

O-408-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION 2167265**

**IN THE NAME OF ASTAN MORARJI**

**IN RESPECT OF THE TRADE MARK:**

**RED MONKEY**

**IN CLASS 25**

**AND**

**AN APPLICATION TO RECTIFY THE REGISTER (UNDER NO. 83315) BY:  
PAUL WILLIAM MORGAN**

## **THE BACKGROUND AND PLEADINGS**

1) Registration 2167265 is for the trade mark RED MONKEY in respect of various clothing products in class 25. It currently stands in the name of Mr Astan Morarji. The application for rectification relates to a dispute over ownership. It is, therefore, useful to explain how Mr Morarji came to be recorded as the proprietor of the registration:

- The trade mark was jointly filed on 21 May 1998 by Mr David G Cooper and Mr Paul W Morgan;
- A Form TM16 (application to record a change of ownership) was filed on 2 May 2006 to change the recorded proprietor from Mr Cooper/Mr Morgan to Mr Michael Young. The form carried the signatures of all three parties to this change of ownership, all dated 22 April 2006. The date the new proprietor is stated to have taken over ownership was 28 April 2006.
- A Form TM16 was filed on 23 January 2007 to change the recorded proprietor from Mr Michael Young to Mr Astan Morarji. The form carried the signatures of both parties to this change of ownership, both dated 17 January 2007. The date the new proprietor is stated to have taken over ownership was 17 January 2007.

2) So, in summary, the registration passed from the joint ownership of Mr Cooper/Mr Morgan, to Mr Young, to Mr Morarji. It should be noted that when the TM16s referred to above were filed, neither were accompanied by a deed of assignment. It should also be noted that a further Form TM16 has been filed to record a change of ownership from Mr Cooper/Mr Morgan to a Mr Torry Pendergrass; it is intended that this be recorded in the event that the register is rectified back to the names of Mr Cooper/Mr Morgan.

3) The applicant for rectification is Mr Morgan. It is claimed that Mr Morgan/Mr Cooper did not assign the trade mark to Mr Young. Mr Morgan states that neither he nor Mr Cooper has met Mr Young or had any business dealings with him. It is claimed that the signatures on the Form TM16 filed on 2 May 2006 have been forged.

4) Mr Morarji denies this and puts Mr Morgan to proof on his claims. Both sides filed evidence. On behalf of Mr Morgan evidence was filed by himself, by Mr Cooper, by Mr Paul Madgwick (Mr Morgan's trade mark attorney), by Mr Torry Pendergrass, and by Ms Margaret Webb (a consultant graphologist). On behalf of Mr Morarji evidence was filed by Mr Young and by Mr Morarji's father, Sanat Morarji. Mr Cooper, Mr Morgan and Mr Young were all cross-examined at a hearing that subsequently took place before me. Mr Morgan was represented at the hearing by Mr Madgwick of Ruschke Madgwick Seide, Mr Morarji was represented by Mr Waine of Murgitroyd & Company.

## **THE EVIDENCE**

### *Witness statement of Mr Morgan*

5) Mr Morgan explains that he and Mr Cooper were involved in the clothing business together and that they visited the Patent Office [now known as the Intellectual Property Office] to file the RED MONKEY trade mark and, also, the name of Mr Morgan's current business SHARKBITE. Mr Morgan provides a copy of a Form TM21 that was subsequently filed (to amend the list of goods) in relation to the RED MONKEY application on 8 December 1998. The form carries the signatures of both Mr Morgan and Mr Cooper. Mr Morgan states that he has not assigned his share of the mark to anyone, nor has he granted a licence. He states that the signature on the Form TM16 filed by Mr Young is not his signature. He states that he does not know anyone called Mr Young. I note that the signatures of Mr Morgan/Mr Cooper on the Form TM21 do not match those on the Form TM16; I will come back to the signatures later.

### *Witness statement of Mr Cooper*

6) Mr Cooper's witness statement is worded in an almost identical manner to that of Mr Morgan (save that he is commenting on his own signature rather than that of Mr Morgan).

