

**IN THE MATTER OF
TRADE MARK REGISTRATION NO. 1024292
IN THE NAME OF AAF McQUAY INC
IN RESPECT OF CLASSES 6, 7 AND 11**

AND

**IN THE MATTER OF AN APPLICATION FOR
REVOCAION AND AN APPLICATION FOR
A DECLARATION OF INVALIDITY NO. 9581
BY HYPERTHERM INC**

DECISION

Registration No. 1024292 for the trade mark shown below stands on the register in the name of AAF McQuay Inc.

5



10

The trade mark is registered for a specification of goods which reads as follows:-

15

Class 6

Chimneys for use with installations and apparatus for heating, drying, refrigerating, ventilating and air-conditioning; pipes and tubing; storage vessels and tanks; all made wholly or predominantly of metal and included in Class 6.

20

Class 7

Compressors (machines), heat-exchangers (parts of machines) and separators (machines); condensers, pumps, valves and filters, all included in Class 7; and parts and fittings included in Class 7 for all the aforesaid goods.

25

Class 11

5 Installations and apparatus included in Class 11, all for heating and drying; installations and apparatus, all for refrigerating and air-conditioning; and parts and fittings included in Class 11 for all the aforesaid goods.

10 On 21 May 1997 Hypertherm Inc of New Hampshire, United States of America applied for the revocation and a declaration of invalidity in respect of the above registration on the following grounds:-

1. Under Section 46(1) because there has been no use of the registration for an uninterrupted period of five years in respect of some or all of the goods covered by the specification and there are no proper reasons for non-use.
- 15 2. Under Section 47(1) because the application for registration was made in bad faith by reference to Section 3(6) in that the proprietor had no intention to use the trade mark on all of the goods for which it is now registered.

20 The registered proprietor filed a counterstatement denying the grounds of revocation and invalidation and, as required by Rule 31(3) of the Trade Marks Rules 1994, filed evidence of use of the trade mark in support of the counterstatement.

The registered proprietor sought their costs.

25 The only evidence filed in these proceedings was that filed by the registered proprietor in support of the counterstatement. The applicants for the revocation and of the registration filed, under cover of a Statutory Declaration by their Trade mark Agent Nicholas A Kirkham dated 2 December 1997, a copy of the registered proprietor's evidence as support for their case that the trade mark had not been used, or not used on all of the goods for which the trade mark is
30 registered.

The matter came to be heard on 23 June 1998 when the registered proprietor was represented by Ms B Cookson, of Field Fisher Waterhouse and the applicants by Mr N A Kirkham, of Graham Watt & Co.
35

Ms Cookson, at the start of the hearing submitted that these proceedings should have been abandoned because the applicant did not file any substantive evidence in support of their pleadings and there had been no request to the Registrar to direct otherwise. In this regard I
40 consider that Rules 31 & 13, of the Trade Mark Rules 1994 (as amended) which set out the practice to be followed in revocation and invalidation proceedings before the Registrar do not require an applicant to file substantive evidence on their own behalf. If they consider that the registered proprietor's evidence can be used to support their pleadings then they are at liberty to file that evidence under a statutory declaration of their own stating so. It was acceptable
45 therefore for these proceedings to continue without the Registrar issuing any direction that they do so.

Registered Proprietors' Evidence

5 This comprises a Statutory Declaration by Mr Eric Spencer of J & E Hall Limited, dated 19 August 1997. He states that he is the Sales Manager of J & E Hall Limited, a subsidiary of AAFMcQuay Inc, and that the information contained in the declaration is made from his personal knowledge and from the records of his company and those of AAF McQuay Inc.

10 Mr Spencer states that his company has been using the registered trade mark since January 1974 with the consent of the registered proprietor, which from 1975 to 1995 was the then parent company APV. During this time the company did not actively use the registered trade mark on new products or advertising material. However, the trade mark was never abandoned and he produces at Exhibit ES1 selected pages from his company's catalogue, first published in March 15 1981, to support this. On each of these pages the registered trade mark is shown and Mr Spencer says the catalogue continues to be distributed to customers who order goods by providing from it the reference number of the particular spare or spares they require.

