

O-135-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF AN INTERLOCUTORY HEARING HELD IN RELATION TO  
APPLICATION NO. 2371858 FOR THE TRADE MARK "IN THE PINK" IN CLASS 16  
IN THE NAME OF GERARD DUGDILL AND OPPOSED UNDER NO: 93785 BY  
XCESS MEDIA LIMITED AND A REQUEST BY THE APPLICANT  
FOR SECURITY FOR COSTS**

## BACKGROUND

1. This decision concerns the trade mark IN THE PINK which has been applied for in class 16 in relation to: magazines, publications; literature relating to lifestyle and women's health, and which stands in the name of Mr Gerard Dugdill (GD). The issue before me is GD's request that the Opponent Xcess Media Limited (XM) should provide security for costs.

2. At the time of writing, I note that the application is awaiting a hearing before an Appointed Person in connection with an appeal by GD against the Hearing Officer's decision in BL O-320-07, in which he allowed XM an extension of time in which to file their evidence-in-reply. In that decision the Hearing Officer sets out the background to the case, and it is not therefore necessary for me to repeat it here; for the sake of convenience, the decision is attached as an Annex. Before turning to the substantive issue, I should, I think, mention that in these proceedings to date GD has engaged the Trade Marks Registry (TMR) in far more correspondence than was, in my view, appropriate. Needless to say, I have not found it necessary to refer to all of this correspondence in this decision.

3. It is, I think, fair to say that GD's request for security for costs stems initially at least from the additional reasons provided by XM to support their request for additional time in which to file their evidence-in-reply. In their letter of 21 June 2007, XM say, *inter alia*:

“..The court case cost me and my company around £200,000...”

And:

“I have already incurred huge expense at the hands of Mr Dugdill. I have now disinstructed my attorney, D Young, because I cannot afford to incur any further legal expenses. I have not yet received the file from my solicitor as I still have to pay the final invoice.”

4. In his letter to the TMR of 25 June, GD said, *inter alia*:

“I am extremely worried by her subsequent comments which indicate that her firm is [in] an impecunious position. She writes firstly that she cannot afford to incur any legal expenses, and then adds that she cannot even afford to pay her solicitor an invoice to recover her case file. I ask you whether the opponent should be allowed to continue in proceedings if it has no money or if an application for security of costs should be made.”

5. In his letter to the TMR of 27 September, GD formalised his request for security for costs. He did so in the following terms:

“Secondly, on the issue of security of costs, can I now seek security from the opponent based on the following: the opponent can no longer afford legal representation; the opponent has said it has not paid a final invoice from its ex-solicitor to recover its file; the

opponent claims to have spent £200,000 on previous legal fees here (though this is challenged by me in the absence of firm proof)....”

6. In response to this request the TMR, in an official letter dated 3 October, advised the parties that in the first instance this was a matter that should be resolved by agreement. I note that GD wrote to XM on 13 November in this regard. His letter reads:

“Following recent correspondence with the registry, and given your apparent impecuniosity, please provide details now of your security of costs measurements to allow you to continue proceedings.”

7. In letters to the TMR dated 24 November and 6 December, GD explained that he had not received a response from XM to his letter of 13 November, and asked for the TMR to consider making an order against them. In an official letter dated 3 January 2008, XM were asked for their comments on GD’s request. XM replied in a letter dated 15 January in which they said, *inter alia*:

“We confirm that we will not agree to provide the Applicant with any security for costs. Our position is that if and when Mr Dugdill makes any such application we will strongly defend it and will make a cross application against him for continuing what we consider to be a spurious Trade Mark Application.”

8. The TMR wrote to the parties on 17 January. In relation to the security for costs issue, they said:

“Having considered the request and comments the registry’s preliminary view is to refuse the request. This is because it is not considered that there are sufficient reasons to believe that [XM] does not appear to have any, or insufficient, assets in the United Kingdom to cover an award of costs that may be made against them...”

9. GD requested a hearing to contest this preliminary view. At the hearing, which took place before me by video conference on 14 February, GD represented himself; XM were represented by Mr Stephen Chubb.

10. As both parties to this dispute are unrepresented, it was not necessary for them to provide skeleton arguments; GD did however provide written submissions in advance of the hearing.

### **The submissions at the hearing**

11. The main points emerging from the written and oral submissions were, in my view, as follows:

#### **GD**

- that XM have admitted to being in an impecunious position in their revised letter of 21 June;

- that at no stage has XM denied being in an impecunious position;
- that there has been no mention of any assets held by XM or any suggestion that they hold assets;
- that XM's financial position operated in their favour when seeking additional time to file their evidence-in- reply, and ought now to operate in GD's favour in relation to security for costs;
- that XM's claim to have spent £200,000 on legal fees is disputed;
- that there is no evidence that the final invoice has been paid by XM and in the absence of evidence that it was, one should assume that it has not been paid;
- that XM's financial position can be discerned from exhibit GD40 to his witness statement dated 28 February 2007, which I note is a copy of the Abbreviated Balance Sheet for XM for the period ending 30 September 2004. GD points out that at that time XM had current creditors of £47,341 and net current liabilities of £17,100.

## **XM**

- that XM has been a small publishing company since 2004 who publish five magazines, three titles and work for three charities;
- that in 2007 XM had a turnover of £300,000 (and a small operating profit);
- that XM have a staff of four;
- that a return had just been provided to Companies House for 2006, but said Mr Chubb, XM's position in 2007 is much stronger;
- that XM had been transparent about the costs they had incurred, adding that they had spent over £10,000 on this case before they dispensed with their trade mark attorney's services.

## **The decision following the hearing**

12. At the conclusion of the hearing I reserved my decision. I wrote to the parties on 15 February in the following terms:

“Having reviewed the respective parties' positions, my provisional decision is not to order XM to provide Security for Costs.

