

**O-260-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 3012679**

**OF THE TRADE MARK ENDO THERM**

**IN THE NAME OF ENDO ENTERPRISES LIMITED**

**AND**

**AN APPLICATION FOR RECTIFICATION UNDER NO.**

**84731**

**THERE TO BY NOSTELL GREEN RENEWABLES LIMITED**

## BACKGROUND

1) On 4 July 2013 Endo Therm Ltd applied for registration of the trade mark “Endo Therm” in respect of “Appliances for heating; Appliances for water distribution [automatic]; Central heating apparatus; Central heating boilers; Central heating installations; Central heating radiators; Conduit for plumbing use” in Class 11.

2) The registration procedure was completed on 11 October 2013.

3) On 26 September 2013 the mark was assigned to Endo Enterprises Ltd (EEL). On 18 December 2012 the administrators of EEL submitted an assignment document transferring ownership of the mark to Endo Enterprises (UK) Ltd, henceforth EEUKL.

4) On 2 December 2013 Nostell Green Renewables Ltd (formerly known as Endo Therm Ltd) applied to rectify the register in respect of the above registration. Nostell Green Renewables Ltd (hereinafter NGR) states that the assignment was only to take place after the receipt of funds from EEL. NGR claims that the funds were never received, but that the assignment was sent to the IPO and the Register altered accordingly. Shortly afterwards EEL went into administration, and the company, including the trade mark was sold to another party. NGR claims that as payment was never made the assignment was granted erroneously.

5) NGR has adduced a witness statement, dated 6 June 2014, by Melvyn Ronald Wharfe a director of NGR Ltd. He provides some background history to the company which saw a group of people form a consortium known as EEL. The management team fell out and the inventor of the main product, Mr Magee Snr, resigned from the company and took with him his intellectual property and product information. At the same time Mr Wharfe also resigned and set up his own company (Endo Therm) and agreed with Mr Magee that the product would be sold via Endo Therm. At this point Mr Wharfe also registered the trade mark. He states that his company were using the mark ENDOTHERM as witnessed by the provision of sales literature and an invoice as exhibits to the statement. Mr Wharfe states that in September 2013 he was approached by EEL and asked to sell his shares in EEL and also assign the trade mark. He agreed and it was arranged that the assignment would be contemporaneous with the payment for his shares. Shortly after EEL went into Administration and the payment was never made. However, the assignment document which had been signed in preparation was enacted in the Registry. He states that a number of employees and directors from EEL formed a new company (Endo Enterprises (UK) Ltd) and purchased the assets of EEL. He also points out that:

- the company name of Endo Therm was changed to Nostrell Green Renewables on 18 September 2013;
- the share option agreement was dated 16 September 2013;
- the date of the trade mark assignment agreement is 13 September 2013;
- both agreements were sent to his company by email on 18 September 2013 and therefore, he contends, the documents were invalid.

6) Mr Wharfe also includes a number of documents including emails with Philip Buchanan who was the Managing Director of Endo Enterprises at the time that the company went into administration on 1 November 2013. Although it is clear that the assignment and the payment for the shares were inextricably linked these do not state categorically that Mr Wharfe was not paid for his shares, and that hence the assignment was null and void. Mr Wharfe also adduced a statement from Mr Magee who was a director of EEL until shortly before it went into administration. His statement is not in the correct format of a witness statement as per Practice Direction 32 of the Civil Procedure Rules. In particular, instead of the statement of truth being "I believe that the facts stated in this witness statement are true", it reads "This is a true statement of witness based on fact and my understanding". However, the statements will be treated as being valid, as there is a form of a statement of truth. In the event of an appeal, NGR may wish to consider putting these two witness statements into the appropriate form. The statement sets out the history of EEL much as already stated by Mr Wharfe. However, although in his statement he states that when he parted company with EEL all IP rights to the product returned to him there are no exhibits to corroborate this statement.

7) The administrators of the sale of EEL to Endo Enterprises (UK) Ltd [EEUKL], Leonard Curtis, wrote to the Registry on 3 July 2014 confirming that:

"I was understood from information provided by the company directors prior to the administration that the trade mark EndoTherm (Trade mark registration number: 3012679), was as asset of the company at the date of administration. As such this trade mark was included as part of the sale to EEUKL."

8) The administrator also included a copy of the Joint Administrators Report and Statement of Proposals sent out to all known creditors on 17 December 2013 which detailed the sale of the company's business assets to EEUKL and included the trade mark registration.

