

TRADE MARKS ACT 1994

**IN THE MATTER OF A REQUEST BY HEAD SPORT AG
FOR AN EXTENSION OF TIME IN WHICH TO FILE
THE FEE IN SUPPORT OF OPPOSITION TO TRADE MARK
APPLICATION NUMBER 2176611 IN THE NAME OF
LEISURE SERVICES GROUP LIMITED**

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INTRODUCTION

1. On 5 September 1998 Leisure Services Group Limited applied to register a series of two marks for specifications of goods in Classes 25 and 28. The application is numbered 2176611. It was accepted and published in the Official Journal on 19 January 2000. Therefore, in accordance with Section 38(2) of the Trade Marks Act 1994 and Rule 13(1) of the Trade Marks Rules 1994 (as amended), the three month period for filing notice of opposition on Form TM7 together with a statement of grounds of opposition expired on 19 April 2000.
2. On 19 April 2000 Brookes & Martin (now Brookes Batchellor) trade mark attorneys, the representatives of Head Sport AG filed a notice of opposition to this application on Form TM7. The Form was accompanied by a statement of the grounds of opposition. The documents were filed with an instruction to debit Brookes & Martin's Deposit Account with the opposition fee of £200. In the event there were insufficient funds in the deposit account to cover the whole fee. However, Brookes & Martin placed further funds in the account on 20 April 2000 and the Form TM7 was duly processed and given that date as the date of receipt. As the last date for filing opposition to this application for registration was 19 April 2000 and as the date of receipt given to the completed opposition was 20 April 2000 (that is outside the three month period allowed for the filing of opposition) the opposition could not be accepted.
3. The Office's refusal to admit the opposition, and Brookes and Martin's submissions in support of their position were subsequently the subject of a hearing before another of the Registry's Hearing Officers on 29 June 2000. The Hearing Officer issued a written statement of his reasons for refusing to allow the opposition to be admitted. That decision was dated 10 October 2000 and can be found under SRIS reference 0-383-00.
4. An appeal to the Appointed Person was entered against this decision. The appeal was set down for 5 June 2001 and was to be heard on the basis of the grounds set out in the prospective opponents' notice of appeal dated 3 November 2000. Shortly before the hearing the Appointed Person drew the prospective opponents' and the Registry's attention to A's Application, 1974 RPC 663, a case under the Patents Act 1949 and associated Rules which also dealt with the issue of whether a prescribed form needed to be accompanied by the fee.

The decision in that case was that the Comptroller had a discretion to extend the time for the payment of the fee. In response to this the prospective opponents' Trade Mark Agents filed an amended notice of appeal in which they sought leave to introduce the following additional grounds:

"The failure to accompany the Form TM7 with the prescribed fee was an irregularity which, in all the circumstances of the case may be corrected under Rule 66 of the Trade Marks Rules 2000.

13. Hereunder, the Appellant relies upon A's Application, [1974] RPC 663 as authority for the proposition that the Registrar has discretion to admit the Opposition, notwithstanding that the fee was received one day late, and that such discretion should be exercised in the present matter."

5. These matters rested going into the appeal hearing on 5 June 2001. The procedural consequences of the request to amend the grounds of appeal were the subject of submissions and consideration at the hearing. The outcome was the following Ruling by Geoffrey Hobbs, QC sitting as the Appointed Person

MR. HOBBS: Having read the papers and listened to the submissions which have been made on both sides on this point, it appears to me that it is possible – and I put it no higher than that – that a situation could have been reached on 19th April 2000, in the morning, at which there could be said to have been compliance with section 38(2) of the Trade Marks Act and rule 13(1) of the Trade Marks Rules in the sense that there was paperwork in the form of a TM7 and a statement of grounds to accompany it sufficient to constitute an opposition in being, but that compliance with those provisions was accompanied simultaneously by non-compliance with the provisions of the Trade Marks (Fees) Rules, which require the relevant fee to accompany the relevant paperwork.

