

O-161-19

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2519786
IN THE NAME OF AFRIMALT UK LTD**

AND

**APPLICATION NO. 84793 TO RECTIFY THE REGISTER
BY OLUMOLAWA OLUSI**

Background and pleadings

1. On 27 April 2018, Olumolawa Olusi applied to rectify the register of trade marks by correcting the identity of the proprietor of trade mark registration 2519786 so that it stands in his name rather than that of the current proprietor, Afrimalt UK Ltd (“the proprietor”).

2. The trade mark consists of the word **AFRIMALT** and was registered with effect from 30 October 2009 for “non alcoholic malt drink beverages” in class 32. It was originally registered in the name of Mr Olusi. An application to record a change of ownership was filed on form TM16 on 16 February 2011. The assignment to the proprietor was recorded on 22 February 2011, with the effective date of the assignment recorded as 4 February 2011. It is that assignment which Mr Olusi seeks to have reversed. His claim was stated as follows:

“I recently seached up my registered trad-mark at ipo.gov.uk only to discover that the name appearing as registered owner of my trademark is Afrimalt UK Ltd. Please note that at no time whatsoever did I assign my trademark to Afrimalt UK Ltd as stipulated by section 24(1) of the Trade Mark Act 1994. The trademark name register should there show my name as owner” [all sic].

3. The proprietor indicated on 16 July 2018 that it contested the application for rectification.

4. Both parties filed evidence, all of which I have read. It is summarised below to the extent I consider necessary. Mr Olusi filed submissions after the evidence rounds closed, which I also take into account and will refer to as appropriate. The matter came to be heard before me, by videoconference, on 13 March 2019. Mr Olusi represented himself, as he has done throughout. The proprietor represented itself during proceedings but was represented at the hearing by James Harrison of Newmans Solicitors. Although Mr Olusi complained that he had received the skeleton argument

late (i.e. the day before the hearing, rather than 48 hours before), he confirmed that he had read and understood it.

Evidence

Mr Olusi's evidence

5. Mr Olusi states that he founded Afrimalt UK Ltd in 2009, corroborated by the certificate of incorporation,¹ and that he created the brand. A brewing and bottling agreement between Afrimalt UK Ltd and a German company dated April 2010 is provided.² The signatory on behalf of Afrimalt UK Ltd is Daniel Olusi but the signature appears to be the same as that of Mr Olusi on his witness statement.

6. Mr Olusi states that he met “the respondent” (I assume he means Ibrahim Kanamia, managing director of the proprietor) in November 2010. A chain of emails is provided, which is said to be between Mr Kanamia and Mr Olusi, though the names on the documents are I. Kanamia, Faruk Kanamia and Dotun Olusi.³ The first email is dated 26 October 2010 from Mr Kanamia (from the address info@decentfarm.co.uk) to Mr Olusi. Mr Olusi characterises this as an unsolicited offer, though the email refers to a conversation of the previous day. It sets out a number of points “in order to establish the terms of any future business we will wish to do together”. I note in particular the following proposed terms:

- “The “Afrimalt” trademark [sic] which is currently registered in your personal name will be transferred to Afrimalt UK Ltd, a company incorporated by yourself”;
- “Decent Farm Limited [“DFL”, Mr Kanamia’s company] will be allocated 60% of shares capital in Afrimalt UK Ltd with the remaining 40% in your ownership”;
- “You will remain a Director of Afrimalt UK Ltd but your fellow director [...] will need to resign and an additional Director of DFL’s choosing will be appointed”;

¹ Exhibit 1.

² Exhibit 2.

³ Exhibit 5 and paragraph 7.

- “A bank account will be opened in the name of Afrimalt UK Ltd at a bank of our choosing and any monies received from the sale of the product shall be paid into this account”;
- All intellectual property rights including any future trade marks and copyright material will be owned by the company”.

7. The email concludes:

“[...] any future business we wish to do together will need to be conducted for both our benefits and hence the need to establish these Heads of Agreement at an early stage.

If you are happy to proceed please advise whereupon I will instruct my solicitor to prepare the Agreements for us”.

