


O-089-17

TRADE MARKS ACT 1994
IN THE MATTER OF A JOINT HEARING IN RELATION TO
TRADE MARK REGISTRATION No. 3144983
IN THE NAME OF LARISSA WATSON
AND
APPLICATION No. 501300 BY EVEDEN INC
TO INVALIDATE THE TRADE MARK

BACKGROUND



1. Trade mark number 3144983 is in respect of the mark . It stands in the name of Larissa Watson (the proprietor), has a filing date of 18 January 2016 and was registered on 13 May 2016 in respect of “clothing”.

2. On 16 August 2016 Mathys & Squire LLP acting as agents on behalf of Eveden Inc (the applicant), filed an application to declare the mark 3144983 invalid. The application was made on Form TM26(I) under the provisions of Section 47(2)(a) and (b) in combination with Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act) on the basis of earlier rights claimed by the applicant in relation to the mark GOODDESS.

3. On 23 August 2016 the Tribunal served a copy of the Form TM26(I) on Ms Watson by e-mail. This was sent to the recorded address for service, i.e. goddessandswift@gmail.com. A copy was also sent by post under recorded delivery. The Form TM26(I) was accompanied by an official letter which advised Ms Watson that a period until 24 October 2016 was allowed in which to file a form TM8 and counterstatement. The letter contained the following paragraph:

“The Form TM8 and counterstatement should be received on or before **24 October 2016**.

If no TM8 and counter-statement are filed within this period, **(a period which cannot be extended)** the registration of the mark shall, unless the Registrar otherwise directs, be declared invalid in whole or part. This is in accordance with Rule 41(6).”

4. Nothing was received within the relevant period. Consequently, on 7 November 2016 the Tribunal wrote to Ms Watson and informed her that the Registrar was minded to treat the application as not opposed because no form TM8 and counter-statement had been filed. The letter was sent, again, by e-mail to the recorded

address for service and allowed until 21 November 2016 to respond. Ms Watson replied on the same day by e-mail and commented as follows:

“In reference to the recent letter I would like to confirm that I would like to retain my [trade mark].

Please let me know what I need to do to maintain the trademark as it stands.”

5. As no change of address for service was notified, the Tribunal continued to correspond with Ms Watson using the e-mail address goddessandswift@gmail.com. On 18 November 2016 the Tribunal informed Ms Watson that if she wished the Registrar to consider the TM8, she needed to file by 2 December 2016 a TM8 and counterstatement together with a witness statement explaining the reasons why it was not received by the due date.

6. Nothing further was received within the relevant period and on 16 December 2016 the Registrar wrote to Ms Watson in the following terms:

“I refer to the official letter dated 18 November 2016, a copy of which is attached.

No response appears to have been received within the time period allowed.

If no response is received on or before **30 December 2016**, the Registrar will proceed to issue a short decision on the issue of failure to comply with the Rules governing the filing of a defence”.

7. On 1 January 2017 Ms Watson replied as follows:

“I would like to confirm that I do not wish for my matured trademark [...] to be cancelled. I have had no access to my files for the last few weeks as our broadband was down so I was not able to either access the TM8 forms or to compile the required documentation in support. I am happy to undertake to review the terms of inclusion as suggested by Gary Johnston as per email below to exclude lingerie and hosiery from my class however as I have already designed a number of collections for spring summer which include

items which could be termed as beach wear I cannot undertake to completely close and area of my range. I am happy to discuss this at your convenience.”

8. She did so by way of an e-mail which was copied to Gary W Johnston at GWJohnston@mathys-squire.com, a partner at the applicant’s professional representative. I note that Ms Watson’s email forwarded the text of what seems to be a previous e-mail which had been sent by Mr Johnston to Ms Watson on 14 June 2016, prior to the filing of the Form TM26(I). In that e-mail Mr Johnston asked Ms Watson to restrict her specification to exclude lingerie, hosiery, beachwear and swimwear. It stated:

“Please let me know by close of play tomorrow if you are prepared to do this. If not, I will advise my client to investigate invalidity proceedings as previously indicated”.

