

O-047-15

IN THE MATTER OF TRADE MARK REGISTRATION 2621869



STANDING IN THE NAME OF PEPPERMONGERS LTD

AND

APPLICATION FOR RECTIFICATION THERETO UNDER NO 84746  
BY PETER GIBBONS

## **BACKGROUND**

1. The trade mark shown on the cover page of this decision stands registered in the name of Peppermongers Ltd (the proprietor).

2. On 8 October 2014 Peter Gibbons (the applicant) sought to rectify the register. In his application he stated:

*"I am the author and owner of Trademark UK00002621869, copy of original certificate attached.*

*The Trademark was re-assigned to Peppermongers Ltd on 23/06/14 without my knowledge or consent and should not have been transferred without my authorisation.*

*The Directors Agreement provided by Tom Alcott as evidence of my authorisation has not been fulfilled and more importantly is incomplete. It omits a second document, a Shareholders Agreement (copy attached), referred to in the Directors Agreement.*

*The handwritten clause (4) states that the Directors Agreement, and therefore re-assignment of the Trademark is subject to fulfilment of the accompanying Shareholders Agreement, and fulfilment of the repayment of the directors loan (3).*

*The Shareholders Agreement has not been addressed and no share buy back payment has been received. Repayment of the loan has not been fulfilled.*

*Until such time that both of these points have been fulfilled, the Trademark remains assigned to me."*

3. A number of documents were attached to the application for rectification, I will return to these below.

4. A copy of the application was sent by the Tribunal to the proprietor on 22 October 2014. Under the provisions of rule 44(2)(b) of the Trade Marks Rules 2008 (TMR), the applicant was allowed a period of two months to file a notice of defence and counterstatement and whatever evidence or submissions it considered necessary.

### **Documents attached to the application for rectification**

- A copy of the registration certificate for 2621869 dated 2 November 2012 which shows the proprietor as Peter Gibbons.
- A copy of 'Peppermongers Ltd shareholders agreement and extraordinary meeting of directors, both dated 3 May 2013.
- A TM21A request to change Mr Gibbons address on the Register, dated 8 October 2014.

5. The shareholders' agreement states as follows:

**“Valuation**

Business value = £0

Pete & Tom valuation based on inputs = £55,500

**Buy back**

Peppermongers Ltd share buy back of Pete Gibbons 44 shares

Peppermongers Ltd retires shares

New share allocation = 56 shares

...

Pete value due = £24,420”

6. Installment dates and figures are shown as to 'to be confirmed'. Handwritten on the document to the right of these figures is the following:

“FINAL PAYMENT.

JAN 2015 – TERMS OF PENDING AGREED LATE PAYMENT CLAUSE”

7. The second page of the document is titled 'Peppermongers Directors Extraordinary Board Meeting'.

8. The document shows an agreement to file a TM16 trade mark to record the change of ownership and a form 288b Directorship Termination at Companies House. It is signed by Tom Alcott and Pete Gibbons and confirms that, *'All copyright, trademarks, designs rights etc resides with Peppermongers Ltd.'*

9. The third part of this document is headed, *'Prioritising Repayment of Pete Gibbons loan'*. Below the heading it states, *'Payment of £500.00 per month on direct debit'*, written by hand next to this are the words: *(OR 50% NET PROFITS, WHICHEVER GREATER) INTEREST PAYABLE AT NORMAL RATES*. This is also signed by both parties.

10. On 13 January 2015 the applicant sent an email to the Tribunal in the following terms:

*“Transfer of ownership was only to happen once the agreed share value had been paid to me by Peppermongers. These were the terms of our Shareholder's agreement, a copy of which was included with the TM26(R) form.*

*No payment has yet been made to me for the shares, so under the terms of our agreement the Trademark should remain in my ownership until this payment is made in full.”*

## DECISION

11. Rectification of the register is provided for under section 64 of the Trade Marks Act (TMA) which states:

**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

12. The applicant must have sufficient interest to apply for rectification. I note, in passing, that the mark includes the surnames of Mr Alcott and Mr Gibbons. It is clear from the documents provided with the applicant's request that Mr Gibbons was recorded as the proprietor of the contested mark on 2 November 2012, when the registration certificate was issued. I am prepared to accept that he has sufficient interest to bring these proceedings.

### Is the claimed error capable of correction?

13. Section 64(1) deals with errors or omissions in the register and is interpreted more broadly than rectifying simple clerical errors. It can and has been used to rescind erroneous assignments and deal with issues of disputed ownership.<sup>1</sup>

Section 72 of the TMA states:

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<sup>1</sup> See for example *BL O/040/05* and *BL O/408/11*

“72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

14. Section 24 deals with assignments and reads:

“24. - (1) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property. It is so transmissible either in connection with the goodwill of a business or independently.

(2) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply-

(a) in relation to some but not all of the goods or services for which the trade mark is registered, or

(b) in relation to use of the trade mark in a particular manner or a particular locality.

(3) An assignment of a registered trade mark, or an assent relating to a registered trade mark, is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative.

Except in Scotland, this requirement may be satisfied in a case where the assignor or personal representative is a body corporate by the affixing of its seal.

(4) The above provisions apply to assignment by way of security as in relation to any other assignment.

(5) A registered trade mark may be the subject of a charge (in Scotland, security) in the same way as other personal or moveable property.

(6) Nothing in this Act shall be construed as affecting the assignment or other transmission of an unregistered trade mark as part of the goodwill of a business.”

15. The Tribunal sent a copy of the application to rectify the register (along with the attached documents) to the registered proprietor at the address recorded on its database. The address was provided by Tom Alcott in a letter to the Registry on 16 June 2014 as being both his own address and the registered address for Peppermonger Ltd. Mr Alcott is the second Director and signatory on the agreement documents dated 3 May 2014. As far as I am aware there has been no request by or on behalf of the proprietor to amend its registered address. In the circumstances, the

documents are deemed to have been received<sup>2</sup> and, as a consequence, the applicant's case, that he is the beneficial owner of the contested trade mark, stands unchallenged.

16. The applicant does not dispute that there was an agreement to assign the contested trade mark to Peppermongers Ltd, however, that assignment was dependent upon the necessary consideration. In this case, the consideration was to be the payments listed in the document agreed at the extraordinary meeting of directors on 3 May 2014, (namely, £500 per month or 50% of the net profits - whichever was the greater) as well as fulfillment of the shareholder's agreement.

17. The applicant maintains that payment has not been made and none of these conditions have been satisfied. He submits that as a consequence the trade mark assignment is invalid and furthermore, was made without his knowledge. This has not been challenged.

18. Documents filed by the applicant support his position that these payments were required before an assignment could take place. The consequence of this conclusion is that the trade marks register should be rectified and the registration returned to the name Peter Gibbons.

## **Conclusion**

**19. The application for revocation has succeeded. I therefore direct that the register be rectified so that the proprietorship of trade mark 2621869 read Peter Gibbons.**

## **Costs**

20. No request for costs has been made and I make no order in this respect.

**Dated this 30th day of January 2015**

**Al Skilton  
For the Registrar**

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<sup>2</sup> *In accordance with Section 7 of The Interpretation Act 1978 (as amended).*