However, I note that rule 57 of the Trade Marks Rules 2000 (as amended) reads:

“57. At any stage of any proceedings before the registrar, she may direct that such documents, information or evidence as she may reasonably require shall be filed within such period as she may specify.”

Consequently, I direct that Mr Chubb provide a brief witness statement (copied to you) confirming in writing the details he provided to me orally at the hearing and, where necessary, evidence to support the statements made i.e. (i) that XM publishes 5 magazines, 3 titles and works with 3 charities, (ii) that in 2007 it had a turnover of £300k and a staff of 4 and (iii), confirming (together with a brief explanation) why XM would have no difficulty in meeting a costs order (in the normal order of magnitude i.e. £2,000 - £4,000) in the event that they were unsuccessful at the conclusion of these proceedings. To simplify matters, in his witness statement Mr Chubb may wish to refer (where appropriate) to evidence already admitted into these proceedings which supports the statements made by him at the hearing.

.....

On the assumption that XM comply with this direction (and I would not expect any requests from them for extensions to this period), I intend to confirm my provisional decision and the parties will be advised by letter; it is at this point that the 1 month period in which to request written grounds will commence. If XM do not comply with this direction in the period allowed, it will, of course, be necessary for me to revisit my provisional decision.”

13. Under cover of a letter dated 27 February, XM complied with the above direction. They filed a witness statement of Stephen John Chubb dated 25 February accompanied by two exhibits. The witness statement reads:

“I, Stephen John Chubb.....do hereby state as follows:

1. I refer to the decision of....and confirm that I attended the hearing of....and spoke on behalf of XML with the authority of XML and make this witness statement with the same authority.

2. I confirm the details I gave orally at the hearing as follows:

a) that in 2007 XML published 5 magazines:-

i) In association with the Make A Wish Foundation UK (Reg Charity No. 295672) 329-331 London Road, Camberley, Surrey, GU15 3HQ 3 magazines – Spring, Summer and Christmas under the title WISH Parenting. The covers of the Spring and Summer issues are included in Exhibit XML 11 of the witness statement of Katherine Jane Chubb dated 28 August 2007. I attach copy of the cover of WISH Parenting Christmas edition 2007 marked Exhibit XML SJC1.

ii) In association with the Institute of Cancer Research's Everyman Campaign. The Institute of Cancer Research is based at 123 Old Brompton Road, London, SW7 3RP (Reg. Charity No. 534147). The cover of the 2007 Everyman magazine is included in Exhibit XML13 of the witness statement of Katherine Jane Chubb dated 28 August 2007.

iii) In association with the Pink Ribbon Foundation (Reg Charity No. 1080839) of Park House, 75 Lovibonds Avenue, Orpington Kent, BR6 8EP, the 2007 issue of "inthePINK" Magazine was published in October 2007 and a copy cover of that magazine is shown attached marked Exhibit XML SJC2.

b) In 2007 I confirm XML achieved a turnover for the year ended 31<sup>st</sup> December 2007 of approximately £318,000 for the sale of advertising space and cause related marketing initiatives.

c) XML employs four staff: Editor, Advertising Director; Sales Manager; Art Director.

d) XML has an overdraft facility with its bank but generally operates its bank account in credit. At the date of this statement....there is a credit balance of £10,400 in the account. XML would have no difficulty meeting a costs order up to £4,000.

I confirm that the contents of this Witness Statement are true to the best of my knowledge and belief...."

14. I should perhaps mention that exhibits XML 11 and XML 13 mentioned by Mr Chubb are exhibits filed by XM as part of their evidence-in-reply; evidence which has of course been accepted by the TMR but whose decision in that regard is subject to an appeal to an Appointed Person. I will return to this point later in my decision.

15. On 7 March, I wrote to the parties in the following terms:

"Reaching a conclusion on Mr Dugdill's request for Security for Costs requires me to carry out a multi-factorial assessment of the position, bearing in mind the Trade Marks Registry's published practice in relation to such requests and the associated case law. I must, of course, also bear in mind the concerns expressed by Mr Dugdill both in his written submissions submitted prior to and oral submissions at the hearing, together with the oral submissions of Mr Chubb.

Having now had a number of the oral submissions made by Mr Chubb at the hearing confirmed in his witness statement (which is accompanied by a statement of truth), I am satisfied that having balanced all of the competing submissions, and despite Mr Dugdill's obvious concerns, there should, in my view, be no substantial difficulty in XM meeting an award of costs in the normal quantum if they are unsuccessful at the conclusion of these proceedings.

**Having reached that conclusion, I now confirm the provisional decision expressed in the official letter of 15 February, the consequence of which, is that XM are not required to provide Security for costs in these proceedings.”**

16. As I mentioned above, at the conclusion of the hearing I reserved my decision; my letter indicating the approach I intended to adopt was sent to the parties the following day. In the period between the conclusion of the hearing and the issue of my letter, the TMR received two letters from GD. The first dated 14 February contained GD’s written response to XM’s oral submissions at the hearing and the second dated 15 February, queried if my letter had been sent. Following the issue of my letter of 15 February, the TMR received letters from GD dated 16 February (which asked for XM to provide further information in addition to that requested in my letter), 19 February (in response to XM’s letter of the same date), 20, 21 and 27 February (the latter of which contained a witness statement from GD dated 27 February 2008 which included as an exhibit an extract from XM’s company information filed at Companies House for the period ending 30 September 2006), and further letters dated 7, 12, 26 and 29 March and 12 April. These letters were, in the main, asking for the comments in GD’s letter of 27 February and the contents of his witness statement and exhibit to be taken into account in the context of either this current request for security for costs or, if necessary, a fresh request.