Mr Spencer, at Exhibit ES2, goes on to produce two invoices, dated 9 December 1996 and 2 February 1997 which, he states, illustrate how a customer places an order by relying on the information provided in the catalogue. They show that the part (or reference) number, which 20 accompanies the description of the spare parts in the catalogue, is used as an identifier on the invoices. In his view therefore the catalogue shows use of the trade mark and the invoices show that the catalogue in turn is used to support sales of goods under the trade mark in the relevant period. Mr Spencer also exhibits an 'engineers manual' which, though published more than five years ago, continues, he says, to be issued to customers who are therefore reminded of the origin 25 of the goods and the source of the spare parts that are inevitably needed for goods of this nature (the engineers manual is in respect of the Mk II Refrigerating Compressors Single Stage).

Mr Slater finally states that as a result of a change of ownership in 1995 there has been a review of the brand range and of the value of the reputation and goodwill of the trade mark at issue. As 30 a result the intention is to revive the brand name and this intention was formed before the application for revocation by Hypertherm Inc was filed. One of the company's current projects therefore includes the preparation and update of the catalogue in CD-ROM format and as evidence of this there is exhibited a letter from Mr Slater's company to the contractor, Colour Reproductions Limited, dated 30 July, without any year being given, confirming the project.

35 That completes my review of the evidence and turn to the grounds upon which the requests for invalidation and revocation are based.

40 First of all, I do not consider that any evidence has been filed to support the application for the declaration of invalidity based upon Section 47(1) and Section 3(6) of the Act. These provisions state:-

45 47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of Section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

5

3. - (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

10 The Act does not define what 'bad faith' is but it could include, in my view, a situation where the registered proprietor (or a predecessor in business) had no intention of using the trade mark on all of the goods or services covered by the specification shown on the form of application for registration. But there must be produced by any one so alleging 'bad faith' evidence of that fact. Mr Geoffrey Hobbs QC, acting as the Appointed Person, said in WILD CHILD [1998] RPC at page 465, "... I am not willing to regard assertions without any real substantiation as sufficient to sustain an objection to registration ...". The same must apply in respect of an application for a declaration of invalidity. In this case there has been no evidence filed which would suggest that this registration was not applied for in good faith and accordingly I dismiss the application for a declaration of invalidity.

15

20 I turn to the application for revocation which is made under Section 46(1) of the Act, the relevant provisions of which state:-

46-(1) The registration of a trade mark may be revoked on any of the following grounds-

25

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

30

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

35

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

40

46(5) - Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

45

On the basis of the pleadings and the evidence it is only Section 46(1) (a) and (b) that are relevant in this case. There has been no indication that the trade mark has become a common name in the trade for the goods for which it is registered nor is there any evidence that the trade mark is liable to mislead the public. I therefore have to determine only whether the trade mark has been put

to genuine use; if so, on what goods it has been used and if not all of the goods or services, whether there were any proper reasons for non use.

5 The evidence of Mr Spencer was criticised at the hearing by Mr Kirkham. First of all he said that there appears to have been a number of ‘users’ of the trade mark but there is no indication that any of the users had the authority of the registered proprietor to use the trade mark, therefore there was no evidence that any use of the trade mark had accrued to the present proprietors. He pointed out that the company names appearing on the exhibits differed from those mentioned by Mr Spencer in his Statutory Declaration i.e. the name shown on the catalogue exhibited shows
10 the name of a company called Halltherm Materials Limited and no explanation is given as to its relationship with any of the other companies involved with the trade mark. In response to this submission Ms Cookson stated that use by subsidiaries and other authorised users of the trade mark (for that is what they were) accrued to the benefit of the trade mark owner. This was so even without the need to record any licence or user agreement. In this respect, she said that Mr
15 Spencer, the Sales Manager of J & E Hall Limited, a subsidiary of AAF McQuay Inc, was fully authorised to make the declaration based on his own knowledge and from the records of both companies to which he had access. This evidence had not been challenged by the applicant for revocation.

