

TRADE MARKS ACT 1994

IN THE MATTER OF A REQUEST BY EDDIE BAUER INC (THE
OPPONENT) FOR AN EXTENSION OF TIME WITHIN WHICH TO FILE
EVIDENCE IN OPPOSITION PROCEEDINGS (Opposition m 49627)

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IN THE MATTER of a request by Eddie Bauer Inc (the
opponent) for an extension of time within which to file
5 evidence in opposition proceedings (opposition m 49627)

10 At an interlocutory hearing on 9 November 2000 I gave a decision, confirmed by letter the following day, confirmation of the decision was in the following words:

15 “After hearing your submission I gave the following decision; that I would maintain the refusal of the requested extension of time. I decided that I would exercise discretion, under Rule 13(8) of the Trade Marks Rules 2000, to continue these proceedings and, if there is no appeal to this decision, I shall have the reference to Section 5(4) of the Act struck out of the statement of case, this opposition will then proceed under Section 5(2) only.”

20 The opponent has requested a statement of the reasons for my decision, as provided by rule 62(2) of the Trade Marks Rules 2000.

Background

25 Application number 2031730B, for the mark “Bauer”, was applied for on 21 June 1995, in classes 18, 25 and 28, and, following examination, was published in the Trade Marks Journal on 6 January 1999. On 1 April 1999 Eddie Bauer Inc. filed a Form TM7 and Statement of Grounds of Opposition to this application.

30 The applicant filed their defence, by way of a Form TM8 and Counterstatement, on 9 July 1999. This was sent to the opponent under cover of a letter dated 15 July 1999 and the period for the opponent to file evidence in chief commenced, allowing three months from the date of the letter.

35 On 8 October 1999 the opponent requested an extension of time of three months giving the reason as:-

“Negotiations are proceeding between the two parties which it is hoped will resolve this matter without the need for filing formal opposition. Under the circumstances, we respectively request that this extension be granted.”

40 This extension was granted and subsequently, on 7 January 2000, the opponent requested a further extension of time of three months giving the reason as:-

45 “Negotiations are still proceeding between the two parties and it is still believed that this matter can be resolved without the need for filing evidence in these proceedings. Under the circumstances, we respectively request that this extension be granted. If for any reason it is intended not to grant this extension of time, we respectfully request the appointment of a Hearing in the matter.”

50 The extension was granted and the applicants’ wrote to the Registrar stating that they agreed to the opponents’ request for an extension of time. Subsequently, on 10 April 2000 the opponent requested a further extension of three months, giving the reason as:-

5 “Negotiations are still proceeding between the two parties, and we understand from the U.S. Attorneys who are instructing us that the parties are “getting closer with respect to a final solution”, but that agreement has not yet been finalised. It is hoped that this matter can be resolved without the need for filing evidence. Under the circumstances, we respectively request that this extension be granted.”

This extension was granted and subsequently, on 12 July 2000, the opponent requested a further extension of time of three months giving the reason as:-

10 “Negotiations are still proceeding between the parties and it is hoped that this matter can be resolved without the need for filing evidence. Under the circumstances, we respectively request that this extension be granted.”

15 The Registrars’ preliminary view was that the request should be refused as the opponent had failed to comply with Rule 68(2)(a) of the Trade Marks Rules 2000, that is that they had not copied the request to the applicants. Following confirmation from the opponent that they had copied the request to the applicant the preliminary view was overturned and the request granted. But in granting this request the opponents’ attention was drawn to the length of time already granted, the need for progress in these proceedings to be seen and also that negotiations did not
20 relieve the party of the obligation to file evidence.

On 12 October 2000 the opponent requested a further extension of three months giving the reason as:-

25 “Negotiations between the two parties are still proceeding. We understand that the “latest draft” has now been approved by the in-house Attorney at Eddie Bauer, Inc., and is currently with the President of Eddie Bauer, Inc., for approval. It will then be despatched to Bauer Inc., for their final approval. Progress is therefore being made and it is hoped that this matter will be resolved between the two parties very shortly without the need for filing evidence.

30 Under the circumstances, we respectfully request that this extension be granted. If for any reason it is not intended to grant this extension of time, we respectfully request the appointment of a Hearing in this matter.

35 We understand that it is likely that the Trade Mark representatives acting on behalf of the Applicants will file written support for our extension request.”

40 The applicants’ wrote to the Registrar, on 13 October 2000, stating that they agreed to the opponents’ request for an extension of time, nevertheless the Registrars’ preliminary view was that the request should be refused.

45 An interlocutory hearing was therefore arranged and took place before me, by telephone, on 9 November 2000 with Mr McCall, of W P Thompson & Co, representing the opponent, the applicant was not represented and provided no written submission to be taken into account beyond their letter of 13 October 2000 and a statement in a letter dated 30 October 2000 to the effect that the application was not being abandoned.