17. These letters and the additional information provided by GD were filed following the hearing and represented matters on which GD required further explanation or clarification from XM, or which in his view cast serious doubts on XM’s ability to meet an adverse costs order. However, it is the Tribunal and not GD that has to be satisfied that XM will be in a position to meet an order for costs in the event that they are unsuccessful at the conclusion of these proceedings. If GD is unhappy with my decision, he can of course request written grounds as a precursor to filing an appeal. As I indicated in my letter to the parties of 7 March, the decision as to whether or not to order security for costs requires a multi-factorial assessment of the position bearing in mind the TMR’s established practice and the associated case law. Having applied this guidance to the information provided prior to, at the hearing, and as a result of my direction following the hearing, I was satisfied that on the balance of probabilities XM were unlikely to face substantial difficulty in meeting a costs order in the normal quantum. The parties were advised accordingly and allowed a period of one month to request a written statement of grounds.

18. On 7 April GD filed Form TM5 requesting a statement of reasons for my decision, I now give these below.

## **DECISION**

### **The Law**

19. Section 68 of the Trade Marks Act 1994 (as amended) and rule 61 of the Trade Marks Rules 2000 (as amended) are relevant and read as follows:

## **Section 68**

“68 -(1) Provision may be made by rules empowering the registrar, in any proceedings before him under this Act-

(a) to award any party such costs as he may consider reasonable, and

(b) to direct how and by what parties they are to be paid.

(2) Any such order of the registrar may be enforced-

(a) in England and Wales or Northern Ireland, in the same way as an order of the High Court;

(b) in Scotland, in the same way as a decree for expenses granted by the Court of Session.

(3) Provision may be made by rules empowering the registrar, in such cases as may be prescribed, to require a party to proceedings before him to give security for costs, in relation to those proceedings or to proceedings on appeal, and as to the consequences if security is not given.”

## **Rule 61**

“61. - (1) The registrar may require any person who is a party in any proceedings before her under the Act or these Rules to give security for costs in relation to those proceedings; and she may require security for the costs of any appeal from her decision.

(2) In default of such security being given, the registrar, in the case of the proceedings before her, or, in the case of an appeal, the person appointed under section 76 may treat the party in default as having withdrawn his application, opposition, objection or intervention, as the case may be.”

20. When taken together section 68(3) and rule 61 give the registrar the power, in appropriate circumstances, to require any party to proceedings before him to provide security for costs. It is not necessary for me to deal with this aspect of the case in any more detail, because at the hearing XM accepted that such a power existed.

## **The TMR’s practice**

21. This is contained in paragraph 12.2 of the TMR’s Law Section Work Manual, the relevant parts of which read as follows:

“Security for costs is the provision of an amount of money sufficient to cover a party's liability for costs in proceedings should they lose. In proceedings before the Registrar it is usually requested where a party does not carry on business in the United Kingdom or does not appear to have any, or sufficient, assets in the United Kingdom to cover an



award of costs made against them. Where security is agreed between the parties appropriate sums of money are deposited or undertakings agreed by third parties such as trade mark agents, solicitors or banks. If there is no agreement that security should be paid, the Registrar can be asked to intervene and determine the matter. Only in a very exceptional case (see *John Seiden's Application* (BL O-160-00)) will the Registry agree to hold any security itself.

Requests by UK applicants for security for costs from a party which is a national or resident in another member state party to the Brussels or Lugano Conventions may not be granted unless very cogent evidence of substantial difficulty is provided. This is because the Civil Jurisdiction and Judgements Act 1982, clarified by a decision in the Court of Appeal (*Fitzgerald v Williams*, *The Times*, January 3, 1996, C.A.), determines that the Registrar does not have the power to automatically award costs against such a party, as the Conventions introduced an effective means by which a successful defendant resident in the UK can enforce an order for costs against an unsuccessful plaintiff in another contracting state.

In the case of *Sun Microsystems Inc v Viglen* (BL O-585-01), the Appointed Person held, following *Nasser v United Bank of Kuwait* [2001] EWCA Civ 556, that security for costs applications needed to be determined on their own merits; simply because a party was resident abroad outside a Brussels or Lugano Convention country would not automatically result in security being ordered. Whether to order security is an act of discretion.”

22. As I mentioned in paragraph 3 above, GD’s request for security for costs stemmed initially from the comments made by XM in connection with the additional reasons they provided to justify their request for additional time to file their evidence-in-reply. GD does not accept that they spent £200,000 in the court proceedings and, more importantly perhaps, focuses on what he considers to be the non-payment of the final invoice from their solicitors. For what it is worth, and insofar as the former is concerned, I simply note that exhibit XML 5 to the first witness statement of Katherine Chubb dated 5 September 2006, includes what is described as a “Schedule of costs to date” and itemises amounts paid between 29 March 2004 and 30 August 2005 and which I note amounts to some £179,000. Insofar as the unpaid invoice is concerned, I note that in his written decision in relation to the contested extension of time request, the Hearing Officer said, *inter alia*, in paragraph 37 of his decision:

“...XML had, for financial reasons, taken the decision to dispense with their legal representation and as a consequence of this decision they had to obtain all the papers entered into the proceedings from their previous legal representatives. There had been a delay in obtaining the papers and once obtained, XML were required to scrutinise what they regarded as being lengthy, complex and confusing material...”

23. Although it appears that the final invoice was still outstanding as of 21 June 2007, it is, in my view, a reasonable inference from the above extract that by the time Mrs Chubb’s evidence-in-reply was prepared (28 August), the invoice must have been paid. Had it not been paid, the

papers would not have been released and Mrs Chubb would not have been in a position to prepare her witness statement.

24. Moving on, XM are based in Bromley in Kent; they are therefore clearly resident in the jurisdiction. That said, as the guidance from the Work Manual explains, an order for security for costs may still be appropriate if a party does not appear to have any, or sufficient assets in the United Kingdom and, as a result, may not be in a position to meet an adverse costs order. It is, I think, important at this juncture to point out that while the registrar has a wide discretion insofar as costs are concerned, the general approach is one of contribution not compensation, with costs being determined by reference to a published scale (in this case the scale contained in Annex A of Tribunal Practice Notice 2 of 2000). In the normal course of events, the successful party in an opposed application which is subject to a hearing is likely to receive a contribution to their costs in the order of between £2,000 and £4,000.

