

TRADE MARKS ACT 1994

IN THE MATTER OF A JOINT HEARING HELD IN RELATION TO

REGISTRATION NO. 2067542  
IN THE NAME OF CAVIAR HOLDINGS INC.

AND

REVOCATIONS THERETO UNDER NOS. 501628 & 501649 BY  
ROOF DECK ENTERTAINMENT LLC

## BACKGROUND

1. Registration No. 2067542 is for the trade mark:



It stands registered in the name of Caviar Holdings Inc. (“the proprietor”) in classes 9, 25, 32, 39, 41 and 42. It was filed on 2 April 1996 and entered in the register on 18 July 1997.

2. On 21 April and 4 May 2017, Taylor Wessing (“TW”), on behalf of its client Roof Deck Entertainment LLC (“the applicant”), filed two applications to have this trade mark revoked in full for non-use under section 46(1)(b) of the Trade Marks Act 1994 (“the Act”).

3. On 3 and 15 May 2017, these applications were served on the proprietor’s then professional representatives ADJ Farmiloe (“ADJF”) and G H Canfields LLP (“GHC”). The letter sent to ADJF on 3 May 2017 was subsequently reissued to GHC on 15 May 2017. These letters indicated that should the proprietor wish to defend its registration then:

“The TM8(N) and counterstatement must be received on or before [3 July and 17 July 2017 respectively].”

The letters also contained the following paragraph:

“In accordance with rule 38(6) if the TM8(N) and counter-statement are not filed within this period, (a period which cannot be extended), the registration of the mark shall, unless the registrar otherwise directs, be revoked in whole or part.”

Rule 38(6) mentioned above can be found in The Trade Marks Rules 2008 (“the rules”).

4. On 11 and 25 July 2017, the Tribunal wrote to GHC again. It indicated that the Tribunal was:

“...minded to treat the proprietor as not opposing the application for revocation and revoke the registration as no defence has been filed within the prescribed period.”

5. Those letters also included the following paragraph:

“If you disagree with the preliminary view you **must** provide full written reasons and request a hearing on, or before, [25 July and 8 August 2017 respectively]. This **must** be accompanied by a Witness Statement setting out the reasons as to why the TM8 and counterstatement are being filed outside of the prescribed period.”

6. On 25 July 2017, Nucleus IP Limited (“Nucleus”) filed a Form TM33 to appoint itself as the proprietor’s professional representative. It also filed two Forms TM8(N) and counterstatements accompanied by witness statements from Robert Whitehouse, a Consultant Solicitor at GHC and Nathan Lowry, the proprietor’s Managing Director.

7. The Tribunal considered the reasons provided by Messrs. Whitehouse and Lowry and in a letter dated 31 July 2017, it replied stating:

“The Registry’s preliminary view is that the late [TM8Ns] should not be admitted. The facts of the case show that the serving letters were received by the registered proprietor’s representatives; the date for filing the TM8N was clearly set out, as were the consequences of not filing the defences on time; and that the failure to adhere to the deadlines was wholly on the part of the registered proprietor and his legal representative.

The Registrar can only exercise discretion where, as clearly stated by the case law, there exists extenuating circumstances or compelling reasons to do so. The Registrar's view is that in this case, the reasons provided are neither compelling nor extenuating."

8. The proprietor asked to be heard and a hearing to decide the matter took place before me, by telephone, on 27 September 2017. At the hearing, Mr Ben Longstaff of counsel instructed by Nucleus represented the proprietor; the applicant was represented by Ms Ashton Chantrielle of counsel instructed by TW; both parties filed skeleton arguments in advance of the hearing.

### **The statutory provisions**

9. For the purposes of this decision, it is not necessary for me to set out all of the statutory provisions governing the conduct of revocation proceedings before the Tribunal. Suffice to say that the period allowed to a proprietor to file a Form TM8(N) by rule 38(3) is a non-extendable period governed by Schedule 1 to the rules. Notwithstanding the above, the registrar may allow a proprietor to file a Form TM8(N) after the due date if he is satisfied it is appropriate to do so. At the hearing, Mr Longstaff indicated that the proprietor was relying solely upon the discretion contained in rule 38(6) which reads as follows:

"38(6) Where the proprietor fails to file a Form TM8(N) within the period specified under paragraph (3) the registration of the mark shall, unless the registrar directs otherwise, be revoked" (my emphasis).

