

O/306/20

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 3407151
IN THE NAME OF ZERO DEGREE FASHION LIMITED

FOR THE FOLLOWING TRADE MARK:

O DOLLS

IN CLASS 25

AND

THE LATE FILING OF FORM TM8 AND COUNTERSTATEMENT IN DEFENCE OF
APPLICATION IN OPPOSITION
UNDER NO 417878

BY

ELLIE O'DONNELL AND DAISY O'DONNELL

Background

1. On 17 June 2019 Zero Degree Fashion Limited (“the Applicant”) applied in the UK to register the trade mark “O DOLLS” (“the applied for mark”) numbered 3407151 in class 25. The trade mark proceeded to publication on 28 June 2019.

2. Ellie O’Donnell and Daisy O’Donnell (“the Opponents”) oppose the application under sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) relying upon their earlier unregistered trade mark “THE ODOLLS” (“the earlier sign”) under opposition number 417878. It is claimed that the earlier sign has been used for *“endorsement of clothing, beauty products, vitamins and health products”* by the Opponents throughout the UK since 11 October 2016.

3. In these proceedings the Opponents are represented by Trademark Eagle Limited whereas the Applicant is unrepresented.

4. The TM7 form was filed on 26 September 2019 and served on the Applicant by registered post and email on 5 November 2019. The registered address for service was 1 Honey Street, First Floor, Manchester, M8 8RG (“Honey Street”) which was the address provided by the Applicant when it filed its application in June 2019.

5. In accordance with Rules 18(1) and 18(3) of the Trade Marks Rules 2008 (“the Rules”) the Applicant was informed that it had 2 months from the date of the letter in which to file its TM8 and counterstatement. In the alternative if both parties agreed to enter into a cooling off period then a Form TM9C should be filed. The date for filing the Form TM8 or TM9C was given as 6 January 2020. In addition, the consequences of failing to file a Form TM8 or TM9C were outlined. The relevant paragraphs of this letter are as follows:

“Please find enclosed a copy of the notice of opposition- amended Form TM7 - filed against your application.

For your convenience, a copy of the notice of opposition, along with a copy of this letter is also being sent to you by recorded delivery post. Please can you advise how you wish the Registry to correspond with you in relation to the above proceedings.

If you wish to continue with your application, you need to file a notice of defence and counterstatement by completing Form TM8 – please note the important deadline below.....

Rule 18(1) and 18(3) of the Trade Marks Rules 2008 require that you must file your notice of defence and counterstatement (Form TM8) within **two months** from the date of this letter.....

IMPORTANT DEADLINE: a completed Form TM8 (or else a Form TM9c) MUST be received on or before 6 January 2020.

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.**”

6. On 27 January 2020, the Registry wrote to the Applicant, referring to the official letter dated 5 November 2019, informing it that as no defence had been filed within the prescribed period its application would be deemed abandoned. This letter stated

that if the Applicant disagreed with this preliminary view then full written reasons as to why the deadline was missed should be submitted and a hearing requested on or before 10 February 2020. The request should be accompanied by a Witness Statement setting out the reasons as to why the TM8 and counterstatement were to be filed outside of the prescribed period.

7. On 31 January 2020 the form TM8 and counterstatement was filed by Mr Muhammad Suhail Tariq accompanied by a letter dated 30 January 2020 signed by Mr Tariq and Mr Zohib Latif stating:

“We request a hearing to be considered as a follow up from our counterstatement.

Our reasons for not filing the statement earlier is due to not receiving the documentation, as all post goes to our old address and has most likely been misplaced previously.”

8. On 25 February 2020 the Registry wrote to the Applicant, informing it that the reasons provided as explanation for the late filed TM8 were considered to be insufficient and that it was the Registry’s preliminary view not to use its discretion to allow the TM8 and counterstatement to be admitted into proceedings. The letter stated as follows:

“The case has been given consideration and it is the Registrar’s preliminary view that, although a form TM8 has now been submitted, it cannot be admitted into the proceedings as it was received outside of the prescribed non-extendable period.

The Registry’s letter dated 5 November 2019 informed you that a form TM8 and counterstatement or form TM9c must be received on or before 6 January 2020. In addition, the letter outlined the consequences, that the application may be deemed abandoned if either of these forms were not

received within the time period specified. Although the form TM8 has now been filed, the discretion available to the Registrar when deciding whether to accept a late filed TM8, is narrow and there must be “extenuating circumstances” and “compelling reasons” sufficient to warrant the exercise of such discretion. In your case, you chose to submit the form TM8 and counterstatement after receiving the official letter of 27 January 2020 informing you that you had failed to file a defence.

