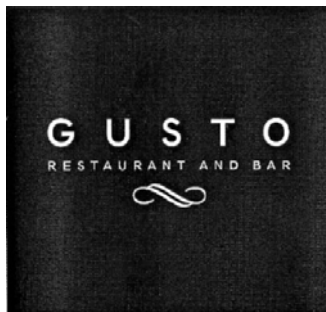


O-228-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF AN INTERLOCUTORY HEARING IN RELATION TO:**

**APPLICATION NO 2463377  
BY LIVING VENTURES RESTAURANTS LIMITED  
TO REGISTER THE TRADE MARK:**



**IN CLASS 43**

**AND**

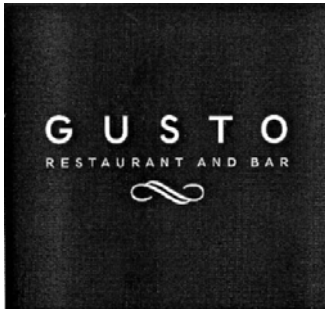
**OPPOSITION THERETO (UNDER NO 96006)  
BY GUSTO INNS LTD**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF An interlocutory hearing in relation to:**

**Application No 2463377**

**By Living Ventures Restaurants Limited to register in Class 43 the trade mark:**



**and**

**Opposition thereto (under no 96006)**

**By Gusto Inns Ltd**

### **DECISION**

#### **Background**

1. Living Ventures Restaurants Limited (“Living”) applied for the above trade mark on 6 August 2007. Its application was published for opposition purposes, in accordance with section 38 of the Trade Marks Act 1994 (“the Act”), on 2 November 2007. This meant that any party who wished to oppose the trade mark from being registered should have done so by 6 February 2008; this is in accordance with rule 13(1) of the Trade Marks Rules 2000 (as amended) (“the Rules”).
2. A notice of opposition was filed on 1 February 2008 by Gusto Inns Ltd (“Inns”). The United Kingdom Intellectual Property Office (UK-IPO) queried some of the content of the accompanying statement of grounds, following which Inns filed an amended statement of grounds on 8 March 2008. Nothing I have detailed so far is at issue in this decision.
3. On 11 March 2008 the UK-IPO queried a further point with Inns in relation to its opposition, namely, that although the opposition was made by Inns, the earlier marks it relied on in its opposition stood in the name of Gusto Pub Co Ltd (“Pub”). This was highlighted as an issue in view of the provisions of the Trade Marks (Relative Grounds) Order 2007 (“the Order”) which stipulates that an application for registration can only be refused on relative grounds if objection is raised by the proprietor of the earlier mark in question.

4. Following correspondence from both Living and Inns, the UK-IPO issued a preliminary view deeming the opposition inadmissible because the opposition had been filed by Inns and not by Pub. Inns then requested a hearing.

### **The hearing**

5. The hearing took place before me on 20 June 2008. Inns was represented by its managing director, Mr Maurice Toal. Living was represented by its trade mark attorney, Mr Garry Mills of Clifford Chance LLP.

6. Both made detailed submissions at the hearing. I do not intend to detail the submissions separately here, but will refer to them, where relevant, in the body of this decision. However, broadly speaking, three primary issues were discussed, namely:

- 1) Could a company lodge an opposition in reliance on the earlier marks of a related company?
- 2) If an error has been made, was it permissible to correct the notice of opposition from one company to another, albeit related company?
- 3) If neither of the above was permissible, could one company be substituted for another, albeit related company?

7. At the conclusion of the hearing my decision was to allow the notice of opposition to be corrected to reflect Pub as the opponent rather than Inns. The rest of this decision explains why I came to this conclusion.

### **Who can lodge opposition on relative grounds?**

8. The Order states at article 2 that:

“The registrar shall not refuse to register a trade mark on a ground mentioned in section 5 of the Trade Marks Act 1994 (relative grounds for refusal) unless objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark or other earlier right.”

9. The relevant transitional provisions of the Order are at article 6 which states:

“ Articles 2 to 4 shall not apply to an application for registration of a trade mark which was published before the coming into force of this Order.”

10. Living’s trade mark application was published for opposition purposes on 2 November 2007. The Order came into force on 1 October 2007. Therefore, in accordance with article 6, the Order applies to any opposition made against Living’s application. As a consequence, Living’s application cannot be refused on the basis of a relative ground

unless, as the Order states, “objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark”

11. Inns submissions were that the two companies are closely related, in fact, it is stated in one piece of correspondence (its letter to the UK-IPO dated 19 March 2008) that they are the same company because Inns is Pubs “trading name”. Later explanations, both in correspondence (its letter to the UK-IPO dated 25 April 2008), and also at the hearing, detailed that Mr Toal runs 6 businesses (although one had closed by the time of the hearing). Pub is a holding company and the other 5 (now 4), including Inns, are wholly owned subsidiaries. It was submitted to me that the Order was there to ensure that objections on relative grounds were only made by those with an interest and that, given the fact that Inns is a wholly owned subsidiary of Pubs, the opposition should, in any event, be accepted.