### **How the discretion should be approached**

10. In their skeleton arguments, both counsel referred to guidance provided in 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). At the hearing, it was agreed that in approaching the discretion provided by the use of the words: "...unless the registrar directs otherwise" in rule 38(6), I should be guided by these decisions i.e. I had to be satisfied that the various

factors identified by the proprietor (whether individually or collectively) constituted “extenuating circumstances” sufficient to justify the exercise of discretion in its favour. When testing whether the factors outlined by the proprietor constituted “extenuating circumstances”, I am guided by, inter alia, the comments of the AP in *Mercury* in which (by reference to the comments of Mr Geoffrey Vos Q.C (as he then was) in *Music Choice Ltd’s Trade Mark* [2006] RPC 13) and adapted to the matter at hand, the AP agreed that in reaching a conclusion a range of factors should be taken into account; I shall return to these factors below.

11. The key dates and events leading up to the failure by the proprietor to file the Forms TM8(N) by the deadlines set by the Tribunal are as follows:

- **19 April 2017** – GHC send a letter before action to the applicant complaining of trade mark and copyright infringement and passing off (Lowry para. 6);
- **21 April and 4 May 2017** – TW file two applications for the revocation of the registration in suit;
- **2 May 2017** – GHC advise the Tribunal it is representing the proprietor (the letter was received by the Tribunal on 4 May 2017);
- **3 May 2017** – the first Form TM26(N) is served on ADJF (the proprietor’s professional representative at that time) and the deadline to file the Form TM8(N) is set i.e. 3 July 2017;
- **9 May 2017** – TW respond to GHC on the applicant’s behalf (Lowry para.7);
- **15 May 2017** – the second Form TM26(N) is served on GHC and the deadline to file the Form TM8(N) is set i.e. 17 July 2017. The papers originally sent to ADJF in relation to the first Form TM26(N) are resent to GHC. The deadline to file the first Form TM8(N) is unchanged;
- **25 May 2017** – Messrs. Lowry and Whitehead meet with Mr Malcolm Chapple of counsel at New Square Chambers to agree next steps (Lowry para. 9,

Whitehead para. 4). At the close of the conference, Mr Chapple provides Mr Whitehead with the names of three trade mark agents to “pass to Mr Lowry” recommending Nucleus (Whitehead para 8);

- **30 May 2017** – GHC contact Nucleus and shares this information with Mr Lowry (Lowry para 12);
- “On or around” **2 June 2017** – Mr Lowry collects files from GHC to prepare the proprietor’s evidence of use (Whitehead para. 9);
- **8 June 2017** – Mr Lowry emails Mr Whitehead “requesting the names of the trade mark agents he should contact” (Whitehead para. 9) – a copy of this email is not in evidence;
- **14 June 2017** – the names suggested by Mr Chapple are sent by Mr Whitehead to Mr Lowry by email (Whitehead para 9) - a copy of this e-mail is not in evidence;
- **11 July 2017** – the Tribunal advises GHC that the first deadline i.e. 3 July 2017 has passed and allows GHC until 25 July 2017 to, inter alia, request a hearing. GHC forward this letter to Mr Lowry (Lowry para. 14). Mr Lowry explains that “once [he] became aware of the situation [he] arranged for GHC to appoint the trade mark firm and arranged a call with GHC and the trade mark firm to ensure the latest deadline was met...” (Lowry para 15);
- **25 July 2017** - the Tribunal advises GHC that the second deadline i.e. 17 July 2017 has passed and allows GHC until 8 August 2017 to, inter alia, request a hearing;
- **25 July 2017** – Nucleus files Form TM33 to appoint itself as the proprietor’s professional representative and, inter alia, the Forms TM8(N).

## **DECISION**

12. As I mentioned above, in *Mercury*, the AP indicated that a consideration of the following factors is likely to be of assistance in reaching a conclusion as to whether or not discretion should be exercised in favour of a party in default. That is the approach I intend to adopt referring to the written and oral submissions to the extent that I consider it necessary to do so.