25. In *Sun Microsystems Inc v Viglen* mentioned above, Mr Geoffrey Hobbs QC acting as the Appointed Person while ultimately agreeing with the Hearing Officer's conclusion that security for costs was not appropriate in that case, only did so after he was satisfied (having obtained further information on Sun's financial position) that such a conclusion was justified.

26. In these proceedings I adopted a similar approach, hence my direction following the hearing. In reaching a conclusion on XM's ability to meet an adverse costs order of the quantum indicated, it is appropriate for me to take into account the witness statement of Stephen Chubb (which I refer to below as S Chubb), the first witness statement of Katherine Chubb dated 5 September 2006 (filed as XM's evidence-in-chief and referred to below as K Chubb 1) and also the second witness statement of Katherine Chubb dated 28 August 2007 (filed as evidence-in-reply and referred to below as K Chubb 2), all of which I note are accompanied by statements of truth. In so far as the latter is concerned, and while I accept that this evidence is currently the subject of an appeal by GD to an Appointed Person, as matters stand it has been accepted by the TMR and as such is, in my view, evidence I am entitled to draw upon. Having reviewed these various witness statements the following points emerge:

- that XM started trading as a publishing company in November 2003 (K Chubb 1, Para 3(a));
- that in November 2003 XM secured its first contract to publish a parenting magazine for the Make A Wish Foundation (K Chubb 1, Para 3(a));
- that in 2007 XM continued to publish a parenting magazine for the Make A Wish Foundation (S Chubb Para 2(a) (i) and exhibit XML SJC1 thereto, which consists of a copy of the cover of the Winter 2007 edition of WISH parenting) and (K Chubb 2, Para 8(a) and exhibit XML 11 thereto, which consists of copies of the covers of WISH parenting from Spring and Winter 2005, Spring, Summer and Winter 2006 and Spring and Summer 2007);
- that in association with the Institute of Cancer Research's Everyman Campaign XM have published two editions of the EVERYMAN magazine, (S Chubb, Para 2(a)(ii) and K Chubb 2, Para 8(c) and exhibit XML 13 thereto, which consists of the front covers of the EVERYMAN magazine from October 2006 and June 2007);

- that in association with the Pink Ribbon Foundation XM have published the IN THE PINK magazine since September 2004 and continue to do so (K Chubb 1, Paras 3(b) and (c) and exhibits XML1 and 2 thereto, which consist of copies of the complete magazines dated October 2004 and October 2005 and both of which identify XM as the publisher, K Chubb 2, Para 8(b) and exhibit XML12 thereto, which consists of the front covers of the IN THE PINK magazine from October 2004, 2005 and 2006 and S Chubb, Para 2(a)(iii) and exhibit XML SJC2 thereto, which consists of a copy of the front page of the IN THE PINK magazine from Autumn 2007);
- that XM employ four staff (S Chubb Para 2(c)), this would appear to be corroborated by the editorial details (albeit in 2004 and 2005) which appear on the inside pages of the IN THE PINK magazines provided as exhibits XML1 and 2 to K Chubb 1.

27. XM's evidence following my direction is, like a good deal of evidence filed before the TMR, far from perfect. As examples, a number of the exhibits I have mentioned above consist only of the front cover of the respective magazines and do not, as far as I can tell, give any indication of the publisher. That said, in so far as the IN THE PINK magazine is concerned, exhibits XML1 and 2 to Mrs Chubb's first witness statement consist of complete copies of the magazine, on the inside pages of which XM are identified as the publisher. Given the comments in Mr Chubb's witness statement regarding this publication, it is, I think, a reasonable inference that XM are also the publishers of the other editions provided.

28. Similarly only the front covers have been provided of both the EVERYMAN and WISH parenting magazines. Insofar as the EVERYMAN magazine is concerned, this is referred to in both Mrs Chubb's second and Mr Chubb's witness statements. XM are also mentioned by the Hearing Officer in his decision in BL O-166-07 in connection with an opposed application for the trade mark EVERYMAN for goods in class 16 filed in the name of GD and opposed by The Institute of Cancer Research: Royal Cancer Hospital and Everyman Action against Male Cancer. Once again when taken together it is, in my view a reasonable inference that XM were also the publishers of the EVERYMAN magazine.

29. In relation to the WISH parenting publication I once again have the witness statements of Mr & Mrs Chubb to draw on. I can see no reason to doubt any of the claims made by the Chubbs in relation to this publication, and am prepared to accept that XM are also responsible for the publication of this magazine.

30. I have dealt with Mr Chubb's comments regarding the four staff employed by XM above and need say no more about it here. Insofar as the turnover for the period ending 31 December 2007 is concerned (S Chubb Para 2(b)), I have been provided with no documentary evidence to support this claim, nor has any evidence been provided of XM's overdraft facility or the credit balance held in its account at the time of his witness statement (S Chubb Para 2(d)); that said as mentioned above, Mr Chubb's witness statement is accompanied by a statement of truth.

31. At the hearing GD drew my attention to XM's Abbreviated Balance Sheet for the period ending 30 September 2004, and also (in his post hearing correspondence) to XM's Abbreviated

Balance Sheet for the period ending 30 September 2006. At the hearing itself Mr Chubb commented that a return for 2006 had been filed with Companies House, but added that XM's position in 2007 was much stronger. Balance Sheets can of course only show a snapshot of a company's financial position at a particular point in time.

