

BRITISH VIRGIN ISLANDS

IN THE HIGH COURT OF JUSTICE

BVIHCV2006/0039

BETWEEN:

THE (BRITISH VIRGIN ISLANDS) WATERSPORTS CENTRES LIMITED

Claimant

AND

(1) REGISTRAR OF CORPORATE AFFAIRS/TRADEMARKS & PATENTS

(2) ROYAL VIRGIN ISLANDS YACHT CLUB

Defendants

**Appearances:**

Mr. Michael Fay of Ogier instructed by Ms. Asha Johnson of Samuels Richardson & Co., for the Claimant

Ms. Keisha Durham of Harney, Westwood & Reigels for the 2nd Defendant

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2007: May 1<sup>st</sup>, June 29<sup>th</sup>

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**JUDGMENT**

(Trademarks – Appeal from Registrar’s decision to register a name as a trademark under the Trade Marks Act Cap. 158 – whether Registrar erred in not first determining whether the name was a trademark or not before allowing registration

Jurisdiction – whether High Court on statutory appeal from Registrar has jurisdiction to determine whether name is a trademark or not or must appellant come by way of judicial review.)

[1] **Joseph-Olivetti, J.:** This is an appeal to the High Court from the decision of the Registrar of Corporate Affairs/Trademarks & Patents (“the Registrar”) under Section 10(3) of the Trade Marks Act Cap. 158 (“the Act”).

[2] The appellant, the (British Virgin Islands) Watersports Centres Limited (“the Company”) complains that the Registrar’s decision to register the name “British Virgin Islands Watersports Centre” (“the Alleged Mark”) as a trademark in favour of the Royal British Virgin Islands Yacht Club (“the Yacht Club”) is erroneous and should be set aside and the Yacht Club’s application for registration be dismissed.

## The Facts

- [3] The Yacht Club is a charitable organization incorporated in the British Virgin Islands in 1973. As its name implies it is the premier if not the only yacht club in the Territory. The Company was incorporated in the Territory on 7<sup>th</sup> September, 2004. It is said by its managing director, Mr. Colin Bramble to be, " a charitable organization dedicated to the development of water sports for the community of the BVI Territory."<sup>1</sup> It appears that Mr Bramble and his wife, Mrs. Allison Knights –Bramble were instrumental in the formation of the Company. They were former employees of the Yacht Club and were employed in 1997 to provide, inter alia, training in water sports for the Club's members and customers. They both are instructors certified by the Royal Yachting Association of England. Their employment with the Club was terminated on the 26<sup>th</sup> February 2004 on the basis that they had set up a competing watersports business with the Club under the auspices of their company Sailon BVI Ltd. whilst in the employ of the Yacht Club. The Yacht Club had during their tenure engaged in offering tuition and related services in sailing and other water sports and had employed the business name, "BVI Watersports Centre" on their invoices for their water sports services, programmes and advertisement material since 1998. There is no doubt that the Brambles were aware of the use of that name yet after they left the Yacht Club's employment they caused the Company to be incorporated with a similar name to that used by the Yacht Club for its water sports activities and the Company carried on similar water sports activities.
- [4] The Yacht Club was aggrieved and on 30<sup>th</sup> November 2004 applied to the Registrar for the Registration of the Alleged Mark as a trademark under Class 39 of the Act. The Registrar duly observed the procedure laid down in the Act for dealing with such applications and finally as the application was opposed by the Company heard the matter on 10<sup>th</sup> May 2005 in accordance with Section 10(3) of the Act. Both parties were represented by counsel
- [5] The Registrar reserved her ruling and then on 17<sup>th</sup> January 2006 decided that the Yacht Club had the right to the use of the Alleged Mark and that it should be registered as the proprietor thereof. That decision is contained in her letter of same date.

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<sup>1</sup> See letter 8<sup>th</sup> Feb.2005 from Mr. Bramble containing notice of objection

[6] On 13<sup>th</sup> February 2006, the Company filed an appeal under Section 10(3) of the Act by way of a Fixed Date Claim Form in accordance with the procedure prescribed by CPR 2000 Part 60. The grounds of appeal are contained in paras. 10 and 11 in the Statement of Claim/Grounds of Appeal filed on 13<sup>th</sup> February 2006 and are:

(i) " the decision of [the Registrar] that the name "BVI Watersports Centre" should be registered as a trademark in favour of [the Yacht Club] was wrong in law and in fact. In particular:- a. the purported trade mark was, and is, not capable of being a trademark and in particular did not consist of or contain any of the following particulars :- i. a name of an individual or firm printed, impressed or woven in some particular or distinctive manner; ii. A written signature, or copy of a written signature, of the individual or firm applying for the registration thereof as a trade mark; iii. A distinctive device, mark, brand, heading , label, or ticket; iv. An invented word or invented words; or v. a word or words having no reference to the character or quality of the goods, and not being a geographical name.

