O-103-17

TRADE MARKS ACT 1994

IN THE MATTER OF

APPLICATION NO 3167924

BY DANIEL POWELL

TO REGISTER

ladykilla

AS A TRADE MARK

IN CLASSES 25 & 35

AND

THE FAILURE TO FILE FORM TM8 AND COUNTERSTATEMENT

IN DEFENCE OF THAT APPLICATION

IN OPPOSITION PROCEEDINGS (NO. 407531)

LAUNCHED BY

KILLAH INVESTMENTS S.A.

Background

1) On 03 June 2016, Daniel Powell ('the applicant') applied to register **ladykilla** as a trade mark for certain goods and services in classes 25 and 35. The application was published on 01 July 2016 in the Trade Marks Journal. On 01 September 2016 and 30 September 2016, Forresters, on behalf of its client, Killah Investments S.A. ('the opponent') filed notice of threatened opposition (Form TM7A) and notice of opposition (Form TM7) respectively. The opponent relies upon grounds under section 5(2)(b) of the Trade Marks Act 1994 ('the Act') and directs its opposition to all of the goods and services in the application.

2) On 04 October 2016, Form TM7 was served on the applicant. The accompanying letter stated, inter alia:

> "The TM8 and counterstatement or TM9c must be received on or before **5 December 2016**.
>
> If you choose not to file a TM8, or a TM9c to continue with your application, you should be aware that your application shall unless the Registrar otherwise directs be treated as abandoned in whole or part, in accordance with Rule 18(2) of The Trade Marks Rules 2008.
>
> …
>
> The Office actively encourages parties to mediate as a swifter and less costly alternative to litigation. If you feel that this option is of interest, the Office can either provide a member of its own team of accredited mediators, each with extensive experience of dealing with intellectual property disputes, or can provide a list of other mediation providers…."

3) As no Form TM8 and counterstatement or Form TM9C was received by the deadline, on 14 December 2016 the Tribunal wrote to the applicant in the following terms:

> "The official letter dated **4 October 2016** invited the applicant to file a TM8 and counterstatement on or before **5 December 2016.**
>
> As no TM8 and counterstatement has been filed within the time period set, Rule 18(2) applies. Rule 18(2) states that the application:
>
> "…….shall, unless the registrar otherwise directs, be treated as abandoned."
>
> The Trade Marks Registry is minded to deem the application as abandoned as no defence has been filed within the prescribed period.
>
> If no response is received on or before **28 December 2016** the Registrar will proceed to deem the application abandoned."

4) On 14 December 2016, the Tribunal received an e-mail from the applicant, stating the following:

> "Hi,
>
> Really sorry, I must have done something wrong here.
>
> I DO NOT WISH to abandon the application and have spent considerable money appointing somebody to mediate with the company on my behalf
>
> Please tell me the next steps as I must have made a mistake
>
> I really need this trademark and feel I have valid grounds to obtain it
>
> …"

5) A note on the case-file, dated 14 December 2016, indicates that the applicant was informed in the course of a telephone conversation with a caseworker in the Tribunal that he would need to file his Form TM8 and counterstatement with a witness statement explaining why the deadline had been missed and that, upon receipt of these documents, the Tribunal would issue its preliminary view on whether the Form TM8 and counterstatement could be admitted.

6) On 21 December 2016, a witness statement was received in the name of Mr Ralph Henry Holden ('Mr Holden') of Portal Business Solutions Ltd ('PBS') (PBS was subsequently appointed as the applicant's address for service by way of Form TM33 on 20 January 2017). The most pertinent points emerging from Mr Holden's statement are:

