

Cigarrera Bigott, SUCS

Appellant

v.

**(1) Phillip Morris Products Incorporation and
(2) Registrar General**

Respondents

FROM

**THE COURT OF APPEAL OF
TRINIDAD AND TOBAGO**

JUDGMENT OF THE LORDS OF THE JUDICIAL
COMMITTEE OF THE PRIVY COUNCIL,
Delivered the 14th June 2004

Present at the hearing:-

Lord Hoffmann
Lord Hope of Craighead
Lord Hutton
Baroness Hale of Richmond
Lord Brown of Eaton-under-Heywood

[Delivered by Lord Hoffmann]

1. This appeal concerns a dispute over the right to proprietorship of the word BELMONT as a registered trade mark for tobacco products in class 45. The contestants are the appellant, a Venezuelan company called Cigarrera Bigott SUCS (“Bigott”), and the respondent, Philip Morris Products Inc (“PM Products”).

2. Before either Bigott or PM Products came upon the scene, two other companies had shown an interest in registering BELMONT as a mark in the same class. Both applied in January 1975, but the registrar, faced with rival applications, exercised his discretion under section 14(3) of the Trade Marks Ordinance 1955 (now the Trade Marks Act Chapter 82:81) to refuse to register either applicant until their rights had been determined by a court. Neither applicant took any steps to obtain such a determination.

3. Philip Morris Inc (“PM Inc”) an associated company of PM Products, applied on 29 November 1978 for registration in Part A. The registrar refused on the ground that the mark was geographical: see section 10(1)(d). That would not be an objection to registration in Part B and so on 7 December 1981 the application was amended. On 21 March 1983 the registrar replied referring to the earlier applications which he had refused and saying that he proposed likewise to refuse to accept the application until PM Inc’s rights had been determined by a court. PM Inc took the matter no further.

4. On 31 December 1987 there was an internal reorganisation in the Philip Morris group, in consequence of which PM Inc assigned various assets to PM Products. These included the benefit of the unregistered marks and applications for registration listed in a schedule, “to the intent that upon the applications in respect of the marks being granted and registration being made” the assignment should vest proprietorship in the marks in PM Products. Among the applications listed in the schedule was that for BELMONT.

5. On the same date as the assignment, PM Products made a request to the registrar to be substituted as applicant for the BELMONT mark. There is no provision for such substitution in the Act or the Trade Marks Rules. On the other hand, there is no reason why someone who has applied for a trade mark should not equitably assign the right to that mark, if and when granted, in the same way as any other future property: see *Tailby v Official Receiver* (1888) 13 App Cas 523. The practice in the United Kingdom under the Trade Marks Act 1938 (which was in the same terms as the Trinidad and Tobago Act) was for the registrar to receive the application for substitution but not to enter it upon the register until the application had been granted and the mark registered: see the UK Trade Marks Registry Work Manual paragraph 30-141.

6. Messrs Pollonais & Blanc, who were PM Products’ attorneys, applied for substitution as applicants by using the form of request (TM-No 13) prescribed by rule 62 for an application by an assignee of a registered trade mark. They adapted the form to indicate that PM Products was actually only assignee of an application and not of a registered mark, but the result was rather discordant. The request carried the TM-13 heading: “Request to the Registrar to register a subsequent proprietor of Trade Marks upon the same devolution of title.” That made it look as if PM Products was claiming to be assignee of the mark. On the other hand, where the form says “hereby request that our name may be

entered in the Register of Trade Marks as proprietor ...” Pollonais & Blanc wrote “hereby request that our name may be entered *on the applications* for the registration of the [trade mark]”. Then they reverted again to the language of the form “We are entitled to said Trade Marks by virtue of ...” but the document by virtue of which they claimed was the assignment of 31 December 1987, which referred only to the application.

7. The staff at the registry were not surprisingly confused by this document. Up to that point, the only entry in respect of PM Inc’s BELMONT application in the register was the application itself, noted as having been received on 29 November 1978. There was no suggestion that the application had been accepted or advertised, let alone registered. On 30 March 1988 the following entry was made:

“[PM Inc] have this day been entered as proprietors of the Trade Mark by virtue of a Deed of Assignment dated 31st December 1987 and made between [PM Inc] and [PM Products] (Request No. 430 of 1988).”

8. The registry staff obviously took the request as being an ordinary TM-13 request for registration by an assignee of the mark and did not notice that there was no registered mark to assign. On the other hand, if someone reading the register had been puzzled about how there could have been registration of an assignment of a mark which had not itself been registered and had examined the actual request and the Deed of Assignment to which the registration referred, all would have become clear.

9. The next entry made in the register was “April 12. Certificate issued”. No one has been able to explain this entry, because no certificate bearing that date has ever been found. On the other hand, there is a certificate headed “Certificate of Assignment” issued by the registrar and dated 20 April 1990:

“[PM Products] was on the 30th day of March 1988 entered on the Register of Trade Marks as proprietors of the Trade Marks mentioned in the attached Schedule by virtue of an assignment dated 31 December 1987 and made between [PM Inc] of the one part and [PM Products] of the other part.”

10. By section 64 of the Act, the certificate is *prima facie* evidence of the entry in the register which it records.

11. That was the state of the various applications and the register when, on 13 August 1990, Bigott applied to register the mark and, perhaps a little surprisingly, the application was eventually accepted by the registrar. The 1975 applications were specifically noted on their respective files as deemed to have been abandoned in November and December 1992. There was no similar note on the PM Products file but the registrar may have thought that after PM Inc and PM Products had taken no steps to obtain a court determination for 14 years, their application could also be treated as abandoned. At any rate, Bigott were given clearance to advertise their application and did so in the *Trinidad and Tobago Gazette* on 22 October 1993.

