

O-538-19

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION (No. 3297973)

BY TRADETEQ LTD

TO REGISTER A SERIES OF FIVE TRADE MARKS

IN RESPECT OF GOODS IN CLASS 9 AND

SERVICES IN CLASSES 35, 36, 42 AND 45

AND

THE LATE FILING OF A FORM TM8

IN DEFENCE OF THAT APPLICATION

IN OPPOSITION PROCEEDINGS (No. 413751)

BROUGHT BY

TRADING TECHNOLOGIES INTERNATIONAL, INC

Background

1. On 19 March 2019, Tradeteq Ltd (“**the Applicant**”) filed a UK trade mark application (No. 3297973 “**the Application**”) to register a series of five marks (as shown below).



2. The Application is in respect of goods in Class 9 and of services in Classes 35, 36, 42 and 45, as detailed in **Annex A** to this decision. The Application was published for opposition purposes on 15 June 2018.
3. On 17 September 2018, a notice of opposition (Form TM7) opposing the Application was filed on behalf of Trading Technologies International, Inc (“**the Opponent**”). The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 (“**the Act**”) and is directed (only) against the Applicant’s goods in Class 9 and its services in Classes 35, 36 and 42 – the opposition does not challenge the Applicant’s services in Class 45.
4. The registry served the notice of opposition (Form TM7) on 25 September 2018, with a covering letter that set a deadline of two months either for the Applicant to file a Form TM8 and counterstatement, or else for the filing of a Form TM9C requesting an extension for a cooling-off period by mutual agreement. The letter emphasised in bold the importance of the deadline (in this case 26 November 2018) prescribed by the Trade Marks Rules 2008 (“**the Rules**”) and stated as follows:

“Rule 18(2) of the Trade Marks Rules 2008 states that “*where an applicant fails to file a Form TM8 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.*”

It is important to understand that if the deadline date is missed, then in almost all circumstances, the application will be treated as abandoned.”

5. On 21 November 2018, Mr Aaron Newell, at that time a legal director at Lewis Silkin LLP (the Applicant’s representatives) filed a Form TM9C whereby the parties indicated that

their wish to enter into a cooling-off period. The registry replied by letter on 28 November 2018 that in accordance with Rule 18(4) the cooling-off period would expire on 25 June 2019, and that while it was open to both parties to request a further nine months on Form TM9E, if no such request were made, the Form TM8 and counter-statement should be filed on or before 25 June 2019, else “the 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.”

6. Nothing was filed by the 25 June 2019 deadline, and on 16 July 2019 the registry wrote to inform the parties that as no defence had been filed within the prescribed period it was minded to deem the Application as abandoned (to the extent of the opposition). The letter gave the Applicant two weeks - until 30 July 2019 - to challenge that position by requesting a hearing and by setting out full reasons in a witness statement why the Form TM8 and counterstatement were being filed outside of the prescribed period. The registry’s letter of 16 July 2019 also explained that if no response were received the registry would proceed to deem the Application abandoned in respect of the opposed goods and services, but that the Application would proceed to registration for the remainder of the services specified in the Application – i.e. those in Class 45 (as included in Annex A to the decision.)
7. On 30 July 2019 the Applicant’s legal representatives filed a Form TM8 and counterstatement along with a covering letter setting out an explanation as to why the original deadline for its filing had been missed and requesting a hearing of the matter. The reason given in the letter centred on an error by a named, CITMA-qualified, trade mark paralegal in having marked a deadline as met before it had been actioned by a fee earner, such that to all concerned the date was removed from the diary by this action as it appeared to have been completed.
8. The letter also enclosed in evidence a witness statement dated 29 July 2019 by the same paralegal. The witness attested to the fact that another (named) paralegal colleague had, on 28 November 2018, duly added the deadline date for the TM8 and counterstatement of 25 June 2019 to the firm’s internal system and the evidence included a screenshot of the system showing that action. However, the evidence also showed that the witness modified the database on 24 June 2019 (the day before the deadline) so that the deadline action was marked “to take off diary”. The witness statement explained that the deadline would

usually only be marked as complete when there was evidence on file that it had been completed. In this instance the witness, at the request of the fee earner and in light of the deadline having been missed, reviewed the relevant electronic records, email and his own notes, but found no evidence that would have led him to conclude that the deadline had been satisfactorily completed. In his statement he therefore concludes that he removed the deadline in error, meaning that the fee earner was not prompted to file the Form TM8 and counterstatement.