### *Witness statement of Mr Young*

7) Mr Young describes himself as a sole trader in the import/export business. He states that around February/March 2006 he contacted Mr Cooper/Mr Morgan at the address listed on the trade marks register. The form/nature of this contact is not specified. He states that he did not hear anything for approximately six weeks, at which point he received a telephone call from someone (Mr Young does not identify the person by name) from RED MONKEY advising that they were willing to sell the trade mark to him. A £200 payment was requested but, as Mr Young would have to pay £50 to transfer the name<sup>1</sup>, he offered £150. The person he spoke to said that this was fine and that they would sort out the "transfer paperwork" and bring it to Mr Young's home address; this was suggested because the person had family (who they were visiting) in the village of Welton, approximately five miles away from Mr Young's home in Lincoln. Mr Young was asked to pay in cash due to the small amount involved. Mr Young states that he received the transfer documents as described above.

8) Mr Young explains that he then started to have problems with a company in the US called RED MONKEY, owned by a Mr Torry Pendergrass. Mr Pendergrass was telling Mr Young that the trade mark was owned by him and that he was infringing it. A threat of prosecution was made against Mr Young if he did not stop using it. Mr Young states that due to this he did not proceed to use the mark as he had planned, feeling that the £150 he had spent was not sufficient reason to endure such threats.

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<sup>1</sup> A £50 fee is required when any Form TM16 is filed to record a change of ownership.

9) Mr Young states that in late 2006 he received a letter from Amanda Morarji asking if he was willing to sell the trade mark. He states that at this time he had completely forgotten about the trade mark. He states that he wrote to Amanda Morarji in January 2007 asking for contact to be made with him, following which an offer was made to Mr Young which he accepted. The trade mark was then transferred to Mrs Morarji's son, Astan Morarji.

10) Mr Young states that he saw nothing strange about the original transfer to him and, as he has stated, the transfer followed a letter sent by him to the registered proprietor's address.

*Witness statement of Sanat Morarji*

11) Mr Morarji is the director of Hash Clothing, a licensee of the trade mark in question. His evidence relates to the use that has been made of the words RED MONKEY and, also, its acquisition from Mr Young. In relation to the former, it is not necessary to detail this in full because it is not challenged and, also, because it seems to have little bearing on the matters before me. For the record, I note that evidence (statements of sales figures and invoices) has been provided relating to sales of RED MONKEY clothing dating from well before the trade mark was acquired. A letter from a third party (Mr Gill of Monserate) is also provided attesting to such use.

12) In relation to the acquisition of the trade mark from Mr Young, it is stated that after five years of trading, it was decided that a trade mark was needed in order to continue with the expansion of the brand. Mr Waine of Murgitroyd and Co was appointed to deal with this. Mr Waine conducted an initial search whilst on the telephone to him and advised that the mark had already been registered to Mr Young. Amanda Morarji (Sanat Morarji's wife) wrote to Mr Young to see if he was willing to sell it. [This is consistent with Mr Young's evidence]. Detail is then provided about the subsequent discussions relating to the sale of the trade mark. Various documents are provided relating to this – the price involved was £2500. Mr Morarji states that the trade mark was purchased in good faith. It is added that before the initial letter sent to Mr Young, he was not known to them (I assume he is speaking on behalf of all the Morarjis). Mr Morarji adds that he has never seen any use being made of the mark by Mr Morgan/Mr Cooper.

13) Mr Morarji then refers to a dispute with a third party in the US, Mr Torry Pendergrass, with respect to the RED MONKEY mark in Europe. The subject trade mark has been used to oppose a Community Trade Mark ("CTM") filed by Mr Pendergrass. It is added that Mr Pendergrass has attempted to take action against him without a valid claim. Mr Morarji states that Mr Morgan may have been influenced by Mr Pendergrass in this matter as they share the same attorney (Mr Madgwick), which cannot be a coincidence. Mr Morarji notes that the rectification action was filed by Mr Morgan almost immediately following a request from Mr Pendergrass to buy his business.