The question which would then arise, if that is a correct analysis of the situation, is whether the time for filing the fee required by the Trade Marks (Fees) Rules is an extendable time notwithstanding that the form relative to which the fee should have been paid was a form which had to be filed within a time limit which was itself non-extendable. That that is a possible argument, namely, that the time prescribed by the Trade Marks (Fees) Rules could be extended, is indicated, first of all, by the decision of Whitford J. in **A's Application** (1974) R.P.C. 663 and secondly by the passing reference on page 158 in the decision of the Superintending Examiner in **Rohde and Schwarz's Application** (1980) R.P.C. 155.

Allowing for the possibility that there may be a viable application for an extension of time in relation to the filing of the fee, the next question which would arise is whether an application for an extension of time can properly be made **de novo** to me on appeal in the present proceedings.

My reaction is to say that it cannot be raised for the first time before me on appeal. I am not the Registrar. I am an appeal tribunal. Being an appeal tribunal necessarily involves the proposition that there is some decision of the lower tribunal which is being brought up for consideration by me on appeal as to whether it is correct or not. That, together with the procedure envisaged by what is currently rule 68 of the Trade Mark

Rules 2000, indicates to me that any extension of time in relation to the filing of the fee needs to be requested on a Form TM9 using the appropriate procedure by means of an originating application before the Registrar.

For those reasons, shortly stated, it appears to me that if there is to be a belated application for an extension of time, it is one which needs to be made in the first instance to the Registrar. If there is dissatisfaction with the decision which is issued by the Registrar in due course, that matter can be taken on appeal either to the Appointed Person or to the Court. As matters currently stand, I decline to give leave for the amendment foreshadowed by the draft amended notice of appeal in the present case."

6. The prospective opponents were allowed a short period following the hearing in which to file a retrospective extension of time request in relation to the filing of the fee so that the issue could be fully considered and tested. That request was duly filed on 7 June 2001 and considered by the Registry's Law Section. Their view was that the Rules require the fee to accompany the form and, as the period for filing a TM7 cannot be extended, the period for filing the fee cannot be extended. The extension of time request was, therefore, refused.

7. That preliminary ruling was contested by the prospective opponents and a further hearing requested. The matter was subsequently set down for a hearing on 14 August 2001. In the event the prospective opponents elected to file written submissions rather than attend the hearing. On 22 August 2001 I issued a letter rejecting the position as advanced by the prospective opponents. I am now asked for a statement of the reasons for my decision.

BACKGROUND

8. The current opposition regime has its origins in the White Paper on "Reform of Trade Mark Law" CM 1203. The White Paper indicated that the previous system involving an extendable one month period for filing opposition could lead to prolonged uncertainty. A three month non extendable period was, therefore, proposed and has since been adopted into the Trade Marks Rules. It was noted in the White Paper that "this change will align practice with that proposed for the CTMO". The Community Trade Mark Regulation (40/94 of 20 December 1993) also provides for a three month opposition period (Article 42.1) and indicates that that opposition "shall not be treated as duly entered until the opposition fee has been paid".

9. In addition to the specific policy objective that arises in the context of trade mark opposition proceedings there are wider operational reasons for requiring that the filing of official forms and associated fees is conducted in an orderly and predictable manner. Over the last year, for instance, (to 31 August 2001) the Office processed some 468,000 fee bearing forms. Trade Marks accounted for some 82,000 of this total of which some 1728 were oppositions. In some instances the filing of a form is time critical as will be apparent from the Trade Marks Rules referred to below, which set non-extendable time periods for certain actions. That is the case for trade mark oppositions as will be evident from the circumstances of this case. It is, therefore, a matter of some importance that those filing forms and other users of the system know with certainty what is required of them and when those requirements will be considered to be met. Consistent with this approach the Office has ensured that the conditions of operation of the relatively recently introduced deposit account system also make

it clear that a filing date can only be accorded when sufficient payment has been received (paragraph 16 of the Terms and Conditions). The Rules regarding the filing of forms and payment of associated fees have been formulated with these policy and practical considerations in mind.

