

TRADE MARKS ACT 1994

**IN THE MATTER OF A REQUEST BY
PARAMOUNT PICTURES CORP.
FOR AN EXTENSION OF TIME WITHIN WHICH
TO FILE EVIDENCE IN OPPOSITION PROCEEDINGS (No 49075)
IN RELATION TO APPLICATION NUMBER 2123062
IN THE NAME OF TRICORDER TECHNOLOGY PLC**

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5 **IN THE MATTER OF a request by**
Paramount Pictures Corp.
for an extension of time within which
to file evidence in opposition proceedings (Number 49075)
in relation to application number 2123062
10 **in the name of Tricorder Technology plc**

Background

15 On 7 February 1997 Dimensional Imaging Ltd applied to register the trade mark TRICORDER for a specification of goods which reads:

Class 9 Audio, visual and audiovisual scanning, recording and reproduction equipment; parts and fitting therefor.

20 Following a subsequent assignment of the application the name of the applicant was recorded as Tricorder Technology plc.

25 The application is numbered 2123062 and was accepted and published. On 12 October 1998 Paramount Pictures Corp. filed notice of opposition. The grounds of opposition as set out in the accompanying statement of grounds were based on Sections 5(2)(a), 5(3), 5(4)(a) and Section 3(6) of the Trade Marks Act 1994. The statement of grounds also contained a claim that the opponents' trade mark was entitled to protection under the Paris Convention as a well known mark and as such would be an earlier right as defined in Section 6(1)(c) of the Trade Marks Act.

30 The applicants filed a counter-statement on 18 December 1998 and the Office set a due date of 4 April 1999 for the opponents to file evidence under rule 13(4) of the Trade Mark Rules 1994 (as amended).

35 On 31 March 1999 the opponents filed a request for an extension time. The request was made on Form TM9 together with the appropriate fee, under the provisions of rule 62(1). The request was for an extension of three months and was copied to the applicants. The reasons given in support of the request were as follows:

40 "Settlement negotiations between the parties are ongoing and evidence is still being collected"

The letter accompanying the request stated:

45 "Further, we are instructed that settlement negotiations for this matter are on foot. Accordingly, we are instructed by our client to request an extension of time of 3 months for service of their evidence in the terms attached".

5 The agent for the applicants wrote to the Office indicating that they objected to the opponents' request. Their objections are set out in their letter of 13 April 1999. They submitted that the period for filing evidence ought not to be extended unless there were compelling reasons for so doing. They argued that the reason for the extension of time put forward by the opponents was not a valid or compelling one and that the request should be refused.

10 The Official letter of 19 May 1999 indicated that the opponents' request was granted. Thus, the due date for the opponents to file evidence became 4 July 1999. A period of 14 days was given for the applicants to request a hearing in the matter. No request for a hearing was made.

15 On 28 June 1999 the opponents filed a further request for an extension for three months in which to file evidence. The reasons given were again that settlement negotiations were ongoing. Attached to their request was a Schedule setting out a chronology of settlement negotiations. It stated:

20 "15 October 1998 Meeting between Simon Hewitt of Viacom Consumer Products Limited (licensing subsidiary of the opponent)("Viacom") and a director of Dimensional Imaging Limited, now Tricorder Technology plc ("TTP")

25 January to April 1999 Viacom formulate settlement proposal and prepare deal memo (attached)

30 14 May 1999 Meeting scheduled to take place between Simon Hewitt and TTP on 18 May, but cancelled by TTP. However a telephone conversation took place between the parties discussing in detail the issues of the Tricorder name, advances and royalties

35 15 June 1999 Simon Hewitt of Viacom chases Dr Guy Fowler of TTP, unfortunately Viacom is told that Dr Fowler is flat on his back and sedated with a slipped disc. However, our client is informed that the deal memo and proposed settlement has been forwarded to TTP's lawyer Tony Martino.

40 Our client is currently awaiting a response to the deal memo from TTP".

45 The opponents' request was granted on 30 June 1999 and the due date for them to file evidence became 4 October 1999. A period of 14 days was given for the applicants to request a hearing. No request was made.