In this instance, you have not provided any reasons sufficient to explain the failure to file the TM8 within the set period and, therefore, the Registrar cannot proceed to exercise any discretion in the matter. You are referred to the following decisions of the Appointed Persons in this regard: Kickz AG and Wicked Vision Limited (BL-O-035/11) and Mark James Holland and Mercury Wealth Management Limited (BL-O-050/12). Copies of these decisions can be found on the IPO website <https://www.ipo.gov.uk/t-challenge-decision-results.htm>.

As a consequence of the above, it is therefore considered that there are no grounds on which to allow the exercise of the Registrar’s discretion in this case.

If you disagree with the preliminary view you must provide full written reasons and request a hearing on, or before, 10 March 2020. 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. If no response is received the Registry will proceed to deem the application abandoned.

- Before requesting a hearing to challenge a preliminary view, you should bear in mind the following points:

- the deadline for filing a counter-statement on Form TM8 is not a flexible time limit (see Trade Mark Rule 77(6) and Schedule 1 to those rules);
- the legal constraints on the exercise of discretion by the Registrar in these circumstances; and
- that in the event that the hearing officer upholds the preliminary view, there may be costs implications arising from the hearing against the party who requested the hearing.”

9. On 10 March 2020 the Applicant requested a hearing and filed a further copy of the Form TM8 and counterstatement accompanied by a witness statement completed by Miss Summa Adams-Davies. The contents of the statement are as follows:

“I also adhere to the facts that the later submissions of this form was due to the documents being submitted to the company’s former address where post is not transferred on a regular basis.”

10. On 24 April 2020 the Registry wrote to the Applicant via email confirming that a hearing would be scheduled for 12 May 2020 at 11:00am.

The hearing

11. A hearing took place before me by telephone conference on 12 May 2020. At the hearing Mr Tariq appeared for the Applicant whereas the Opponents were represented by Mrs Valdez-Knight. Mrs Valdez Knight provided a skeleton argument prior to the hearing, a copy of which had been served on the Applicant. At the hearing Mr Tariq explained that Mr Zohab Latif was the director and shareholder of the Applicant and he was responsibility for running the company. Mr Tariq was also a shareholder in the Applicant.

12. Mr Tariq submitted that the letter (- by which I assume he meant the Registry’s letter dated 5 November, although he was not clear on this point-) had not been received because it had been sent to their old premises at Honey Street and this was

why he was unable to file the TM8 within the deadline. He explained that the Applicant had vacated those premises in or about November 2018 but was still able to access the building because Mr Z Latif and Mr Latif's brother (Mr Sadiq Latif) were still in occupation. The arrangement for collecting the Applicant's post was outlined to me which involved a phone call from Mr Sadiq Latif (I am told on a daily basis) to say that post addressed to the Applicant had been received at Honey Street. The post would be set aside and Mr Tariq would subsequently collect it. Mr Tariq stated that "there was not really any other person who had the responsibility for the administration of the post other than himself and Mr Z Latif."

13. Mr Tariq was unable to give an adequate explanation as to why when filing the application in June 2019 the service address was recorded as Honey Street when the Applicant had ceased to be in occupation at that address for over 7 months. The only reason given was that "all their other trade marks" were recorded at the Honey Street address and that when making the application the Registry's automated system defaulted to this address. As at the hearing date the address had still not been changed. Mr Tariq accepted that he "would need to sort out changing the address".

14. It was explained to Mr Tariq that the letter dated 5 November was also sent via email however he could not account for why it was not received other than stating that "it was just a mistake on our behalf and I accept full liability.. with either one of us just not seeing it or accidentally leaving it for the other to read or vice versa."

15. In response to the recorded delivery service receipt obtained by the Registry Mr Tariq stated that "someone in one of the other offices at Honey Street must have signed for it".

16. Mr Tariq told me that the Applicant fully intended to defend the proceedings and there was no reason for him not to have filed the TM8 form and counterstatement demonstrated by his immediate response to the letter dated 27 January 2020.

17. Mr Tariq maintained that the Form TM7 had not been received but was unable to give an explanation as to how a defence and counterstatement could have been submitted without having had sight of this document first.

18. Mrs Valdez-Knight's submissions at the hearing in the main followed those as outlined in her skeleton argument; whilst I do not propose to outline those arguments in full, I will summarise the pertinent points. Mrs Valdez-Knight stated that the explanation provided by Mr Tariq did not constitute compelling reasons or extenuating circumstances. She stated that a number of letters before and after 5 November 2019 had been sent to Honey street and they had all been responded to by the Applicant's representatives. In particular the Opponents' solicitor's cease and desist letter dated 28 August 2019 sent to Honey Street had generated a telephone call between the parties and therefore they had been put on notice that proceedings were pending.