8. Mr Olusi’s response is brief. He states that he is unable “to arrive at a proper valuation for the 60% equity being sort [sic] by DFL. However, I would think £150,000 would take Afrimalt to the next level”. Mr Kanamia responds that his company can provide funding for working capital purposes up to £150,000, which will be made available in stages.

9. Mr Olusi states that he accepted the offer “with a caveat that I will let the company use my trademark Afrimalt for an initial period of five years, which he agreed, in the presence of the then company secretary Ana Alberdi”.⁴

10. A copy of the form TM16 dated 4 February 2011 is provided.⁵ It is signed by Olumolawa Olusi and Ibrahim Kanamia. The signatures are consistent with those shown elsewhere in the evidence. Mr Olusi makes the following comments:

⁴ Paragraph 8.

⁵ Exhibit 10

“Also we can see through Mr Kanamia’s statement as “*Mr Olusi signed a TM 16 on 4th February 2011 and further signed the agreement on 16th February 2011 in the office of the company accountant*” which is all fabricated neither it seems to be reasonable behaviour. Normally the formal agreement always signed before transfer the Trademark or making any kind of assignment during the course of business, however in the respondent statement the respondent making himself as unreasonable and accepted himself that they filed the assignment on 4th February 2011 and the terms of agreement was signed on 16th February 2011 which shows that the story made by the respondent is all fabricated and there was no intention of transferring trademark by the claimant [...]”.⁶

11. Mr Olusi claims that the agreement of 16 February 2011 is “a mere letter of intent as far as the trademark issue is concerned” and states that he does not recall signing the form TM16.⁷

12. On 1 May 2018, Mr Olusi sent a letter to the proprietor asserting his rights as owner of the trade mark and indicating that his consent to use the mark was withdrawn.⁸

13. Mr Olusi references and comments on various interactions between the parties, including court proceedings. I do not need to repeat those statements here.

Proprietor’s evidence

14. This consists of two witness statements of Ibrahim Kanamia, managing director of the proprietor, with ten exhibits.

⁶ Paragraph 13.

⁷ Paragraph 15.

⁸ Exhibit 8.

15. Exhibit IK1 consists of a loan agreement between Mr Olusi and Mr Kanamia dated 31 January 2011. Mr Olusi's signature is visible and the document was witnessed by the proprietor's accountants.

16. Two further copies of the email of 26 October 2010 are provided.⁹ The first bears a handwritten note at the end, signed by Mr Olusi on 28 January 2011, in which he states "I am happy to go ahead with agreement as outlined above". The second has an email reply from "Dotun Olusi" on 30 January 2011 stating "I wish to confirm that I am happy to proceed with our cooperation concerning Afrimalt. I therefore look forward to signing the agreement before long".

17. There is, in addition, a letter dated 15 December 2011 from Mr Olusi to Mr Kanamia in which he offers his 40% stake in Afrimalt UK Ltd to Mr Kanamia for £150,000. It is signed by Mr Olusi.

18. Mr Kanamia also exhibits an agreement between himself and Mr Olusi dated 16 February 2011.¹⁰ The agreement is signed by both parties. The agreement is not identical to that of the email of 26 October 2010 (Olusi, exhibit 5; Kanamia IK8, IK9) but is broadly reflective of the terms set out there. Of particular note are the first term in the agreement, that "the "Afrimalt" trademark [sic] which is currently registered in the personal name of Olumolawa Oludotun Olusi will be transferred to Afrimalt UK Ltd" and the twelfth term, namely "[a]ll intellectual property rights including the recipe for the product, any future trade marks and copyright material will be owned by the company". The agreement reflects the monies paid by the parties as share capital (£20,000 by Mr Olusi and £30,000 by Mr Kanamia).

19. A further agreement is in evidence, which is an amendment to the agreement between the proprietor and the German supplier. The agreement itself is not dated but refers to the proprietor's address having changed with effect from 15 February 2011.

⁹ IK8, IK9.

¹⁰ IK3.

The signatures on behalf of the proprietor are consistent with those of Mr Olusi and Mr Kanamia elsewhere in the evidence.

