

**O-0341-23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 3648018**

**IN THE NAME OF CHRISTOPHE PETETIN**

**AND**

**IN THE MATTER OF AN APPLICATION FOR RECTIFICATION THERETO**

**UNDER NO. 84856**

**BY SYSTEMA NOVA LTD**

1. Trade mark no. 3648018 was applied for on 27 May 2021 and completed its registration procedures on 5 November 2021. It was filed in the name of Systema Tico Ltd that subsequently changed its name to Systema Nova Ltd.
2. On 17 May 2022, a Form TM16 was received, signed by Matthew Holding on behalf of Systema Nova Ltd. and Christophe Petetin requesting that the assignment of the mark to Mr Petetin be recorded on the register.
3. On 10 June 2022, Systema Nova Ltd (hereafter “the applicant”) applied to rectify the register to correct an error and for the applicant to be reinstated as the proprietor. It asserted that the recordal took place without the consent from the proprietor’s CEO and sole director, Stephane Charles Mardel, and the form was signed by Matthew Holding who was not an authorised officer and therefore not the correct representative of the company.
4. Mr Petetin (hereafter “the proprietor”) filed his defence on 12 December 2022 claiming he is the correct owner and that he created the mark pursuant to the terms of a profit share agreement and the mark was originally filed the name of Systema Tico Ltd in error. He further points out that Mr Holding also signed the Form TM3 when applying for the mark and that this is evidence that he was authorised to sign the Form TM16 on behalf of the applicant.
5. On 30 January 2023, the applicant made an application for summary judgment/strike out on the grounds that the proprietor’s defence had no prospect of success. On 7 February 2023, the Registry issued a preliminary view to refuse this request because there was scope for interpretation of a key document in evidence, a profit share agreement, and the case was not one with no prospect of success. The applicant challenged this preliminary view.
6. This and, a number of procedural issues, were to form the focus of a hearing/case management conference.
7. Having reviewed the papers, it came to my attention that the proprietor was not relying upon an instrument of transfer. By letter of 20 February 2023, I drew attention

to the requirements contained in section 24(3) of the Trade Mark Act 1994 (“the Act”) for an assignment to be in writing and signed by the assignor and that the Form TM16 was not such an instrument of transfer. In response, the proprietor stated that it was both parties’ intention that the Form TM16 was to be the instrument of transfer and that there was no separate assignment document.

8. The procedural issues were held over for discussion at a later CMC and a hearing took place on 29 March 2023 to take submissions on:

- (a) the status of the Form TM16/absence of an instrument of transfer, and;
- (b) the request for summary judgment/strike out.

9. The proprietor was represented by Mr Jason Rawkins for Taylor Wessing LLP and the applicant for rectification was represented by Professor Mark Engelman of Counsel instructed by Decisis Limited. I heard detailed submissions from both sides. I addressed them orally where I considered it appropriate, and I do not need to detail them here. I gave an oral decision at the hearing but provide my full written reasons below.

### **Absence of Assignment Agreement**

10. It is common ground between the parties that there is no written assignment document, but it is the proprietor’s case that both sides intended that the Form TM16 be the assignment document. In considering the issue I keep in mind the following relevant sections of the Act as follows (with my emphasis):

#### **“24 Assignment, &c. of registered trade mark**

(1) A registered trade mark is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property.

It is so transmissible either in connection with the goodwill of a business or independently.

(1A) A contractual obligation to transfer a business is to be taken to include an obligation to transfer any registered trade mark, except where there is agreement to the contrary or it is clear in all the circumstances that this presumption should not apply.

(2) An assignment or other transmission of a registered trade mark may be partial, that is, limited so as to apply—

(a) in relation to some but not all of the goods or services for which the trade mark is registered, or

(b) in relation to use of the trade mark in a particular manner or a particular locality.

(3) 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. Except in Scotland, this requirement may be satisfied in a case where the assignor or personal representative is a body corporate by the affixing of its seal.

(4) The above provisions apply to assignment by way of security as in relation to any other assignment.

(5) A registered trade mark may be the subject of a charge (in Scotland, security) in the same way as other personal or moveable property.

(6) Nothing in this Act shall be construed as affecting the assignment or other transmission of an unregistered trade mark as part of the goodwill of a business.

## **25 Registration of transactions affecting registered trade mark**

(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 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;

....

(3) Until an application has been made for registration of the prescribed particulars of a registrable transaction—

- (a) the transaction is ineffective as against a person acquiring a conflicting interest in or under the registered trademark in ignorance of it, and
- (b) ...

