

1 TRADE MARKS REGISTRY

Room A2
Harmsworth House
13-15 Bouverie Street
London, EC4Y 8DP

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Thursday, 17th April 2003

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B e f o r e:

5

MR. GEOFFREY HOBBS QC
(Sitting as the Appointed Person)

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In the Matter of the TRADE MARKS ACT 1994

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and

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In the Matter of UK Trade Mark Applications Nos. 21494402
21494403, 21494404, 21494405, 21494406, 21494407, 21494408,
21494409, 21494415, 21494418, 21494420, 21494421, 21494424,
21494425, 21494426, 21494428 in Class 9 in the name of
Ministry of Sound Recordings Limited

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11

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and

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In the Matter of Opposition Nos. 48408, 48426-39 and 49656
thereto by Virgin Records Limited

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(Computer-aided Transcript of the Stenograph Notes of
Marten Walsh Cherer Ltd., Midway House,
27/29 Cursitor Street, London, EC4A 1LT.
Telephone No: 0207 405 5010. Fax No: 0207 405 5026.)

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MR. JAMES MELLOR (instructed by Messrs. Dechert, London EC4)
appeared on behalf of the Applicant.

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MR. RICHARD ARNOLD QC (instructed by Messrs. Mathisen & Macara,
Uxbridge) appeared on behalf of the Opponent.

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THE TRADE MARKS REGISTRY did not appear and was not represented.

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D E C I S I O N
(as approved by the Appointed Person)

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1 THE APPOINTED PERSON: Rule 63(1) of the Trade Marks Rules 2000
2 allows 28 days for the filing of appeals from decisions of
3 the Registrar to an Appointed Person under section 76 of the
4 Trade Marks Act 1994. Rule 68(1) enables the Registrar to
5 extend the prescribed period of 28 days on her own initiative
6 or in response to a written request from the person or party
7 concerned "as she thinks fit and upon such terms as she may
8 direct." Any such request must be made in the prescribed form
9 in accordance with the provisions of Section 66 and rule 3. The
10 relevant form (Form TM9) specifically requires the reasons for
11 the request to be given as part of the application.

12 The general discretion conferred by rule 68(1) is
13 qualified in relation to requests made after the expiry of
14 the 28 day period by rule 68(5) which provides that "the
15 registrar may, at her discretion, extend the period or time
16 if she is satisfied with the explanation for the delay in
17 requesting the extension and it appears to her to be just and
18 equitable to do so." The burden of justification thus
19 appears to be heavier in relation to a party who applies for
20 an extension after expiry of the relevant time limit than in
21 the case of a party who applies pre-expiry.

22 The Registrar's hearing officers currently determine
23 requests for extensions of the time for appealing on the
24 basis of the approach indicated in Tribunal Practice Note
25 (TPN) 3 of 2000 and the approach to extensions of time more
26 generally indicated in the decisions of the Appointed Persons
27 in **Siddiqui's Application** (SRIS 0/481/00 - 9 October 2000)
28 and **Style Holdings PLC's Application** (SRIS 0/464/01 -

1 18 September 2001).

2 The Tribunal Practice Note emphasises that the
3 discretion to extend time for appeal is to be exercised with
4 full regard for the need to ensure that the overriding objective
5 of dealing with cases expeditiously and fairly is not undermined
6 by undue relaxation of the legislatively prescribed time
7 limit.

8 In **Siddiqui's Application**, Mr. Simon Thorley QC
9 referred to my decision in **Liquid Force Trade Mark**
10 [1999] RPC 429. At page 438 of that decision I cited the
11 judgments of the Court of Appeal in **Finnegan v Parkside**
12 **Health Authority** [1998] 1 WLR 411 and **Mortgage Corporation**
13 **Ltd v Sandoes** [1996] TLR 751 in support of the view that "the
14 absence of good reason for failure to comply with a time
15 limit was not always and in itself sufficient to justify
16 refusal of an extension of time; the true position being that
17 it is for the party in default to satisfy the court that
18 despite his default, the discretion to extend time should
19 nevertheless be exercised in his favour, for which purpose he
20 could rely on any relevant circumstances. Due weight can be
21 given to the public interest in accordance with this approach
22 and I think it is the approach I ought to adopt when
23 considering the exercise of discretion under Rule 62(1) of
24 the 1994 Rules in the present case." I should add that rule
25 68(1) of the current rules is no less broad in its scope and

1 effect than rule 62(1) of the 1994 rules.

