

O-186-07

TRADE MARKS ACT 1994

IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RESPECT OF REGISTRATION NO. 2152209
IN THE NAME OF SUN 99 LTD

AND

AN APPLICATION FOR REVOCATION UNDER NO. 82655
BY JAKKS PACIFIC INC

TRADE MARKS ACT 1994

IN THE MATTER OF an interlocutory hearing
in respect of registration No. 2152209
in the name of SUN 99 Ltd and an
application for revocation under No. 82655
by JAKKS Pacific Inc

Background

1. Registration No. 2152209 for the trade mark STORM stands in the name of Sun 99 Ltd. On 11 October 2006, JAKKS Pacific Inc filed an application seeking to revoke the registration on the grounds of its non-use. The application was dealt with in the usual way with the registered proprietor being allowed until 16 January 2007 to file a Form TM8, counter-statement and, either, evidence of use of the mark or reasons for its non-use, if it wished to defend the registration from the application for revocation.

2. On 16 January 2007, the registered proprietor's trade mark attorneys, A1 Trade Marks, sent a number of documents to the registrar. The documents were sent by email and consisted of:

- An email to the relevant Case Work Examiner responsible for the case within the Trade Marks Registry
- A covering letter dated 16 January 2007
- A single page of a Form TM8
- A four page counter-statement
- 27 pages forming exhibits 1(a)-(e) and 2(a)-(e)

3. Following receipt of these documents, the Trade Marks Registry wrote to the parties. The letter, dated 23 January 2007, stated:

“Thank you for your Form TM8, counter-statement and attachments submitted on 16 January 2007 by e-mail, these documents are unsigned. At the time of writing no original documents have reached the file.

The Registrar has considered the documents filed and it is his preliminary view that they do not overcome the burden placed on the registered proprietor under the provisions of Section 100 of the Trade Marks Act 1994. This is because they cannot be considered as properly filed evidence as there is no Witness Statement, Affidavit or Statutory Declaration to which the attachments supplied have been exhibited.

Consequently the Registrar is considering invoking the provisions of Rule 31(2) and treat the Registered Proprietor's opposition to the application for revocation as having been withdrawn.”

4. The writer of this letter has acknowledged in subsequent correspondence that the reference in the letter to Rule 31(2) should have read Rule 31(3).

5. The registered proprietor's attorney responded in a letter received 25 January 2007 indicating:

“The Form TM No.8 and evidence were submitted by email and thus could not bear an original signature. Likewise the evidence, consists of photocopies of duplicates of invoices from the internal records of the Registered Proprietor. Therefore no originals are available.

Filed herewith is the original of the Form TM No. 8 with duly signed Witness Statement.”

6. Enclosed with the letter was a two page Form TM8, signed and dated 16 January 2007.

7. The Trade Mark Registry acknowledged receipt of the letter and advised:

“The registry's position remains as set out in the official letter of 23 January 2007. The registry is in receipt of only a Form TM8, counter-statement and attachments filed by e-mail on 16 January 2007 and an original Form TM8 filed on 24 January 2007, and these documents cannot be considered to be properly filed evidence as there is no Witness Statement, Affidavit or Statutory Declaration to which the attachments have been exhibited.

Consequently the registry is considering invoking the provisions of Rule 31(3)and treating the Registered Proprietor as not opposing the application for revocation.”

8. The registered proprietor's attorney responded in a letter dated 22 February 2007, indicating that the exhibits as originally sent by email were filed in support of the statements of fact made in the notice of defence and counter-statement. They were a constituent part thereof and were therefore encompassed within the declaration given in that notice. It requested to be heard if the registrar maintained the objections.

9. A hearing was arranged and took place before me on 10 May 2007. Mr Redman of A1 Trade Marks appeared by videolink and represented the registered proprietor. Ms Peebles of Ablett and Stebbing, the applicant's trade mark attorneys, accompanied by Mr Gaunt, represented the applicant and attended in person in Newport.