20. That concludes my summary of the evidence, to the extent I consider necessary.

Decision

21. The power to rectify the register is set out in section 64 of the Trade Marks Act 994 (“the Act”), the relevant parts of which read:

“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) [...]

(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) [...]”.

22. The applicant claims to be the true proprietor of the trade mark. He plainly has sufficient interest to make the application for rectification.

23. Section 72 is also relevant. It states:

“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”.

24. The effect of this section is to place on Mr Olusi, as the applicant, the burden of persuading the registrar that there is an error in the register which should be rectified.

25. Mr Olusi has variously claimed in his evidence that it would have been unreasonable for him to act in the way alleged by Mr Kanamia and that Mr Kanamia’s account of events is fabricated. At the hearing, Mr Olusi reiterated his claim that he did not transfer or sell the trade mark. However, at no point has Mr Olusi made a clear statement that it is not his signature on the form TM16 or on any of the other documents in evidence. It would be an allegation of the most serious order that there had been falsification of documents and would require distinct pleading. I do not consider that Mr Olusi’s unspecific comments can be taken as a claim that the form TM16 or any of the other material in evidence was falsified. In any event, he has provided no evidence at all to support such a claim, nor did he seek to cross-examine Mr Kanamia on his evidence.

26. I note that both at the hearing and in his evidence Mr Olusi appeared to accept that he signed the agreement of 16 February 2011.¹¹ His position appears to be that the agreement of 16 February 2011 could not amount to a valid transfer of the trade mark because there was no consideration. Alternatively, he claimed that the document dated 16 February 2011 did not represent an assignment but a letter of intent. He also appeared to invite me to accept that it would have been irrational on his part to transfer the trade mark if he had known that he would have to pay £20,000 into the proprietor company.

¹¹ See, for example, paragraph 10 of his witness statement.

27. There plainly was consideration. The trade mark would be transferred and Mr Olusi was to receive a salary plus expenses, 40% of future profits and a position as marketing director. Mr Olusi may now think that the consideration he received was inadequate but that does not mean that there was no consideration at all.

28. As to his point that the agreement of 16 February 2011 was nothing more than an agreement to agree, Mr Olusi relies upon the use of “will” in the contract to support his argument. Given that a contract formalises the commitment by parties to do something in exchange for something else in the future, rather than being a record of an event which has occurred in the past, it is entirely consistent with the purpose of a contract that the parties’ respective undertakings are expressed in the future tense (i.e. “will”). I can see no merit in this point.

29. In terms of the circumstances surrounding the agreement and the interactions of the parties, it is plain that the parties had been in discussions since at least 26 October 2010 regarding the future of the proprietor. It is also clear that the transfer of the trade mark from Mr Olusi to the proprietor was identified as an issue from that date and that there was an expectation that any future intellectual property would vest in the proprietor. Mr Olusi expressed his willingness to proceed on those terms, though there was no contract, in my view, until 16 February 2011. I also bear in mind that there was a further agreement entered into by Mr Olusi and Mr Kanamia on behalf of the proprietor at a date after 15 February 2011. All of the surrounding circumstances support the conclusion that there was an outline agreement followed by a contract finally entered into on 16 February 2011. It is plain that a term of the contract was the transfer of the trade mark to the proprietor.

30. I note Mr Olusi’s comments regarding the irrationality of entering into a contract if he was to pay £20,000 and transfer his trade mark, though I had some difficulty following his reasoning. I do not see that there is anything inherently irrational in a party investing money in a business, even if it involves ceding some rights, in exchange for, for example, future profits in the business. Unless the contract is invalid, whether entering

into it was sensible or not is irrelevant. Mr Olusi has offered no convincing reason why the contract is not valid.

31. Mr Olusi has claimed that the use of the trade mark was under licence. However, the alleged witness to this licensing agreement has not been called upon to give evidence and there is no evidential or documentary support for what is Mr Olusi's otherwise unsubstantiated claim. I reject this argument.