THE LAW

10. The principal statutory provisions bearing on the matter are as follows:

Section 38 of the Trade Marks Act 1994 provides for oppositions. The relevant part of the Section reads:

"38.-(1) When an application for registration has been accepted, the registrar shall cause the application to be published in the prescribed manner.

(2) Any person may, within the prescribed time from the date of the publication of the application, give notice to the registrar of opposition to the registration.

The notice shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition."

11. Rules made under the Trade Marks Act 1994 make detailed provisions in relation to practice and procedure. The Rules in force and applicable for the purposes of the issue before me are The Trade Marks Rules 2000 (SI 2000 No 136).

12. The most relevant Rules for present purposes are as follows:

Rule 3 which deals with Forms and directions of the registrar

"3.-(1) Any forms required by the registrar to be used for the purpose of registration of a trade mark or any other proceedings before her under the Act pursuant to section 66 and any directions with respect to their use shall be published and any amendment or modification of a form or of the directions with respect to its use shall be published.

(2) A requirement under this rule to use a form as published is satisfied by the use either of a replica of that form or of a form which is acceptable to the registrar and contains the information required by the form as published and complies with any directions as to the use of such a form."

Rule 4 dealing with requirement as to fees

"4.-(1) The fees to be paid in respect of any application, registration or any other matter under the Act and these Rules shall be those (if any) prescribed in relation to such matter by rules under section 79 (fees).

(2) Any form required to be filed with the registrar in respect of any specified matter shall be subject to the payment of the fee (if any) prescribed in respect of that

matter by those rules."

Rule 13 dealing with opposition proceedings. Only paragraph (1) is relevant for present purposes

"**13.**-(1) Notice of opposition to the registration of a trade mark shall be filed on Form TM7 within three months of the date on which the application was published under rule 12, and shall include a statement of the grounds of opposition; the registrar shall send a copy of the notice and the statement to the applicant."

Rule 68 dealing with alterations of time limits

"**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), rules 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).

(4) Subject to paragraph (5) below, a request for extension under paragraph (1) above shall be made before the time or period in question has expired.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is satisfied with the

explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.

(6) Where the period within which any party to any proceedings before the registrar may file evidence under these Rules is to begin upon the expiry of any period in which any other party may file evidence and that other party notifies the registrar that he does not wish to file any, or any further, evidence the registrar may direct that the period within which the first mentioned party may file evidence shall begin on such date as may be specified in the direction and shall notify all parties to the dispute of that date.

(7) Without prejudice to the above, in the case of any irregularity or prospective irregularity in or before the Office or the registrar which-

- (a) consists of a failure to comply with any limitation as to times or periods specified in the Act or these Rules or the old law as that law continues to apply and which has occurred or appears to the registrar as likely to occur in the absence of a direction under this rule, and
- (b) is attributable wholly or in part to an error, default or omission on the part of the Office or the registrar and which it appears to her should be rectified,

she may direct that the time or period in question shall be altered in such manner as she may specify upon such terms as she may direct."

13. In addition to the Trade Marks Rules 2000 it will be necessary to refer to The Trade Marks (Fees) Rules 2000, (SI 2000 No 137) Rules 2 and 3 of which are relevant and read as follows:

"2. These Rules shall be construed as one with the Trade Marks Rules 2000(c) and the Trade Marks (International Registration) Order 1996(d).

3. The fees to be paid in respect of any matters arising under the Act, the Trade Marks Rules 2000 and the Trade Marks (International Registration) Order 1996 shall be those specified in the Schedule to these Rules; and in any case where a form specified in the Schedule as the corresponding form in relation to any matter is specified in the Trade Marks Rules 2000 or the Trade Marks (International Registration) Order 1996 that form shall be accompanied by the fee, if any, specified in respect of that matter (unless the Rules or the Order otherwise provide)."