10. Following the hearing, I issued a letter to the parties confirming my decision. The letter stated:

“As a preliminary point, I advised the parties of my view that contrary to what was indicated in the appointment letter issued to both parties, the hearing was to consider whether the material filed on behalf of the registered proprietor was sufficient to meet the requirements of rule 31 and the consequences thereof. Both parties confirmed their agreement.

The registered proprietor had been allowed until 16 January 2007 to file its defence against the revocation action. There was no dispute that on that date various documents had been sent to, and received by, the registrar. The

applicant contended, however, that, regardless of their content, these documents could not be considered validly filed as they had been sent to the registrar by email. Having considered all the submissions, I determined that the filing of documents by email in order to meet statutory deadlines was not precluded.

Having given that decision, the applicant submitted that the documents filed could not be considered a defence sufficient to meet the requirements of rule 31. This was because: the Form TM8 filed was incomplete in that only the first page of a two page form was filed, the signed declaration in particular being missing; the evidential material was not submitted in proper evidential form and therefore could not be considered evidence of use; and, in any event, only one copy of the evidential material was filed. For its part, the registered proprietor requested that the registrar allow the opposition to the application to continue in the exercise of his discretion under the provisions of rule 31(3).

Having considered the submissions made to me and having reviewed all the papers filed, it seems to me that the material filed by the registered proprietor cannot be considered to meet the requirements of rule 31(3). The Form TM8 was incomplete, in that it did not include the signed declaration. I accept that a complete and signed Form TM8 was filed on 25 January 2007, however this was received outside the period allowed. In addition, the exhibits filed via email were not in proper evidential form.

I therefore go on to consider whether this is an appropriate case in which to exercise the discretion available under rule 31(3). Having considered all relevant material and submissions, my decision is that the discretion to allow the registered proprietor to continue to oppose the application for revocation should be exercised in its favour in this case. In line with the guidance given in *Music Choice* [2006] RPC 13, it seems to me that the registered proprietor had a clear intention to defend the revocation action and the counter-statement as filed sets out the basis of that defence. Amongst other things, I take into account the content of the material which was filed, the likelihood of prejudice to the respective parties and the fact that the parties are involved in related actions. Whilst the evidential material is not in the correct format, this is something that can be remedied.

The registrar is in receipt of a completed Form TM8 and counter-statement. Subject to any appeal against my decisions and under the provisions of rule 57, I hereby allow the registered proprietor a period of fourteen days from the date of this letter to file (along with a copy) a statutory declaration, witness statement or affidavit to which is exhibited the evidence of use as originally filed by email. Subject to satisfactory receipt, the proceedings will continue with these documents being served on the applicant and it then being allowed a period to file evidence in support of its case.”

11. The applicant’s attorneys subsequently filed a Form TM5 seeking a statement of reasons for my decision. These I now give.

The acceptability of the use of email

12. In her skeleton argument and submissions at the hearing, Ms Peebles contended that the registered proprietor had not filed any response to the revocation action. It was accepted that certain material had been filed on the last day of the period allowed for so doing but she submitted that as the documents had been filed by email, they could not be considered as a response. This is because the use of email was not an acceptable method of communication of these documents.

13. Ms Peebles submitted that there were no provisions under either the Trade Marks Act or Rules or Trade Mark Registry practice which allow the filing of a defence by electronic means. She referred me to the Trade Mark Registry's work manual, Chapter 7, which indicated, she said, that electronic means cannot be used for the filing of these documents. I challenged her on this and she was unable to find the relevant entry. She went on to refer to telephone calls made to a member of staff at the Trade Marks Registry where advice was given that the only form regarded as being able to be filed electronically was the Form TM9c (request to enter a cooling off period in opposition proceedings). I was not persuaded by this line of submission. There is no indication of what questions may have been asked of the member of registry staff involved and therefore I cannot put the response into any particular context but for reasons which I set out below, I consider that the registrar has the discretion to allow any form to be filed electronically.

14. For the registered proprietor, Mr Redman explained that he had received the material from his client at the last minute. He had not thought it suitable to be sent by fax as he wanted to show colour in certain exhibits and so he had scanned the papers and had sent them by email. The receipt of the material had been acknowledged by the registrar who had not made any adverse comments about the method of receipt. This must, he said, indicate an acceptance of the use of email.

