

O-314-09

TRADE MARKS ACT 1994

**IN THE MATTER OF a joint hearing
in relation to application number 2453912**

ECLIPSE

**in the name of Millers Oils Limited
and the opposition thereto
under number 96851
by Eclips Corporation (UK)**

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Background

1. Application number 2453912 was published in *The Trade Marks Journal* on 11 January 2008 for the following specification in class 4:

Industrial oils and greases; lubricants; lubricating oils and greases; fuels, including gasoline and diesel fuels for motor vehicles; non-chemical additives for fuels, lubricants and greases; gear oils; transmission oils.

2. On 10 April 2008, Eclips Corporation (UK) filed a notice of opposition to the registration of 2453912. Following some amendments, which I do not need to go into here, the Form TM7 was served on the applicant on 26 June 2008. The goods objected to under each ground appear on the Form TM7 as follows:

3(6):

*industrial oils and greases; lubricants; fuels
lubricating oils and greases; lubricants and greases*

5(2)(b):

*industrial oils and greases; lubricants; lubricating oils and greases; fuels;
lubricants and greases*

5(3):

*Industrial oils and greases; lubricants; lubricating oils and greases; fuels;
lubricants and greases*

5(4)(b) (objecting in relation to copyright and design right):

Industrial oils & greases, lubricants & fuels

3. It can be seen from the above that the opponent has not objected to the entirety of the goods in the application and that some of the phrasing is not a straight 'lift' from the published specification. The applicant was given until 26 September 2008 to file a Form TM8 and counterstatement if it wished to defend the action. This date

was missed by three days due to an administrative error made by the applicant's professional representatives. The Form TM8 and counterstatement were received at the Intellectual Property Office on 29 September 2008. At this time, the Trade Mark Rules 2000 (as amended) were in force which gave no scope for the registrar to exercise discretion to treat the applicant as having defended its application.¹

4. The consequence of the applicant's failure to file a defence within the relevant period was that the application was treated as withdrawn. In accordance with Tribunal Practice Notice 2/2006: Partial Refusals, the registry proceeded to treat the application as withdrawn in respect only of the goods to which it considered the opponent had objected. In a letter dated 27 October 2008, the registry said:

"The opposed terms will be struck out from the specification(s) and the application will proceed to registration for the following specification(s):

Class 4—Non-chemical additives for fuels, lubricants and greases, gear oils; transmission oils."

Mr Bamber, for the opponent, replied on 10 November 2008:

"I accept that I have not opposed 'non-chemical additive[s] for fuels' but with regard to 'gear oils' and 'transmission oils' I contend that these are covered by industrial oils and/or lubricating oils' and/or 'lubricants' and therefore should also be struck out from the application along with the other items. Therefore the only registration in class 4 remaining for the applicant should be, 'Non-chemical additives for fuels'."

The registry maintained its position by letter dated 22 January 2009, to which Mr Bamber responded as follows on 3 February 2009:

"On our Form TM7 we state that our opposition covers:

'Industrial oils and greases; lubricants; lubricating oil and greases; fuels; lubricants and greases.'

Although we did not state the words 'gear oils' and 'transmission oils' on our Form TM7 we contend that these items must be regarded as wholly included within any reasonable interpretation of the words, 'industrial oils' and 'lubricating oils' and 'lubricants' (words which are included on our Form TM7). Therefore 'gear oils' and 'transmission oils' must be regarded as goods, which we have stated on our Form TM7 to be identical or similar to goods in respect of which we claim use, thus falling within the scope of our opposition.

¹In the 2000 Rules, Rule 13A(1) stated "The applicant shall, within the relevant period, file a Form TM8, which shall include a counter-statement, otherwise his application for registration shall be deemed to be withdrawn". The Trade Mark Rules 2008, which came into force on 1 October 2008, state: "18(1) The applicant shall, within the relevant period, file a Form TM8, which shall include a counter-statement. (2) Where the applicant fails to file a Form TM8 or counter-statement within the relevant period, the application for registration, insofar as it relates to the goods and services in respect of which the opposition is directed, shall, unless the registrar otherwise directs, be treated as abandoned". Under the 2000 rules, there was no discretion, as confirmed by Geoffrey Hobbs QC, sitting as the appointed person in *LEATHER MASTER*, BL O/084/04.