20 Whilst with the addition of a limited amount of further information to the Statutory Declaration could have better and more clearly presented the position, I am prepared to accept Mr Spencer’s statements that the trade mark was always used with the consent of the registered proprietor and therefore that there was a relationship between the companies mentioned in the Statutory Declaration and those whose names appear on the exhibits, whether that was a controlling
25 relationship or contractual. If there has been any use of the trade mark then it has accrued to the proprietor of the trade mark. In this respect I rely upon BOSTITCH [1963] RPC 183.

I now turn to the question of whether or not there has been use of the trade mark in respect of the goods for which the trade mark is registered in the relevant period which in this case is the five
30 years preceding the application for revocation.

In their counterstatement the registered proprietors state that the nature of the international classification system requires extensive specifications to cover the range of goods sold as part of the proprietors range of compressors and associated hardware. Mr Spencer in his Statutory
35 Declaration whilst he states that his company has been using the trade mark since 1974 does not say on what goods the trade mark is used. However, in exhibiting the catalogue at ES1 he states that “customers who order goods in this way, giving a reference number to the spares they require” (my underlining). The front page of that catalogue is at Annex A and as can be seen is headed “Spares Catalogue”. Further examination of the pages of the catalogue exhibited with
40 the evidence indicate that the spares are in fact all for compressors of various types. In relation to the engineers manual exhibited, Mr Spencer states that “although published more than 5 years ago, [the manual] continues to be issued to customers who are reminded of the origin of the goods and the source of the spare parts that are inevitably needed for goods of this nature” (again my underlining).

45

I can see nothing in the evidence before me to support any submission that the trade mark the subject of these proceedings has been used on any of the major items contained in the specifications of goods for which it is currently registered. For example, no use is shown of the trade mark on chimneys for use with the installations and apparatus for heating, drying, refrigerating, ventilating and air-conditioning, or on compressors themselves or in respect of installations and apparatus for heating and drying. The only use that has been shown of the trade mark, in my view, has been in relation to 'spares' - for compressors as indicated by Mr Spencer's use of the term in his Statutory Declaration and by the 'Spares Catalogue' exhibited. There is no need for me to consider whether there was any proper reason for non-use of the trade mark on any of the other goods covered by the registration because the registered proprietor did not advance any such reasons.

Having established that there has been use of the trade mark but only on some of the goods covered by the specifications, I go on to consider whether this use has been in the relevant period. In my view, it has. Despite the fact that the catalogue itself is dated March 1981 both the invoices exhibited were dated within the relevant period and quoted part numbers from that catalogue. I am therefore satisfied that despite its age the catalogue was in use throughout the period relevant to these proceedings. I am not, however, persuaded that the instruction manual exhibited is of any value in this regard. It appears to be dated '12/78' and there is no other material to reinforce Mr Slater's statement that it is still current. This is a minor point because, as I have already indicated, the catalogue was, I believe, in use during the relevant period and indeed there is every indication that it will continue to be used by the registered proprietor, in CD-ROM format in future.

There remains the matter of the Registrar's discretion which was raised by Ms Cookson at the Hearing. Though it has been established in INVERMONT [1997] RPC 125 that the Registrar has a discretion in matters relating to the revocation of a registration I see no reason to exercise it in this case in the registered proprietors' favour. I consider that the application for revocation, based on Section 46(1) of the Act, is well founded in that within the period of five years prior to the date the application for revocation was filed, the registered proprietor of this trade mark had not used it in relation to all of the goods for which it is registered. And despite the statement by Mr Slater that 'the company intends to revive the brand name' no practical expression of this intention has been put forward.

As I have found that the grounds of revocation exist in relation to most but not all of the goods covered by the registration I apply the provisions of Section 46(5) and therefore the registration should be revoked in respect of all goods except spares for compressors. Accordingly, I direct under of Section 46(5) of the Act that this registration be revoked by the deletion from it of all of the goods covered by Classes 6 and 11 and goods in Class 7 to the extent that the specification should read:

Class 7

Parts and fittings for compressors (machines).

In relation to the remainder of the deletion of goods from the specification the rights of the

proprietor are deemed to have ceased with effect from the date of the application for revocation, 21 May 1997, in accordance with Section 46(6).

5 The applicant for revocation did not seek an award of costs in this case and therefore no order as to costs is made.

Dated this 14th day of August 1998.