- Mr Holden is a director of PBS. On 5 October 2016 he was instructed by the applicant to "act for him in connection with a Form TM7, Notice of Opposition to his Application No UK00003167924 LADYKILLA filed by Messrs Forresters…" These instructions were confirmed in a meeting with the applicant on the same date. During that meeting the applicant gave Mr Holden copies of the Form TM7 and the official letter of 4 October 2016.
- Mr Holden states that he "made a specific note that the deadline for responding to the Notice of Opposition was 5 December 2016." In support of this statement he exhibits a copy of a note from his case-file. In paragraph 9 of the file note, it states, inter alia, "The TM8 or the TM9C must be **delivered to the IPO before 5th December."**
- On 17 October 2016, Mr Holden wrote to Forresters. The letter essentially denied the opponent's claims and proposed an amendment to the Deed of Undertaking which Forresters had sent to the applicant on 26 August 2016 (prior to the filing of Form TM7). Mr Holden states that this was done "in the spirit of conciliation/mediation…to conclude matters by negotiation and an amicable settlement."
- Mr Holden states that Forresters failed to respond to that letter and therefore a reminder was sent on 5 December 2016 (I note that this was the deadline for filing Form TM8 and counterstatement or Form TM9c).
- Mr Holden states that "It is regretted that because I believed the compromise put forward, after due consideration by Forresters, would be accepted as being fair and reasonable to both parties, I failed to realise that the time to submit Form TM8 and counterstatement by the deadline of 5 December 2016 was fast expiring. Although we sent our

reminder letter to Forresters, 5 December 2016, I had not appreciated, even at that juncture that the deadline ran out on that date."

And

"I must accept complete responsibility for failing to submit the subject Form and Counterstatement on time. In mitigation I would however request the Registrar to accept the omission was not deliberate and was due to an office oversight arising from my honest expectation that the issue would be resolved on the basis of the fair compromise proposed."

7) The Tribunal's letter of 09 January 2017 acknowledged receipt of the above and gave the preliminary view that the reasons provided were considered to be insufficient to warrant the exercise of the registrar's discretion to not deem the application abandoned. The parties were referred to the decisions of the Appointed Person in *Kix* (BL-O-035-11) and *Mercury* (BL-O-050-12) in support of this view. A period of 14 days, until 23 January 2017, was allowed to request a hearing on the matter.

8) By way of a letter dated 20 January 2017, Mr Holden requested a hearing on behalf of the applicant and gave further explanation as to why the application should not be deemed abandoned. Insofar as the letter expands on reasons already provided, Mr Holden's points can be summarised as follows:

- He argues that it is "implicit in the IPO letter, 4 October 2016, that the parties should seek to resolve any issues between them by negotiation or mediation" and that "If negotiations were in train, then it was indicated the parties should resort to a 'cooling off period' for a further period of seven months by filing Form TM9C".
- It is stated that the applicant has a "valid and genuine defence to the opposition" and that "the initiation of fair and reasonable negotiations together with the stated legal challenges to the grounds of opposition constitute

extenuating circumstances and/or compelling reasons sufficient for the Registrar to exercise his/her discretion…".

- Mr Holden contends that Forresters failure to respond to his letter of 17 October 2016 means that they have failed to live up to their stated aim, as advertised on their website, of providing a quality service and dealing with enquiries "as promptly and courteously as possible".
- Mr Holden further stresses that "the severe consequences of the procedural failure to meet the deadline…should be modified in a situation such as this present case where a genuine effort was made to meet the Opposer's concerns by conducting negotiations…"

The Hearing

9) A hearing took place before me on 24 February 2017 by telephone conference. The applicant was represented by Mr Holden of PBS, the opponent by Mr Wake of Forresters. As both filed skeleton arguments ('skeletons') beforehand, which form part of the official record, and most of the submissions made to me at the hearing remained within the scope of those skeletons, I do not intend to recount all of the respective submissions here. Rather I will refer to certain of the parties' arguments as, and when appropriate, in the following decision.

The law

10) Rule 18 of the Trade Marks Rules 2008 ('the Rules') provides:

> "(1) The applicant shall, within the relevant period, file a Form TM8, which shall include a counter-statement.
> (2) Where the applicant fails to file a Form TM8 or counter-statement within the relevant period, the application for registration, insofar as it relates to the goods and services in respect of which the opposition is directed, shall, **unless the registrar otherwise directs,** be treated as abandoned.