On 1 October 1999 the opponents filed a further request for a three month extension of time. The reasons given on the Form TM9 were stated as:

45 "Settlement negotiations between the parties are ongoing and are almost concluded. Please see the attached".

Attached to the request was the chronology of settlement negotiations. Since their last request the following events were said to have occurred:

- 5 “17 June 1999 Letter from TTP to Viacom discussing details such as product definition, exclusivity, expiry dates, advances and royalties
- 7 July 1999 Telephone conversation between Jacqueline Moreton of Viacom and TTP to go through the points made by TTP in their last letter
- 10 21 July 1999 Further letter from TTP to Viacom dealing with detailed terms of the license
- 27 July 1999 Letter from Viacom to TTP acknowledging TTP detailed comments
- 15 22 September 1999 Letter from Viacom to TTP agreeing points as to manufacturing location, marketing dates and samples. Outstanding points - product and exclusivity, expiry date, advance, royalty rates and governing law.”
- 20

A copy of a document headed “International Merchandising Agreement Memo” was attached to the Form TM9.

25 Rule 62(2)(a) requires that the request must be copied to the other party to the proceedings. The extension of time was initially refused as there was no confirmation on the Form TM9 that it had been copied to the applicants. The opponents forwarded a copy of a letter which they stated was attached to the Form TM9, this confirmed that the request for an extension of time had been copied to the applicants. The letter also states:

30 “Further to your letter of 30 June 1999, we are instructed by our clients that settlement negotiations for this matter are almost concluded. Accordingly, we are instructed by our client to request a further extension of time of three months for service of its evidence.....

35 You will note that the schedule to the request contains a detailed chronology of the settlement negotiations to date and a draft deal memo relating to our clients proposed licensing arrangements.

40 Since the last request for an extension of time, three detailed and lengthy letters have passed between the parties discussing the deal. The latest letter sent by our client to the applicant was dated 22 September 1999 in which several of the points raised by the applicant in its previous letters were agreed. Unfortunately, there are still some outstanding points and our client has not yet received a response to its letter of 22 September 1999 from the other side. Clearly there is a willingness on both side to come

45 to a deal and compelling reasons why this extension should be granted.”

The Opponents’ request was granted on 12 October 1999 and the due date for them to file

evidence was set as 4 January 2000. A period of 14 days was given for the applicants to provide written argument against the decision or to request a hearing under rule 48(1).

5 The applicants filed letters dated 12 and 15 October 1999 objecting to the granting of the extension of time. Their letter of 12 October states:

10 “.....I hereby object on the Applicant’s behalf to the requested or any extension of term, not on formal grounds but on the substantive grounds, supported by Court of Appeal authority, that settlement negotiations, which we do not accept are taking place are not a valid reason for an extension of a deadline.....”

15 The letter also states that the applicant had made it clear to the opponent during the course of a telephone conversation and in letters dated 21 July and 7 October that they would not accede to any further extension requests. The letter of 15 October again referred to the negotiations and said:

20 “Even if meaningful negotiations are continuing (which is denied) their existence cannot be a *compelling* reason for allowing an extension of time for filing evidence because they could continue after dismissal of the opposition and registration of the mark with no loss of rights or other injustice suffered by the opponents”.

25 A review of the request was undertaken by the case work officer who issued a letter dated 22 October 1999 refusing the opponents’ request for an extension of time. The opponents were given 14 days to request an interlocutory hearing and they made such a request in their letter of 29 October 1999.

The Hearing

30 The interlocutory hearing took place on 9 December 1999. The opponents were represented by Mr M Foreman of Rouse & Co, the applicants were represented by Mr A Martino of Counsel instructed by R G V Doble. At the hearing I reserved my decision. I informed the parties of my decision in my letter of 15 December 1999.

35 My decision was to allow the extension of time to 4 January 2000 subject to certain terms including an award of costs in favour of the applicants. If the opponents failed to file evidence on or before that date I was prepared to exercise the Registrar’s discretion under rule 13(5) and allow the opposition to continue on the basis of the claim under section 5(2)(a). This was on the clear understanding that the opponents would attend any main hearing or make written submissions in lieu of attendance.