10

15

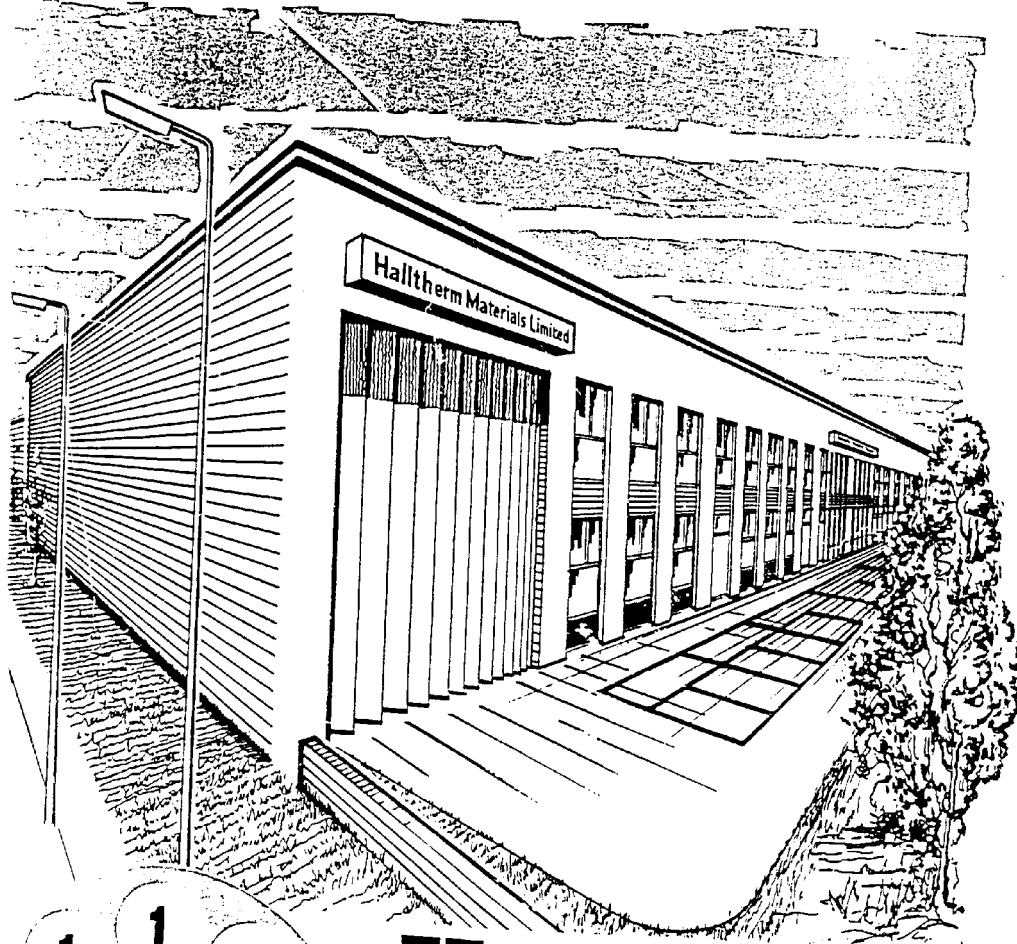
M KNIGHT
For the Registrar
the Comptroller General

20

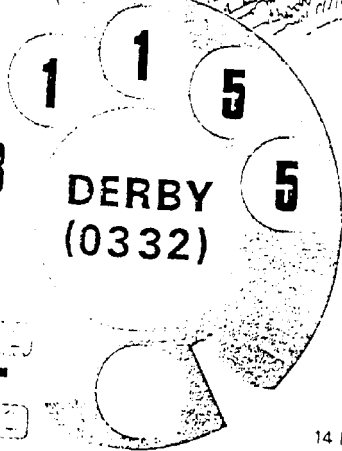
ANNEX A

MARCH 1981

SPARES CATALOGUE



EXHIBIT



Halltherm Materials Limited

14 HANSARD GATE, WEST MEADOWS INDUSTRIAL ESTATE, DERBY DE2 6JN
ENGLAND Telephone, Derby (0332) 31155 Telex 37198