THE PROSPECTIVE OPPONENTS' SUBMISSIONS

14. The essence of the prospective opponents' case is that Rule 13(1) lays down requirements (including the non-extendable three month period) for lodging opposition but says nothing about fees; payment of fees is dealt with in Rule 3 of the Fees Rules but unlike Rule 13(1) the latter is not included in Rule 68(3). On that basis it is said that an opposition came into being when the TM7 and statement of grounds were filed and the Rules operate in such a way that it is within the Registrar's power to consider an extension of time for filing the required fee.

15. In support of this I have been referred to A's Application, 1974 RPC 663, where it was held that Rule 154 of the Patents Rules 1968 did not in principle preclude the Comptroller from granting an extension of time in relation to the payment of the fee in circumstances where a Convention application had been lodged within the 12 month period set down in Section 1(2) of the Patents Act 1949.

16. Specifically Whitford J held that

"It appears to me that, where, pursuant to the Statute, rules have been made as to the time at which a number of things should be done, including the payment of a fee (because rule 3 provides that the application shall be accompanied by the fee), there must be a discretion in the Comptroller to extend the time within which it may be possible for that fee to be received by the Office in appropriate circumstances."

and

".....it seems to me that, unless there is some express statutory provision which would make it impossible for the Comptroller to exercise any discretion at all in this particular regard, where an application originally lodged has not been accompanied by fee, as rule 3 prescribes, none the less there must be a discretion in the Comptroller to accept the fee after the arrival of the other documents, if in the circumstances such a course is appropriate."

17. I have also been referred to Rohde and Schwartz's Application, 1980 RPC 155, where, in the context of the Patents Rules 1978 a requirement existed for a document in a foreign language to be accompanied by an English translation, the Comptroller's Hearing Officer held that

"..... in certain circumstances the word "accompanied" can be regarded by the Comptroller as, in effect, defining an infinitely short period of time which can be extended under rule 110 by exercise of discretion (*A's Application* [1974] RPC 663);"

18. I will comment on these authorities in the decision that follows.

DECISION

19. I should say at this point that the amended ground which the prospective opponents sought to introduce at the appeal hearing refers to Rule 66 of the Trade Marks Rules 2000 which is headed and reads as follows:

"Correction of irregularities of procedure

66. Subject to rule 68 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct."

20. As I understand matters following the hearing before Mr Hobbs on 5 June 2001 the prospective opponents were given the opportunity to submit an extension of time request

under Rule 68 and that that request now supercedes the one under Rule 66. Some adjustment of the amended grounds is, therefore, needed to reflect this. For the purposes of what follows I am treating the request as being for an extension of time under Rule 68 and not the correction of a procedural irregularity under Rule 66.

21. It is not disputed that Rule 13(1) requires notice of opposition to be lodged on Form TM7 within three months of the publication of the application. The notice of opposition must also include a statement of grounds and this too must be provided within the three month period. By virtue of Rule 68(3), Rule 13(1) is one of the exceptions to the general provision in Rule 68(1) that time periods may be extended by the registrar as she thinks fit.

22. Rule 13(1) does not in itself refer to the fee. Rule 4(1) makes specific provision for Rules to be made in respect of fees under Section 79 of the Act (the latter being a general enabling provision). Rule 4(2) provides that any form shall be "subject to the payment of the fee (if any) prescribed in respect of that matter by those rules". In turn the Fees Rules set out the forms currently in use along with the fee (where one applies). Fees are subject to review and change over a period of time and for this reason they are dealt with in a self-contained statutory instrument. Nevertheless it is expressly said that the Fees Rules "shall be construed as one with the Trade Marks Rules 2000 ..."

23. Whilst recognising the risk of attempting to paraphrase statutory provisions it seems reasonable to start from the premise that this means that the Fees Rules are to be read in a manner consistent with the main Rules or as part of those Rules (the view taken by Mr Hobbs at the 5 June hearing - page 4 of the transcript). In other words the two sets of Rules combine to create a single integrated scheme of operation.