In the circumstances, we request that the application should only be permitted to proceed to registration in respect of 'Class 4 – Non-chemical additives for fuels, lubricants and greases'. If the Registry does not agree to this course of action, then we request a hearing under Rule 63(1)".

5. The matter came to be heard before me on 27 August 2009 by telephone. Mr Jeremy Owens represented the opponent and Ms Mary Spears of Harrison Goddard Foote represented the applicant. I maintained the view of the registry as to which goods should proceed to registration, which I confirmed later that day by letter to the parties:

"Mr Owens explained that gear oils and transmission oils are used for both industrial and non-industrial applications and that gear oils and transmission oils are a subset of lubricating oils. If the latter stands as opposed, so should gear oils and transmission oils. He submitted that I had discretion to decide that goods not specified as opposed which are a subset of a wider opposed term should also be considered as opposed and therefore deleted. Mr Owens also stated that the registrar is not under any duty to register an application for goods which, although not specifically stated as being opposed on Form TM7, are wholly included in goods which are specifically stated on Form TM7. Mr Owens agreed that it would have been better if all the terms had been particularised on the Form TM7, but that the person completing the form was inexperienced in such matters. It was their intention that gear oils and transmission oils should also be opposed, but that they considered the wider (opposed) specification terms covered these goods.

I referred to Article 13 of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks which states:

"Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only."

The registrar is therefore under a duty, rather than the opposite, to register goods or services for which there is no ground of refusal. If goods are not specified as opposed, there can be no ground of refusal against them. The registrar does not have discretion otherwise. Mr Owens said this was contrary to section 5(2) of the Trade Marks Act 1994 because the goods are clearly covered by a wider term which is opposed.

Ms Spears referred to the nature of oils and lubricants and repeated my comments regarding Article 13.

I referred to paragraph 11 from *Adrenalin* BL O/440/99, Simon Thorley QC, sitting as the Appointed Person:

"Once the Registrar begins to perform his judicial function, the position is different. The Registrar or his officer is acting as a judge. The proceedings are adversarial, the

issues are circumscribed by the pleadings and the parties are free to adduce the evidence and the arguments that they wish. It is the Registrar's duty to adjudicate upon the issues raised. It is not his duty and, indeed, it would be wrong for him, when exercising this function, to enter into a debate with either party as to the validity or otherwise of the contentions put forward on any of the issues raised in the proceedings.”

The registrar can only adjudicate on what has been raised in proceedings, not guess at what was meant to be opposed and therefore widen pleadings. An applicant faced with a notice of opposition which attacks only some of his specification makes a decision whether to defend the opposed goods or services or to live with a registration for a reduced specification and therefore not defend. It would be inequitable, in my view, for the applicant then to find that the registrar had entered the game and had decided that, in fact, the unparticularised goods should also be deleted. It is immaterial whether they are covered by a portmanteau term: a defendant is entitled to know the case against him. It is the responsibility of the claimant to make his pleadings clear and in full in its notice of opposition (see Tribunal Practice Notice TPN 1/2000).

I therefore maintained the preliminary view. In my view, the opponent has three options: to accept the preliminary view; to accept the preliminary view and apply to invalidate the remaining goods; or to seek to amend the pleadings, and in doing so face the consequences of re-service & defence. As I stated at the hearing, I am allowing 7 days for the opponent to request amendment of its pleadings. At the end of this time, subject to any appeal of my decision, if no such request has been made, the application will proceed to registration for “Non-chemical additives for fuels, lubricants and greases; gear oils; transmission oils”.