9) The new owners of the mark also filed witness statements. The first, dated 24 November 2011, is by David Taylor a director of Endo Enterprises (UK) Ltd. Previous to this he was a shareholder of Endo Enterprises Ltd prior to its dissolution. He states that Endotherm Ltd changed its name to Nostell Green Rebewables Ltd on 18 September 2013. Prior to this Emantee Limited changed its name to Endotherm Ltd on 2 July 2013. He confirms that the mark was assigned to EEL on 18 September 2013. He refers to section 3.1 of the assignment document where the assignment is agreed in exchange for £1. He confirms that this was paid and that EEL considered that the assignment was valid and genuine. He notes that Mr Wharfe signed the assignment documentation. He states that any agreement between Mr Wharfe and EEL was separate. He continues that on 1 November 2013 EEL went into administration at the request of the directors of EEL. Joint administrators were appointed who accepted an offer for the business from Endo Enterprises (UK) Ltd which included the goodwill and intellectual property. He points out that the purchase from the administrator was an arms-length transaction and contends there is no justification for a rectification. He refers to the letter from the administrator which confirms that the sale of the business included the intellectual property and that the transaction was lawfully concluded.

10) Mr Taylor contends that Mr Campbell was a director of EEL, would have been party to identifying the assets of EEL to the administrator, which included the trade mark and could have informed the administrator that the trade mark did not belong to EEL. He points out Mr Wharfe could also have challenged the assignment at the time of the

appointment of the administrators. He claims that both Mr Wharfe and Mr Campbell are aggrieved and so have brought this action even though it is, in his view, groundless. Mr Taylor states that he does not believe that Mr Wharfe was paid the monies owed to him by EEL before it went into administration, but contends that this simply makes him a creditor of EEL. He states that the two transactions were separate, the assignment was for the consideration of £1 which was paid. Mr Taylor goes further and states that the original filing by Mr Wharfe was in bad faith as he name ENDOTHERM was used by EEL, as was pointed out to Mr Wharfe, hence his agreeing the assignment.

11) The second witness statement, dated 24 November 2014, is by Paul Walsh head of Branding and Marketing of EEUKL. He states that prior to his involvement with EEUKL he was a shareholder and employee of EEL (in administration). He states that in 2012 he was tasked by his employer (EEL) with the branding of a new product called EndoTherm which was announced at a shareholders meeting on 12 November 2012 (exhibit 1). Present at this meeting were Mr Wharfe, Mr Buchanan and Mr Magee.

12) That concludes my review of the evidence. I now turn to the decision.

## **DECISION**

13) Rectification of the register is provided for under Section 64 of the Trade Marks Act 1994. Section 64 reads as follows:

“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) ...

(5) ...”

14) The applicant for rectification NGR is seeking to reverse the assignment which amended the registration from Endo Therm Ltd to EEL, and hence the later assignment between EEL and EEUKL. NGR contend that the assignment was null and void as the assignment depended upon EEL paying Mr Wharfe for his shares in EEL, payment for which was never received. It is accepted by Mr Taylor a director of the new owners and a shareholder of EEL that the payment for Mr Wharfe's shares was never made. However, it is contended that the assignment was a separate transaction which involved payment of £1, which was paid at the time, and did not depend upon the payment for Mr Wharfe's shares. I endorse this view. If the

assignment had been dependent upon the payment for Mr Wharfe's shares then surely this would have been reflected in the assignment contract rather than payment being only £1. Mr Wharfe may believe that he has been the victim of some sharp dealing, but he agreed to sign the assignment document prior to receiving the money for his shares, and without that agreement stating that the assignment was dependent upon his receiving said payment. I therefore conclude that the assignment from Endo Therm Ltd to Endo Enterprises Ltd was legal, and the trade mark was an asset of Endo Enterprises Ltd at the time it went into administration. The subsequent sale of the business, including intellectual property, to Endo Enterprises (UK) Ltd is also lawful and the Register accurately reflects this company as the owner of UK trade mark No.3012679.

## **CONCLUSION**

15) The ownership of UK trade mark No. 3012679 currently stands in the name of Endo Enterprises (UK) Ltd and it should remain in this name.

## **COSTS**

16) As Nostell Green Renewables Ltd has been unsuccessful in its rectification attempt the registered proprietor of the mark in suit is entitled to a contribution towards its costs.

Presenting its case including evidence and considering the evidence and claims of the other side.	£400
<b>TOTAL</b>	<b>£400</b>

17) I order Nostell Green Renewables Ltd to pay Endo Enterprises (UK) Ltd the sum of £400. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 4th day of June 2015**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**