32. In this case there were a number of factors which led me to the conclusion that an order for security for costs was not appropriate. These were: (i) XM are resident in the United Kingdom, (ii) that it is a reasonable inference that the final invoice mentioned above was paid, (iii) that XM have been in business since November 2003 and continued in 2007 to publish magazines for three charities, (iv) that in 2004 and 2005, it would appear that XM employed a similar number of staff to that employed in 2007, (v) that in 2007 XM had a turnover of £318,000 together with a small operating profit and (vi) that at the time of his witness statement XM's bank account was in credit to the amount of £10,400.

33. As I mentioned earlier in this decision, a number of the comments made by Mr Chubb were not supported by documentary evidence; that said, I am equally conscious that all of the witness statements filed by XM contained statements of truth. Whilst the Balance Sheets provided by GD suggest in his view that XM's financial position is precarious, in my view, these balance sheets cannot be considered in isolation. Nor of course can XM's overdraft facility, the monies in their bank account or Mr Chubb's assurance that XM would have no difficulty in meeting a costs award in the normal quantum. As I mentioned above, like the balance sheets these statements simply represent XM's financial position at a particular point in time.

34. However, having considered all of the information before me regarding XM, it speaks to me of a small publishing company which has been in business since 2003 and which has been, and is, responsible for the publication of a number of magazines for three well known charities; charities who I very much doubt would continue to do business with XM if their financial position was as bleak as GD suggests.

**35. Having taken all of the competing factors mentioned above into account, including the likely quantum of any adverse costs award, I concluded that in the circumstances of this particular case it was not appropriate for me to exercise my discretion to order XM to provide security for costs.**

**Dated this 9 Day of May 2008**

**C J BOWEN  
For the Registrar  
The Comptroller-General**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF A REQUEST BY XCESS MEDIA LIMITED  
( THE OPPONENTS) FOR AN EXTENSION OF TIME WITHIN  
WHICH TO FILE EVIDENCE IN REPLY IN OPPOSITION  
PROCEEDINGS NO 93785 AND OBJECTION RAISED THERETO  
BY GERARD DUGDILL (THE APPLICANT)**

## **TRADE MARKS ACT 1994**

### **In the matter of a request by Xcess Media Limited (the opponent) for an extension of time within which to file evidence in reply in opposition proceedings No. 93785 and objection raised thereto by Gerard Dugdill (the applicant)**

#### **Background**

1. Trade Mark number 2371858 was applied for on 31 August 2004 and was published for opposition purposes in Trade Marks Journal 6588 on 1 July 2005. The trade mark is IN THE PINK which, following the recordal of a deed of assignment, now stands in the name of Gerard Dugdill for goods in Class 16: Magazines, publications; literature relating to lifestyle and women's health.
2. On 4 October 2005 D Young & Co, on behalf of Xcess Media Limited, filed a Form TM7, notice of opposition. The statement of grounds accompanying the opposition set out the grounds of the action as being that the trade mark application was contrary to the provisions of Sections 3(6) and 5(4)(a) of the Trade Marks Act 1994. There then followed a brief exchange of correspondence between D Young & Co and the Trade Marks Registry (hereafter TMR) which I do not need to summarise. The TMR served a copy of the Form TM7 on the applicant on 28 October 2005. The accompanying letter informed the applicant that a period of three months, expiring on 28 January 2006, was allowed for the applicant to file a Form TM8, notice of defence and counter statement.
3. On 2 December 2005 the TMR informed the parties that an error in copying had resulted in the Form TM7, notice of opposition and statement of grounds, being served on the incorrect address for service. The TMR reset the period allowed for the applicant to file the Form TM8, notice of defence and counter statement, to a period expiring on 2 March 2006.
4. On 2 March 2006 Gerard Dugdill (hereafter GD), who by virtue of a deed of assignment had been recorded on the trade marks register as the proprietor of the application, filed a Form TM8, notice of defence and counter statement, and the proceedings were joined.
5. On 10 March 2006 the TMR served a copy of the Form TM8, notice of defence and counter statement, on the opponent. In accordance with Rule 13C(1)(a) of the Trade Marks Rules 2000 (as amended), the opponent was informed that a period of three months, expiring on 10 June 2006, was allowed for the filing of evidence in support of the grounds of opposition.

6. There then followed an exchange of correspondence between the applicant, GD and the TMR in respect of the opponent's grounds of opposition. The TMR issued a Preliminary View on 29 March 2006 that the grounds pleaded by the opponent were acceptable. GD requested an interlocutory hearing to be heard on the matter. The hearing was held and the Hearing Officer's decision was to uphold the Preliminary View and accept the opponent's statement of grounds as filed. The Hearing Officer confirmed that the opponent still had until 10 June 2006 within which to file its evidence in chief.

7. On 9 June 2006, the opponent requested an extension of time of three months within which to file its evidence in support of the grounds of opposition giving reasons for the request as:

' We are advised by our instructing solicitors that they have prepared a draft Witness Statement detailing the background to the dispute involving the rights to trade mark application 2371858 and that they are reviewing several boxes of evidence in order to prepare the exhibits which will accompany the Witness Statement. We understand that they will be forwarding the completed draft to this firm for review and comment next week.

It will be appreciated that this is a long running dispute between the Applicant, its predecessor in business and the Opponent and that there is a substantial amount of paperwork which the Opponent considers relevant to the claims in the Notice of Opposition.

Since the opposition is based on legal grounds which require, by their nature, substantiation over and above mere proof of trade mark registration it is inevitable that such evidence may take time to collate.'

8. The TMR's Preliminary View, in a letter dated 14 June 2006, was to grant the extension of time until 10 September 2006 subject to any objections from GD. There then followed several rounds of correspondence with the TMR in which GD opposed the TMR's Preliminary View to allow the extension of time request and in respect of whether GD wished to have an interlocutory hearing appointed on the matter. No interlocutory hearing was held and the extension of time was granted.