12. Meanwhile, the curious entry in the register had given rise to further confusion. Victor Sewdihal started work as a Clerk 1 in the registry in July 1992. His duties included checking to see which registrations were about to expire (14 years after the application date) and sending the proprietors notices under section 25(2) of the Act reminding them that if they wanted to renew the registration they would have to pay a fee before it expired. He took the entry of the assignment to PM Products as meaning that it was registered proprietor of the mark and on 10 August 1992 sent Pollonais & Blanc the statutory reminder. They wrote back politely saying that, according to their records, the mark had never been registered. The application was still pending. Mr Sewdihal checked and found that the attorneys were right. He wrote in pencil on the register “Never published. Mark refused”. But he did not write to Pollonais & Blanc. On 9 December 1992 they asked for an answer to their letter. But still there was no reply.

13. When the application by Bigott was advertised in the *Trinidad and Tobago Gazette*, alarm bells rang at Pollonais & Blanc. They wrote that very day to the registrar, asking for clarification about the status of their 1978 application, which they said they wanted to renew. They had three months under section 21(1) to give notice of opposition to the Bigott application in prescribed form. But they did not do so. Instead, on 24 January 1994, the last day on which notice of opposition could have been given, they wrote to the registrar asking for an extension of the three month period. The registrar granted an extension until 28 February 1994 and Products filed an opposition on 21 February. But on 9 March 1994 the registrar realised that the Act gave him no power to extend the three month period. He has a general power under rule 92 of the Rules to grant extensions but not in respect of a time “expressly provided in the Act”.

14. Both PM Products and Bigott made applications to the registrar. The precise nature of these applications is a little obscure; the deputy-registrar who heard them, Mr Sandy, summed them up by saying that “each of the parties ... [is] urging that their respective mark be accepted for registration to the exclusion of the other”. Ms Wendy-Fae Thompson of Pollonais & Blanc, subsequently described the proceedings as being in respect of PM Products’ application for registration and its opposition to Bigott. The essence of the matter was that Bigott wanted a determination that PM Products was irretrievably out of time to oppose its application and that, in the absence of opposition, it was entitled to registration. PM Products wanted to oppose Bigott and also to keep its own 1978 application on foot, with a view to obtaining registration by priority of application.

15. The deputy-registrar found for Bigott and against PM Products on all these points. PM Products then appealed to the judge. The matter came before Mr Justice Best, who gave judgment in November 2000. Before the judge, PM Products put its case very differently from the way it had been put before the deputy-registrar. In March 1993, when Pollonais & Blanc searched the register with a view to the hearing before the deputy-registrar which eventually took place in the following year, they found and copied out the entries concerning the assignment to PM Products. But it never occurred to them to argue that PM Products should be deemed to have been registered as proprietors of the mark. The proceedings before the deputy-registrar were conducted on the basis that it was an applicant for registration. Before the judge, however, PM Products produced the entries and relied upon them as evidence that it was registered proprietor. Section 55 of the Act provides that registration as proprietor of a trade mark is “prima facie evidence” of the validity of the registration and all subsequent assignments and transmissions. PM Products argued that the entries showed that it was registered proprietor and that no contrary evidence had been produced by Bigott.

16. Best J accepted this submission and his judgment was affirmed by the Court of Appeal. But their Lordships respectfully disagree. First, it does not appear to them that upon its true construction, the register evidences registration of the mark in the name of PM Products. Even on its face, the register is far from unambiguous on this point. The fact that it contains no entry whatever of the actual registration of the mark but only an entry of an assignment is puzzling enough to make it necessary to resort to all admissible evidence to discover what the registration means.

The entry itself refers to the deed of assignment and the request for registration and their Lordships consider that in the light of these documents it is clear that the entry is concerned only with an assignment of the applications and not with an assignment of a registered mark.

17. Secondly, even if the entries in the register are to be construed as evidencing valid registration of PM Products as proprietor of the mark, their Lordships consider that the contrary evidence was overwhelming. The correspondence shows clearly that the application by PM Inc was never accepted or advertised and, in the absence of these steps, the registrar would have had no jurisdiction to register PM Products as proprietor.

18. Both the judge and the Court of Appeal seem to have treated the register as not merely evidencing proprietorship but as being virtually conclusive on the point. Mr Nanga, in his concise and lucid submissions for PM Products, said that if Bigott wanted to displace the effect of registration, they should have applied to rectify the register under section 46. Their Lordships consider that the question of rectification would arise only if the register upon its true construction meant that PM Products was proprietor of the mark and, for the reasons already given, they do not think that it has this effect. But in any case, they do not think that PM Products can complain of the absence of formal proceedings for rectification when it was only on appeal that it claimed to be proprietor at all. There is nothing in RSC Ord 91 which prescribes any particular procedure for an application under section 46 except that it must be begun by originating motion. All the issues which would have been relevant to an application for rectification had been explored before the deputy-registrar and the judge. If, therefore, their Lordships had thought rectification necessary, they would have seen no unfairness to PM Products in the appropriate order being made by the judge or, if necessary, the Board itself.

19. Their Lordships will therefore allow the appeal and direct that Bigott be registered as proprietor pursuant to its application. PM Products must pay the costs before their Lordships' Board and in the courts below.