9. The Registrar subsequently wrote to Ms Watson on 26 January 2017 stating that it was its preliminary view that she had failed to comply with the rules governing the filing of a defence and that it would proceed to declare the mark invalid. The letter went on to say that “given [Ms Watson]’s broadband problems, the Registrar would have expected [her] to have contacted the Tribunal to request a paper copy of the relevant papers [...] or to have used a library/internet café to access the relevant documents” and allowed the parties to request a hearing within a period of 14 days expiring on 9 February 2017.

10. By way of an e-mail dated 29 January 2017, Ms Watson requested a hearing. In relation to the letter of 26 January she stated:

“...I explained that my broadband was down and I have since received a new system from my service provider and a refund for the five weeks of no connection. I would like to add that I did try using alternative venues to download my email and do work however as I am sure you will comprehend using public services is not secure and as your documents were pdf attachments to emails I was unable to access or keep the documents for use in private/secure location such as my home office...”

The Hearing

11. A hearing took place before me on 20 February 2017. Ms Watson represented herself and Mr Gary Johnston of Mathys & Squire LLP represented the applicant.

Skeleton Arguments and submissions at the hearing

12. I received skeleton arguments from both sides prior to the hearing.

13. Mathys & Squire LLP provided a chronology of the events and referred me to Tribunal Practice Notice 1/2000, which states that this Tribunal adheres to the same overriding objective as the court for dealing with cases justly, as set out in rule 1.1 of the Civil Procedural Rules 1998. It also drew my attention to paragraphs 3.2.6 and 3.4.4. of the Trade Marks Tribunal Work Manual which set out the factors that the Registrar takes into account when deciding whether discretion should be exercised in favour of a party who has failed to file a defence within the relevant timescale (I say more about this below).

14. Ms Watson's skeleton arguments are reproduced as written below:

“1. Why this case is happening at all? The trademark was applied for and has already been granted for Goddess and Swift. It has been contested under petty and dubious grounds therefore this case should not be happening at all.

2. Why we are at this stage? As I already stated I am happy to discuss a negotiation of terms with the other party but feel that this case is being contested in a heavy handed way with little accommodation or respect to my already ruled TM rights. With disregard for the fact I have been using Goddess and Swift as a live trading entity for the last six years with a huge personal and financial investment and I am not in the Lingerie business posing any threat to the oppositions core business or any deliberate or unintentional duplication or overlapping of business interests.

3. Why communication broke down? I have been working from home for the last 18 months and therefore using my domestic broadband connection via Virgin. This broadband connection had been operating at below power and

no power at all progressively from July to December 2016. In late December 2016 Virgin eventually replaced our broadband hub with a new system.

4. **Timeline?** During the period of November, we had very weak broadband and for almost the entire month of December we had no broadband connection at all. Virgin Media has sincerely funded some of our fees for this time in recognition of this true fact and can provide evidence to support.

5. **Context?** During the last year and including the period under which the appeal to cancel the trademark was set, I, as the sole proprietor of the business have been undergoing severe personal and health issues. At the time of November and December 2016 I was almost entirely housebound due to anxiety (I can provide Dr evidence to support if required). This situation combined with having two Children sick and off school for much of December (I am able to provide school evidence if required) meant that I was not in a position to make use of other secure Wi-Fi sources outside of my studio. The IPO letters I was sent are Pdf's attached to emails, so, downloading them and reading them requires a safe, strong and secure internet connection. This was not available to me at this time and as stated my health and personal issues further impacted my ability to seek alternative connections.

6. **Position;** Having to open up and defend my personal situation, health situation, business and creative situation just to maintain the substantial investment I have made since establishing my company in 2011 is unacceptable. My business although diverse is not a threat to the opposition. I have made attempts to resolve issues with the other party but feel that their opposition of my already granted mark is both aggressive and lacking in any moral or ethical code of conduct. This entire situation is only contributing stress and putting a drain on resources to me personally but also my design business. In a global market with many opportunities for all businesses to trade fairly and profitably these actions are tantamount to corporate bullying of hard working independent enterprises.”

15. At the hearing Ms Watson reiterated that her failure to file a defence was the result of a combination of health and broadband issues, which occurred in November and December 2016. She also stated that on 19 December 2016 she contacted the Tribunal to request that a copy of the Form TM8 be sent to her e-mail address as

she was unable to download the form from the Intellectual Property Office's (IPO) website due to connection issues. It is not clear from Ms Watson's account, whether she explained the reasons for her request; in any event, she stated that the Tribunal directed her to the IPO's website and it seems that no further action was taken. I also questioned Ms Watson whether she had received a copy of the Form TM26(I) by post but she stated that she has no recollection of it.