*Witness statement of Mr Paul Madgwick*

14) Mr Madgwick is the trade mark attorney representing Mr Morgan. He admits that he also represents Mr Pendergrass in Mr Morarji's opposition to a CTM Mr Pendergrass has filed. Mr Madgwick, when dealing with the CTM opposition, had to consider the question of genuine use of Mr Morarji's registration. When doing so he discovered that the mark had only recently be assigned to Mr Morarji so he investigated the earlier owners. He contacted Mr Morgan by way of his contact details on the SHARKBITE application. He says that in his initial conversation with him, Mr Morgan said that he still sold RED MONKEY clothing in his shop and that he had certainly not assigned it to anyone. Mr Cooper was traced via a telephone number given on the RED MONKEY Form TM3. The phone was answered by a person who Mr Madgwick believed to be Mr Cooper's mother. She said that they had moved and put him in contact with Mr Cooper. When he spoke to Mr Cooper he also said that he knew nothing of any assignment. Mr Madgwick then looked at the signatures on file for various relevant documents and saw that they were not the same. He sent Mr Morgan/Mr Cooper copies of this documentation and telephoned them a few days later. Both confirmed that the signatures on the Form TM16 were not genuine. Mr Morgan then filed the application to rectify.

15) Since the above turn of events, Mr Madgwick made an offer on behalf of Mr Pendergrass to purchase the trade mark. An agreement was reached in 2010 to do so<sup>2</sup> and, at that time, Mr Morgan agreed that Mr Madgwick would represent him. Prior to this he had given Mr Morgan some procedural advice. Mr Madgwick then provides a number of exhibits as follows:

- PRM1: A print of a website called [www.myfacias.co.uk](http://www.myfacias.co.uk). From the included email address and mobile telephone number, Mr Young appears to be involved with this business.
- PRM2: Prints from [ebay.co.uk](http://ebay.co.uk). One relates to an eBay user called mickyred13. The other relates to an eBay user called mufferoo1976. The latter user posted a guide on eBay relating to Ugg boots and how to spot suppliers of counterfeits. The practice of so called "drop shipping" is mentioned in the guide; in some circumstances counterfeit items can be shipped directly to a consumer from the factory that makes them. There is also a print relating to a user called designerwarehousedirect (later evidence from Mr Pendergrass shows that this may be another of Mr Young's eBay user names).
- PRM3: This is an extract from a forum on the website [wholeforums.co.uk](http://wholeforums.co.uk), with postings to and from Mick Young. They refer to a mickyyoung13 email address and the mufferoo1976 eBay name. Mr Madgwick concludes that Mr Young is also the mufferoo1976 eBay seller.
- PRM4-6: These exhibits contain various Internet articles which Mr Madgwick attributes to Mr Young which relate to schemes to make money at home. Mr

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<sup>2</sup> This can be seen in the further Form TM16 mentioned in paragraph 2, which was accompanied by a written deed of assignment.

Young's e-book about this topic is also included. The e-book relates to the making of money from drop-shipping (selling goods you do not possess and then getting them shipped from a supplier). There is nothing to suggest that Mr Young is advocating counterfeiting. One of the suppliers he recommends is dhgate.com.

- PRM7: This is an extract from Wikipedia about drop shipping, explaining the basic principle of taking payment for goods and then getting the manufacturer/supplier to ship directly to the customer. The article adds that Internet based home business scams are based upon this, with the would be home business person being recommended suppliers who are, in fact, middlemen who charge for their services and leave little profit margin for the "victim".
- PRM8: This exhibit contains archive prints dating back to 2006 from dhgate.com which have offered RED MONKEY and RMC products.
- PRM9-11: These exhibits contain Companies House documents relating to businesses owned/run by the Morarjis. These are filed in attempt to question whether any goodwill etc. owned by the companies has been transferred in accordance with insolvency rules. None of this assists me with the matters that need to be determined so I say no more about it.
- PRM12: These are the instructions sent by Mr Madgwick to a consultant graphologist, Ms Margaret Webb. I will come back to this when I consider Ms Webb's evidence.

#### Second witness statement of Mr Cooper

16) Mr Cooper explains that the address of 56 Berry Hill, Cirencester given when the RED MONKEY Form TM3 was filed was the address of his parents and that they moved from that address in 2000. The Intellectual Property Office was not informed of this change of address. He states that he has never had any correspondence with Mr Young and that he has never met him. He states that he has no family or friends in Welton, Lincolnshire, nor has he been there.