...”

11. The relevant rule in the Trade Mark Rules 2008 is as follows:

**“Application to register or give notice of transaction; sections 25 & 27(3)  
(Form TM16, TM24, TM50 & TM51)**

49.—(1) An application to register particulars of a transaction to which section 25 applies or to give notice to the registrar of particulars of a transaction to which section 27(3) applies shall be made—

- (a) relating to an assignment or transaction other than a transaction referred to in subparagraphs (b) to (d) below, on Form TM16;

...

(2) An application under paragraph (1) shall—

(a) where the transaction is an assignment, be signed by or on behalf of the parties to the assignment;  
...

(3) Where an application to give notice to the registrar has been made of particulars relating to an application for registration of a trade mark, upon registration of the trade mark, the registrar shall enter those particulars in the register.

12. Section 49 makes it clear that a Form TM16 is “an application to register particulars of a transaction”. It is not, in itself, an assignment document. The title of the form is “Application to record a change of ownership”. This also indicates that the form is to be used to record an assignment on the Trade Mark register and that it is not, in itself, an assignment document. This is further reinforced by the text in the shaded box at the top of the first page of the form that states:

“**Note:** This form is not a substitute for the assignment document or other proof of the transaction.”

13. Further, at Box 8 of the form, entitled “Stamp Duty Declaration”, it states “Please confirm that any necessary stamp duty has been paid, or that it is not payable with reference to the underlying documentation transferring the rights which relate to this application. ...”

14. In addition, the IPO’s webpage with the link to the form also states:

“This form is not a substitute for the assignment document or other proof of the transaction.”

15. Section 24 sets out necessary requirements for **an assignment**. Section 25, on the other hand, sets out the requirements for an **application to record** the details of such an assignment of the trade mark register. Rule 49 provides more detail on the latter of these two items, stating that an application to record an assignment must be made on a Form TM16.

16. Under the 1938 Act, section 25(1) required the completed form and “proof of title to his [the Registrar’s] satisfaction”. However, there is no longer a requirement to provide, as a matter of course, proof of title. This is because the large majority of assignment requests signed by both parties are unchallenged. Therefore, the burden of producing proof of a transaction is only placed on a party in circumstances where ownership is disputed. This change of practice between the 1938 Act and the current Act does not change the purpose of the Form TM16 as being a form enabling the parties to request of the Registrar that the official record of a trade mark be amended in line with an assignment between the parties. This does not remove the requirement to provide proof of title where ownership of a mark is disputed and the other side request such proof or where the Registrar does so under its general powers provided by rule 62, in particular:

“62.—(1) Except where the Act or these Rules otherwise provide, the registrar may give such directions as to the management of any proceedings as the registrar thinks fit, and in particular may—

(a) require a document, information or evidence to be filed within such period as the registrar may specify;”

17. My request of 20 February 2023, directing that the proprietor provide proof of the transaction was made under this power.

18. The drafting of section 24 and 25 are consistent with the interpretation that a completed Form TM16 is part of a process for recording a transaction and is not, in itself, an instrument of transfer. Section 24(3) states “[a]n assignment of 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”. Section 25 states “[o]n application being made to the registrar...the prescribed particulars of the transaction shall be entered in the register” and “(u)ntil an application has been made for registration of the prescribed particulars of a registrable transaction ...the transaction is ineffective”. When read in conjunction, it is clear that these two parts of the Act recognise that a written assignment is different to an application to register an assignment on the register (a Form TM16). Consequently, section 24(3) of the Act

creates a requirement for an assignment to be in writing signed by or on behalf of the assignor and is something additional to a Form TM16. This was recognised by Anna Carboni, sitting as the Appointed Person, in *TURBOCHIP Trade Mark*, BL O-112-09), at [38] where she stated (with my emphasis):

“As I have mentioned, Mr Gray did not pursue the claim of ownership on the basis of the purported assignment and the Form TM16 filed by Mr John. However, he left open the question of whether the Hearing Officer reached the correct conclusion on this point, so I shall deal with it briefly. In my view, she clearly did reach the correct conclusion. Mr John openly admitted that he had submitted the Form TM16 without the consent of Mr Heyes, the only other director and 50% shareholder of CPS. As such, the application to record the change of ownership could not be said to have been made by CPS, but was simply made by Mr John himself. Further, by section 24(3) of the Act, an assignment of a registered trade mark is not effective unless it is in writing signed by or on behalf of the assignor. No such signed agreement has been produced.” [My emphasis]

19. It is clear that Ms Carboni considered that the assignment could not be effective because there was no signed agreement in addition to the Form TM16. The same approach has been taken by the Registry on numerous occasions.<sup>1</sup> Further, I am not aware of any case where a Form TM16 was considered to be acceptable as an instrument of transfer and no such case was put before me by the proprietor.