19. Mrs Valdez-Knight drew my attention in particular to the fact that the Honey Street address was still being used by the Applicant; one of the directors was still in occupation at the address; post was being collected on a daily basis and other than the email not being read, no explanation could be given regarding the non-receipt of the pertinent email and letter dated 5 November 2019.

20. Furthermore, the Applicant had missed the deadline by 25 days and the only reason given for not filing the TM8 within the deadline was because post had gone to their old address. Mrs Valdez-Knight submitted that Mr Tariq's submissions were contradictory and that no adequate explanation had been given to justify the Registry exercising its discretion. Any delay was caused by the inadequate administration of the company and the Applicant's own internal issues with the processing of its post.

The Law

21. The filing of a Form TM8 and counterstatement in opposition proceedings is governed by Rule 18 of the Rules which 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

22. 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 out the period in which the defence must be filed is a non-extensible period other than in the circumstances identified in Rule 77(5) which states:

“A time limit 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.”

23. In this instance there has been no irregularity in procedure by the Registry, accordingly, I need not consider the provisions of Rule 77(5) further.

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

24. I must also consider the possibility of a failure in a communication service. In this regard, Rule 76 of the Rules provides the following:

(1) The registrar shall extend any time limit in these Rules where the registrar is satisfied that the failure to do something under these Rules was wholly or mainly attributed to a delay in, or failure of, a communication service.

(2) ...

(3) In this rule “communication service” means a service by which documents may be sent and delivered and includes post, facsimile, email and courier.

25. Whilst a change of address may be considered as a failure of a communication service, letters were served via recorded delivery and email at the Registry’s recorded service address for the Applicant. Whilst a multi occupancy building lends itself to difficulties with the receipt of ordinary post it does not explain the difficulties with a letter having been sent by email or recorded delivery. The Registry did not receive the normal notification I would have expected when a letter failed to be served, namely the original letter being returned to sender or the email being returned as undelivered. I have noted and been told that previous and subsequent letters sent to the same address had been received as they were responded to by the Applicant. I take note that Mr Tariq was collecting post from Honey Street on a daily basis and other than the letter dated 5 November 2019 I was not told of any other difficulty with the post. The original email address used for service of the TM7 is still in use by the Applicant and I note that it was from this address that Mr Tariq corresponded with the Registry in order to make the arrangements for the hearing. The Registry obtained a certificate of service which demonstrates the letter was served although I accept the possibility that it may have been signed for by an individual not connected to the Applicant. Nevertheless, the failure of the Applicant to keep its address details up to date is not a failure on the part of the Registry. I do not consider therefore that the Applicant has established there was a delay or a failure in the communication services used to deliver the relevant documents and accordingly I need not consider the provision of Rule 76 any further.

26. It is clear that the Applicant relies upon the registrar exercising its discretion under Rule 18(2) to allow the late filing of form TM8, which otherwise would be non-extendable.

27. In assessing whether to exercise discretion I must take account of the relevant leading authorities of the Appointed Persons in *Kickz AG v Wicked Vision Limited*² and *Mark James Holland v Mercury Wealth Management Limited*.³ In short the Registry must be satisfied that there are “*extenuating circumstances*” and “*compelling reasons*” which justify the exercise of its discretion in the applicant’s favour. Ms Amanda Michaels QC as the Appointed Person referred to the criteria established in *Music Choice Ltd’s Trade Mark [2006] R.P.C. 13* setting out the following relevant factors:

- 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.

28. I will consider each of these points in turn and refer to the written and oral submissions to the extent that I consider it necessary to my decision.

² BL-O-035-11

³ BL-O-050-12

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

29. The stipulated deadline date for filing form TM8 was 6 January 2020; a Form TM8 was filed on 31 January 2020. The deadline was therefore missed by some 25 days. The explanation given is that as outlined by Mr Tariq and Mr Latif in their letter dated 30 January 2020 namely:

“due to not receiving the documentation as all post goes to our old address and has most likely been misplaced previously”

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

30. The Opponents’ claim is based on the use of the unregistered sign “THE ODOLLS” and the Applicant’s alleged bad faith, under sections 3(6) and 5(4)(a) of the Act. It is claimed that as a result of the extensive use and promotion of the earlier sign, the Opponents have built a substantial reputation and goodwill in the sign throughout the UK. Registration of the Applicant’s mark would lead to a misrepresentation causing confusion amongst the public resulting in damage to that goodwill. It is claimed that the Applicant acted in bad faith when it applied to register the “O DOLLS” trademark being fully aware that it was already in use by the Opponents. It did this with the full intention to disrupt the Opponents’ business and gain leverage in a commercial contract for the manufacturing of some pieces of clothing.

31. Whilst it is not for the present hearing to determine the merits of the case, for the purpose of the criteria under consideration it is sufficient to note that there is an arguable case to be determined requiring both parties to file evidence.