(3) Unless either paragraph (4), (5) or (6) applies, the relevant period shall begin on the notification date and end two months after that date." (my emphasis)

11) The combined effect of Rules 77(1), 77(5) and Schedule 1 of the Rules means that the time limit in rule 18, which sets the period in which the defence must be filed, is non extensible other than in the circumstances identified in rules 77(5)(a) and (b) which states:

"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."

12) In *Kix*, Mr Hobbs QC sitting as the Appointed Person held that the discretion conferred by rule 18(2) is a narrow one and can be exercised only if there are "extenuating circumstances". In *Mercury,* Ms Amanda Michaels, sitting as the Appointed Person, in considering the factors the Registrar should take into account in exercising the discretion under rule 18(2), held that there must be "compelling reasons". She also referred to the criteria established in *Music Choice Ltd's Trade Mark* [2006] R.P.C. 13 ('*Music Choice'*), which provides guidance applicable by analogy when exercising the discretion under rule 18(2). Such factors are, adapted for opposition proceedings, as follows:

(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 opponent's allegations in its statement of grounds;

(3) The consequences of treating the applicant as opposing or not opposing the opposition;

(4) Any prejudice caused to the opponent by the delay;

(5) Any other relevant considerations, such as the existence of related proceedings between the same parties.

13) It is clear that there has been no irregularity in procedure. Accordingly, I need not consider rule 77(5). The only possible basis on which I may allow the applicant to defend the opposition proceedings is provided by the words “unless the registrar otherwise directs” in rule 18(2). As Mr Holden conceded, the discretion available to me under that rule is a narrow one.

14) Mr Holden argued that the five factors in *Music Choice* should not be regarded as exclusive or exhaustive and that there may be a separate factor which may, in and of itself, constitute extenuating circumstances/compelling reasons. In his submission, that is the case here given that the applicant tried to negotiate a settlement with the opponent but received no response and therefore this factor alone may be enough to warrant the exercise of my discretion. I note this contention, however, it seems to me that the correct approach is to bear in mind all of the *Music Choice* factors and to take into account the applicant’s attempts to negotiate as part of my consideration of the first of those factors i.e. the circumstances relating to the missing of the deadline including reasons why it was missed.

15) Proceeding on that basis, and dealing first with the second of the *Music Choice* factors, the grounds of opposition are under section 5(2)(b) of the Act which requires a careful multifactorial assessment. In terms of the third factor, if discretion were not to be exercised the applicant faces the serious consequence of losing its trade mark application; contrastingly if discretion were exercised, the case would proceed to be determined on its merits. As regards the fourth factor, Mr Wake did not bring my attention to any specific prejudice which may have been caused to the opponent by the delay thus far. I say ‘thus far’ since the Form TM8 and counterstatement has still not been filed. As to the fifth factor, I have not been made aware of any related proceedings between the parties or other relevant matters.

16) I now turn to consider the first *Music Choice* factor, noting firstly that the deadline for filing the Form TM8 and counterstatement was 5 December 2016 and, to date, has still not been filed. The circumstances relating to the missing of the deadline are, in essence, that Mr Holden, despite making a specific emboldened note of that deadline on his file on 5 October 2016, "failed to realise that the time" was "fast expiring" due to him awaiting a response from Forresters to his letter of 17 October 2016 which proposed an amicable settlement. He also failed to realise on 5 December 2016, when he sent a reminder to Forresters, that the "deadline ran out on that date".

17) At the hearing, Mr Holden relied upon a further reason which he contended may have contributed to him missing the deadline. Although this was raised for the first time at the hearing, I allowed Mr Holden to introduce the point, bearing in mind that Mr Wake did not voice any objections. Mr Holden explained that he suffers from a form of vertigo, specifically, ménière's disease. He explained that symptoms of this condition include dizziness, nausea and double vision. Despite stating that this condition is, and was at the relevant time, "well under control" he nevertheless submitted that it "may" have affected his "diligence, judgement and professional efficiency" in the period leading up to the relevant deadline. I asked Mr Holden why this information had not been provided in his witness statement or, indeed, in his letter of 20 January 2017. He stated that he had not, at that time, thought it would have been a relevant factor and that it was only after reading the decision in *Mercury*, where the applicant's health issues were highlighted as being a possible relevant factor that he considered it appropriate to introduce this information.