(ii) b. the [Yacht Club] did not and cannot use the name 'BVI Watersports Centre' as a trademark; In the circumstances [the Registrar was not entitled to and did not have jurisdiction to register the purported trade mark. Further, to the extent that the Registrar did have any discretion to register the purported trade mark, she wrongly exercised that discretion."

[7] On 24<sup>th</sup> March 2006, the Yacht Club filed a Defence. The Yacht Club contends in essence that the Alleged Mark was and is capable of being a trademark as, "...it consists of a word or words having no reference to the character or quality of the goods and not being a geographical name." It disclaims the right to the exclusive use of the geographical name "BVI". Further it says that the Alleged Mark has been used to indicate to purchasers of the goods bearing the Alleged Mark the source of the goods used by it in the course of its trade and that it has used the Alleged Mark since June 2003.

[8] It says further that the goods in relation to which the Alleged Mark is used are goods that are the subject of trade, " trade satisfying the business of exchanging commodities, in that monies have been paid to the [Yacht club] by customers for the provision of certain

services and as part of the service provided and paid for by these customers the [Yacht Club] provides printed material.”

### Issues Arising

- [9] The main issue as I see it and which was argued on behalf of the Company is whether the Registrar erred in granting the application as that decision implied that the Alleged Mark was a trademark capable of being registered under the Act. Or in other words is the Alleged mark a trademark?
- [10] However, the Yacht Club submitted that the Court has no jurisdiction to consider whether the Alleged Mark is a trademark, having regard to section 10(3) of the Act and CPR 2000 Part 60.
- [11] I shall consider this issue of jurisdiction first as it amounts to a preliminary point and logically and constructively should be considered first. It must be remarked that the Yacht Club put all its eggs in one basket so to speak as it mounted no other defence to the appeal save what was relied on in its defence which was not developed in argument.

### Submissions on Preliminary Point

- [12] Ms Durham, learned counsel for the Yacht Club, conceded that the Registrar did not expressly consider the issue of whether or not the Alleged Mark was a trademark and indeed that is apparent from the Registrar’s letter containing reasons for her decision. However, Ms. Durham advanced in essence that the Court has **no jurisdiction on this statutory appeal** to consider this issue. This says counsel is because the court’s jurisdiction on an appeal from the Registrar under section 10(3) of the Act is necessarily limited by reference to the Registrar’s own jurisdiction/powers under the Act and under the Act the Registrar only has power to determine whether or not to register the Alleged Mark that is whether it meets the statutory requirements for registration. Thus, on an appeal from the Registrar’s decision the court’s powers was similarly limited and the court could only consider whether the Registrar had exercised her discretion properly or not and no more. In short, Ms Durham, while apparently conceding that the Registrar must at some point determine whether what is being sought to be registered is a trademark or not insists

that under s. 10(3) the Registrar's jurisdiction is limited to making only a certain kind of order as it is 'registration-centric' and the court is likewise confined. Counsel concedes that the Registrar ought to have considered the issue but says that her failure to do so can only be challenged by way of judicial review, not by way of this statutory appeal.

[13] Mr. Fay, learned counsel for the Company, argued that the Registrar in exercising her powers of registration under the Act had first to decide whether what was sought to be registered was a trademark or not and that she had not done so but simply focused on the issue of user. This error was amenable to review by the court on an appeal under s. 10(3). CPR Part 60 gives the court power to **re-hear** a matter on appeal. See Rule 60.8(1). And, says counsel, re-hearing means hearing the matter **de novo** which means that the court has the power to determine all issues arising before the Registrar. Counsel also pointed out that where statute gives a right of appeal this right must generally be exhausted before any other course is embarked upon and therefore it would have been improper for the Company to seek to challenge the Registrar's decision by way of judicial review, the method advocated by Ms. Durham, instead of by way of this appeal to the High Court.

### Court's Analysis

[14] The High Court's jurisdiction to entertain an appeal from the Registrar is contained in subsection 10(3) of the Act. Section 10(3) in context provides:-

"10. (1) ... (this makes provision for a notice of opposition to the registration of a trademark to be given by someone who opposes an application for registration)

(2) ... (this makes provision for the opponent to send to the Registrar a counter statement in response to the notice of opposition)

10. (3) **If the applicant sends such counter statement, the Registrar shall furnish a copy thereof to the person who gave notice of opposition, and shall, after hearing the applicant and the opponent, if so required, decide whether the trademark is to be registered, but his decision shall be subject to appeal to the Court, and the said Court shall have jurisdiction to hear and determine the appeal, and shall hear the applicant and the opponent and the**

**Registrar, and shall make an order determining whether, and subject to what conditions (if any) registration is to be permitted.**

[15] The Act does not prescribe the procedure to be employed on appeal or the court's powers on an appeal and therefore CPR 2000 rule 60.8 governs. This rule provides:-

"60.8(1) Unless an enactment otherwise provides, **the appeal is to be by way of rehearing.**

(2) The court may receive further evidence on matters of fact.