9. On 8 September 2006, the opponent filed its evidence in support of the grounds of opposition. The TMR informed GD, on 15 September 2006, that the opponent's evidence had been admitted into the proceedings and that in accordance with Rule 13C (4) of the Trade Marks Rules 2000 (as amended), GD had a period of three months, expiring on 8 December 2006, within which to file any evidence in support of the trade mark application.

10. As GD only received the opponent's evidence on 11 September 2006, the TMR reset the date by which the evidence under 13C (4) of the Trade Marks Rules (as amended) had to be filed from 8 December 2006, to 11 December 2006.

11. There then followed further lengthy correspondence between GD and the TMR in respect of a number of irregularities, identified by GD, in the opponent's evidence. The opponent corrected

the irregularities and on, 6 November 2006, the TMR informed GD that the date for filing evidence in support of the trade mark application was reset for 31 January 2007.

12. On 29 January 2007, GD requested an extension of time of one month giving reasons for the request as:

‘Due to an unforeseen computer problem, and given detail required in reply, I would like an extra month if possible to finish.’

13. In a letter dated 31 January 2007, the TMR issued a Preliminary View indicating that the extension of time was granted until 28 February 2007 subject to any objections from the opponent. No request for a hearing was received and the Preliminary View was maintained.

14. On 7 March 2007 the TMR informed the opponent that the applicant’s evidence had been received and that a period of three months, expiring 28 May 2007, was set for any evidence in reply to be submitted in accordance with Rule 13C(5) of the Trade Marks Rules 2000 (as amended).

15. On 18 May 2007 D Young informed the TMR that they were no longer representing the opponent in the proceedings.

16. On 29 May 2007 Xcess Media Limited (hereafter XML) submitted a Form TM9, and requested an extension of time for three months giving reasons for the request as:

‘I have disinstructed D Young & Co and I am now dealing with the opposition in person on behalf of Xcess Media Limited.

We have not yet received our files from D Young and I need more time to read, understand and respond to Mr Dugdill’s evidence, which is extremely lengthy, complex and very confusing.

My job as a magazine publisher is full time. I need to adhere to demanding deadlines and work long hours so I can only attend to this in my spare time.

Now acting in person, it is impossible for me to respond within the current deadline and I request more time as the current deadline of 28<sup>th</sup> May is impossible for me to meet.’

17. The TMR on 8 June 2007 issued a Preliminary View refusing the extension of time request. XML, in a letter dated 21 June 2007, asked the TMR to reconsider the extension of time request.

18. In a letter dated, 22 June 2007, the TMR reversed the Preliminary View given on 8 June 2007 and allowed the extension of time, subject to any objections from GD, until 28 August 2007 giving reasons for the decision as:

‘ This is because it is considered to be in the interest of justice for the Registrar to



have all available evidence before him when a substantive decision is made, and to avoid any multiplicity of proceedings.’

19. There then followed further correspondence between GD and the TMR in respect of the decision of 22 June 2007 to grant the extension of time. On 30 July 2007 GD confirmed that he wished for an interlocutory hearing to be appointed. GD was informed on 1 August 2007 that a hearing would be appointed to discuss the TMR’s Preliminary View of 22 June 2007 to grant the extension of time. Further correspondence ensued between GD and the TMR on the issue to be discussed at the hearing.

20. The hearing took place before me on 12 September 2007. At the hearing which was via the video link, Mr Gerard Dugdill, appeared for the applicant and Mr Stephen Chubb represented the opponent.

### **The Hearing and Submissions**

21. Prior to the hearing I received written submissions from Mr Dugdill. At the hearing Mr Chubb, on behalf of XML, provided me with oral submissions. The main points arising from the parties’ submissions are as follows:

#### **The Opponent (XML)**

- extensions of time are governed by Rule 68 of the Trade Mark Rules 2000 (as amended) and the Registrar had the discretion to grant further time for filing evidence as provided for under Rule 13(C)(6) of the Trade Mark Rules 2000 (as amended) and the Registrar had to take account of the decision of the Appointed Person in LIQUID FORCE (1999) RPC 429;
- the Case Work Examiner had already accepted that the submissions made in the letter of 21 June 2007 to support the extension of time request represented valid and compelling reasons and grounds on which to overturn the Preliminary View of 8 June 2007;
- the applicant had failed to produce any evidence to show that the late filing of the evidence in reply had caused any inconvenience or prejudice;
- the opponent had completed all the work required and had filed the evidence within the period of time requested;
- in exercising its discretion the Registrar had to consider the overriding objective to ensure fairness to both parties;
- a failure to grant the extension of time would result in the opponent’s evidence in reply not being admitted which would prejudice the outcome of the proceedings and would be contrary to the public interest as the Hearing Officer would not have all the relevant information available when making his decision;

- as the evidential material had been faxed to the TMR late at night, it had been decided not to simultaneously fax the material to the applicant, however the evidence had been submitted to the TMR within the period of time requested.

### **The Applicant (GD )**

- the opponent had benefited throughout the proceedings from the Registrar's discretion and had been allowed a disproportionate amount of leeway ;
- the opponent had not provided detailed and compelling reasons and any decision to grant the extension of time would be contrary to the comments of the Appointed Person in Siddiqui's Application BL O-481-00;
- no work had been undertaken to prepare the evidential material in advance of the extension of time request;
- the Registrar had a duty to ensure that the proceedings were operated fairly and equitably;
- parties had to adhere to set timescales so as to ensure that proceedings did not drag on indefinitely.

### **The Decision at the Hearing**

22. At the conclusion of the hearing I informed the parties that I would be reserving my decision and that I would issue my decision in writing. In a letter dated 13 September 2007 I informed the parties of my decision. The relevant part of my letter reads:

'I have considered the submissions made by both parties and all the circumstances surrounding the case and it is my decision that I am going to uphold the Registry's preliminary view, given on 22 June 2007, and allow the opponent to have an extension of time within which to submit the evidence in reply.