20. The proprietor claims that it was the intention of the parties that the Form TM16 was to be the instrument of transfer and Mr Rawkins reiterated this at the hearing. When pressed he conceded that he was not, in fact, in a position to say what Mr Holding’s thoughts were but pointed to the amendment page to the Form TM26(R) where the applicant accepted (at paragraph 7) that the mark “was transferred” (but went on to say that this was without consent). However, there is inconsistencies in

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<sup>1</sup> For example, see *RED MONKEY Trade Mark*, O-408-11 at [35] – [37] and *RE:FRESH Trade Mark*, O-434-11 at [8]



the applicant's case because in its evidence it also states that Mr Holding's intention was to record a change of ownership (and, further that he was not the authorised to sign the form). During the hearing it became clear that based on the factual evidence (including the fact that the Form TM16 was signed by lay-persons and that it is the proprietor's position that he was always the owner of the mark), that the actual intention may have been to rectify the trade mark register rather than assign the mark. Mr Rawkins' assessment of how the proceeding should go forward (set out at [10] of his skeleton argument) assumed I could still find it appropriate to reject the rectification and for the owner of the mark to remain recorded of the trade mark register as Mr Petetin even if I found that the Form TM16 must be rejected. This suggests some confusion as to whether Mr Petetin was relying on a request to rectify the register or to record an assignment. The only issue before me is whether the Form TM16 is valid. There is no application from Mr Petetin to rectify the register and if there was, it would contradict his position that there was a valid assignment in place. I only have before me an application to record an assignment. This is what is subject to challenge by the applicant and subject to a request by the Registry to provide evidence of the assignment. In short, it is not clear to me that it is correct to classify the parties' intention that the Form TM16 was an assignment in itself, as opposed to it being mistakenly filed as an attempt to rectify the Register.

21. Keeping in mind all of the above, it is clear to me that the Form TM16 is not and cannot be considered an instrument of transfer and this is so regardless of the parties' intention which I consider is not clear from the factual matrix anyway. Merely because the form is in writing and signed by both parties is insufficient for it to be considered an instrument of transfer but, rather, it has the status as set out in section 25/rule 49.

22. It is the applicant's position that the Form TM16 was signed on its behalf by someone who did not have authority and was done so under duress. However, in light of the above, it is not necessary that I consider this issue. This is because there is a fundamental failing in the proprietor's case in that there is no instrument of transfer. This renders the issue irrelevant for the purposes of deciding whether there is a valid assignment of the mark.

23. As I explained earlier, under the Act, the information provided on a Form TM16 signed by both parties is taken at face value and the registrar does not investigate or otherwise seek to establish the legality of the claim to change of ownership unless, as in this case, the correct ownership of the mark is in dispute. The warning on the Form TM16 makes it clear that the form itself is not a replacement for an instrument of transfer. Indeed, it is entitled as “An application to record a change of ownership”. It is simply a method of asking the registrar to update its records. This is not a written assignment as required by section 24(3). Therefore, in the absence of an instrument of transfer, the actioning of the Form TM16 by the Registry is an error that may be rectified

24. The intentions of the parties is something in dispute, but even if it was a joint belief that the Form TM16 was intended to be an instrument of transfer, this is, and cannot be correct. It is clear from the legal background, authorities, the title of the form and the warnings contained on the form and the landing page on the IPO’s website that this is not the case.

25. Therefore, I conclude that the requirement set out in section 24(3) has not been met and that there is no instrument of transfer. In the absence of this, the register is rectified by recording Systema Nova Ltd as the proprietor of the registration.

### **Summary Judgment, Strike Out and Substantive Issues**

26. This decision terminates the proceedings, and it is not necessary that I also consider the applicant’s claim to summary judgment/strike out or set future dates to decide outstanding procedural issues or the other substantive issues.

### **Summary**

27. Subject to any appeal, the register is rectified to record Systema Nova Ltd as the proprietor.

## **Costs**

28. I agreed to Professor Engelman request that written submissions on costs be provided after receipt of this decision. **The parties are directed to provide any such submissions within 14 days of the date of this decision.**

**Dated this 5<sup>th</sup> day of April 2023**

**Mark Bryant**

**For the Registrar**