40 During the hearing the opponents made a request to amend their statement of grounds. They sought to remove all of the grounds of opposition save that under section 5(2)(a) of the Trade Marks Act 1994. I allowed this amendment and invited both parties to file amended pleadings.

45 Although the applicants requested their costs at the hearing, I did not received detailed submissions on this point. My letter of 15 December indicated that I was minded to make an award of costs to the applicants of £450-00. This was to take account of the interlocutory hearing on the

extension of time and the cost of amendment of the counter-statement. I offered the parties an opportunity to be heard on the matter of costs. No request was received and a costs order was issued for the opponents to pay the applicants the sum of £450-00.

5 Following the issue of my decision, the applicants filed Form TM5 requesting a statement of the grounds of my decision.

Statement of Grounds

10 Although the hearing was appointed to determine the opponents' request for an extension of time, I received submissions on a number of issues. Both parties were content to deal with the opponents' request to amend their statement of grounds and their request to allow proceedings to continue under rule 13(5), in addition to the question of the extension of time. My letter of 15 December 1999 set out my decision in respect of each of these issues. As far as possible I will deal
15 with each of these matters separately within this statement of grounds.

Mr Foreman's opening submission was a request to amend the statement of grounds to remove all the grounds of opposition save that under section 5(2); he later clarified that he was relying on section 5(2)(a). Mr Martino did not argue that I should refuse to allow the amendment but he drew
20 attention to the fact that the applicant had issued several letters requesting further and better particulars from the opponents concerning their ground of opposition.

It seemed to me right that the issues between the parties should be narrowed down to identify the real area of dispute and I allowed the opponents 14 days to amend their statement of grounds. Mr
25 Martino sought an award of costs occasioned by the application for amendment. I thought that he was right to make such a request and I took the request to amend into account when calculating the award of costs.

I will go on to deal with my reasons for allowing the opponents' request for an extension of time
30 in which to file evidence under rule 13(4) of the Trade Mark Rules 1994 (as amended).

At the time of the decision, the power of the Registrar in relation to the alteration of time limits was set out in rule 62 of the Trade Mark Rules 1994 (as amended), the relevant parts of which
35 provide as follows:

“62(1) The time or periods-

(a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or

(b) specified by the registrar for doing any act or taking any proceedings subject
40 to paragraph (2) below, may, at the written request of the person or party concerned, be extended by the registrar as he thinks fit and upon such terms as he may direct”.

The opponents' request was copied to the applicants in accordance with rule 62(2)(a) and the
45 period for which the extension was sought was not one of the periods excluded by rule 62(3). The request was made on the appropriate Form TM9 together with the appropriate fee.

Mr Foreman referred to the disagreement in the correspondence as to whether the parties had been talking throughout the proceedings, in his submission they had. However, he acknowledged that in the most recent correspondence from the applicants dated 7 October 1999, the applicants had made it clear that further extensions of time would not be granted but that they were prepared to continue with discussions provided the terms were correct. He stated that the parties were still some way off settling the matter and so he could not see any justification for seeking an extension of time beyond 4 January 2000. Mr Foreman noted that it was common practice to delay incurring the cost of filing evidence if it was felt that a negotiated settlement could be achieved. The desire to reduce costs was a relevant consideration for all parties large and small. In this case it was now clear that a settlement would not be reached within the term requested, it was time for the opposition to proceed and it should proceed on the basis of section 5(2)(a) alone after evidence being filed. Therefore, Mr Foreman sought the extension of time for the opponents to file evidence on the basis that it should be a final extension to the 4 January 2000.

Mr Martino referred to *Liquid Force Trade Mark* [1999] R.P.C. 429 and noted that in that case the delay was in the order of eight or nine months, comparing it with the delay in this case of one year and two months. Whilst the opposition was filed on 12 October 1998, the period for the opponents to file evidence was set in the Official letter of 4 January 1999. As stated by the Appointed Person in *Liquid Force* the opponent was under no obligation prior to that date to incur costs in connection with the preparation of evidence. However, the fact that the counter-statement contained no surprises is relevant and I took that into consideration.