### **The circumstances relating to the missing of the deadlines including reasons why they were missed and the extent to which they were missed;**

13. The deadline for filing the first Form TM8(N) i.e. 3 July 2017 was missed by 22 days whilst the deadline for filing the second Form TM8(N) i.e. 17 July 2017 was missed by 8 days. In his skeleton argument, Mr Longstaff stated:

“13a. The circumstances set out in Caviar's evidence are obviously unfortunate, but we submit not the result of any fault, negligence or recklessness by Caviar. It did not know of the deadlines, and if anyone ought to have been ensuring that the new appointment was being made, it should have been GHC. It is understandable that Caviar assumed the matter was being handled by the professionals on the team at that point. Caviar did not wilfully or recklessly ignore the deadlines, they were simply unaware of them, and that was then compounded by the misunderstanding. This is not something for which Caviar should be harshly penalised.”

14. The circumstances leading to the missing of the first deadline revolve around what is said to be the misunderstanding which occurred between Messrs. Lowry and Whitehead following the conference with counsel held on 25 May 2017. In his witness statement, Mr Lowry states:

“9...I was aware that the UKIPO had issued notifications to GHC but was not aware of the specific deadlines to respond to the UKIPO.”

15. Mr Whitehead states that at the close of the conference, Mr Chapple provided him with the names of three trade marks agents “to pass to Mr Lowry”. However, Mr Lowry states on 30 May 2017, GHC contacted Nucleus “with a view to bringing them on board to handle the matter...” and that Nucleus shared that information with him. He adds:

“12...Unfortunately, while I assumed GHC would appoint the trade mark firm to move things forward, they assumed I was doing the same and the trade mark firm was inadvertently not appointed...”

16. There is no mention in Mr Whitehead’s statement of any contact by GHC with either Nucleus or any subsequent contact with Mr Lowry. Regardless, at that point, Mr Lowry was clearly under the impression that GHC would take the necessary steps to appoint a trade mark agent.

17. However, even if that was Mr Lowry’s understanding of the position on 30 May 2017, Mr Whitehead states that on 8 June 2017, Mr Lowry emailed him asking “for the name of the trade mark agents he should contact” and that he passed those names to Mr Lowry in an email dated 14 June 2017. Although copies of those emails are not in evidence, it appears that Mr Lowry’s understanding of the position must have changed (perhaps following the visit to GHC “on or around” 2 June 2017) because he then contacted Mr Whitehouse on the basis indicated. Mr Whitehouse states:

“10. I did not hear further from Mr Lowry and assumed that he had either appointed a trade mark agent and he forwarded the files to whomsoever he had appointed for the drafting of his objections.”

18. Although Mr Lowry may not have been aware of the various deadlines running at the close of the conference held on 25 May 2017, those deadlines would, I am sure, have been firmly in the minds of both Messrs. Whitehouse and Chapple. In her skeleton argument, Ms Chantrielle stated:



“20...The more likely explanation is that the proprietor failed to give instructions to [GHC] to continue handling the matter.”

19. Making the best I can of the tension which Mr Longstaff fairly accepted existed between the parts of the two statements I have identified, it appears to me that by at least 8 June 2017, Mr Lowry had accepted that the responsibility for appointing trade mark agents had passed from Mr Whitehouse to him. When Mr Whitehouse passed those names to Mr Lowry on 14 June 2017, he ought to have advised him of both the deadlines running and the consequences of failing to meet them. However, even if he did not, and even if at no point during, inter alia, the conference with counsel the deadlines were mentioned (which seems most unlikely), I would have expected a business person such as Mr Lowry to have made the necessary enquiries with Mr Whitehead on receipt of his e-mail of 14 June 2017.

20. In relation to the delay which occurred in filing the second Form TM8(N) (which was due on 17 July 2017), it is clear that GHC notified Mr Lowry that the first deadline had been missed on 11 July 2017. At the hearing, Ms Chantrielle argued that six days was sufficient time for the necessary steps to be taken to ensure the second deadline was observed. In his skeleton argument, Mr Longstaff stated:

“4. The result was that Caviar was not even aware that the deadlines had existed, let alone that one had already been missed, until the UKIPO wrote to GHC on 11th July to notify it that the first deadline had been missed. GHC passed the letter on to Caviar on the same day, but that did not allow enough time for Caviar to uncover what had gone wrong and deal with the situation in time to file the second TM8N before the deadline either, so that was subsequently missed.”