9. On 16 August 2019 the registry wrote stating that the deadline for filing a counter-statement on Form TM8 is not a flexible time limit (rule 77(6) and Schedule 1 to the Rules) and directing the Applicant's attention to the guidance provided by the Appointed Persons in *Kix* BL-O-035-11 and *Mercury* BL-O-50-12, to the effect that the Registrar can exercise its discretion only where there are 'extenuating circumstances' and 'compelling reasons' to do so. The letter concluded that the registry was not satisfied that the reasons provided were sufficient to allow exercise of the limited discretion and that the registry's preliminary view was therefore to refuse the late filed Form TM8 into the proceedings.

Representation and the hearing

10. The hearing took place before me by telephone conference on Wednesday, 4 September 2019. Steven Jennings of Lewis Silkin LLP attended on behalf of the Applicant, having filed a skeleton argument in advance of the hearing, (along with a witness statement in evidence of points he made in that skeleton argument). I shall refer in this decision to points made before and at the hearing, to the extent that I consider it necessary. The Opponent's professional representatives, Mewburn Ellis LLP, chose not to attend the hearing, and the only submission filed on the part of the Opponent (by email 27 August 2019) was to agree with the registry's preliminary view that the late filed Form TM8 and counterstatement should not be allowed into proceedings and the Application be treated as withdrawn. It requested that discretion to allow the Application to continue not be granted, although it specified no reason for that position. Costs in favour of the Opponent were also requested.

The law

11. Rule 18 of the Trade Marks Rules 2008 ('the Rules') provides as follows:

- “(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.”¹

12. 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.”

13. In this instance there has been no irregularity in procedure by the registry; 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 discretion inherent in the words “*unless the registrar otherwise directs*” in rule 18(2).

14. In order to promote consistency and fairness the registry must take account of relevant principles set out in previous decisions of appellate bodies such as the Appointed Persons. Sitting as the Appointed Person in *Kickz AG and Wicked Vision Limited* (BL-O-035-11) ('*Kix*') Mr Geoffrey Hobbs QC held that the discretion conferred by rule 18(2) can be exercised only if there are “*extenuating circumstances*”. And sitting as the Appointed

¹ Rules 18(4), (5) and (6) cover the intervening effect of a cooling-off period by the filing of a Form TM9C.

Person in *Mark James Holland and Mercury Wealth Management Limited* (BL-O-050-12) ‘*Mercury*’) Ms Amanda Michaels QC held that there must be “*compelling reasons*” to justify the registrar exercising that discretion. In considering relevant factors, Ms Michaels 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, adapted for opposition proceedings, are as follows:

- i. The circumstances relating to the missing of the deadline, including reasons why it was missed and the extent to which it was missed;
- ii. The nature of the opponent’s allegations in its statement of grounds;
- iii. The consequences of treating the applicant as opposing or not opposing the opposition;
- iv. Any prejudice caused to the opponent by the delay;
- v. Any other relevant considerations, such as the existence of related proceedings between the same parties.

15. I consider each of these factors in reaching my decision.

The circumstances relating to the missing of the deadline, including reasons why it was missed and the extent to which it was missed

16. The stipulated deadline date for filing the Form TM8 (following on from the cooling-off period) was 25 June 2019; a Form TM8 was filed on 30 July 2019. The deadline was therefore missed by five weeks, although I recognise that the matter was addressed in a timely manner when the issue was highlighted by the registry’s 16 July 2019 letter – the Applicant’s legal representatives filing the Form TM8 with the requested supporting explanation and evidence on the stipulated deadline date of 30 July 2019.

17. I have described above the administrative error central to the failure to meet the deadline. Mr Jennings submitted in his skeleton argument that the Applicant should not be penalised for the human error of a member of staff dealing with their case. I would not accept such a contention as a general touchstone where it would risk forgiving any act or omission by a professional representative, irrespective of the context of the error; to do so would clearly undermine the prescriptive effect of the rules and their deadlines. In his skeleton

argument, evidence and at the hearing Mr Jennings gave further information relating to circumstances of error.

18. He stated that the case had formerly been in the care of Mr Aaron Newell, who had subsequently left the firm and that when the deadlines were transferred to Mr Jennings, he was not aware of the history of the Application nor of the disputes with the Opponent. He would not therefore have had a “sense” of impending deadlines and he stated that his visibility of the deadlines was entirely dependent on the diary deadline system. In the present circumstances there is evidence both of a system (WebTMS) and a practice and procedure in place for recording and complying with deadlines. The deadline in this case is shown to have been diligently recorded on the firm’s software system. The inadvertent removal of the deadline from the case management software was a breach of internal procedures and Mr Jennings states in evidence that no reminders were issued such that the deadline was not brought to his attention and consequently passed unattended.