12. Livings submissions are that the Order is explicit and that because Pub is the proprietor of the earlier trade marks, any opposition is not valid unless the opposition is raised by Pub. They highlight that Pub and Inns, irrespective of their relationship to each other, are separate legal entities and, consequently, only Pub is the proprietor of the earlier marks. This must lead, it says, to the opposition being inadmissible.

13. In terms of whether having an “interest” in an earlier mark is sufficient under the Order, I was of the clear view that it was not. The Order, as Living submits, is explicit. Only the proprietor is able to raise opposition on the basis of its earlier trade marks. If any wider form of “interest” were permissible then the legislation would not have been worded in such an explicit manner. Indeed, I note from the Order that in relation to the capacity to lodge applications for invalidity, the same explicit wording is used, albeit, the capacity is extended by also including a licensee of an earlier trade mark in addition to the proprietor. A licensee is clearly a party who will be regarded as having an interest in the earlier trade mark, yet they have had to be specifically legislated for in terms of invalidity applications. Whilst it is not relevant for the purpose of this decision to explain why a licensee has been legislated for in relation to invalidity applications but not for oppositions, it does, nevertheless, support the proposition that parties with a wider form of interest in the earlier mark are not provided for unless the legislation says so.

14. In terms of whether Inns can be considered as the proprietor requires a definition of the word “proprietor” itself. I note that that Rules previously contained a definition but that this was removed in 2007<sup>1</sup>. The previous definition was “the person registered as the proprietor of the trade mark”. Had this definition still been in force then that would have been the end of this first matter because Inns is not registered as the proprietor of the earlier marks. The effect of the removal of this definition is that the word must fall to be defined on the basis of its ordinary meaning. Collins English Dictionary (5<sup>th</sup> Edition) defines the word (definition 2) as “a person that enjoys exclusive ownership to some property”.

---

<sup>1</sup> By The Trade Marks (Amendment) Rules 2007 (No. 2076)

15. A “person” can be an individual human being (a natural person) or, alternatively, a “legal person” such as an incorporated company. Both Inns and Pubs are limited liability companies, and are, therefore, legal persons capable of being the owner or proprietor of a trade mark. The question of ownership is factual one. Sometimes, the facts surrounding ownership of property may be unclear, however, clarity is present here because Pubs, at its request when applying for the earlier trade marks, is recorded as proprietor. Inns may be a subsidiary of Pubs and may be the user of the marks (perhaps on the basis of an implied licence or simply use with consent) but this does not make it the owner. The removal of the definition of “proprietor” from the Rules does not alter this analysis. I can see that the removal of the definition may have an impact on situations where the proprietor recorded on the register is not the actual proprietor, this could occur, for example, when a mark has been assigned to another party but the assignment not yet recorded on the register. No information, other than the facts described above, was put forward to show that Inns is the proprietor rather than Pub. In all the circumstances, Pub is the proprietor of the earlier marks and only it can lodge and proceed with an opposition on the basis of its earlier marks. **Therefore, Inn’s cannot be the opponent on the basis of Pub’s earlier trade marks.**

#### **Can the notice of opposition be amended?**

16. This was the primary issue discussed at the hearing. Mr Toal (for Inns) argued that when he completed the notice of opposition he made a simple mistake. His explanation is that although he runs all of the companies in the group, the majority of his day to day business is conducted under the Inns designation. It is through this habitual use of the Inns designation that, he says, the mistake occurred, in other words, he forgot to remove his Inns hat when he completed the notice of opposition. Mr Toal argued that this mistake should be capable of correction.

17. Mr Mills (for Living) argued that the opponent’s name should not be corrected. Although he accepted that the registrar had the inherent jurisdiction to correct errors, including errors on a notice of opposition (Mr Mills drew to my attention the recent decision, with which he did not disagree, of Ms Adams (for the Registrar) where such inherent jurisdiction was utilised to correct an error on a notice of opposition), he pointed out that error here was not simply on the notice of opposition itself but was replicated throughout the statement of grounds. This, together with the nature of the error, meant that it was far too significant a correction to allow, it was more than a mere slip of the pen and, furthermore, that the correction, if allowed, would be tantamount to allowing a new opponent to oppose Living’s application after the expiry of the opposition period.

18. In so far as the registrar’s inherent jurisdiction is concerned, Pumfrey J. in *Friskies* [2000] RPC 536 stated:

“I have no doubt that the registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her”.

19. It seemed to me that the above statement could be utilised to permit error correction. Nothing in the Act or Rules expressly deals with the position of error correction of this nature and it must, therefore, be within the registrar's inherent jurisdiction to deal with this issue in what he considers to be an equitable and fair manner. Care must, however, be taken to ensure that this power is not exercised in a manner that is inconsistent with express provisions that are part of his jurisdiction; I will return to this latter point shortly.