**The nature of the applicant’s allegations in its statement of grounds;**

21. The applicant seeks revocation under section 46(1)(b). In his skeleton argument, Mr Longstaff stated:

“13(b) The applicant has not set out any detailed grounds, so this factor is neutral, or at least does not count against [the proprietor].”

22. I agree with that assessment.

**The consequences of treating the proprietor as defending or not defending the applications;**

23. In his skeleton argument, Mr Longstaff stated:

“13(c) The consequences of treating the proprietor as not opposing would be enormously unjust for Caviar. For the reasons set out above, it would lose the registration of a long-standing and valuable business name, and one which is to be re-launched soon. And it would be particularly unfair to deprive Caviar of its right to use its registered mark when there is in fact a good prima facie case for genuine use of the Mark.”

24. If the proprietor is not allowed to defend the applications, it will lose its registration (which was applied for in April 1996 and registered in July 1997) from the earliest date of revocation sought i.e. 12 February 2013. This is likely to fetter its ability to rely upon the registration in any infringement action it may take against the applicant and any proceedings it launches against the applicant’s registrations at the European Union Intellectual Property Office (“EUIPO”).

25. If the proprietor is allowed to defend its registration the proceedings will be joined, both sides will be given the opportunity to, inter alia, file evidence (with one assumes the proprietor furnishing evidence in support of the comments contained in paras. 3 to 5 of Mr Lowry’s statement relating to the use that has claimed to have been made of the trade mark) and the matter will be determined on its merits.

**Any prejudice caused to the applicant by the delay;**

26. In his skeleton argument, Mr Longstaff further stated:

“13(d) We suggest that there cannot be any real prejudice caused by the delay. If any prejudice does exist it must be de minimis when one bears in mind the delay is only a matter of weeks; by way of perspective, Roof's first application was made more than nine months after the expiry of the second period relied on, and more than four years after the first. It can hardly be suggested that the applicant was ever in a desperate rush to proceed.”

27. Although at the hearing Ms Chantrielle did not identify any specific prejudice resulting from the delay in filing the Forms TM8(N), in her skeleton argument she stated:

“22. However, the Applicant has been threatened with proceedings by the Proprietor who has not progressed the matter for months and instead holds the proceedings over the Applicant's head... The Applicant is concerned that further delay will cause it to incur further costs and waste time. Further, the uncertainty of the pending litigation threat will only continue if this matter proceeds.”

28. That, of course, is not a delay relating to the late filing of the Forms TM8(N). At the hearing, Ms Chantrielle further argued that irrespective of the outcome of the hearing, the proprietor could have pursued the matter independently by relying upon what it considers to be its passing off rights. However, even if that were to be considered a relevant factor (which, in my view, it is not), I agree with Mr Longstaff that given the factual matrix i.e. in which the proprietor's rights have been put in issue, to take further action before the proprietor is even aware of whether it can rely upon such rights (even to the limited extent that it is to be allowed to defend them) is, in my view, unrealistic.

**Any other relevant consideration such as the existence of related proceedings between the parties.**

29. In his skeleton argument, Mr Longstaff stated:

“13(e) What is really motivating Roof, of course, is not some desire to tidy up the Register so that it can go about its business, but rather the threat of

infringement proceedings and cancellation actions by Caviar against Roof based on the Mark...Here again is a factor in Caviar's favour: to allow the Mark to be revoked by a technical default for which Caviar was not to blame would be quite unjust; it would deprive Caviar of the right to defend its business against the alleged infringements, and to attack the registration of conflicting later marks. This also underscores that there is no real prejudice in allowing Caviar to defend the Mark, but potentially very great prejudice and injustice in handing Roof an undeserved technical knockout.”

30. Although there appears to be no extant proceedings before either the court or the EUIPO, it is clear that the revocation actions filed by the applicant are a reaction to the various claims made by the proprietor in its letter before action of 19 April 2017.

### **Considerations**

31. I am satisfied that the relatively short delay which occurred between the expiry of the relevant deadlines and the filing of the Forms TM8(N) i.e. 22 and 8 days respectively, is unlikely to have prejudiced the applicant to any material extent. This is a point in the proprietor's favour. However, the mere fact that the proprietor will lose its registration if I am against it, is not a point in its favour; this will always be the case when a party fails to file a defence resulting in an adverse decision from the Tribunal.