15. Ms Peebles accepted that the use of email enabled recipients to see specific colours but said the same effect would have been achieved had a hard copy been supplied through the post as happens when material is filed by fax.

16. I determined that the filing of documents by email to meet statutory deadlines was not precluded. I did so for the reasons set out below.

17. Section 78 of the Act states:

- “78.-** (1) The Secretary of State may make rules-
- (a) for the purposes of any provision of the Act authorising the making of rules with respect to any matter, and
 - (b) for prescribing anything authorised or required by any provision of the Act to be prescribed,

and generally for regulating practice and procedure under this Act.

- (2) Provision may, in particular, be made-
- (a) as to the manner of filing of applications and other documents;
 - (b)

- (c).....
- (d).....
- (e).....
- (f).....
- (3)

18. Rule 69, as amended by The Patents, Trade Marks and Designs (Address For Service and Time Limits, etc) Rules 2006, states:

“69. The registrar may, at her discretion, permit as an alternative to the sending by post or delivery of the application, notice or other document in legible form the filing of the application, notice or other document by electronic means subject to such terms or conditions as she may specify either generally by published notice or in any particular case by written notice to the person desiring to file any such documents by such means.

69A-(1) The delivery using electronic communications to any person by the registrar of any document is deemed to be effected, unless the registrar has otherwise specified, by transmitting an electronic communication containing the document to an address provided or made available to the registrar by that person as an address of his for the receipt of electronic communications; and unless the contrary is proved such delivery is deemed to be effected immediately upon the transmission of the communication.

(2) In this rule “electronic communication” has the same meaning as in the Electronic Communications Act 2000.”

19. Section 15(1) of the Electronic Communications Act 2000 provides the following definition of “electronic communication”:

“electronic communication” means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa)-

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in an electronic form;
- (c)
- (d)

20. In my opinion, whilst there are clear differences between them in the way they operate, both facsimile machines and email communications provide for electronic communications within the meaning of the Electronic Communications Act 2000.

21. The Trade Marks Registry has long exercised the discretion available under rule 69 to accept the electronic filing, by facsimile, of documents such as any and all of those forms required to be filed in e.g. revocation and opposition proceedings before the registrar as meeting statutory deadlines with original documents (e.g. a witness statement and exhibits) expected to be delivered to it if appropriate, within a reasonable period thereafter. Whilst some parties choose to continue to make use of

the services of e.g. the Royal Mail or deliver by hand, it has become something of the norm for e.g. Forms TM8 to be filed by facsimile. Ms Peebles's submissions appeared to accept this.

22. Clearly, in view of rules 69 and 69A, the use of alternative electronic communication methods is provided for. Whilst it is relatively easy to think of reasons why parties would prefer not to use email, it seemed to me that the registrar also has the discretion within the rules set out above to allow parties to use email for the filing of e.g. forms, email being an alternative form of electronic communication. It would be something of an artificial distinction to attempt to differentiate between the two for the purposes of the filing of such material when neither method produces original documents but merely allow the reproduction of them at the remote end.

23. In reaching my decision I also took into account that the filing and sending of documents by facsimile or "other electronic means" is and has been allowed by the Courts since the introduction of the Civil Procedure (Amendment) Rules 2002 (rule 4).

24. I made it clear at the hearing that although I had determined the use of email to be an acceptable method of communication in these proceedings for the filing of a Form TM8, this did not mean that the documentation filed by the registered proprietor was of itself acceptable as meeting the requirements of rule 31(3). I therefore went on to hear submissions on this point.