#### Witness statement of Torry Pendergrass

17) Mr Pendergrass is the president and CEO of Red Monkey Designs, Inc. which was incorporated in California in 2004. Prior to this Mr Pendergrass was a sole trader who traded under the RED MONKEY DESIGNS name. He says that he sold RED MONKEY goods in California from 1995 and that they first appeared in the UK in 1997. He does not say what the goods are. He says that he owns various US trade marks and CTMs for RED MONKEY, RMD, a logo with a red monkey and combinations thereof.

18) It is stated that in mid-2005 he became aware of jeans being marketed as RED MONKEY, RED MONKEY COMPANY or RMC. He says that he received enquiries and complaints about such products and that it caused confusion in the US, Europe and elsewhere. He details various actions taken to stop the sale of these goods. At

the beginning of 2006 he also noticed a number of eBay auctions for such jeans. He refers to the steps taken to deal with this, including the use of eBay's VeRO program used by trade mark owners to terminate auctions that infringe intellectual property rights. I will not detail all of this evidence, but it is clear that some of these auctions involved the eBay user mickyred13. In terms of the correspondence between Mr Pendergrass (and his company/lawyers) and Mr Young in relation to this, I note:

- TM2-3: Emails demonstrating that a number of auctions being run by mickyred13 in respect of RED MONKEY were terminated through the use of the eBay VeRO scheme.
- TM4: A letter sent on 2 April 2006 by Mr Young to Mr Pendergrass' US lawyers about the termination of the auctions. Mr Young explains in this letter that he sells clothing on eBay as a small side business. He notes that Mr Pendergrass' company sells leather goods not jeans, He suggests placing a disclaimer on his listing including a redirection link. The exhibit also includes exchanges of e-mails relating to this (from 6/7 April 2006) in which Mr Young states that he will not use RED MONKEY but wishes to use RMC; it is suggested in response that RMC is still a problem.
- TM4: Letters sent by Mr Young to Mr Pendergrass (and his US lawyers) in July 2006 advising that he is to oppose Mr Pendergrass' application (presumably for a CTM) on the basis of Mr Young's own trade mark (presumably the RED MONKEY trade mark the subject of these proceedings). He adds that he will stop his opposition if he is allowed to sell RED MONKEY clothing on eBay.

19) Mr Pendergrass completes his evidence by referring to the subsequent transfer of the mark to Mr Morarji, who became the opponent of his CTM. He refers to appointing Mr Madgwick to investigate the whole situation. He refers to the assignment from Mr Morgan/Mr Cooper to him and that he is convinced that the assignment to Mr Young never took place.

*Witness statement of Margaret Webb*

20) Ms Webb is a document examiner and consultant graphologist. She states that she is fully familiar with the verification of questioned signatures and has acted in this respect many times in both civil and criminal proceedings. Ms Webb was instructed by Mr Madgwick to ascertain whether the signatures on the disputed Form TM16 were the true signatures of Mr Morgan/Mr Cooper. She was provided with a number of known signatures of Mr Morgan/Mr Cooper. I will detail the signatures shortly. The exact instructions (taken from Mr Madgwick's evidence) were:

"My client would like your opinion on whether two signatures purporting to be those of P. Morgan and D. Cooper, owners of the above referenced trademark on April 22, 2006 that appear on a form TM16, copy attached, are the genuine signatures of David Geoffrey Cooper and Paul William Morgan, who were the proprietors of the trade mark at that time"

21) Ms Webb produced a report which is exhibited to her witness statement. Ms Webb explains that she considered the features of slant, size, alignment, spacing and style. In her opinion, she says that there is strong evidence to suggest that Mr Cooper's signature on the Form TM16 is not a genuine signature of Mr Cooper and that there is very strong evidence that Mr Morgan's signature on the Form TM16 is not a genuine signature of Mr Morgan. She does not believe that her opinion would have been any different even if she had seen original versions of the signatures (she had seen copies only). In her report she breaks down certain aspects of the signatures (for example, comparing the "D" from David, the "C", "oo" and "ooper" from Cooper) (similar breakdowns were considered when Mr Morgan's signatures were examined). In relation to Mr Cooper, she identified that the features were mainly dissimilar but that there were two slight similarities in the size and rounded connecting strokes along the baseline. In relation to Mr Morgan, she found that the features were all dissimilar.