The nature of the opponent’s allegations in its statement of grounds

19. The Opponent claims that the parties’ marks are similar and that the contested goods and services are identical or similar to those under the registrations relied on by the Opponent, such that there will be a likelihood of confusion. The Opponent relies on its following three earlier trade mark registrations:²



- i. **EU trade mark** registration No. **12677928** for the figurative mark:

Registered on 6 August 2014 respect of certain goods and services in Classes 9, 16 and 42

- ii. **EU trade mark** registration No. **13210133** for the mark: “TT”

Registered 20 January 2015 in respect of certain services in Class 42

- iii. **UK trade mark** registration No. **3070430** for the mark: “TT”

Registered 6 February 2015 in respect of certain goods and services in Classes 9, 16 and 42

² The Opponent no longer relies on EUTM 4067013, which was subject to proof of use.

20. I note that the Applicant's counterstatement denies that the goods and services at issue are identical, but does not deny similarity. The counterstatement argues in defence of the Application by claiming that (i) the marks relied on are either different (the earlier figurative mark) or inherently weak (TT) (ii) that the average consumer is highly specialised as the goods and services are computing products in the financial services area and used only after a lengthy assessment and project proposal. It also claims that such programs tend to be very expensive and their purchase would often engage legal expertise.

21. Clearly it is not for the present hearing to determine the merits of the claims on either side, and for the purpose of consideration of this aspect of the *Music Choice* criteria it is enough to comment that the opposition is not patently without merit and there are matters of substance to be decided.

The consequences of treating the applicant as opposing or not opposing the opposition

22. If the Applicant were treated as opposing the opposition, the Form TM8 would be admitted into proceedings, the Application would remain live and the parties' claims would proceed to be decided on their merits.

23. If the Applicant is treated as not opposing the opposition, the Application will be treated as abandoned in relation to those of the Applicant's goods and services that are opposed (those in Classes 9, 35, 36 and 42) and the Application will proceed to registration for the unopposed services (those in Class 45). This is no more than the normal consequence of a failure to meet the deadline under the Rules.

24. Mr Jennings argued that if the Registrar did not exercise discretion in the Applicant's favour, the Opponent would be given a technical 'win' without any consideration of the substance of the Opposition and that if the Application were treated as abandoned it was very likely that a further application would be filed and the same issues would then have to be considered at a future date. Mr Jennings also stated that to treat the Application as abandoned would lead to 'substantial prejudice' to the Applicant because it would immediately have the effect of terminating its international registration ('IR') 1459692, filed on 22 March 2019, designating Singapore, which is based upon the Application.

25. Mr Jennings also argued that treating the Applicant as not opposing the opposition would affect the balance of the dispute between the parties because a possible settlement has been proposed by the Opponent and, despite neither side having filed a Form TM9E, negotiations were still continuing. Mr Jennings also highlighted two other live cases between the parties, before the EUIPO³, where precisely the same marks and issues are in dispute and in respect of which the Opponent is required to “substantiate its arguments” by 7 October 2019.

Any prejudice caused to the opponent by the delay

26. The Opponent identified no specific prejudice arising from the delay. For the Applicant, Mr Jennings repeated that settlement negotiations were continuing and that if this Application were treated as abandoned then a new application would be almost inevitable, setting back the consideration of the real issues by many months, and that, in any event, the Opponent had to address the very same matters in relation to the Applicant’s contested EU applications.

Any other relevant considerations / related proceedings

27. As to the fifth and final of the factors *Music Choice*, I have described the related proceedings between the same parties.

Decision

28. The rule is prescriptive and the deadline not flexible and some of the factors outlined above are no more than neutral in my considerations. For example, guidance from case law indicates that even one day late could lead to a refusal to exercise discretion not to treat an application as abandoned; even if there were no specific prejudice caused to the Opponent by the delay of a matter of weeks in filing the defence, this would not of itself counterbalance a lack of any compelling reason for the Applicant to be treated as defending the opposition, notwithstanding the failure to comply with the inextensible time limit in Rule 18;⁴ and in opposition cases (as opposed to an invalidation claim) the

³ EU Oppositions 3077927 and 3077992.

⁴ See paragraph 36(v) of *Mercury* (BL O/050/12).

consequences were an application deemed abandoned would typically be mitigated by the filing of a new application.