Whether the material filed by email met the requirements of rule 31(3)

25. Ms Peebles submitted that the material filed did not form a defence to the revocation action and could not be said to meet the requirements of rule 31(3). Specifically, the Form TM8 filed was incomplete in that only the first page of the two page form was included. The missing second page was crucial in that that is the page which contains the signed declaration of truth. Whilst evidential material had been filed, it was not filed in the correct format in that it was not filed under cover of a witness statement, affidavit or statutory declaration and was not therefore subject to a statement of truth. With an incomplete Form TM8, evidence not in proper form and only one copy of the evidence, the registered proprietor had failed to meet the requirements of rule 31(3). Ms Peebles accepted that a complete Form TM8 had been filed subsequently by post but she pointed out that it had been received outside the period allowed and could not be admitted.

26. For his part, Mr Redman began by giving a brief background of the registered proprietor and its mark and the prior contact it had had with the applicant. He accepted that the Form TM8 filed by email was incomplete. The second page had been missed off inadvertently, partly as a result of the last minute rush caused by the late receipt of material from the registered proprietor itself and partly because of administration difficulties at the attorney's offices caused by a new scanner and email system. As to the evidence itself, Mr Redman accepted that only one copy of the exhibits had been sent as part of the email but he indicated that a separate copy was also sent by email directly to the applicant to avoid the need for the registry to do so.

27. Mr Redman asked that the registrar exercise the discretion available under rule 31(3) in the registered proprietor's favour. He referred me to Tribunal Practice Notice 1/2000 which sets out the various factors to be considered. He indicated that the applicant had filed two applications for Community Trade Marks one of which the registered proprietor had opposed, the other which it would oppose at the appropriate point in time. Mr Redman went on to say that the potential prejudice to the registered proprietor was great: it would be highly disadvantageous if it were not allowed to be treated as opposing the application for revocation and the effect on its business would be dire indeed.

28. The Form TM8 was, he said, entitled "Notice of Defence and counterstatement" and therefore the counter-statement filed with it was technically part of that form. The exhibits had been referred to in that counter-statement and therefore the counter-statement would not have been complete without them. The failure to file the second page of the Form TM8 was put right quickly and there was an obvious intention to file it and defend the action.

29. In reply, Ms Peebles indicated that TPN 1/2000 referred to discretion based on an application for a declaration of invalidity. She went on to say that the *Lowden* case ([2005] RPC 18) distinguishes between the two types of action and only allows discretion in respect of factual errors. Referring to *Music Choice Limited and Target Brands, Inc* [2006] RPC 13, she submitted that as this concerned an application for invalidation of a registration it was not on all fours with the present case. She disputed the claim that the evidence was received late by the registered proprietor's attorney as she said it had been previously copied to her firm. On a challenge from Mr Redman, she accepted that the evidence previously copied to her firm formed only part of what he now sought to file. She maintained her objection to the evidence however, on the basis that this stage of the proceedings does not require the filing of full evidence of use. She accepted that the declaration of truth on a Form TM8 would cover a separate counter-statement, however in this case neither the part form nor the counter-statement bore such a declaration. The signed declaration was received outside the period allowed and would not, in any event, have attested to the truth of the evidence.

30. Rule 31 states:

(1) An application to the registrar for revocation of a trade mark under section 46, on the grounds set out in section 46(1)(a) or (b), shall be made on Form TM26(N) and be accompanied by a statement of the grounds on which the application is made.

(2) The registrar shall send a copy of Form TM26(N) and the statement of the grounds on which the application is made to the proprietor.

(3) The proprietor shall, within three months of the date on which he was sent a copy of Form TM26(N) and the statement by the registrar, file a Form TM8, which shall include a counter-statement, and be accompanied by-

(a) two copies of evidence of use of the mark; or

(b) reasons for non-use of the mark,

otherwise the registrar may treat him as not opposing the application.

(4) The evidence of use of the mark shall-

(a) cover the period of non-use alleged by the applicant on Form TM26(N), or

(b) where the proprietor intends to rely on section 46(3), show that use of the mark commenced or resumed after the end of that period but before the application for revocation was made.

(5)

(6)"

31. As was indicated in the registrar's letter of 16 October 2006, the registered proprietor was allowed until 16 January 2007 to file a Form TM8 and counter-statement, along with two copies of evidence of use of the trade mark or reasons for its non-use. On that date the registered proprietor filed an incomplete TM8, a counter-statement and various exhibits.