2 In his decision in **Siddiqui's Application**, Mr. Thorley
3 took account of these observations and emphasised the
4 following matters:

5 "1. It must always be borne in mind that any
6 application for an extension of time is seeking an indulgence
7 from the tribunal. The Act and the rules lay down a
8 comprehensive code for the conduct of prosecution of
9 applications and for the conduct of oppositions. The code
10 presumes a normal case and provides for it.

11 2. There is a public interest which clearly underlies
12 the rules that oppositions and applications should not be
13 allowed unreasonably to drag on.

14 3. In all cases the registry must have regard to the
15 overriding objective which is to ensure fairness to both
16 parties. Thus, it can grant an extension when the facts of
17 the case merit it.

18 4. Accordingly, it must be incumbent on the
19 application for the extension to show that the facts do merit
20 it. In a normal case this will require the applicant to show
21 clearly what he has done, what he wants to do and why it is
22 that he has not been able to do it. This does not mean that
23 in an appropriate case where he fails to show that he has

1 acted diligently but that special circumstances exist an
2 extension cannot be granted. However, in the normal case it
3 is by showing what he has done and what he wants to do and
4 why he has not done it that the registrar can be satisfied
5 that granting an indulgence is in accordance with the
6 overriding objective and that the delay is not being used so
7 as to allow the system to be abused."

8 On the facts of that case he concluded that the
9 appellant, who was seeking an extension of time within which
10 to file evidence-in-chief in support of his opposition to an
11 application for registration, was in no position to succeed
12 on any basis other than consideration of the public interest
13 and that the material before the Registrar's hearing officer
14 was not sufficient to justify an extension of time on that
15 basis.

16 Subsequently, in **Style Holding's PLC's Application**,
17 I adhered to the approach adopted in **Siddiqui's Application**
18 and made it clear that I agreed, in particular, with
19 Mr. Thorley's observations relating to the need for a party
20 applying for an extension of time to put forward facts which
21 merited the requested extension.

22 I also took the opportunity to indicate, first, that a
23 hearing to consider a request for an extension of time ought
24 fairly to proceed on the basis of previously foreshadowed
25 reasons for the request; and, secondly, that the request made

1 at a hearing could, if it was not actually based on reasons
2 intimated in a Form TM9 filed prior to expiry of the
3 relevant time limit, amount to the making of a post -expiry
4 request within the scope of rule 68(5).

5 In the present case Mr. C J Bowen acting on behalf of
6 the Registrar, allowed a request by Ministry of Sound
7 Recordings Limited for an extension of one month from
8 2nd April 2002 to 2nd May 2002 within which to appeal to an
9 Appointed Person against the refusal of 16 applications for
10 registration under sections 3(1)(b), 3(1)(c) and 3(1)(d) of
11 the Act in 16 opposition proceedings brought by
12 Virgin Records Limited.

13 The oppositions were heard together on the basis of
14 evidence directed to each of the applications in suit. I
15 understand that the evidence in each of the oppositions
16 largely coincided with the evidence in each of the other
17 oppositions. The applications were rejected for the reasons
18 given in a single composite decision issued by Mr. M. Knight
19 on behalf of the Registrar on 5th March 2002. The applicant
20 applied for an extension of the 28 day period for appeal on 2nd
21 April 2002. It did so by filing a Form TM9 in which the reasons
22 for the request were identified in the following terms: "It is
23 intended to file an appeal to the appointed person but
24 unfortunately, due to the Easter Holiday period, it has not
25 been possible to arrange the consultation with Counsel that

1 represented the applicant at the hearing and to therefore
2 finalise the Grounds of Appeal. As it is intended that the
3 original Counsel also represent the applicant at the appeal,
4 we believe it is crucial to obtain his input in these
5 proceedings."

6 In an official letter dated 4th April 2002, the
7 Registry indicated a preliminary view to the effect that the
8 extension should be granted as requested. However, on
9 17th April 2002, the agents acting for the opponent wrote to
10 the Registry objecting to the extension and requesting a
11 hearing at which to make representations in support of their
12 contention that it should be refused.