Submission

Before me it was argued that the opponent had been progressing matters, that they had a “latest” draft approved by the opponent. When questioned whether this was a “final” draft Mr McCall stated that there was no such thing, each draft was merely the “latest” until a version was agreed and signed by both parties and this then became the actual settlement agreement. He could therefore not give any assurances as to a time frame for completing these negotiations.

Mr McCall argued that under the Woolf reforms the parties should be allowed as long as necessary to complete negotiations, as then the proceedings do not enter the adversarial phases. He also differentiated these proceedings from those dealt with in the *Liquid Force* case as in these proceedings he contended both parties were in meaningful negotiations. Further, he questioned the right of the Registrar to refuse a request for an extension of time when both parties were in agreement that it should be granted.

Decision

The power vested in the Registrar to grant extensions to certain periods of time determined in the Trade Marks Rules is discretionary, the periods allowed for the filing of evidence are not excluded from this discretionary power. At the date the request was made the relevant parts of Rule 68 in the Trade Marks Rules 2000 read:

68. - (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 to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of a time or periods prescribed by these Rules-

- (a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;
- (b) is filed after the application has been published under rule 12 above, the request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10(6) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rule 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (time for filing counter-statement), and rule 47 (time for filing opposition).

The breadth of the discretion afforded the Registrar by this Rule was dealt with by the Appointed Person in the *Liquid Force Trade Mark* appeal, [1999] RPC 429, at pages 437 & 438, and allows that where any relevant circumstances are brought to her attention the registrar can exercise this discretion.

It was clearly laid down in the *SAW* case, [1996] RPC 507, that six months is a long time for the filing of evidence, and whilst this was a decision under the previous Act and Rules the basic tenet of that decision was confirmed in the *Levy's* case, [1999] RPC 291. In these proceedings the opponent has had the initial period of three months and this was extended by four further periods totalling twelve months. The opponent has therefore already had a period of fifteen months within which to file any evidence in chief to support their allegations and is seeking a further three.

Besides giving guidance on the registrar's discretion in determining an application for an extension of time the *Liquid Force* case also dealt with the issue of negotiations and evidence and is therefore clearly relevant to these proceedings. At page 440, commencing at line 24, Geoffrey Hobbs QC, sitting as the Appointed Person, stated:-

“.. the opponent willingly pursued the possibility of settlement into 1998 without knowing whether the extension of time it needed would be granted. On the evidence before me I believe that it did so rationally on the basis that the Applicant, represented by Mr. Finn, apparently remained willing to consider ways and means of resolving the present and other opposition proceedings. That could not relieve the Opponent of its obligation to file evidence in support of its Opposition ..”

Mr McCall tried to differentiate these proceedings from the *Liquid Force* case by stating that both parties are in meaningful negotiations, but in the *Liquid Force* case the opponent believed they had entered into proper negotiation with the applicant and yet still the appellate tribunal stated that this did not relieve them of the obligation to file evidence. In these proceedings the opponent has openly stated in all of the requests filed that they are trying to avoid the filing of evidence.

It was also clearly stated by the appellate tribunal in the *Liquid Force* decision that opposition proceedings should be brought to a conclusion without undue delay.

With the introduction of the Trade Marks Rules 2000 a “cooling off” period has been introduced for opposition proceedings before the Registrar, but this is a finite period of time before the parties enter the adversarial phases of the proceedings. This is a formalised method of providing parties with the opportunity and a limited time within which to negotiate, however this was not available to the parties to these proceedings. Whilst acknowledging this the parties have been given a significant period of time within which to complete their negotiations but when analysing the sequence of requests there is merely a slight semantic difference between the wording, there is no clear indication that progress is actually being achieved.

Mr McCall expressed the opinion that where the parties to proceedings are in agreement over the issue of an extension of time then the Registrar had no right to refuse the request. I cannot agree with that, it is the Registrar who regulates the proceedings before her, not the parties. As expressed above, the power to grant extensions of time is a discretionary one conferred on the Registrar by Rule 68 of the Trade Marks Rules 2000 and the wording of Rule 68(1)(b), when examined, clearly demonstrates that. The wording is:-

“... may ... be extended by the registrar ...”

The word “may” quite clearly confers that discretion, it is not the word “shall”, and the discretion is placed firmly in the hands of the registrar not the parties to the proceedings.

Taking all this into account, but principally the period that had elapsed during which the opponent could file evidence in chief and the apparent lack of diligence on the part of the opponent with regard to the preparation of such evidence, I maintained the preliminary decision and refused the requested extension of time.

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I was however mindful of the fact that this is the first round of evidence and these proceedings could be terminated at this point in time. In these circumstances this could lead to further action after the application has been registered and this multiplicity of action was not desirable. Upon examining the opponents statement of case there is effectively only two bases for the opposition, Sections 5(2) and 5(4). Of these Section 5(2) does not require evidence to be filed and by exercising discretion under Rule 13(8) of the Trade Marks Rules 2000 I determined that references to Section 5(4) should be struck out of the statement of case and these proceedings could then progress.

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Dated this 21st. day of March 2001

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**Mr G J Attfield
Hearing Officer
For the Registrar, the Comptroller-General**