24. It will be noted, however, that the Fees Rules adopt different wording to Rules 4(2) of the "main" Rules. The latter makes forms subject to the payment of the fee. The Fees Rules indicate that a form shall be accompanied by the fee, if any, with the rider that this is "unless the Rules or Order otherwise provide". The specific exception that this is intended to deal with is trade mark applications which are subject to a two month 'grace' period for the payment of fees (Section 32(4), and Rule 11). Providing the necessary fee is paid within that two month period the filing date of the application form is retained.

25. In all other circumstances a form must be accompanied by the fee failing which a date cannot be accorded until such time as the registrar is in receipt of both.

26. However the prospective opponents contend that, whilst Rule 13(1) read in conjunction with Rules 68(1) and (3) sets a non-extendable period for the filing of the TM7 and statements of grounds, Rule 3 of the Fees Rules is not one of the exceptions to the generality of Rule 68(1) contained in Rule 68(3).

27. Rule 68(1) deals with extensions of times or periods in two circumstances:

- those prescribed by the Rules (a)
- those specified by the Registrar (b)

Sub paragraph (a) deals with those times or periods that are set down in the Rules themselves. Sub paragraph (b) is necessary to deal with circumstances such as the filing of further evidence under Rule 13(11) where no time or period is stipulated in the Rules but where the Registrar needs to set a time in order to ensure the orderly and timely conduct of proceedings.

28. The provision relating to the filing of fees do not in my view fall into either of the categories where extensions of time can be entertained. No time or period is specified in Rule 3 of the Fees Rules so it is not prescribed by the Rules. Nor is it a time or period that has been specified by the Registrar because no such specification needs to be made or has been made.

29. It follows from this that I differ somewhat from the preliminary view reached by Law Section. Rather than the prospective opponents' extension of time request standing refused (as was their view) I consider that it cannot be entertained in the first place. The fact that Rule 3 of the Fees Rules is not referred to in Rule 68(3) is not, therefore, relevant. Rule 3 calls for an act (the filing of the fee) to take place contemporaneously with the filing of the form. I regard that as being wholly consistent with Rule 2 which requires the Fees Rules to be construed as one with the Trade Marks Rules 2000.

30. I recognise that this view may at first sight seem at odds with A's Application but it appears from my reading of that case that the provisions of Rule 154 of the Patents Rules had not been considered when the matter was before the Comptroller's Superintending Examiner - there the point was argued under Rule 152 as an irregularity of procedure (akin to consideration under Rule 66 of the Trade Marks Rules 2000). Rule 154 first came into play at the appeal hearing. It reads:

"154. The times prescribed by these Rules for doing any act, or taking any proceeding thereunder, other than the times prescribed by Rules 37, 59, 72(1), 80, 86, 100 and 106, may be extended by the Comptroller if he thinks fit, upon such notice to the parties and upon such terms, as he may direct, and such extension may be granted although the time has expired for doing such act or taking such proceeding."

31. Rule 3 of The Patents Rules 1968 dealt with Fees and Forms and provided that a "form shall be accompanied by the fee".

32. Whitford J does not appear to have received submissions directed to the proper scope of Rule 154 (bearing in mind that any extension of time for payment of the fee was not a 'prescribed time' or one that had otherwise been specified by the Office as a matter of inherent discretion). Rather his initial view of the matter appears to have been reinforced by a concession made by Counsel for the Comptroller to the effect that at that time applicants were allowed time to top-up fee underpayments at times when fee structures were changing. Furthermore it appears from Whitford J's words (see paragraph 16 above) that he considered a discretion existed absent any express statutory provision to the contrary. The situation here is that Section 32 and Rule 11 do make a statutory exception to the general principle that a form must be accompanied by the necessary fee. The fact that specific provision needed to be made for this exception supports the view that there is no discretion elsewhere. In other words the

scheme of the Trade Mark Act and Rules is different. I do not, therefore, regard A's Application as conclusive of the matter.