16. Mr Johnston submitted that Ms Watson had several opportunities to file a defence and that, given the importance of the trade mark to Ms Watson, she could have gone to a café or a library to download the relevant documents and could have taken easy steps to avoid this situation. Although he was sympathetic to the difficulties encountered by Ms Watson, Mr Johnston supported the preliminary view and requested that it be made final.

17. At the conclusion of the hearing I reserved my decision.

DECISION

18. To date, no TM8 and counterstatement have been filed. Nor did Ms Watson request an extension of time to file her defence. The situation, no doubt, has been compounded by Ms Watson acting without legal representation. Whilst it is not clear to what extent, if any, settlement discussions might have taken place, there has been no request from the parties to enter into a cooling off period.

19. Ms Watson is effectively asking me to avoid the consequences of her failure to file a defence on the basis that there was a combination of health and broadband issues, the application for invalidation is allegedly not well-founded and her business does not pose any threat to the applicant's business. Whilst Ms Watson has not pleaded her case expressly, as she is acting without legal advice I consider it right to consider whether any of the remedies available to the Registrar under the Rules is applicable to the circumstances of the case.

Rule 77(5)

20. For the purpose of this decision, it suffices to say that the period allowed to a proprietor to file a Form TM8 and counterstatement to an invalidation action is a non-extensible period governed by Schedule 1 to the Trade Marks Rules 2008 (the Rules). Rule 77(5) provides:

“A time limit listed in Schedule 1 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

- (a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the registrar, the Office or the International Bureau; and
- (b) it appears to the registrar that the irregularity should be rectified.”

21. Although Ms Watson has no recollection of receiving a copy of the Form TM26(I) via post (and the Royal Mail website does not provide proof of posting), the copy sent by e-mail was correctly served and Ms Watson does not dispute that it was received. She maintained that the failure to file a TM8 and defence within the period allowed was due to a combination of health and broadband issues (I say more about this below). Ms Watson replied to the Tribunal a number of times from the same e-mail address where the Form TM26(I) (and further correspondence) was served and, at no point, did she request the correspondence to be sent to a postal address. Accordingly, no “irregularity” attributable to omission or other error on the part of the registrar, the Office or the International Bureau has been identified and Rule 77 (5) does not apply.

Rule 41(6)

22. Rules 41(6) provides:

- (6) The proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the

proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.

23. Ms Watson alleged, in her submissions and at the hearing, that the invalidation action is unfounded, however, this does not amount to a properly constituted defence and she has, to date, failed to file a TM8 and counterstatement. In *Bosco BL –O-399-15* Mr Hobbs sitting as the Appointed Person, agreed with the proposition that “the Registrar has a discretion under Rule 41(6) to allow the Registry proceedings to continue notwithstanding the Proprietor’s failure to comply with the filing requirements of that Rule”. Consequently, this is a route open to Ms Watson and I will proceed to consider it.

24. In approaching the discretion provided by the use of the words “unless the registrar otherwise directs” in Rule 41(6) I take into account the decisions of the Appointed Person (“AP”) in *Kickz AG and Wicked Vision Limited* (BL-O-035-11) and *Mark James Holland and Mercury Wealth Management Limited* (BL-O-050-12) i.e. I must be satisfied that the circumstances identified by Ms Watson constituted extenuating circumstances sufficient to justify the exercise of discretion in her favour. When assessing whether the factors outlined by Ms Watson constituted “extenuating circumstances”, the following factors are relevant:

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 ground
3. The consequences of treating Ms Watson as opposing or not opposing the application
4. Any prejudice caused to the applicant by the delay
5. Any other relevant considerations, such as the existence of related proceedings between the same parties