Mr Martino referred to two letters sent by the applicants to Viacom who have been negotiating on behalf of the opponents. He noted that the letters dated 21 July 1999 & 7 October 1999 made it clear that the applicants would not agree to any further request for an extension of time. Again, referring to *Liquid Force* he noted that they had not approached the applicants with a view to making a joint application for a stay and instead had made the application for an extension of time without warning the applicant.

Mr Martino then turned to consider the discussions between the parties. In his view there were no serious settlement discussions taking place between the parties. Tricorder Technology had taken the simple commercial view that it would be cheaper and quicker to settle than go ahead with full opposition proceedings. Mr Martino suggested that the statements by the applicants to the effect that they would not agree to a further extension of time and that they did not accept the need for a licence indicated that there were no ongoing serious negotiations in the sense that Tricorder Technology had no real freedom of choice in the matter. I did not accept this submission. The mere fact that the applicants had chosen in their letters to set out their legal position did not, in my view, lead to the assumption that the settlement discussions taking place were not of a serious nature.

Mr Martino's submission was that there should be compelling reasons for granting an extension of time and he suggested that the decision in *Liquid Force* had been wrongly decided. He noted that the Appointed Person in that case had relied on the wording of Order 3 of the Rules of the Supreme Court (R.S.C.). Mr Martino referred me to Order 6 of the R.S.C and to the Court of Appeal case *Easy v Universal Anchorage Co.Ltd* [1974] 1 WLR 899. In particular, he noted that in that case the party seeking the renewal of a writ had sought to rely on negotiations for a settlement and urged that they afforded a sufficient reason for renewal. Their argument was

rejected by the Court of Appeal.

5 However, I did not find this case to be of any assistance. In particular, I noted that the issue in that case concerned the renewal of a writ. There is no equivalent of a writ in proceedings before the Registrar, the closest analogy being that of the Notice of Opposition and statement of grounds. The considerations the court would take into account when considering a request to extend the period for serving a writ seemed to me to be very different from those it would take into account when considering a request for an extension of time to submit evidence.

10 The Appointed Person in *Liquid Force* noted that the Registrar has a wide discretion when considering requests for an extension of time. He noted that the absence of good reasons for failure to comply with a time limit was not always and of itself sufficient to justify refusal of an extension of time. It seems clear that when considering a request for an extension of time the Registrar should take a number of factors into account.

15 As stated below, I found that if the opponents did not file evidence then I would exercise my discretion and allow the opposition proceedings to continue. It seemed to me that if the proceedings were to continue on the basis of section 5(2)(a) without evidence being filed, the opponents might, if the opposition was unsuccessful, return in invalidity action and seek to support their claim under section 5(2)(a) with evidence. It is clear from the attitude of both parties that there is an issue to be resolved between them. Therefore, in the interest of avoiding a multiplicity of proceedings it seemed to me logical to try to resolve the issue between the parties.

20 Whilst the delay in this case is to be regretted, there was no evidence of an abuse of process by the opponents and the delay was not inordinate or inexcusable. I was of the view that the opponents did take action to settle this matter and that this was in the genuine belief that a settlement was likely. Nor did I think that the applicants ability to defend the application would be harmed by a further short delay.

25 There is always a difficulty for the Registrar when the parties disagree as to whether settlement negotiations are taking place or indeed whether they are serious settlement discussions. It seemed to me that settlement discussion of some sort have been taking place between the parties. I was of the view that the opponents viewed these as serious discussions. Whilst I thought that the opponents were wrong not to act on the applicants' letter of 21 July indicating that they would not agree to a further extension of time I disregarded the second letter which post dates the request for an extension of time. I was supported in my view by the fact that despite the applicants setting out their position and indeed stating that they would not agree to further extensions, the opponents continued to attempt to negotiate a settlement and indeed, remained hopeful that a settlement would still be reached. Whilst this cannot relieve the opponents of their obligation to file evidence it was further support for my view that this case should be allowed to proceed to a main hearing where the issues between the parties can be resolved.