I make no award as to costs, this being essentially a matter between the opponent and the registrar (technically, proceedings have not been joined).

This letter does not contain a full statement of reasons for this decision. If either party wishes to appeal the decision, they should file a Form TM5, together with the requisite fee (£100), requesting a statement of reasons within one month of the date of this letter.”

6. On 28 September 2009, David Paul Bamber filed Form TM5 requesting a written statement of the grounds of my decision, which I give below.

Decision

7. Mr Owens had contended at the hearing that a wider term (industrial oils, lubricating oils and lubricants) covers a narrower term (gear oils and transmission oils) and that if the goods covered by the wider term were to be refused, then so too should the goods in the narrower term. He said that to do otherwise would be contrary to section 5(2)(b) of the Trade Marks Act 1994. I think Mr Owens had in mind the fundamental principal that when making a comparison of goods and services between trade marks for the purposes of assessing a likelihood of confusion that goods and services can be considered as identical when the goods and services

designated by the earlier mark are included in a more general category designated by the trade mark application or vice versa (Court of First Instance of the European Communities *Gérard Meric v OHIM*, Case T-133/05² and *Galileo International Technology LLC v Galileo Brand Architecture Limited*, O-269-04, decision of Professor Ruth Annand as the appointed person).

8. However, if I were to follow Mr Owens' logic in this case, there would never be a need for an opponent to do anything other than specify on Form TM7 a portmanteau term which appears in a hypothetical lengthy specification of goods or services. The comparison which Mr Owens contemplates in paragraph 7 above is made between the goods of different trade marks, not between goods in different parts of the specification of the application. I think this is an important difference. When an applicant specifies a wide term and also narrower terms on Form TM3, he is making a statement of goods for which he seeks registration. When the application is opposed, the opponent enters on Form TM7 the goods for which he seeks refusal of registration. The statement of goods on the application form includes industrial oils and also gear oils and transmission oils. Gear oils and transmission oils may be included in industrial oils (as the opponent submits), but the term industrial oils covers more than just gear oils and transmission oils. The opponent might have been interested in stopping registration only for industrial oils because although he has an earlier mark for industrial oils, he is interested only in oils other than those for gears and transmission. In such a scenario, on Form TM7 the goods entered as those to which the opponent objects are industrial oils, not gear oils or transmission oils. The applicant might have decided that he can live with a specification which is reduced to the latter rather than join the proceedings and so does not defend the action. The application therefore is partially refused for industrial oils and proceeds to registration for gear oils and transmission oils. If, however, the applicant had chosen to defend the action (as it intended to do), an assessment of the likelihood of confusion would then have to be made between the goods falling within terms in the opponent's earlier mark and goods falling within terms in the application.

9. Given that the opponent had also not specified as opposed on the Form TM7 non-chemical additives for fuels, lubricants and greases, the applicant could have inferred that the opponent had picked out the terms which it objected to and left those to which it did not object. As it is, the applicant had an intention to defend which was thwarted by its administrative error and the inflexibility of rule 13A(1) which was in force at that time. But even if it had successfully filed a Form TM8 and counterstatement, it was still entitled to know the precise extent of its specification of goods which was under attack.

10. I referred to the responsibility which lies with an opponent to make its pleadings clear and in full in its notice of opposition, as stated in Tribunal Practice Notice (TPN)

² "29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42)."

1/2000. A further practice notice, TPN4/2000, says “The statement should also set out, as appropriate, those goods or services which the opponents contend are similar or identical to those covered by the earlier trade marks.” The TPNs were issued following judicial comment in several successive cases (to which the TPNs refer) regarding the purpose of pleadings and the importance of a clearly pleaded case from the outset. In *Julian Higgins’ Trade Mark Application (NASA)* [2000] R.P.C. 321, The Vice Chancellor, Sir Richard Scott, said at 326:

“If the pleadings do not identify the right issues, the issues the parties propose to argue about, then it cannot be expected that with any consistency the right evidence will be adduced at the hearing. The pleadings are supposed to identify the issues to which evidence will be directed. If the pleadings do not properly identify the issues someone, sooner or later, is going to be taken by surprise.”