In reaching my decision I have taken account of the need to ensure that the proceedings are dealt with as expeditiously and as fairly as possible to all the parties involved. I have also taken account of the possible consequences for the proceedings if the evidence that the opponent wishes to submit was not allowed to be admitted. I also acknowledge that my decision will result in the opponent being allowed a total of six months within which to submit their evidence and of the possible inconvenience that this delay may cause the applicant.

In exercising the Registrar's discretion in favour of the opponent I have taken into account the factors which contributed towards the opponent requiring the additional time. Amongst these were the opponent deciding to dispense with their legal representation and litigating the case in person; the time taken to obtain all of the papers from the trade mark attorney and the amount of detailed evidence which had been submitted by the applicant in support of his application. In view

of these reasons, I think that a request for additional time, within which to consider the evidence, decide what to file in response, collate and file it is not unreasonable and should be granted.

Having reviewed the papers already admitted into the proceedings, and given some of the comments which have been made, it is clear that the parties are set on defending their respective positions. In these circumstances I think that it is very important that all of the evidence, arguments and submissions which are available are admitted into these proceedings. This will ensure that, at final determination, the Hearing Officer will have the benefit of having before him all of the submissions and evidence from the parties which will assist him in reaching his decision.

The opponent submitted their evidence by facsimile transmission and it was received by the Trade Marks Registry on 28 August 2007. A hard copy was received on 30 August 2007. However, the opponent, omitted to include a Form TM54, Notice of giving evidence, with the material submitted. Therefore, I will allow the opponent until close of play Friday 14 September 2007 within which to file the appropriate form.

The consequence of my decision is that, subject to any appeal, the opponent's extension of time request is allowed until 14 September 2007. Once the Form TM54 is received the evidence will be admitted and processed by the registry.'

23. On 12 October 2007 GD filed a Form TM5 requesting a statement of reasons for my decision. This I now give.

## **Decision**

24. As the parties were without the benefit of legal representation, I began the hearing by briefly outlining the purpose of the hearing and explaining the procedures that would be followed. I explained that having requested the extension of time, XML would address me first, followed by GD. XML would then have the right to reply.

25. GD sought further clarification on the issue to be discussed at the hearing. I explained that the purpose of the hearing was to discuss the TMR's Preliminary View of 22 June 2007 to grant XML an extension of time until 28 August 2007 within which to file their evidence in reply. I informed GD that I was aware of all the correspondence on the case file in respect of his request to have the TMR's Preliminary View of 8 June 2007 reinstated. However, the matter before me was only the TMR's Preliminary View of 22 June 2007 and he should only address me on that issue.

26. GD then questioned why he had not received skeleton arguments from XML and how could the hearing be regarded as being fair and equitable to both parties when XML had failed to permit him any advance sight of the submissions they intended to make at the hearing. I explained that as XML were now litigants in person they were not required to provide any

skeleton arguments in advance of the hearing. XML had chosen to provide me with oral submissions.

27. Although I had made clear to the parties that the issue before me was only the TMR's Preliminary View of 22 June 2007, I feel that I should briefly comment on the circumstances, as I understand them to be, which resulted in the decision of the TMR to overturn the Preliminary View of 8 June 2007.

28. Following the issue of the TMR's Preliminary View of 8 June 2007, XML wrote to the TMR to express their objection to the decision to refuse the extension of time request. The letter asked for further consideration to be given to all the circumstances surrounding their request for the extension of time. In light of the fresh submissions made, the TMR reconsidered the earlier decision and decided to exercise its discretion in favour of XML by overturning the decision given on 8 June 2007 and granting the extension of time request. It must be borne in mind that the TMR's decision of 22 June 2007 was only a preliminary one and it was not automatically put into force. In accordance with Rule 54(1) of the Trade Mark Rules 2000 (as amended), the parties were offered the opportunity to be heard on the matter and GD subsequently requested a hearing.

29. I am satisfied that the decision to overturn the Preliminary View of 8 June 2007 was within the discretion of the TMR to make and that the decision was made without favouritism and in the interest of natural justice. As the parties were offered the opportunity to be heard on the matter, I do not believe that there has been any irregularity of procedure, nor do I believe that anyone has been prejudiced as a consequence of the decision.

30. As a direct result of the TMR's decision, the parties came before me at the hearing on 12 September 2007.

31. At the hearing I was referred to various authorities relevant to the consideration of requests for extensions of time. It was submitted that the Registrar had the discretion to grant or refuse requests for extensions of time and that in exercising that discretion I had to ensure that the parties were treated equally and fairly. I was also asked to take into account whether the reasons given for the extension of time were sufficiently detailed, strong and compelling to allow the request to be granted.

32. I was asked by GD to consider whether the reasons given in XML's letter of 21 June 2007 were sufficient to justify the decision of the TMR to overturn the Preliminary View of 8 June 2007 and to grant the extension of time. GD submitted that XML should be expected to bear the consequences for their failure to adhere to the timescales set for the filing of evidence in reply. XML had clearly not taken the necessary steps to ensure that sufficient time and resources were put in place to ensure that their evidence in reply would be submitted within the timescales set. GD further contended that he had behaved diligently to ensure that he had met all the timescales and deadlines set and that it would be unfair and unreasonable not to expect XML to behave in a similar fashion.

33. XML submitted that strong and compelling reasons had been provided to support their request for additional time within which to file their evidence in reply. I was reminded that the TMR, in granting any extension of time request, had to ensure fairness to all parties. No evidence had been provided to show that, the granting of an additional three months to file their evidence, would result in any inconvenience or prejudice to GD. XML stated that the TMR had already accepted the reasons provided by XML in support of their request. Any delay in prosecuting these proceedings was now as a direct result of GD challenging the TMR's decision and not because of the additional time that had been requested.