25. In relation to point 1, a copy of the Form TM26(I) was correctly served on 23 August 2016 and, as I said in the preceding paragraph, Ms Watson does not dispute that the copy was received. In her correspondence and skeleton arguments (paragraph 4), Ms Watson confirmed that the only period where she had no broadband connection was effectively December 2016 and that the refund obtained from her provider covered only “five weeks of no connection”. Although she also referred, in her skeleton arguments, to her broadband connection “operating at below power and no power at all progressively from July to December 2016” (paragraph 3), this did not prevent her, as she stated, from “working from home for the last 18 months” using her domestic broadband. The main difficulty I have with Ms Watson’s submissions is that the facts upon which she relies occurred in November and December 2016. She did not explain why she had not filed the TM8 within the deadline of 24 October 2016. Her reasons, if anything, only reinforce the conclusion that there are not “extenuating circumstances”. In June 2016 Ms Watson was given prior warning by the applicant that invalidation would be forthcoming, if no agreement was reached. Having been served with a copy of the invalidation application, she was given clear warnings of the need to comply with the deadline of 23 October 2016 and was informed of the consequences of not adhering to it (official letters of 24 August and 7 November 2016). However, the only step Ms Watson took was to enquire what she needed to do to retain her trade mark after the deadline for filing the TM8 had already expired. Further, after she was given a further opportunity to file a defence (by a new deadline of 2 December 2016), she took no steps to meet that deadline and/or to solemnise in evidence her (unsupported) assertions regarding the reasons for the delay. The fact that Ms Watson is acting without legal representation does not exonerate her from having to comply with the rules¹. She has failed on multiple occasions in complying with her own duties and I do not accept her argument that she was housebound for most of November and December 2016, due to health issues and children’s illnesses. She knew that her trade mark was under attack and she understood what was being requested. If, for whatever reason, she was unable to read the Tribunal’s correspondence which had been sent to her email

¹ See O-399-15, paragraph 18 where Mr Hobbs, sitting as the Appointed Person, stated: “It continues to be the position in civil proceedings in the High Court that: ‘... if proceedings are not to become a free-for-all, the court must insist on litigants of all kinds following the rules. In my view, therefore, being a litigant in person with no previous experience of legal proceedings is not a good reason for failing to comply with the rules’ [...]”

address or to download a copy of the Form TM8 from the IPO's website, I would have expected, at least, Ms Watson to contact the Tribunal in a timely manner and request that a copy of the correspondence and/or Form TM8 be sent to her postal address.

26. In relation to point 2, at the hearing Ms Watson suggested that the invalidation has not merit because the word GOODESS of the applicant's mark is generic and because she trades in a different area from that of the applicant. These are matters which could be decided as part of the substantive decision and in relation to which it would be inappropriate for me to comment. Hence, the merit of the invalidation action cannot be dismissed merely on the basis of Ms Watson's submissions.

27. As to point 5 I am not aware of any related proceedings between the parties, so this point is not relevant.

29. That leaves points 3 and 4 to be considered. As to point 3, Mr Johnston submitted at the hearing that if I were to allow the proceedings to continue, the delay which would occur would prejudice the applicant. However, it is not clear to me to what, if any, material extent.

30. In my view, the best point in Ms Watson's favour is that there is obviously prejudice to her if she is not allowed to defend her mark. However, this is not in my view sufficient to counterbalance the lack of any compelling reasons for Ms Watson to be treated as defending the application. It will always be the case that where a party to proceedings fails to file a defence resulting in an adverse decision from the Tribunal, the consequence will be the loss of some or all of the subject application/registration. This is not a sufficient reason in and of itself for a finding in the Ms Watson's favour, rather, it is a possible consequence and is one of the factors to be considered.

CONCLUSIONS

31. For the reasons given above, the applicant succeeds and, in accordance with Rule 41(6) I hereby declare Ms Watson's registration invalid and the registration deemed never to have been made.

Costs

32. As my decision concludes the proceedings, I will now consider the matter of costs. Awards of costs are dealt with in Tribunal Practice Notice TPN 2/2016. The applicant having been successful is entitled to a contribution towards its costs. Bearing in mind that there was no counterstatement to consider and that the issue discussed at the hearing was not complex, I award costs to the applicant on the following basis:

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| Official fees: | £200 |
| Preparing a notice of opposition: | £100 |
| Preparing for and attendance at the joint hearing: | £150 |
| Total: | £ 450 |

33. I order Larissa Watson to pay Eveden Inc the sum of £ 450 as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this 28th day of February 2016



**Teresa Perks
For the Registrar
The Comptroller - General**