case before me are, though, quite different because CPS were, and have always been, the legal owners of the trade mark. The fact that its exclusive agency agreement was terminated before registration does not affect this point. It was still the legal owner given that there has been no formal assignment of the trade mark from CPS to either SAS or Turbochip. Presumably, the agreement between CPS and Turbochip regarding the use of the mark in the UK and its application for registration could and should have covered the circumstance of agreement termination with, perhaps, the end result that the legal ownership should be assigned either to Turbochip or a third party newly appointed agent such as SAS. However, none of the evidence indicates that any thought was given to such matters and I suspect that the agreement made at the meeting was much less formal than that and which, in any event, was not reduced to writing

41. What I am being asked to undertake is, effectively, a legal assignment of the trade mark from its current legal owner (CPS) to a new owner (SAS). Whilst this may be correcting a deficiency in the original agreement between the respective parties, it is not correcting an error as it stands on the register. The register is correct given the fact that no assignment has taken place. The fact that Turbochip made a business decision to change its exclusive agent in the UK (for whatever reason) does not affect that proposition regardless of the fact that it did so prior to registration. It seems to me that what I am really being asked to do is to grant an application under section 60(3)(b)⁴ of the Act. However, no such application has been made and, in any event, only Turbochip (and not SAS)

³ See the case under the references: BL O/283/02, BL O/284/02, BL O/040/05

⁴ Section 60(3)(b) allows the proprietor of a mark in a Convention county to request, if an agent or representative of it has applied for a trade mark, for rectification of the register so as to substitute its name as the proprietor of the registered trade mark.

would have been able to make such an application. I stress that this does not mean that I would have granted such an application, but simply that the provisions in that section are closer to what I am being asked to undertake under section 64(1) of the Act.

42. I could be argued that there is a tension in my view that I cannot allow a rectification under section 64(1) to undertake, effectively, a legal assignment, yet section 60(3)(b) permits rectification on what could be seen as a very similar basis (substituting the agent's name for the name of the proprietor of a mark in a convention country), albeit, within the narrow circumstances outlined in that provision. Whilst I recognize that argument, section 60(3)(b) is an additional and quite separate power governing particular and exact circumstances. It is almost an exception to section 64(1). In other words, section 64(1) relates to rectification of errors or omissions, whereas section 60(3)(b) relates to rectification of different and precise matters beyond that of error (on the register) correction.

43. I have considered whether the position is altered by the fact that CPS has since dissolved. My view is that this does not affect matters and that CPS' now ownerless property is *bona vacantia*. This does not, though, prevent Turbochip or SAS agreeing with the Treasury Solicitor to take an assignment of the trade mark registration. Furthermore, SAS could take action through the Court to seek a declaration that CPS was holding the trade mark on trust and to therefore compel an assignment. That, though, is a matter for Turbochip/SAS.

44. My decision is, therefore, to reject the application for rectification because there is no error on the register.

Costs

45. In its written submissions SAS sought costs against Mr John personally. However, given that SAS has failed in its application then this does not need to be considered. In any event, I would have had some difficulty in awarding costs against Mr John personally given that he is not, himself, a party to these proceedings and there is no provision in the Act to add him as party at the request of SAS. Similarly, I cannot award costs in favour of CPS as it has been dissolved, nor can I award them in favour of the Treasury Solicitor as they have played no part in the proceedings and would not have incurred any costs. All things considered, there is no cost award to make.

Dated this 16 day of February 2010

**Oliver Morris
For the Registrar
The Comptroller-General**