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45 Mr Martino submitted that if the extension of time was allowed it should be on terms with a penalty as to costs and that there should be cogent reasons for allowing the extension of time. I have set out above why on balance I believed there to be sufficient reasons for allowing the

extension of time. However, I thought that he was right to seek terms and an award of cost in the circumstances of this case.

5 After a careful consideration of all the issues I would say that this is very much a borderline case. Certainly I did not think that a prolonged extension would have been justified. However, in all the circumstances of the case I allowed a final short extension of time to 4 January 2000 with the costs of the hearing falling on the opponents.

10 Whilst it was the opponents' intention to file evidence if the extension of time was allowed Mr Foreman also sought my discretion to allow the opposition to continue in the absence of the opponent filing any evidence. Rule 13(5) states that:

15 "If the person opposing the registration files no evidence under paragraph (4) above in support of his opposition, he shall, unless the registrar otherwise directs, be deemed to have withdrawn his opposition".

The practice of the registrar under this rule has been the subject of a notice in the Trade Mark Journal number 6102 dated 22 November 1995, which reads:

20 "In opposition proceedings, both under the Trade Marks Act 1938 and the Trade Marks Act 1994, where an opponent does not file evidence in support of his opposition the Registrar has a discretionary power to allow the proceedings to continue, rather than deem the opposition abandoned.

25 In both cases, the Registrar will generally allow the proceedings to continue if the opponent:

- 30 a. has based at least part of his opposition on an existing registration (Section 12(1) of the 1938 Act or Section 5 of the 1994 Act); and
b. states that he intends to rely on submission at a hearing.

35 Recent experience has shown that the Registrar's practice in such cases, does not cover situations in which the opponent later changes his mind as to the subsequent conduct of proceedings. In future, in order to reduce the risk of unnecessary expense and waste of time, the Registrar will ask for a full statement of an opponent's intentions in the matter of the conduct of his opposition, before taking a decision on continuation of the proceedings and issuing a direction, under Rule 13(5) of the Trade Marks (Amendment) Rules 1998. He will also consider making his decision provisional, conditional upon the opponent's compliance with the procedure agreed.
40 Subsequently, if a hearing is not sought by the opponents, or if the agreed procedure is not complied with, the opposition may be deemed abandoned as to the original date for the filing of evidence. The applicants, however, will be free to seek an appropriate award of costs, in the usual way."

45 Subject to these conditions being met, the Registrar will generally allow the opposition to continue. For an opposition to succeed under section 5(2)(a) there must be an identity of trade marks together with similar goods or services to those for which the earlier trade mark is

protected. I questioned Mr Foreman concerning the similarity of the goods covered by the application in suit and by the opponents' trade mark. Mr Foreman drew attention to the broad scope of the applicants' specification in class 9. The opponents' specification is in class 28 for toys, games, playthings and models. It was his submission that given the way in which the goods covered by the opponents' specification have developed and taking into account the technology that is included within them there was now an easy overlap between the specifications. Mr Martino drew attention to the sophistication of the applicants' products on which the trade mark is used. In his submission these were state of the art 3-dimensional scanning devices used in hospitals.

I agreed that at first sight there did not appear to be a similarity between the goods on which the applicants use the trade mark and the goods for which the opponents' trade mark is registered. However, in my view, that is not the test. The test under section 5(2)(a) must take into account use in respect of any of the goods for which registration is sought.

On that basis, I did not think that the opponents' case under section 5(2)(a) was so unarguable that I should dismiss their opposition following an interlocutory hearing. In my view the opponents should have an opportunity of presenting their case at a main hearing. Thus, in the event that the opponents failed to file evidence within the period set, I determined that I would allow the opposition proceedings to continue on the clear understanding that the opponents would attend any main hearing or make written submission in lieu of attendance.

An issue as to security for costs was also raised at the hearing. As the opponents had not been made aware that the issue would be raised I declined to deal with this issue but instead instructed the applicants to make their request in writing to the registrar.

Dated this 24 day of March 1999

**S P Rowan
Hearing Officer
For the Registrar, the Comptroller-General**