Later the same month, The Vice Chancellor had occasion to refer again to pleadings in *Club Europe Trade Mark* [2000] R.P.C. 329, at 336:

“It is the function of pleadings to define the issues between the parties. Notices of opposition and counterstatements play the part of pleadings in contested trademark registration applications. To some extent supporting statutory declarations may be regarded as complementing that pleading function. But in the present case neither the notices of opposition, nor the counterstatements, nor the statutory declarations identified or defined the issues between the parties.”

Mr Geoffrey Hobbs Q.C., sitting as the appointed person, said in *Demon Ale Trade Mark* [2000] R.P.C. 345, at 357:

“Considerations of justice, fairness, efficiency and economy combine to make it necessary for the pleadings of the parties in Registry proceedings to provide a focussed statement of the grounds upon which they intend to maintain that the tribunal should or should not do what it has been asked to do. The statement should not be prolix. It should, however, be full in the sense indicated by Mr Simon Thorley Q.C. in *Coffeemix Trade Mark* [1998] R.P.C. 717 at 722:

“It must be full in the sense that it must outline each of the grounds...relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible, but it must be complete.””

11. It could have taken the applicant by surprise when, having failed to file a defence in time, it found that the registry had moved to refuse goods in its application which had not been specified as opposed on Form TM7. If the registry had done this, it would have widened the pleadings and played a partisan role, which it clearly, as a tribunal, must not do. I repeat the quotation from *Adrenalin* which I put in my letter:

“Once the Registrar begins to perform his judicial function, the position is different. The Registrar or his officer is acting as a judge. The proceedings are adversarial, the issues are circumscribed by the pleadings and the parties are free to adduce the evidence and the arguments that they wish. It is the Registrar's duty to adjudicate upon the issues raised. It is not his duty and, indeed, it would be wrong for him, when exercising this function, to enter into a debate with either party as to the validity or otherwise of the contentions put forward on any of the issues raised in the proceedings.”

Equally, because the effect of the pleadings turned out to be something other than what the opponent had intended, the opponent has been taken by surprise.

12. Mr Owens sought to persuade me that the registrar has a discretion to decide that goods not specified as opposed which are included in a wider term should also be considered opposed. There are two points here. As I have said, I consider that this would be a widening of pleadings. Secondly, the registrar does not have discretion to refuse to register goods or services for which there is no ground of refusal (or to register goods for which a proven ground of refusal exists). My basis for this is Article 13 of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks which states:

"Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only."

The UK Trade Marks Act 1994 is based on the Directive and must therefore be applied, as far as is possible, in accordance with the Directive. Grounds for refusal of gear oils and transmission oils do not exist because they were not specified as opposed on Form TM7.

13. The choices for the opponent were to accept my decision and leave the application to proceed to registration for ‘non-chemical additives for fuels, lubricants and greases; gear oils; transmission oils’; to accept my decision but to apply to invalidate the mark once it had achieved registration; or to seek to amend its pleadings. Rule 62(1)(e) of the Trade Mark Rules 2008³ states:

“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—

(e) allow a statement of case to be amended.”

Of course, this would mean that the Form TM7 would have to be re-served on the applicant, giving it a second opportunity to defend the action⁴. I allowed a period of

³ The 2008 rules would apply under the transition provisions of rule 83(3).

⁴ As per *George Lowden v The Lowden Guitar Company Ltd* [2004] EWHC 2531(Ch) (deficiency in a revocation application).

time for the opponent to decide whether to request to amend its Form TM7 (although no request has, to date, been received).

14. I made no award of costs; despite the attendance of the applicant's representative at the hearing, it was essentially a matter between the opponent and the registrar, proceedings not having been joined.

Dated this 9th Day of October 2009

**Judi Pike
For the Registrar,
The Comptroller General**