34. I was asked to take into consideration the fact that the evidential material had already been submitted, within the three month period requested, to the TMR and was now ready to be admitted into the proceedings. I was asked to take into consideration the amount and the content of the evidence in support of the trade mark application that GD had submitted. The nature of the evidential material had, I was informed, required careful analysis before any evidence in reply could have been prepared and submitted. In addition, a change in circumstances had resulted in XML no longer being legally represented and the additional time had been needed to become familiar with the details of the case and had been vital in the preparation of an appropriate response to GD's evidence.

## **The Law**

Rule 68 states:

### **Alteration of time limits (Form TM9)**

**“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 the Rules –

- (a) is sought in respect of a time or periods prescribed by rules 13 to 13C, 18, 23, 25, 31, 31A, 32, 32A, 33, 33A 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 10A(2) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rule 13A(1) (time for filing counter-statement), 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(3) (time for filing counter-statement and evidence of use or reasons for non-use), rule 32(3) (time for filing counter-statement), rule 33(6) (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 cases 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.”

35. The breadth of the discretion afforded to the Registrar was dealt with by the Appointed Person in *LIQUID FORCE* (1999) RPC 429. The Appointed Person held that the Registrar’s discretion was as broad as that of the Court and where relevant circumstances were brought forward, the Registrar could exercise that discretion. The Appointed Person also held that, whilst it was not always determinative if the evidence was available at the time at which the request for an extension of time fell to be decided, it was nevertheless an important factor to be taken into consideration.

36. In Siddiqui's Application (BL O-481 -00) the Appointed Person said:

‘ In a normal case this will require the applicant to show clearly what he has done, what he wants to do and why it is that he has not been able to do it. This does not mean that in an appropriate case where he fails to show that he has acted diligently but that special circumstances exist an extension cannot be granted. However, in the normal case it is by showing what he has done and what he wants to do and why he has not done it that the Registrar can be satisfied that granting an indulgence is in accordance with the overriding objective and that the delay is not being used so as to allow the system to be abused.’

37. In reaching my decision to confirm the Registry's Preliminary View to allow the extension of time request, I took account of the guidance provided by the Appointed Persons. I was satisfied that XML had provided strong and compelling reasons to support their request for more time to be allowed. XML had shown the reasons why more time was required to prepare and submit their evidence in reply. XML had, for financial reasons, taken the decision to dispense with their legal representation and as a consequence of this decision they had had to obtain all the papers entered into the proceedings from their previous legal representatives. There had been a delay in obtaining the papers and once obtained, XML were required to scrutinize what they regarded as being lengthy, complex and confusing material. All of this contributed towards a need for additional time within which to prepare a response to the evidence submitted by GD in support of the trade mark application.

38. The decision to dispense with their legal representation was XML's and I accept that there is an argument for saying that they should have been better prepared to face the possible consequences of their decision. That said, I am mindful of the fact that by having dispensed with their legal representation, at such an advanced stage in the proceedings, XML found themselves to be in a disadvantageous position. This is because, even though GD is also a litigant in person operating no doubt under similar pressures and constraints as XML, XML had clearly relied on their legal representatives to advise them and deal with all the issues pertaining to the case. XML were therefore not as familiar with the details of the proceedings compared to GD, who had litigated the case from the outset.

39. I was of the view, that having obtained the relevant papers from D Young & Co, XML should be allowed a period of time within which they could identify, prepare, collate and submit their evidence in reply. This would, I believe, place the parties to these proceedings on a more equitable footing.

40. I bore in mind that, by the date of the hearing, the work of compiling all the evidence had been completed and that the evidence had already been filed at the Registry. When the Registrar is faced with having to decide on a dispute, in particular one as acrimonious as this one appears to be, it must be clearly to the benefit of all the parties to have all of the evidential material placed into the proceedings. This will ensure that the Hearing Officer, at final determination, will have the benefit of having before him all of the evidence and submissions. This must be preferable to the possible alternative of the proceedings being terminated and then having another

set of proceedings started between the same parties, covering the same issues and with the same evidence being filed into the new proceedings.

41. However, this is not to be taken as meaning that the Registrar will always, when the evidence has been filed, favour the party seeking the indulgence. Nevertheless, it must surely be in the interest of all the parties to the proceedings that the dispute is resolved expeditiously, fairly and by saving expense wherever and whenever possible. This, in general terms, accords with the observations of Laddie J. in the appeal case *Hunt-Wesson Inc's Trade Mark Application (1196)RPC 233* at 241:

‘ An opposition may determine whether or not a new statutory monopoly, affecting all traders in the country, is to be created. Refusing permission to an opponent who files evidence late affects not only him but also may penalise the rest of the trade....although the matter is not clear, it is probable that if the evidence is excluded and the opponent, as a result, loses then he will be able to return again in separate proceedings to seek rectification of the register. An advantage of allowing in the evidence....is that it may well avoid a multiplicity of proceedings.’

42. Before reaching my decision to grant the extension of time I considered the possible consequences that my decision would have for GD. In reviewing all of the papers on the case I came to the conclusion that there did not appear to me that there would be any obvious or immediate consequences for GD if the extension of time for three months was granted. What was clear to me was that the parties were involved in a protracted and increasingly fractious dispute with some very serious accusations having been made. In view of this, I believed that the view expressed in the TMR's letter of 28 June 2007 to ensure that it would be in the interest of both parties to have all the available evidential material admitted into the proceedings and placed before the Hearing Officer at final determination, was correct. In *LIQUID FORCE (1999) RPC 429* the Appointed Person said:

‘...In the interest 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.’

43. Taking into account all the circumstances of the case, including the fact that the evidence was now available and ready to be admitted into the proceedings, I decided to exercise the Registrar's discretion and allow the opponent's request for an extension of time within which to file its evidence in reply.

### **Costs**

44. Neither party requested an award of costs to be made in their favour and I decided not to make an award.



**Dated this 1<sup>st</sup> day of November 2007**

**Raoul Colombo  
For the Registrar,  
The Comptroller General**