33. Nor do I derive any assistance from Rohde and Schwarz's Application which followed A's Application. I note that the Hearing Officer held that "in certain circumstances the word "accompanied" can be regarded by the Comptroller as, in effect, defining an infinitely short period of time which can be extended under Rule 110 by exercise of discretion". On the face of it that interpretation seems at odds with the normal meaning of the word "accompanied".

Collins English Dictionary offers the following meanings:

"to go along with, so as to be in company with ..", "to occur, co-exist, or be associated with".

The Hearing Officer also appears to have recognised that he was not in a position to reach a finding of universal application - hence the reference to "in certain circumstances".

34. In summary I take the view that the Trade Marks Rules and the Trade Marks (Fees) Rules are to be read together; payment of the fee is an integral part of the process of filing an opposition; the word "accompanied" should be given its normal meaning; no separate time period (prescribed or specified) arises in relating to the opposition fee; the fact that no such separate provision is made is consistent with the intention behind the statutory provisions to provide certainty in opposition proceedings; it puts opponents and applicants on an equal footing (no extension of time being available to the latter for filing a counterstatement) and it is consistent also with the fact that where, as in the case of an application for a trade mark, payment may be made separately from the filing of the form, the Rules make express provision to this effect.

35. For the above reasons I am unable to consider the retrospective extension of time request filed by the opponents on 7 June 2001.

36. In the event that I am found to be wrong in my primary finding I will go on to consider what the position would be if the prospective opponents' extension of time request did fall to be considered on its merits. Given that the three month period for filing opposition closed on 19 April 2000 and the application for an extension was not made until 7 June 2001 it is self evidently a retrospective request and thus falls within the terms of Rule 68(5). In those circumstances, for the prospective opponents to succeed, I need to be satisfied with their explanation for the delay in requesting the extension and also that the extension request is justified on its merits.

37. Given the circumstances in which this issue has arisen I do not need to dwell on the retrospective nature of the request. Suffice to say that the prospective opponents have responded to the Appointed Person's invitation to have the extension of time point considered.

38. Turning to the substance of the request Mr Hobbs QC, again sitting as the Appointed Person, in LIQUID FORCE Trade Mark, 1999 RPC 429 commented as follows on the

guiding principles governing extensions of time in opposition proceedings (page 438 lines 32 to 38):

"In the interests of legal certainty it is plainly desirable that valid applications for registration should succeed and valid objections to registration should be upheld without undue delay. The time limits applicable to opposition proceedings under the 1994 Act and the 1994 Rules were formulated with that consideration in mind. The registrar endeavours to ensure that the prescribed time limits are observed, subject to his power to grant fair and reasonable extensions of time in appropriate cases."

39. The circumstances on which the prospective opponents rely as giving rise to a valid claim to an extension of time can conveniently be taken from a witness statement dated 29 June 2000 provided by Mr J F Symonds, their professional representative responsible for the handling of this matter. The facts are not disputed. The relevant passage reads:

"3. On 19 April 2000, I filed Form TM7 and a statement of case in this intended opposition by fax, which was acknowledged at 11.18am by a fax filing confirmation, a copy of which is marked as exhibit "JFS2" hereto. The fee of £200 (and the fax-back fee of £25) were to be debited to the deposit account. The debit entry was made in the account on 25 April 2000 resulting in a temporary deficit of £183.74 until the payments into the account made on 20 April 2000 (mentioned below) were credited to the account later on 25 April 2000.

4. At the commencement of business on 19 April 2000, the balance in my firm's deposit account had reduced to £41.26. An application had been filed under the Madrid Protocol on or about 11 April 2000 and the debit of £1211.45 had inadvertently not been notified by the partner responsible to the person in our office who handles funding of the deposit account, namely Mrs Jean McLeod. Immediately before I filed this intended opposition, I asked Mrs McLeod whether the deposit account contained sufficient funds to cover the necessary opposition fee, and she confirmed that it did (not knowing at that time of the Madrid Protocol application mentioned above).