32. The final point on which Mr Olusi relies is that the TM16 form was signed on 4 February 2011, whilst the agreement between the parties was not signed until some twelve days later. Although the TM16 was signed before the transfer, it is not inconsistent, in view of the parties' dealings with one another, for the form to have been prepared in anticipation of the formal assignment. However, the date of assignment of the trade mark was given on the form TM16 as 4 February 2011. The trade mark itself was transferred in the contract between the parties of 16 February 2011. On the evidence before me, the register should have shown a date of assignment of 16 February 2011.

33. I note that s. 25 of the Act states as follows:

“25.-

(1) On application being made to the registrar by—

(a) a person claiming to be entitled to an interest in or under a registered trade mark by virtue of a registrable transaction, or

(b) any other person claiming to be affected by such a transaction,

The prescribed particulars of the transaction shall be entered in the register.

(2) The following are registrable transactions—

(a) an assignment of a registered trade mark or any right in it; [...].”

34. As the equitable owner of the trade mark, the proprietor was clearly entitled to apply under s. 25 to record the assignment from Mr Olusi to itself on 16 February 2011. I have considered whether to correct the error. In doing so, I am mindful that the applicant seeks not to amend the date of assignment but to have himself recorded as the owner. In these circumstances, I reject the current application for rectification. If either party wishes to correct the entry in the register I have identified, the proper course is to file a further application under s. 64.

Conclusion

35. The application for rectification has failed.

Final remarks

36. The proprietor made submissions at the hearing regarding the issue of contractual estoppel, which was not raised until Mr Kanamia's second witness statement and was not accompanied by a request for permission to amend the defence. Had it been necessary, I would have rejected the request made at the hearing to amend the defence. It is incumbent on parties, whether represented or not, to state their position clearly and to request any alteration of that position at the earliest opportunity. It was clear at the hearing that Mr Olusi was not aware that contractual estoppel was relied upon as a discrete issue and he was unable to make properly reasoned submissions on the point. In the absence of an indication from Mr Olusi that he would not wish to adduce further evidence, my view would have been that the potential delay and/or prejudice to Mr Olusi outweighed any potential prejudice to the proprietor. That is particularly the case as, had I allowed the request, the pleading would have taken the proprietor no further. The claim, as elaborated at the hearing, was simply that Mr Olusi was bound by the terms of the contract. It has been neither alleged nor proven that there was a misrepresentation, nor that there were any other circumstances which induced the parties to enter into the contract which could be said to be superseded by the terms in the contract itself and which would, therefore, fall within the doctrine of

contractual estoppel rather than the simple contractual approach upon which I have proceeded, above.¹²

Costs

37. The proprietor has been successful and is entitled to a contribution towards its costs. As an unrepresented party, the proprietor was invited to complete a pro-forma stating its costs. It did so on 13 December 2018, seeking an award to compensate the proprietor for 11 hours of its own time—which I consider reasonable in the circumstances—and £1,000 for its legal representation for the hearing. Awards to litigants in person are awarded at the rate of £19 per hour.¹³ Awards for represented parties are governed by Tribunal Practice Notice 2/2016. Bearing in mind that guidance, the contributory rather than compensatory nature of costs in tribunal proceedings and the brevity of the hearing itself (45 minutes), I award costs to the proprietor as follows:

Considering the application for rectification and filing a counterstatement (3 hours):	£57
Considering the other party's evidence and preparing evidence (6 hours):	£114
Briefing legal representation (2 hours):	£38
Attendance at the hearing:	£600
Total:	£809

¹² The leading cases on contractual estoppel are *Peekay International Ltd v Australia and New Zealand Banking Group Ltd* [2006] 1 CLC 582 and *Springwell Navigation Corp v JP Morgan Chase Bank* [2010] 2 CLC 705. See also *Aquila WSA Aviation Opportunities II Limited v Onur Air Tasimacilik AS* [2018] EWHC 519 (Comm), for a helpful summary.

¹³ Litigants in Person (Costs and Expenses) Act 1975 and Civil Procedure Rules, rule 46.5 and Practice Direction 46 – Costs Special Cases, 3.4.

38. I order Olumolawa Olusi to pay Afrimalt UK Ltd the sum of **£809**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

27th March 2019

Heather Harrison

For the Registrar

The Comptroller-General