32. As far as the counter-statement is concerned, there is no dispute that the document as filed is a complete one. I therefore went on to consider the exhibits and the Form TM8.

33. As to the exhibits, it is well established that exhibits filed other than under cover of a witness statement, statutory declaration or affidavit, meet the requirements of rule 31 in terms of them being considered evidence where the counter-statement has been filed within time. As Patten J said in *Argentum* [2006] RPC 19:

"I can see no reason in principle why the missing witness statement or affidavit could not be supplied at that stage when admissibility comes to be tested provided that the substance of the evidence has been served within the time limits prescribed under rule 31(3). If the substance of the evidence is disclosed and communicated when the counterstatement is served within time, then the substantive provisions of rule 31 have, in my judgement, been complied with."

34. I do not think in this case, that anything rests on the fact that the exhibits were only scanned in to the email once. As when evidence is filed by facsimile, one copy is deemed sufficient to meet the statutory date. The registrar would expect a signed original document to be filed at the Trade Marks Registry within a reasonable period following the receipt of the faxed copy. In this case, of course, the exhibits were not in proper evidential form when scanned. I will deal with this later in this decision.

35. As for the Form TM8, rule 3 is relevant. It states:

"**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.”

36. There is no dispute that what was filed on 16 January 2007 was part of the Form TM8 published by the registrar. The form as filed was, however, incomplete in that only the first page of the published two page form was forwarded to the Trade Marks Registry. The missing page is that which provides for the statement of truth and contact details.

37. Tribunal Practice Notice 1/ 2000 set out the background to the introduction of the statement of truth. It states:

“27. The Office has decided to adopt Lord Woolf’s recommendation that claims and defences should contain a declaration on behalf of the parties confirming the accuracy and truth of the matter contained in them. Such a declaration is required for trade marks proceedings and encouraged in other proceedings. It should be noted that such a declaration is necessary if a party wanted, in any subsequent appeal to the High Court, a statement of case to be taken into account as evidence.

28....

29. If, in the event, a statement or counterstatement proves to be inaccurate or untrue then, in the absence of any clear and justified explanation for the breach, the Hearing Officer will take this into account when making an award of costs.”

38. Clearly the requirement to include a statement of truth is important.

39. Absent the second page of the Form TM8, I determined that the requirements of rule 31(3) had not been met. In agreement with Ms Peebles’ submissions on this point, I did not consider that the original of the (complete) Form TM8 which was filed on 25 January 2007 could be considered as meeting the requirements, as this form was filed after the expiry of the (inextensible) relevant period.

40. I therefore went on to consider the registered proprietor’s request to exercise the discretion available under rule 31(3) to allow him to be treated as continuing to oppose the application for revocation.

41. As I indicated earlier, Ms Peebles referred me to the *Lowden* decision as to the breadth of the discretion under rule 31(3). Following the issue of the *Lowden* decision, further cases have considered the issue. As a result of these decisions, the Trade Marks Registry subsequently reviewed its practice and issued Tribunal Practice Notice 1/2006. This states:

“ The use of the “may” appearing in rules 31(3) and 33(6) have been the subject of judicial comment in *George Lowden and The Lowden Guitar Company Limited* [2004] EWHC 2531, and in *Music Choice Limited and Target Brands, Inc* CH/2005/APP 0423/0749. The consequences of the decision in *Lowden* were, inter alia, dealt with in Tribunal Practice Notice 1/2005.

In *Lowden*, Mr Justice Patten held that the breadth of the discretion under rule 31(3) was very limited and could only be exercised in relation to factual errors on the Form TM26(N) and/or statement of case. However, in *Music Choice*, Mr Geoffrey Vos QC sitting as a Deputy High Court Judge, held that in an invalidation case, the registrar had a general discretion under rule 33(6) to treat the proprietor as either opposing or not opposing the application (see Annex A). In addition, Mr Vos expressed reservations about the correctness of the approach adopted in *Lowden* (see Annex B).