13 On 2nd May 2002 the applicant filed grounds of appeal
14 and a statement of case in support of its proposed appeal
15 under rule 63(1) and section 76. The application for an
16 extension of time none the less proceeded to a contested
17 hearing before Mr. Bowen on 27th May 2002. At the conclusion
18 of the hearing Mr. Bowen gave a reasoned decision allowing an
19 extension over until 2nd May 2002. This regularised the
20 filing of the grounds of appeal and statement of case already
21 sent to the Registry on behalf of the applicant. He allowed
22 a cumulative period of 14 days for the parties to make
23 written representations in relation to the costs of the
23 interlocutory proceedings. In a letter of 14th June 2002 he
24 informed the parties of his decision that the applicant should

1 pay the opponent £900 as a contribution towards its costs of
2 those proceedings.

3 The opponent subsequently applied on 24th June 2002 for
4 a statement of reasons for the hearing officer's decision in
5 accordance with the provisions of rule 62(2). Those reasons
6 were provided in writing on 29th July 2002. Then on 27th August
7 2002 the opponent appealed to an Appointed Person contending, in
8 substance, that the hearing officer had erred by granting an
9 extension of time on the basis of public interest considerations
10 which had not been foreshadowed in the relevant Form TM9 or
11 indeed in any written submissions presented by the applicant
12 thereunder. This contention was developed in argument at the
13 hearing before me.

14 It is noted in the hearing officer's decision that the
15 skeleton argument lodged by counsel then appearing for the
16 applicant elaborated upon the request presented in the Form TM9
17 by asserting:

18 "8) The appeal involves 16 applications, a significant
19 quantity of evidence, and the exploration of some uncertain
20 areas of law. It is commercially valuable. Ministry wished
21 to be properly advised, and to phrase its appeal in the most
22 persuasive manner - it does not wish to miss good points, or
23 take bad ones. Accordingly, and in particular with the
24 inevitable disruption of the Easter vacation, it sought an
25 extension of one month.

1 "9).....

2 "10) In the present instance Ministry quite properly
3 sought a modest extension so as to enable it to properly
4 consider how to best run a valuable, fairly complex,
5 case"

6 In my view, these observations were fairly based on the
7 statement in the Form TM9 to the effect that the input of
8 counsel was considered crucial in relation to the proposed
9 appeal. They serve to explain why that was so. However, the
10 hearing officer appears to have considered that these were
11 reasons additional to those put forward in the form TM9 and
12 that they should, on the basis of my decision in
13 **Style Holdings PLC's Application**, be left out of account.

14 For that reason and on the basis of the guidance
15 provided in TPN 3 of 2000 he said: "... it is my view (albeit
16 I accept an arguable one), that in all the circumstances, the
17 original request for additional time in which to file an
18 appeal to the Appointed Person was insufficient for the
19 Registrar to exercise her discretion in the applicants'
20 favour." I understand him to have indicated by use of the
21 word "arguable" that he accepted that there was room for more
22 than one view on this issue.

23 I think that in this part of his decision the hearing
24 officer may have been reading more into my observations in
25 **Style Holdings PLC's Application** than I intended to be the

1 case. As I have already indicated, the concerns I had in mind
2 when giving my decision in **Style Holdings PLC's Application**
3 were that applicants should not proceed to a hearing without
4 having previously foreshadowed in writing the reasons for their
5 request for an extension of time and that an application which
6 is not actually based on reasons intimated in a Form TM9 filed
7 before expiry of the relevant time limit is liable to be
8 regarded as an application under rule 68(5) for an extension out
9 of time.
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11 The remedy for those concerns is to insist upon the
12 filing of a succinct but complete statement of case in support
13 of an application for an extension of time and treat reliance on
14 other substantive reasons as a notional request for amendment of
15 the statement of case rather than impose artificial limitations
16 on the scope of the exercise of discretion under rule 68 at any
17 ensuing hearing. In the present case I do not think that the
18 observations of counsel I have noted above can realistically be
19 said to have engaged either of the concerns indicated in my
20 decision in **Style Holdings PLC's Application**.

21 Having held that the Form TM9 did not provide a
22 sufficient basis for exercising the relevant discretion in
23 favour of the applicant, the hearing officer went on to
24 consider whether an extension might be justified in the public
25 interest. As I have already said, there was no reference to
26 any public interest considerations in either the Form TM9 or
27 the applicant's written submissions in support of the

1 application.

