

DECISION ON SUBSTITUTION OF AN OPPONENT

1. Chesterfield (Management Services) Limited asks to be substituted for TM(Z) Limited as the opponent in these proceedings. The request was made after the period for filing opposition had expired. The original opponent has been dissolved.

2. At a case management conference held on 1 October 2014, Mr Kieron Taylor of Swindell Pearson represented the would-be new opponent. Ms Laura West of Mathys and Squire LLP represented the applicant.

3. While there is no express power to permit substitution of opponents, it has been held that the registrar has an inherent power to do so¹. In any event, substitution now appears to fall within the registrar's general case management powers under Rule 62(1) of the Trade Mark Rules 2008. Either way, the registrar has the discretion to permit the requested substitution.

4. On behalf of the applicant, Ms West objected to the substitution, essentially because it was not based on an assignment of any relevant rights², the new opponent was effectively asking for an inadmissible extension of the opposition period, and there was a parallel opposition by Benetton Holdings Limited, which appeared to be a related company to the would-be opponent and covered the same grounds of opposition as in these proceedings. This opposition therefore appeared to be an abuse of process.

5. On behalf of the would-be opponent, Mr Taylor submitted that the original opponent had assigned its right to oppose the application to the would-be new opponent, and that the parallel opposition by Benetton Holdings Limited also covered numerous relative grounds which were going to take time to resolve. Therefore there was a legitimate interest in pursuing this opposition independently of the Benetton Holdings opposition.

6. The fixed time limit for filing oppositions provides legal certainty. If an application is not opposed within the specified opposition period, the applicant knows for certain that there is no opposition. In this case the application was opposed by the original opponent within the specified period. The applicant therefore knew that it faced an opposition and the grounds on which the application was opposed. Substituting the opponent would not, therefore, have prejudiced the applicant in this regard.

¹ Pharmedica [2000] RPC 536

² As envisaged in paragraph 4.17 of the Work Manual

Nevertheless, the lack of prejudice to the applicant is not decisive. The onus is on the party asking to be substituted for the original opponent, after the end of the statutory opposition period, to show why the registrar's discretion should be exercised so as to permit it. In this connection, I find that the claimed (although unproven) assignment of the right to bring this opposition is irrelevant. This is because entitlement to file an opposition, and the period within an opposition may be filed, are governed by the Trade Marks Act 1994 and the Trade Mark Rules 2008. There is no provision through which the right to oppose can be transferred³.

7. However, in my view, the power to permit substitution of opponents is not limited to the situation where a new party acquires ownership of a trade mark or property right owned by the original opponent, although this remains a necessary and persuasive factor where the opposition is based on relative grounds protecting private rights⁴. Where (as here) the opposition is based on absolute grounds, different considerations apply. This is because the absolute grounds for refusal protect the relevant public from the creation of inappropriate or unjustified exclusive rights in trade marks. Those grounds therefore protect the public interest. This may be a powerful reason for exercising the registrar's discretion to permit the substitution of an opponent so that the absolute grounds of opposition can be ventilated and, if justified, upheld and the application to register the trade mark refused.

8. This reason for allowing substitution of an opponent has far less force when the same grounds of opposition are already being run in a parallel opposition to the same application by a company which appears to be related to the would-be opponent. In this connection, I note that applicant has provided documents which show that the sole shareholder of the would-be opponent – Mr Christopher George - has described himself in other proceedings as an authorised officer of Benetton Holdings Limited. My Taylor was unable to shed any further light on the connection between these parties, so he was not in a position to contradict the applicant's contention.

9. I accept that bringing two oppositions against the same application by connected companies on overlapping grounds is not, as the applicant seems to claim, an abuse of process *per se*. Nevertheless, the ability to pursue the grounds of opposition in question through the opposition filed by Benetton Holdings Limited, irrespective of the fate of this opposition, is relevant to whether the registrar's discretion should be exercised so as to permit substitution of the opponent in this opposition so that these proceedings may continue.

³ Contrast s.38 of the Act with ss.22, 27 and s.35(6) which provide that trade marks and international priority rights may be assigned.

⁴ Necessarily so in view of the restriction on who may file an opposition introduced by The Trade Marks (Relative Grounds) Order 2007.

10. I accept Mr Taylor's submission that the opposition by Benetton Holdings Limited is likely to take longer to determine than this opposition because it also covers relative grounds. This might have justified the requested substitution of the opponent in this opposition. After all, if the absolute grounds are determined first and succeed, there will no need to resolve the additional relative grounds of opposition brought by Benetton Holdings Limited. However, I do not consider that it is necessary to permit the substitution of the opponent in these proceedings in order to achieve that legitimate aim. Rule 62(1)(h) provides that any part of any proceedings may be dealt with as separate proceedings. Therefore there is nothing to prevent the (substantially the same) absolute and procedural grounds of opposition in the Benetton Holdings opposition being split off and dealt with before the relative grounds.

11. Having taken all of these factors were taken into account, I decided to reject the application to substitute the opponent.

Dated this 6th Day of October 2014

**Allan James
Hearing Officer**