Conclusions

18) The official letter of 04 October 2016 made clear the consequences of not responding by the relevant deadline. Mr Holden was fully aware of that deadline having made an emboldened not of it on his case-file. It is true, as Mr Holden was keen to stress, that the letter makes reference to mediation/negotiations and that the parties are encouraged to settle the dispute amicably. However, this is clearly framed in terms of this avenue being a possible "alternative" to the dispute before the Tribunal. Nowhere does the letter indicate that, if the parties are in

mediation/negotiations or one party has attempted to contact the other to settle the dispute amicably, the deadline of 5 December 2016 would become inapplicable. On the contrary, it clearly states that the applicant must file its Form TM8 and counterstatement or both parties must agree to file Form TM9c by that deadline otherwise the application may be treated as abandoned. Accordingly, when Mr Holden had received no response at all from Forresters by 05 December 2016, this should have alerted him to the need to file a Form TM8 and counterstatement in order to preserve the trade mark application. The fact that he did not do so, is not the fault of Forresters, who, as Mr Wake submitted, was under no obligation to respond to Mr Holden's letter. In this connection, I am mindful of the comments of Mr Hobbs QC in *Bosco* (BL-O-399-15). Although that case related to invalidation proceedings, the comments of Mr Hobbs QC are equally applicable here. He said:

> "15 …When filing the application for invalidity, the Applicant's attorneys did everything they were required to do by the Act and the Rules – no more and no less. They were under no duty or obligation to assist the Proprietor (or any trade mark attorneys he might instruct) to defend his registered trade mark from attack. The Proprietor was responsible for protecting his own interests and doing whatever needed to be done in that connection. … These failings on his part were not attributable to any act or omission (let alone any blameworthy act or omission) on their part." (my emphasis)

19) Mr Holden contended that the instant circumstances can be distinguished from those in *Mercury* because, in that case, the applicant did not formulate any form of defence at all, whereas the applicant in this case had set out the grounds for its defence in Mr Holden's letter to Forresters. I do not accept this contention. As Mr Wake submitted, the letter to Forresters does not constitute a properly filed defence to the opposition which must be filed by way of Form TM8 and counterstatement at the Tribunal, as was made clear in the official letter of 04 October 2016.

20) In terms of the form of vertigo from which Mr Holden suffers, it is difficult to understand why and how the said condition affected Mr Holden's diligence and professional efficiency, particularly since Mr Holden also stated that this condition was "well controlled" at the relevant time. Mr Holden's statement that this condition

"may" nevertheless have caused him to miss the deadline falls a long way short of satisfying me that it was the reason that he missed the deadline or that it was even a contributing factor in it being missed.

21) Whilst I agree with Mr Holden that there is nothing to suggest that the applicant has sought to abuse the system and I remind myself of the lack of any specific prejudice caused to the opponent by the delay thus far and of the serious consequences for the applicant of losing its trade mark application, I come to firm view that these factors are insufficient to counterbalance the wholly inadequate reasons which have been put forward for missing the deadline. There are no "extenuating circumstances" or "compelling reasons" to enable the narrow discretion to be exercised. **The trade mark application is treated as abandoned under rule 18(2).**

COSTS

22) My decision means that the opponent has been successful in its opposition against the trade mark application. As such, it is entitled to a contribution towards the costs it has incurred in dealing with these matters. Using the guidance set out in Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

Official fee (TM7)	£100
Preparing the notice of opposition	£200
Preparing for, and attending, the joint hearing	£200
Total:	**£500**

23) I order Daniel Powell to pay Killah Investments S.A. the sum of **£500**. 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 7th day of March 2017

Beverley Hedley
For the Registrar,
the Comptroller-General