5. At 4.28pm on 19 April 2000, my firm delivered to Harmsworth House a package containing sundry documents to be filed under cover of receipt form and fee sheet, and with a cheque for £780. Copies of the official receipts and fee sheet are marked as exhibit "JFS3" hereto. The documents filed included two forms TM3.

6. Copies of statements of account from 16 April to 11 June 2000 are marked as exhibit "JFS4" hereto. On 20 April 2000 Mrs McLeod received the deposit account statement as at 16 April, realised that the balance in hand was too low, and made payments into the Patent Office London Branch of £2000 and £3000. These payments were not credited to my firm's deposit account until 25 June 2000¹, following the debit entry relating to this intended opposition, and eliminated the temporary deficit caused by it."

¹It appears from the supporting exhibit that this date is incorrect and should have read 25 April 2000.

40. As a result it is submitted that the extension is merited because the failure to pay the fee was inadvertent; the position was quickly identified and remedied; and that the deposit account was topped up without any intervention from the Office.

41. There are some parallels between the circumstances set out above and those in A's Application referred to earlier. After considering the nature of the discretion available to him and the facts of the case Whitford J concluded:

"However, there is I think this much to be said in the circumstances of this particular case: that, on the evidence, which I have most carefully considered, there is no doubt at all that the intention was to enclose the cheque, which in fact had been made out, when the original documents were sent off. When the error was in fact realised by somebody outside the accounts department who was in a better position to appreciate the significance of the omission, all due diligence was exercised in seeing that what should have been done before was in fact done. It is a case in which it was submitted (and this was not controverted) that, if the fee be accepted out of time, no prejudice to anybody else is going to result; and it is a case in which if the fee is accepted late there might be considerable prejudice to these particular applicants. It is perhaps neither necessary nor desirable for me to relate all the further matters which appear in the evidence and which were urged upon me by counsel but having considered all these matters, I have reached the conclusion that this is in fact a very exceptional case."

42. In the prospective opponents' favour I find that there was a clear intention to have the opposition fee deducted from the deposit account held with the Office; that the necessary instructions to achieve that end had been issued; that pre-filing checks had been carried out with the appropriate person in Brookes & Martin's accounts department to ensure that sufficient funds were available to cover the transaction; that the funding deficiency arose in circumstances which could not reasonably have been predicted by the partner responsible for the action; that very prompt corrective action was taken as soon as it was realised that an unanticipated deficit had occurred in the deposit account; and that the latter action was unprompted by the Office. In short I think it can reasonably be said that all due diligence was exercised in ensuring that, to use Whitford J's words, "what should have been done before was in fact done".

43. That might suggest that this case is on all fours with A's Application and that the circumstances are such that it would be appropriate to exercise discretion in the prospective opponents' favour. However the matter is not quite so clear cut. Whitford J's decision rested in part on his view that if the fee was accepted out of time "no prejudice to anybody else is going to result" but that there would be considerable prejudice to the applicants for the Convention priority claim. A's Application was, of course, *ex parte*. The same cannot be said here.

44. The issue of legal certainty and the respective interests of the trade mark applicants and the prospective opponents must also be weighed in the balance. It cannot be said that an

applicant is unaffected by any delay in determining whether an opposition can be accepted. Their mark cannot proceed to registration in such circumstances and in the interim they will be unable to take infringement action against third parties. It can also be argued that the prejudice to the prospective opponent is not that great. If the issue in the present case is not resolved in the opponents' favour they at least have the opportunity to file an application for invalidity. I have not found this an easy matter to resolve. It is with some hesitation, therefore, that I conclude the balance of the argument would narrowly favour exercising discretion in the prospective opponents' favour.

45. However for the reasons given earlier my primary finding is that the extension of time request cannot be entertained. Implementation of this decision will be stayed pending any appeal and/or resolution of the issues that were dealt with in the previous preliminary decision under No 0-383-00.

46. No order as to costs is called for.

Dated this 19 day of October 2001

M REYNOLDS
For the Registrar
the Comptroller-General