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

32. If the Applicant is allowed to defend the opposition the proceedings will continue, the parties will be given the opportunity to file evidence and the matter will be determined on its merits. If, however, the Applicant is treated as not opposing the opposition then the application will be deemed abandoned. This is no more than the normal consequence of a failure to meet the deadline under the Rules. Mr Tariq stated that the Applicant fully intended to defend the allegations and that he had invested a great deal of money and time into the venture which in turn had had an adverse effect on his other business interests.

Any prejudice caused to the Opponent by the delay

33. No specific prejudice was outlined other than having to defend the matter and incur the normal costs in so doing.

Any other relevant considerations, such as the existence of related proceedings between the same parties

34. No related proceedings were outlined by the parties.

Decision

35. I remind myself that the deadline for filing form TM8 is non extendable and that guidance from caselaw indicates that even one day late could lead to a refusal to exercise the discretion. If the discretion is not exercised in the Applicant's favour I understand that this would result in the application being deemed as abandoned.

36. It is not clear from Mr Tariq's submissions whether in fact the TM7 was not received at all, whether it was received but misplaced or whether there was a delay in its receipt which resulted in the TM8 form being filed outside the deadline. At the hearing Mr Tariq denied having had sight of the TM7 form and statement of grounds, however I find this to be implausible, since the defence and counterstatement could not have been completed without having had sight of the Opponents' claims.

37. I must therefore consider whether the reason given for missing the deadline which was as a result of post going to an old address was an extenuating or compelling reason. Having vacated the premises in November 2018 no arrangements were made to change the service address, the Applicant relying on an ad hoc and inadequate process of collecting mail following a telephone call from Mr Sadiq Latif. I find it concerning that having vacated the Honey Street address the application was submitted knowingly using an "old address". For whatever reason not explained to me it served the Applicant's purpose to maintain the Honey Street address as its service address. No evidence was put forward of a formal mail forwarding arrangement, which I would have expected to have been put into place. Having been told that an important letter was not received I take particular note of the fact that neither Mr Latif nor Mr Tariq did anything to address this and as at the hearing, some four months later, the Applicant's address remains unchanged. There appears to be no system or procedure in place for the administration of incoming post, nor the recording of important deadlines. No system was outlined as to the monitoring of emails or whom had the ultimate responsibility for actioning those emails. The email address which has been used to correspond with the Applicant appears to be functioning and there has been no adequate explanation as to why the email dated 5 November 2019 was not acted upon sooner. The filing of the form TM8 appears to have been prompted by the Registry's letter dated 27 January 2020. The period for filing a defence is 2 months and even if the original letter by post was not received in November 2019, the email ought to have put the Applicant on notice of this important requirement.

38. This is not the case where the procedure in place broke down or failed as a result of human error (for example the deadline being erroneously recorded) or other

extenuating circumstance; it failed as a result of there being no formal procedure in place at all. Mr Tariq paints a picture of a haphazard process with no checks and balances in place for the receipt of post or the recording of important deadlines. The responsibility of keeping the Applicant's address up to date and for monitoring the post falls squarely with Mr Latif and Mr Tariq as the Applicant's controlling minds. In this regard I find that they were the authors of their own misfortune.⁴

39. Having considered the matter, noting the comments by both representatives at the hearing and taking into account the factors as set out by the caselaw in *Kicks*, *Mercury* and *Music Choice* I see no compelling reasons or extenuating circumstance which would justify the use of the Registry's discretion as provided by Rule 18(2).

40. The Applicant's late filed TM8 is therefore not admitted into proceedings and consequently as the opposition against the application at hand is deemed as undefended the application will, subject to any appeal, be treated as abandoned.

Costs

41. As my decision terminates the proceedings, I must consider the matter of costs. At the hearing a request was made by Mrs Valdez-Knight for a costs order in the Opponents' favour. The Applicant having requested a hearing, has put the Opponents to additional costs, in terms of both time and money in order to prepare for and attend a hearing. I therefore consider that the Opponents are entitled to a contribution towards their costs.

42. Any costs award is based on the scale as set in the Tribunal Practice Notice 2/2016. Applying this guidance, I award costs to the Opponents on the following basis:

⁴ Para 15 *Kix Trade Mark* O/035/11

Official fee for the Notice of Opposition	£200
Preparing the statement of case and considering the counterstatement	£200
Preparing skeleton arguments and attending the hearing	£500
Total	£900

43. I order Zero Degree Fashion Limited to pay Ellie O'Donnell and Daisy O'Donnell the sum of £900. This sum is to be paid within 56 days of the expiry of the appeal period or within 21 days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this 3rd day of June 2020

Leisa Davies
For the Registrar