(3) The court may draw any inferences of fact which might have been drawn in the proceedings in which the decision was made.

(4) The court may –

a. **give any decision or make any order which ought to have been given or made by the tribunal or person whose decision is appealed; and**

b. make such further as the case requires; or

c. remit the matter with the opinion of the court for rehearing and determination by the tribunal or person.

(5) The court is not bound to allow an appeal because of –

a. a misdirection; or

b. the improper admission or rejection of evidence;

unless it considers that a substantial wrong or a miscarriage of justice has been caused." (Emphasis added)

[16] Thus as can be seen, an appeal to the High Court is by way of re-hearing which means hearing the matter from the beginning as distinct from an appeal by way of review. And, the court has wide powers to enable it to conduct this re-hearing including receiving further evidence. And, more pertinently, the High Court can give a decision or make any order which the tribunal at first instance ought to have made.

[17] Now, ought the Registrar to have considered whether the Alleged Mark was a trademark before deciding to register it? True, the Act itself does not expressly state that the Registrar should do so. However, the whole tenor of the Act, indeed, even its very name

makes it patently obvious that it is an Act concerning **trademarks**. This is evident from the very first substantive section, section 3(1) which provides –

“The Registrar may on application by or on behalf of any person claiming to be the proprietor of a **trademark** register the **trademark**” (Emphasis added).

[18] And section 3(4) provides:-

“The Registrar may, if he thinks fit, refuse to register a **trademark**, but any such refusal shall be subject to appeal to the Court, and the Court shall have jurisdiction to hear and determine the appeal, and may make an order determining whether, and subject to what conditions, if any, registration is to be permitted.”

[19] Therefore, the only power the Registrar has relates to **trademarks** and surely it is implicit that part of her jurisdiction in considering an application for registration must be to determine whether what she is being asked to register is a trademark. To hold otherwise would render the provisions of the Act dealing with registration absurd as it would mean that the Registrar could register any manner of thing as trademark whether it is in law a trademark or not. The artificial construction put on the Registrar’s powers as it relates to registration and on the court’s powers under sub-section 10(3) and CPR Part 60 by Ms. Durham makes a nonsense of the process of registration and the statutory right of appeal. Therefore, it follows that the challenge to the jurisdiction is without merit

[20] Further, one cannot accept that the court has no jurisdiction on this issue on an appeal under the Act and that the Company must resort to judicial review proceedings. To do so would be to ignore the usual principle in granting leave to seek judicial review which is that where legislation gives remedies that one is generally bound to exhaust them before resorting to judicial review. See CPR 2000 r. 56(3)(e).

### **The Substantive Ground of appeal**

[21] Now to the substance of the appeal. Was the Yacht Club entitled to have the Alleged Mark registered as a trademark in class 39 in respect of paper and paper products including

stationery and signs? Or in other words, is the Alleged Mark a trademark falling within the ambit of trademarks covered by class 39?

- [22] First, is the Alleged Mark a trademark? The Act does not define a trademark. Section 5 states several characteristics at least one of which a trademark which is sought to be registered must have but it does not define a trade mark. The Act is derived from Part 1V of the UK Patents, Designs, and Trade Marks Act 1883 as amended by the UK Patents, Designs and Trade Marks Act 1888. Neither Act defines a trademark and the court must look to the common law as it existed when the Act was passed. See **General Electric Co. (of USA) v. General Electric Co. Ltd**<sup>2</sup>, Lord Diplock at page 741:-

“... since the Act of 1883 was itself an Act to amend and consolidate the law relating to trade marks ... final recourse must be had to the Act of 1875. ...The right of property in a trademark was recognized at common law before it was the subject of any enactment. The Act of 1875 did not itself create any right of property in trade marks. As its title itself indicated and its provisions confirm, it simply provided for the registration of trade marks, and spelled out the consequences of registration available to him for the protection of those proprietary rights. The Act of 1875 must, therefore, be construed in the light of the common law relating to trade marks in 1875. I use the expression “common law” to include the doctrines of equity applied in what at that time was the separate Court of Chancery.”