29. In many instances (probably the vast majority) a claimed administrative error would be unlikely to warrant a finding of extenuating circumstances; likewise a change in personnel within a firm, where there is surely to be an expected degree of collective corporate responsibility. However, I accept that the facts as presented (and against which the Opponent has made no substantive argument) are distinguishable from the *Kix* decision, where the Appointed Person found the Applicant to be “the author of its own misfortune”. The evidence at this joint hearing has shown the existence of a system in place for case management; unlike *Kix*, the oversight does not appear to be the result of a failure to exercise a “minimal degree of vigilance”. I also recognise the compounding factor that because the cooling-off request had been filed by and under the oversight of the departed legal director the new fee earner would not have been sighted on the deadline in the ordinary way. Case management systems are rarely perfect, and I am prepared to accept the evidence that this unusual error by a qualified member of staff was an aberration, and the effect of human error may be viewed similarly as if there had been a technological system failure.
30. In considering whether the discretion should be exercised, I also take into account the fact that the parties entered into a cooling off period to explore the possibility of a negotiated settlement. Of itself, this is not especially significant, as the Rules include explicit contingencies for such intervening periods, but I note Mr Jennings’ evidence to the effect that negotiations between the parties continue and that the Opponent has put forward a proposal that is still under consideration. I also particularly note the simultaneous defence of the two applications before the EUIPO, both of which oppositions are ongoing. These factors lead me to conclude that Opponent will have had good reason to believe that the Applicant intended to maintain a position of defence in respect of the present UK opposition.
31. Having considered the circumstances and matters in the round, I find that the various factors in this case are sufficient to warrant the exercise of the limited discretion not to treat the Application as abandoned, despite the failure to meet the deadline under the

Rules for filing the Form TM8. The caseworker will notify parties as to the formal service of the Form TM8 and the relevant next steps.

Costs

32. No costs arise in the circumstances.

Dated this 12th day of September 2019

Matthew Williams

For the registrar

Annex A – the goods and services applied for

Class 9: Data processing equipment, computers; computer programs, computer software and downloadable applications for use in connection with financial services, asset portfolio management, financial reporting, financial analysis, credit analysis and reporting, financial management, investment management, financial and legal due diligence, financial risk management, financial trading and exchanges, asset trading and exchanges, facilitating commercial transactions; software for internet and database searching, analysis and reports; computer software for analysing market information.

Class 35: Compiling and providing statistics, commercial information; market research and market analysis in the field of finance; business data analysis services; collection and acquisition of business and commercial information; providing commercial and business information, business investigations, commercial statistical information, business press releases, trade information; preparation of commercial reports; computerised business accounting for the purposes of or relating to finance and financial transactions; cost management accounting; provision of information, advisory and consultancy services in relation to the aforementioned services; business intermediary services; business introductions; trade shows relating to financial services, asset portfolio management, financial reporting, financial analysis, credit analysis and reporting, financial management, investment management, financial and legal due diligence, financial risk management, financial trading and exchanges, asset trading and exchanges, facilitating commercial transactions; provision of information, advisory and consultancy services in relation to the aforementioned services.

Class 36: Financial services and monetary affairs; trade finance services; provision of trade finance; financial asset portfolio management; financial reporting; financial analysis; credit analysis and reporting; financial management; investment management; financial and legal due diligence; financial risk management; financial trading and exchange services; financial asset trading and exchange services; financial intermediary services; debt factoring and fund advancing; supply chain finance; financial database services relating to financial products; provision of information, advisory and consultancy services in relation to the aforementioned services.

Class 42: Technological services and research and design relating thereto; design and development of computer software, in relation to data security and trade finance; software engineering services; hosting of software as a service (SaaS) and e-commerce platforms for or relating to finance; certification services; quality control services; testing, analysis and evaluation of the goods and services of others for the purposes of certification and quality control; quality testing of products and services; maintenance of computer software relating to computer security and prevention of computer risks; internet, digital database and digital information security consultancy; IT security; professional consultancy services relating to computer and digital network security; research relating to security; data security services.

Class 45: (NOT OPPOSED) Corporate security consulting and investigations; security assessment of risks; employment screening and background investigation services; personal background investigations; background check, investigation and research services; intellectual property investigations; anti-money laundering consulting services; skip tracing services, being services for the location of individuals; fraud investigations; reviewing standards and practices for legal and regulatory compliance; information services relating to trading, manufacturing standards; consultancy services relating to preparing and setting standards; electronic monitoring services for security purposes; monitoring of security systems; anti-money laundering services; legal and security due diligence services; investigative due diligence services; security screening services; anti-corruption investigation services; forensic advice for criminal and legal investigations; fraud detection services; provision of information, advisory and consultancy services in relation to the aforementioned services