Given the apparent tension between these two decisions, and, as the word “may” appearing in the respective rules should, in the Trade Marks Registry’s view, be given the same meaning and scope, the Trade Marks Registry has reviewed its practice.

The Trade Marks Registry remains of the view that it is not permissible to allow the late filing of Form TM8. However, with immediate effect, where a late defence is filed in revocation or invalidation proceedings before the Trade Marks Registry, the Trade Marks Registry will (on request) now consider exercising the discretion in rules 31(3), 32(3) and 33(6) on the basis indicated by Mr Vos in *Music Choice*. As the exercise of the discretion is a judicial function, it is anticipated that consideration of the exercise of the discretion will only be given by a Hearing Officer following a joint hearing, and not by the Case Work Examiner dealing with the case administratively. In determining whether the proprietor will be treated as opposing the application, consideration of the sort outlined in *Music Choice* will be taken into account (see Annex C).

If the proprietor is treated as opposing the application, the Hearing Officer will give directions as to the filing of a counter-statement and evidence under rules 31A(6), 32A(6) and, if appropriate, rule 57.”

42. Annex C to the Tribunal Practice Note states:

“65. Having decided that there is a general discretion in the registrar, it would be inappropriate to set out factors which would circumscribe the exercise of that discretion. Plainly, however, the discretion must be exercised on the premise that the time limit in Rule 33(6) is inextensible, and that there must be compelling reasons for the proprietor to be treated as opposing the application, notwithstanding his failure to comply with an inextensible time limit.

67. The factors that are, in my judgement relevant to the exercise of the discretion in this case include:

1. The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed.
2. The nature of the applicant's allegations in its statement of grounds.
3. The consequences of treating the proprietor as opposing or not opposing the application.
4. Any prejudice to the applicant by the delay.
5. Any other relevant considerations, such as the existence of related proceedings between the same parties.”

43. I do not think it can be argued that the registered proprietor did not have an intention to defend his registration against the application for registration. On the last day of the period allowed it filed a part Form TM8 along with a four page counter-statement and various exhibits. Mr Redman explained that the second page of the Form TM8 was missed inadvertently, through no fault of the registered proprietor but because of difficulties at the attorney's office.

44. I noted that the basis for the defence of the registration was made known within the relevant period and that the complete Form TM8 was filed some seven working days after the expiry of the statutory period allowed so delays were minimal. The applicant has made it clear in its statement of grounds in support of its application for revocation that it wishes to make use of the trade mark *STORM*, that the registration in suit is an obstacle to such use and claims that the registered trade mark has not been put to genuine use. Should the registered proprietor be denied the opportunity to be treated as opposing the application, it would be unable to file any evidence of use to counter the claims made by the applicant and the applicant would then have to prove a negative. Should the registered proprietor be afforded the opportunity to be treated as opposing the application, the likelihood is that the registrar will be able to reach a considered decision on the application taking into account any evidence from the registered proprietor as to the use of its mark. The use or otherwise of the mark is at the heart of these proceedings. I did not think there would be any prejudice to the applicant in affording the registered proprietor the opportunity to show use of its mark. Finally, there is no dispute that there are proceedings ongoing between the parties in relation to applications for the same mark for which Community protection has been applied.

45. Taking all these factors into account, I decided that this was an appropriate case where the exercise of the discretion available under rule 31(3) should be exercised in the registered proprietor's favour.

46. In reaching this decision and under the provisions of rule 57, I allowed the registered proprietor a period of fourteen days from the date of my letter of 15 May 2007, to file (along with a copy) a statutory declaration, witness statement of affidavit to which is exhibited the evidence of use as originally filed by email. For the benefit of any appellate tribunal, I would confirm that a Witness Statement was received by hand at the Trade Marks Registry on 25 May 2007, although due to the filing of the Form TM5 by the applicant seeking a statement of the reasons for my decisions, no further action has yet been taken in respect of those documents.

47. There is one further issue I should mention. As neither party made any submissions on costs in relation to the interlocutory hearing, I made no order as to costs.

Dated this 4th day of July 2007

**ANN CORBETT
For the Registrar
The Comptroller-General**