## **DECISION**

22) The provisions relating to rectification are contained in section 64 of the Trade Marks Act 1994 ("the Act") which 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

23) The applicant, Mr Morgan, must have a sufficient interest to apply for rectification. A claim to being the legal owner of the registration (with his recorded ownership only moving away from him due to a claimed fraudulently filed form) is one of the clearest forms of interest possible. It does not matter that Mr Cooper has not joined him as an applicant to the rectification. Mr Cooper will, of course, benefit from the relief being sought. Mr Morgan has an interest in this matter sufficient for the purposes of section 64(1) of the Act.

## Is the claimed error capable of correction?

24) Section 64(1) relates to errors or omissions in the register. No omission is claimed, the claim being that the name of the current registered proprietor (Mr Morarji) is erroneous. I have no doubt that the provisions of section 64(1) cover more than the correction of simple clerical errors and can cover, for example, issues of disputed ownership including rescinding erroneous assignments. The registrar has issued a number of decisions to this effect<sup>3</sup>. Therefore, subject to being satisfied that Mr Morgan/Mr Cooper did not assign the trade mark to Mr Young, there is potential for the claimed error to be rectified. I should say at this point that even if Mr Morarji took assignment of the trade mark in good faith, this has no bearing on the matter because if the trade mark was not assigned by Mr Morgan/Mr Cooper to Mr Young, then Mr Young was not able to assign it to Mr Morarji.

## The assignment from Mr Morgan/Mr Cooper to Mr Young

25) The starkest documentary evidence relating to whether an assignment has taken place resides with the signatures on the disputed Form TM16. I have already stated that the signatures on the Form TM16 do not match those on an earlier Form TM21 filed by Mr Cooper/Mr Morgan. Various signatures are shown in the evidence or are contained in the official records of the RED MONKEY file including (in date order):

<b>Mr Morgan's documents</b>
i) TM21 filed 8/12/1998
ii) The disputed TM16 filed on 2/5/06
iii) TM26 dated 6/8/08
iv) Witness statement of 9/1/09 and accompanying letter

<b>Mr Cooper's documents</b>
i) TM3 for a different mark (LAYLO) filed on 26/7/1994
ii) TM3 for RED MONKEY filed on 21 May 1998 <sup>4</sup>
iii) TM21 filed 8/12/1998
iv) A Companies House form (dated 8/5/99) relating to a separate company in which Mr Cooper had a role.
v) The disputed TM16 filed on 2/5/06

<sup>3</sup> See the cases under the references: BL O/283/02, BL O/284/02, BL O/040/05 and BL O/336/01

<sup>4</sup> This was not placed before Ms Webb

26) I do not intend to reproduce the signatures in this decision, they are available for review in the public files. What is clear is that signatures on the TM16 for both Mr Morgan and Mr Cooper do not match their previous signatures. Mr Morgan's later signatures, likewise, do not match the one on the disputed TM16 but are consistent with his earlier ones. Mr Cooper's later signature does not match any of what has gone before. This was explained by Mr Cooper during his cross-examination. He stated that his signature had changed due to an arthritic complaint affecting his wrist.

27) There was a discussion at the hearing as to whether Ms Webb's conclusions were based simply on whether the signatures were the same or, alternatively, whether she was considering if the same hand had produced them. Whilst I agree that the instructions to Ms Webb could have been more explicit, she was still being asked if the signatures on the TM16 were genuine signatures of Mr Morgan/Mr Cooper. Ms Webb compared not just the signatures as a whole but examined particular elements of them. She considered slant, size, alignment, spacing and style. She was clearly considering whether the TM16 signatures were signatures of Mr Morgan/Mr Cooper. She came to the strong conclusion that they were not. If all that Mr Madgwick was asking was whether the signatures were the same then an expert would not have been required. It is plain to see, as I have stated, that the signatures do not match. Ms Webb's evidence was criticised because she did not compare the original signatures (she was working from scans/photocopies) and because the instructions were leading. I do not accept these criticisms. Ms Webb confirmed that seeing originals would have had no impact on her assessment. Also, whilst she has been given some context in terms of the claims, given the nature of her role as a consultant graphologist, she would be used to giving an opinion based on her experience and expertise. Ms Webb is not, of course, an agreed (between the parties/tribunal) expert witness. However, the other side could have sought to counter her evidence either by way of their own evidence from a suitably qualified person or, indeed, by cross-examining Ms Webb on her evidence. Ms Webb's evidence will be given reasonable weight.