- [23] The wealth of authorities<sup>3</sup> cited by the Company and in particular **Re Powell’s Trademark (1893) 2 Ch. 338** is helpful as to what is a trademark at common law. In that case Bowen L.J. remarked on the essential function of a trademark (p. 403) –

“the function of a trademark is to give an indication to the purchaser or possible purchaser as to the manufacture or quality of **the goods** – to give an indication to

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<sup>2</sup> (1972) 1 WLR 729

<sup>3</sup>(1) **Perry v Truefitt** (1842) 6 Beav. 73, (2) **The Leather Cloth Company v The American Leather Cloth Company** (1865) XI HLC 523, (3) **Singer Manufacturing Co. v Wilson** (1875) Ch. D 434, (4) **In re Bass, Ratcliff and Gretton’s Trademark** 91931) 2 Ch 1, (5) **Aristoc Limited v Rysta Limited** (1945) AC 68, (6) **Royal Inns of America Inc.’s Trademark** (1977) FSR 14.



his eye of the trade source from which the goods come, or the trade hands through which they pass on their way to the market." (Emphasis mine)

- [24] And a trademark is defined in Halsburys Laws of England as **"a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any indication of the identify of the person."**<sup>4</sup> (Emphasis added)
- [25] From this one can glean that a trade mark is some distinctive mark or symbol used in relation to **goods** to indicate their manufacture or quality. This is reinforced by section 6 of the Act which mandates that a trademark must be registered for **particular goods or classes of goods**.
- [26] We recall that the Yacht Club sought registration under Class 39 which deals with paper products. Therefore the Alleged Mark must be shown to be used in relation to the sale or manufacture of paper products. The evidence before this court which is the same that was before the Registrar is that the Yacht Club engaged primarily in the **provision of services**. In short it manufactures nothing and so has no goods to which a trademark can attach. The documents produced to establish its right to use the Alleged Mark were in the main invoices for its services and promotional materials on which the Alleged Mark was printed. However, there was no evidence to establish the that it sold those invoices or manufactured them by way of trade and clearly it is not in that type of business. The case of Airco Trade Mark [1977] FSR 485 is instructive. In Airco, an insurance company applied to register "AIRCO" in respect of paper and stationery. The Court of Appeal of Bermuda held that the mark was not a trade mark as the insurance company was engaged only in the business of selling insurance and reinsurance and this did not constitute goods as that term is normally understood in relation to trademarks, rather they provided a service. Hogan P. said at page 499:- **" the insurance company is a consumer not a purveyor of paper. The paper is used by [the company] for the purpose for which it was made. The basic process of manufacture and sale is completed when it gets to the**

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<sup>4</sup> Halsbury's Laws of England Vol. 48 para. 27.

respondent which is not purveying paper in competition with those who manufacture and sell it by way of trade any more than the firm of Cadbury when it puts its name on the wrapping round its chocolate.”

[27] Doubtless on the evidence the Yacht Club is not in the business of either selling or manufacturing paper or paper products and the Alleged Mark is not used in reference to any goods sold or manufactured by it. It is used in relation to the provision of its services. The Alleged Mark is therefore not a trademark.

[28] The Yacht Club relies on section 5 (e) of the Act which is that the Alleged Mark contains ‘a word or words having no reference to the character or quality of the good, and not been a geographical name.’ However, reliance on this provision does not assist it in overcoming the first hurdle as the fundamental question remains: “in relation to what goods is the Alleged Mark being used?” And, the short answer must be “no goods” as the Yacht Club is only engaged in selling services and the Act does not apply to registration of service marks. Accordingly, the Alleged Mark is not a trademark and the Registrar’s decision to register it as a trademark must be set aside and the Yacht Club’s application for registration dismissed.

## Conclusion

[29] For the foregoing reasons the appeal is allowed and the Registrar’s decision is set aside. On the issue of costs the court has a wide discretion and in the circumstances of this case I order that each party must bear its own costs as the Company can be said to be responsible for this state of affairs. The Yacht Club uses the Alleged Mark as the name under which it provides its services and no doubt the Alleged Mark has built up a deal of good-will over the 3 years since it was employed by the Yacht Club. The evidence establishes that the Company is managed by former employees who knew of the Yacht Club’s use of the Alleged Mark, yet they incorporated that name as part of the Company’s name after they left the employ of the Yacht Club and established a competing business. This to my mind was not a causality and one can make the not unreasonable assumption that they chose the name unmindful of the confusion it would most likely create in the mind

of the public as to the identity of the two businesses. The Company was thus the prime case of the Yacht Club seeking relief by trying to protect its use of the Alleged Mark therefore to my mind it would not be just in these circumstances to order that the Yacht Club pay the Company's costs. In any event I am given to understand by both counsel that each party was in a manner of speaking the recipient of some form of legal aid.

**Rita Joseph-Olivetti**  
High Court Judge