20. My first task was to determine, from the facts, what has happened and whether this can be described as an error. The notice of opposition (Form TM7) listed Inns as the opponent. The TM7 was accompanied by a document headed "additional pages and attachments", I took this to be Inns' statement of grounds; this document includes statements such as:

"I make this objection as co-founder and owner of Gusto Inns Limited"

"Gusto Inns Limited filed an application at the Trade Marks Registry for the word only trade mark "Gusto Inns" under application 2431359"

21. As Mills stated, the reference to Inns has been continued in the opponent's further statements. The opponent clarifies in this document that the objection is based on Mr Toal's status as co-founder and owner of Inns. The references go further in that the information then given states that Inns was the applicant for the earlier marks. The significance of this is that the continued reference to Inns, including a references that is undoubtedly erroneous (the reference to Inns being the applicant for the earlier marks) gives credibility to the proposition that a mistake has been made. If Pubs had correctly been identified as the applicant for the earlier marks then it could have been argued that the other references to Inns were not necessarily mistakes but was merely Inns intentionally opposing on the basis of Pubs earlier marks; this is not the case. I am also conscious of Mr Toal's explanations in that the vast majority of his business is conducted as the managing director of Inns and that he simply forgot to remove his Inns hat when completing the notice of opposition. There is nothing inherent in this explanation that appears fanciful. I also note that the earlier marks also contain the words GUSTO INNS so the necessity for Mr Toal to put his Pub hat on would not obviously have presented itself. Taking all of the above into account, I was prepared to accept that a mistake had occurred and that it was the intention of Mr Toal for the proprietor of the earlier marks to be the legal person to raise the opposition, but that Mr Toal simply forgot that the earlier marks were held by Pub and not by Inns.

22. Irrespective of the above, Living argue that a correction should not be allowed. I could see the argument that correcting the opponent after the expiry of the non-extendable opposition period may be an inconsistent exercise of the registrar's inherent jurisdiction, inconsistent with the express provisions of the Rules relating to the time limited opportunity to oppose. Whilst I could see the argument, I did not agree with it. It seemed to me that the intent was for the proprietor of the earlier marks to oppose Living's application. The opposition was filed, but the intent not seen through due to the mistake as indicated above. The correction will merely bring the intent of the original opposition

to fruition and that this was not, in my view, tantamount to allowing a party to oppose outside of the opposition period. Although I accepted that the mistake was, as Mr Mills put it, more than a mere slip of the pen, it was still a mistake that, in my view, was capable of correction. Although not highly relevant on the facts, I referred to the decision of Mr Hobbs QC (sitting as the Appointed Person) in *Caswick Limited v The Thompson Miniwax* (BL-O-197-00) where, in relation to a request to amend the name of the opponent, he indicated that intent was a relevant factor to consider when determining the matter. Mr Hobbs QC stated that:

“The Registrar and the parties were not represented at the hearing before me. Doing the best I can, on the basis of the documents provided to me, I have come to the conclusion that the Notice of Opposition was intentionally filed in the name of the non-existent company rather than its successor with the result that there cannot be said to have been a misnomer susceptible of correction by amendment in the manner requested”

23. Further, and although not determinative per se, I was also conscious that even if I had disallowed the opposition, this would not have prevented Pubs from challenging Living’s trade mark through later invalidation proceedings. There was merit in the correction request itself, the avoidance of a multiplicity of proceedings was another positive outcome.

24. Taking all of the above circumstances into account, my decision was to allow the request to correct the opponent’s name from Inns to Pubs in the notice of opposition and accompanying statement of grounds.

### **Substitution of opponents**

25. The registrar’s practice on allowing a substitution of opponents was brought to my attention by Mr Mills for Living. It was brought to my attention to the extent that the practice should not be utilised to allow Pub to be substituted in as the opponent in favour of Inns. Although academic given my finding above, I should, nevertheless, express my view in case of appeal.

26. I took the view that the practice on substitution of opponents was not relevant in these circumstances. In my view, a substitution can only take place in relation to an opponent who has lodged a legitimate opposition. Particularly now given the provisions of the Order, situations where substitution may be allowed are quite limited. For example, if the proprietor of an earlier mark legitimately raises opposition but, subsequent to this, it assigns the mark to another party, then that new party could substitute itself into the proceedings as the opponent. This is not the case here. A substitution cannot be allowed to correct a deficient opposition. If my decision had been that Inns could not be corrected to read Pubs then I would have not allowed a substitution.

## **Costs**

27. I heard brief submissions on costs. Mr Toal made no real play for the opponent's costs other than referring to the fact that he had been successful. Mr Mills reminded me that the reason that we were at the hearing was down to an error on the part of the opponent and, therefore, costs should not necessarily follow the event.

28. My decision was that each side should bear its own costs. I was mindful, as Mr Mills stated, that the issue had arisen due to an error on the part of the opponent, but, this was, in my view, tempered by the fact that the applicant had been unsuccessful at the hearing.

**Dated this 11<sup>th</sup> day of August 2008**

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