28) I note that whilst an individual will often stick to the same signature for all documents that require one, it is possible that signatures can vary with different versions being used for different purposes. However, notwithstanding this, and considering Ms Webb's evidence together with my own observations of the various signatures, there is strong evidence that Mr Morgan's signature on the Form TM16 was not signed by him. I consider the same to apply to Mr Cooper. Although his signature has changed, neither the pre nor the post arthritic versions like the versions on the TM16. On the other hand, and although they do not match, there are some similarities between the pre and post arthritic versions on documents other than the Form TM16. Bearing in mind my observations and those of Ms Webb, there is strong evidence that Mr Cooper's signature on the Form TM16 was not signed by him.

29) It is not just the signatures that are relevant, the written evidence of the parties needs to be considered. Mr Morgan, Mr Cooper and Mr Young were cross-examined on their written evidence. I will begin by considering what Mr Morgan and Mr Cooper said. Both struck me as honest and reliable witnesses. Mr Morgan was direct and to

the point with his answers, whereas Mr Cooper did talk around the answers more, sometimes having to be called back to point; despite this, I do not consider that he was being evasive but merely wanting to give full answers whilst also wishing to make various points. Both Mr Cooper and Mr Morgan were shocked at what had been done and they appeared sincere in this. Both Mr Morgan and Mr Cooper were adamant that they had not assigned the mark. They stuck by what they said in their written evidence. In terms of their cross-examination, Mr Waine questioned them both about the use that they had made of the RED MONKEY mark and, also, whether they had anything to lose if the application for rectification was unsuccessful. It was clear from both their answers that little, if any use, had been made of the marks and that neither would face any costs implications as a result of these proceedings. Mr Waine also asked Mr Cooper about the address for service used when the Form TM3 was filed. He confirmed that this was his parents' address from which they had moved in the year 2000. Mr Waine asked about post forwarding mechanisms, Mr Cooper advising that no formal mechanism was in place but that Cirencester was a small location and that the next door neighbour would have forwarded the mail to Mr Cooper's parents. Mr Cooper confirmed under re-examination that he had received no letter from Mr Young. Mr Waine also questioned Mr Morgan about the renewal of the trade marks RED MONKEY and SHARKBITE. SHARKBITE had been renewed by him but he did not renew RED MONKEY. Mr Morgan said that SHARKBITE was the most important name to him as it was the name of his shop and that he did not really think of RED MONKEY when he renewed SHARKBITE [as the marks were filed on the same day the renewals would also have been due at the same time as each other]. Of course, when considering these responses, I must bear in mind that the renewal notification for SHARKBITE would have been sent to Mr Morgan, but the renewal for RED MONKEY would have been sent to Mr Morarji given that, by then, the various Form TM16s would have been filed and Mr Morarji recorded as the proprietor.

30) Mr Young also struck me as an honest witness who gave reasonably direct answers to questions put to him. However, whilst he spoke with more certainty with regards to his interactions with Mr Pendergrass, he seemed to have less conviction when it came to the assignment from Mr Cooper/Mr Morgan. Having said that, I must bear in mind that the assignment (if one took place) was in 2006, over five years ago, so his memory of events is bound to have faded. In respect of the assignment, Mr Young explained that none of his interactions with the person from RED MONKEY took very long. He was unable to recall the name of the person he spoke to in his initial conversation, nor who came to his house. He was unable to identify Mr Morgan or Mr Cooper (who were still in the tribunal room) as the person who came to his house. In relation to his interactions with Mr Pendergrass, he was clearly aggrieved with what he considered to be bullying from Mr Pendergrass and he considered that what he was doing on eBay was perfectly legitimate. It did transpire, though, that his desire to obtain a trade mark for RED MONKEY was as a result of Mr Pendergrass' complaints as opposed to what he said in his written evidence about the dispute arising after he took ownership of the trade mark; this can be seen in the following exchange:

“Q: Okay. What made you think that you needed a trade mark?