32. As to the reasons for the delay in meeting the first deadline, I have concluded that by 8 June 2017, Mr Lowry was aware that it was his responsibility to appoint a trade mark agent to handle the matter on the proprietor's behalf. I have also concluded that if the matter of deadlines within which to file the Forms TM8(N) had not at some point arisen in the course of discussions between Mr Lowry and his professional advisers, it was incumbent on him to have ascertained those dates himself. The fact that he did not, meant that when GHC were notified by the Tribunal on 11 July 2017 that the first deadline of 3 July 2017 had been missed, it became necessary for him to investigate the position and to either instruct GHC to appoint Nucleus or appoint them himself.

33. Having initiated the dispute between the parties, it is, in my view, most unlikely that the applicant would have expected the proprietor not to defend the revocation actions filed against the trade mark upon which its initial claims were partially based. However, making the best I can of the tension that exists between the accounts of Messrs. Whitehead and Lowry, it appears to me that the failure to file the first Form TM8(N) is due to a lack of diligence on the part of Mr Lowry. Had he acted upon the information provided to him by Mr Whitehead on 14 June 2017 (i.e. a little under three weeks before the first deadline was due) in good time i.e. either by instructing Nucleus himself or by instructing Mr Whitehead to appoint Nucleus on the proprietor's behalf, the proprietor would not have found itself in its current predicament. To that extent, the proprietor was, to use the words of the AP in Kix, "the author of its own misfortune".

34. As to the second deadline of 17 July 2017, the proprietor became aware on 11 July 2017 (a Tuesday) that the first deadline had been missed. While Mr Lowry states that GHC forwarded a copy of the Tribunal's letter to him on that day, he does not state exactly when "he became aware of the situation" and "arranged a call with GHC and the trade mark firm to ensure the latest deadline was met." In his skeleton argument Mr Longstaff stated:

"4...but that did not allow enough time for Caviar to uncover what had gone wrong and deal with the situation in time to file the second TM8N before the deadline either, so that was subsequently missed."

35. Assuming Mr Lowry acted upon the notification from GHC in good time, the proprietor would have had from Tuesday 11 July until Monday of the following week i.e. 17 July to investigate the position and file the Form TM8(N). Having already missed one deadline, I would have expected the proprietor to make every effort to meet the second deadline. The fact that by that point the proprietor would have been aware of the deadline of 25 July 2017 by which to request a hearing in relation to the missing of the first deadline is not relevant. If not ample time, the proprietor had, in my view, sufficient time to meet the second deadline. The fact that it did not was entirely of its own making.

36. Having reached the above conclusions, the lack of prejudice to the applicant caused by the delay and the obvious prejudice to the proprietor is not, in my view, sufficient to counterbalance the lack of any compelling reasons to allow the proprietor to defend the applications.

37. Even though the consequence of my decision is that the proprietor may be fettered in relying upon its registration in any infringement proceedings, this does not affect its ability to rely upon what it claims are its rights in passing off either before the court or the EUIPO.

### **Conclusion**

38. Having reached the above conclusion, I decline to exercise the discretion available to me under rule 38(6) in the proprietor's favour, the consequence of which is that subject to any successful appeal, the proprietor will be treated as not opposing the applications for revocation and the registration will be revoked in full under section 46(1)(b) of the Act with effect from the earliest date sought i.e. 12 February 2013.

### **Costs**

39. The applicant has been successful and is entitled to a contribution towards the costs it incurred in preparing and filing its applications and for its preparation for and attendance at the hearing, following which it has been successful. At the hearing, both counsel agreed that any costs award should be based on the scale of costs (which is contained in Tribunal Practice Notice ("TPN") 2 of 2016). Using that TPN as a guide, but bearing in mind (i) the extent of the skeleton arguments filed, (ii) the duration of the hearing (lasting 40 minutes) and (iii) that it was not necessary for the applicant to file two separate revocation actions, I award costs to the applicant on the following basis:

Preparation of the applications:	£200
Preparation for and attendance at the hearing	£500

(including reviewing the late filed Forms TM8(N)  
and the witness statements of Messrs. Whitehead  
and Lowry):

Official fees: £200

**Total: £900**

40. I order Caviar Holdings Inc. to pay to Roof Deck Entertainment LLC the sum of **£900**. 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 9<sup>th</sup> day of October 2017**

**C J BOWEN**

**For the Registrar**

**The Comptroller-General**