2 The point was raised by the hearing officer with
3 particular reference to the objection under section 3(1)(d) and
4 addressed as a live issue by the parties' representatives. It
5 appears to me that the hearing officer was entitled to raise it
6 on his own initiative. I say that both because I think it is
7 confirmed by the wording of rule 68(1), which indicates that the
8 Registrar is able to use her own initiative in these matters
9 and is not bound to act only in accordance with the request
10 of a party, and also because I am satisfied that the overall
11 assessment required for the proper exercise of the relevant
12 discretion makes it appropriate for public interest
13 considerations to be taken into account.

14 Paragraphs 25 and 26 of the hearing officer's decision
15 give weight to the public interest in the following terms:

16 "25. In response to questions from me on the public
17 interest point, the parties said:

18 **MR. KNOTT:** 'When you were talking about prejudice to
19 the public, I think that the evidence that the
20 opponents filed in the opposition did put forward use
21 of "nation" and various other words that formed the
22 prefixes of some of the marks. It is quite clear,
23 certainly in the opponents' contention but not the
24 applicants, that these words are around. I think that
25 the presence of these applications can only create
26 some general uncertainty. There may well be people
27 out there who have been using NATION or thought NATION

1 or thought that some of prefixes like "garage" or
2 "dance" were perfectly free for use, who seeing the
3 applications will be uncertain as to whether they can
4 use them or continue to use them. I think that there
5 is general public interest there.'

6 **MR. CHACKSFIELD:** 'There is certainly a public
7 interest point. These marks have been used subsequent
8 to the application going in. I think prior to the
9 application the only use was by us except for these
10 appearing in the titles of individual songs in certain
11 circumstances. That is obviously a dispute of
12 evidence between the parties, what those mean, but
13 certainly they have been used subsequent to the trade
14 marks going in. People do need to know where they
15 stand. They need to know where they stand properly,
16 so yes, I would agree.'

17 26. Having considered the respective parties
18 submissions on the public interest point, I concluded that
19 the need for both the trade and the public to know with
20 certainty whether or not the term NATION (when accompanied by
21 the descriptive prefixes shown in the sixteen applications
22 above) in relation to the goods for which registration was
23 sought in Class 9, was available for use was a sufficiently
24 strong reason to allow the request for additional time
25 notwithstanding the applicants' failure to provide sufficient

1 reasons for the additional time in their original request."

2 It is not entirely clear whether the hearing officer was
3 in these paragraphs considering the public interest as part of a
4 multifactorial assessment in which the reasons put forward in
5 the Form TM9, whilst insufficient in themselves, none the
6 less combined with the public interest to justify the
7 requested extension. Either assuming that such was the case
8 or proceeding on the basis that that is what should have
9 happened, even if it did not, I have come to the conclusion
10 that it was within the latitude allowed to the hearing
11 officer in the exercise of his discretion to reach the
12 conclusion that he did on the basis of the materials that
13 were before him.

14 For these reasons the appeal will be dismissed.

15 MR. MELLOR: Sir, this was a very determined attempt to halt our
16 appeal in its tracks. It is an attempt that has failed.

17 I therefore ask for my costs of the appeal.

18 THE APPOINTED PERSON: What do you say about quantum?

19 MR. MELLOR: I am afraid I do not have any information.

20 THE APPOINTED PERSON: It is done quasi by reference to the
21 scales that are used below. It was £900 below, was it not?

22 MR. MELLOR: Yes, it was.

23 THE APPOINTED PERSON: How does the effort on this appeal compare
24 with the effort below?

1 MR. MELLOR: It is comparable.

2 THE APPOINTED PERSON: Mr. Arnold?

3 MR. ARNOLD: I cannot resist in principle an order for costs.

4 The quantum is in your discretion on the usual basis. As to

5 comparison with the effort below, it is difficult to say

6 because I was not there, indeed my learned friend was not

7 there. All one can do is look at the skeleton arguments.

8 In my submission, the argument below was a little more

9 wide-ranging. Here we have been concerned solely with the

10 propriety of the hearing officer's decision. I would suggest

11 that the award should be less.

12 MR. MELLOR: I was going to suggest erring on the high side

13 rather than less, but

14 THE APPOINTED PERSON: This is where it turns into a carpet

15 bazaar! The unsuccessful party will contribute £750 to the

16 costs of the successful party -- payable within 14 days of

17 the date of today's decision. Thank you both very much

18 indeed.

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