A: Because I got fed up with this bloke, Torry Pendergrass, trying to -- I just

got a bee in my bonnet about somebody trying to stop me doing something that had got nothing to do with him or their company. I was trying to sell jeans and they were selling guitar straps and watch straps. I really could not see where or what I was doing was conflicting with anything that they were doing.

Q: Yes. So you thought by having a trade mark ----

A: Yes, if I had a trade mark called RED MONKEY, then he could not do anything about it”

31) Mr Madgwick also questioned Mr Young about his business activities including questioning him as to whether he took delivery of goods himself (presumably as opposed to drop shipping), Mr Young confirming that he did take delivery of small quantities of goods which he then sold on to consumers via eBay. He was questioned on the letter he claimed to have sent to Mr Morgan/Mr Cooper; he confirmed that it was sent to the address recorded on the register (Mr Cooper's parents in Cirencester) and that it was not returned to him as undeliverable. He gave evidence that the disputed Form TM16 was mostly filled out by him (other than the signatures of Mr Cooper and Mr Morgan, their printed names and status as “owner” and the date underneath Mr Morgan's name – he admits to dating Mr Cooper's name.) Mr Young was also questioned about his relationship with Mr Morarji. He confirmed that he did not know him prior to the contact about assigning the trade mark. In relation to the contact with Mr Morarji, Mr Young was asked why he had said in his written evidence that he had “forgotten” about the trade mark (as the trouble with Mr Pendergrass would still be fresh in his mind) - Mr Young did not quite answer this question simply stating that he let someone else have it due to the trouble it had caused him. Mr Madgwick also questioned Mr Young on whether, as a small business, the record of the transaction with Mr Morgan/Mr Cooper was noted in his accounts; Mr Young advised that he was not keeping accounts at this time.

32) In terms of submissions, Mr Madgwick argued that the most probable scenario was that Mr Young, due to the difficulties he was experiencing with Mr Pendergrass, had taken matters into his own hands and completed the Form TM16 himself (including all the signatures) in order to take an assignment of the mark. It was argued that Mr Young may or may not have written to Mr Cooper/Mr Morgan, but if he did it was not received or responded to, so forcing his hand. Mr Young, it was argued, had motive and this, together with the issue of signatures, and Mr Cooper's/Mr Morgan's evidence, meant that there had never been an assignment. Mr Waine, on the other hand, argued that there had been an assignment. He argued that the timeframe involved (Mr Young being contacted 6 weeks after he sent the letter) would be consistent with the informal forwarding of mail that Mr Cooper had described, and that as Mr Morgan and Mr Cooper had no real interest in the mark they were happy to move it on to Mr Young. In terms of the signatures, Mr Cooper's changing signature was a relevant consideration and that there may be other reasons why Mr Morgan's signature differed from the norm (such as it being quickly scribbled by him or using a different form than the norm). In terms of motive, it was argued that both are set to gain from the proceedings due to a share of £5000 from the further assignment to Mr Pendergrass and that neither Mr Morgan/Mr Cooper had anything to lose as neither were liable for costs in these proceedings if the

application was unsuccessful (Mr Morgan confirmed that Mr Pendergrass would be meeting any costs liability).

33) Of the above scenarios painted by the representatives, I consider Mr Madgwick's scenario to be the more probable. Whilst Mr Waine attempted to highlight why the signatures may have been different on the Form TM16, the differences are still stark. Mr Waine's explanation struck me as a little straw clutching. Whilst it could be argued that Mr Morgan/Mr Cooper had a motive to file the rectification and effectively attempt to back out of their assignment (so that they could assign it to Mr Pendergrass instead), it would have been an almost unbelievable stroke of luck that they both signed the Form TM16 in different ways to normal so as to give them the ammunition to do so. I should also add that I see nothing telling in the renewal issue given Mr Morgan's explanation that SHARKBITE was the more important of marks and, also, given that the renewal reminder is what focuses the mind. On the other hand, Mr Young had a motive to get a RED MONKEY trade mark because he was already having trouble with Mr Pendergrass. This, as noted earlier, differed from his initial evidence which was that his troubles with Mr Pendergrass only started after the acquisition of the mark. The timescale referred to by Mr Waine is not, in itself, significant. In any event, I have some doubts as to the timescale given that from Mr Pendergrass' evidence the initial dispute was at the start of April, which led to Mr Young to want a trade mark, which was then put into action by signing the TM16 on 22 April. There is always difficulty involved in deciding matters such as this, particularly when the witness of both sides appeared to be honest, however, bearing in mind the documentary evidence (including the signatures), the written evidence of both sides and the factors highlighted above, my conclusion is that Mr Morgan/Mr Cooper did not assign the trade mark to Mr Young. **The rectification action must, therefore, succeed.**

34) In addition to the above, further scenarios are possible including a unknown third party undertaking, effectively, a scam against Mr Young (perhaps a person obtaining Mr Young's letter and pretending to be Mr Morgan/Mr Cooper), or that Mr Cooper received the letter and because he was neither using the mark nor working with Mr Morgan anymore, he did the deal with Mr Young without informing Mr Morgan. The scenario involving a third person is dismissed because it strikes me as the least plausible explanation. It seems highly unlikely that the recipient of the letter in Cirencester would firstly go to the trouble of pretending to be Mr Cooper on the telephone, then negotiating to sell the mark and then travelling to Mr Young's home address, all for the sake of £150. The second scenario is slightly more plausible than the third person one, however, the signature issue is still relevant as are the factors identified in the preceding paragraphs. In any event, neither of these scenarios would disturb the above finding because if a third party made the deal with Mr Young then it is still the case that Mr Morgan/Mr Cooper did not assign the mark, furthermore, if Mr Cooper acted alone then, likewise, this would not constitute an effective assignment as the consent of Mr Morgan would be required even for Mr Cooper to assign his equal undivided share of the trade mark<sup>5</sup>.

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<sup>5</sup> See section 23(4) of the Act.

## **Written deed of assignment**

35) It is worthwhile making one final finding. This relates to section 24(3) of the Act which reads:

“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”

36) Even if I am wrong in relation to my primary finding and that Mr Morgan/Mr Cooper did in fact sign the Form TM16 with a view to selling the trade mark to Mr Young, no documentation beyond the Form TM16 exists. There is no formal deed of assignment. I asked Mr Young whether any other documents were exchanged. Whilst he could not remember exactly, he did not believe that there was anything else. I asked the parties representatives for submissions on this matter during the course of the hearing. Mr Waine said that a combination of the written letter (which of course no one has possession of) and the completed Form TM16 constituted an effective assignment in writing. Mr Madgwick argued that what had been done was simply not sufficient.

37) It should be noted that the Form TM16 carries a warning to the parties completing it that the form itself is not a replacement for a deed of assignment. Indeed, the form itself is simply headed as a request to record a change of ownership. It is simply a method of asking the registrar to update its records. If Mr Young did send a letter, it is not clear what it contained, it may have simply expressed an interest in purchasing the mark. I do not consider this to assist. The form is claimed to have been submitted to Mr Young with most of the details left blank. Mr Young then filled them in. He gives a date of the effective change of ownership as later than the date of signature. Why this is so is not clear. For all these reasons, I do not consider that the actions between the parties have resulted in an assignment in writing. If an agreement was reached, it was an oral one, with the form simply being filed to record this. This is not a written assignment as required by section 24(3). This is further reason to uphold the application for rectification.

## **CONCLUSION**

38) The application for rectification is successful. The register will be rectified by the replacement of the name of Mr Morarji as the recorded proprietor with the joint names of Mr Morgan and Mr Cooper. The assignments to Mr Young and the subsequent assignment to Mr Morarji are deemed never to have been made. When this decision is implemented, the further assignment to Mr Pendergrass may then be recorded.

## **COSTS**

39) I will not award costs at this stage because it would need to reflect any expenses incurred by Mr Morgan and Mr Cooper in attending the hearing for cross-examination. Such information, together with any supporting documents, should be sent for my consideration within 28 days of the date of this decision. I will then issue

a supplementary decision on costs. The appeal period for this substantive decision will run concurrently with the appeal period for my decision on costs.

**Dated this 21 day of November 2011**

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