

O/498/21

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NOS. 916238958 AND 916238966

IN THE NAME OF HILIFE MUSIC ENTERTAINMENT LTD

FOR THE FOLLOWING TRADE MARKS

HILIFE

IN CLASSES 14,16,18,25,35 AND 41

AND



IN CLASSES 9,14,16,18,25,35

AND

THE LATE FILING OF FORM TM8 AND COUNTERSTATEMENT FILED IN
DEFENCE OF BOTH REGISTRATIONS IN CANCELLATION PROCEEDINGS
UNDER NOS. 503565 AND 503566

BY


HILIFE MUSIC LIMITED

Background

1. HiLife Music Entertainment Ltd (“the Proprietor”) is the registered Proprietor of the following trade mark registrations:

(i) HILIFE numbered 916238958 which is a UK comparable trade mark from European trade mark registration 16238958. Filed on 10 January 2017 and registered on 25 May 2018 for goods and services in classes 14, 16,18 25, 35 and 41.



(ii)  numbered 916238966, filed on 10 January 2017 and registered on 3 July 2017 for goods and services in classes 9, 14, 16,18, 25, 35 and 41.

2. On 14 January 2021 HiLife Music Limited (“the Cancellation Applicant”) made an application for a declaration of invalidity in respect of both the Proprietor’s registrations pursuant to Section 47(2)(b) of the Trade Marks Act 1994(“the Act”). The applications are based upon section 5(4)(a) of the Act and are directed against some of the goods and services for which the Proprietor’s trade marks are registered. For the trade mark HILIFE the Cancellation Applicant is applying to declare invalid those goods and



services in classes 16, 25, 35 and 41 and for  those in classes 9, 16, 25, 35 and 41. For the purposes of these proceedings, the Cancellation Applicant relies upon its earlier unregistered rights HILIFE, HILIFE MUSIC and HILIFE MUSIC GROUP said to be used throughout the UK since 2007 for goods and services in classes 9, 25, 35 and 41.

3. The parties are also concerned with related consolidated cancellation proceedings under numbers 503316, 503317 and 503318 (“the 2020 Cancellations”) which following a Case Management Conference (“CMC”) dated 19 January 2021 resulted in those proceedings being stayed pending further guidance being issued by the Registry in relation to TPN 2/2020. Whilst these proceedings do not directly relate to

the proceedings in suit, the outcome of that CMC and subsequent correspondence did impact on the actions of the Proprietor's representatives, giving rise to the late filing of TM8 and counterstatement applications in both sets of proceedings. I shall refer to those proceedings therefore to the extent that they are relevant to my decision.

4. In relation to both the 503565 and 503566 proceedings, the Tribunal served Forms TM26(l) on 20 January 2021 on the Proprietor's representatives, Trademark Eagle Ltd. In accordance with Rule 41(6) of the Trade Mark Rules 2008 ("the Rules"), the Proprietor was informed that it had two months from the date of the letter in which to file its Form TM8 and counterstatement. The date for filing the Form TM8 and counterstatement was given in these letters, as well as the consequences of failing to do so. The relevant paragraphs of these letters are as follows:

"If you wish to continue with your registration, you need to file a notice of defence and counterstatement by completing Form TM8 - please note the important deadline below. You will find a blank Form TM8 on the IPO website, together with brief guidance on what happens after it is filed: <https://www.gov.uk/government/publications/trade-mark-forms-and-fees/trade-mark-forms-and-fees>

Rule 41(6) 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 MUST be received on or before 22 March 2021.

In accordance with rule 41(6) if the TM8 and counterstatement are not filed within this period, (a period which cannot be extended), the registration of the mark shall, unless the registrar otherwise directs, be declared invalid in whole or part. **It is important to understand that if the deadline date is missed, then in almost all circumstances, the registration will be treated as invalid in whole or part.**" (original emphasis)

5. In these proceedings the Cancellation Applicant is represented by Trade Mark Wizards Ltd. On 1 February 2021 by way of email, Trade Mark Eagles Ltd notified the Tribunal that it was no longer representing the Proprietor and asked to be removed as its representative. On 10 February 2021 Hanson Woods Solicitors filed form TM33 confirming that they were acting on behalf of the Proprietor. The change in representation for the Proprietor was recorded by the Intellectual Property Office although it is unclear as to when this occurred. In any event, by way of letters dated 12 April 2021, the Registry wrote to the parties confirming the change in representation to Hanson Woods Solicitors attaching a copy of the letter dated 20 January 2021 sent to the previous agents.

6. As no defences had been filed within the prescribed period, within the letters dated 12 April 2021 the Registry also informed the Proprietor that it shall be treated as not opposing the applications for a declaration of invalidity and the registrations shall be declared invalid for those goods and services as opposed. The pertinent paragraphs are as follows:

“I refer to the Form TM33 filed on **10 February 2021** and can confirm that you have been recorded as the representative for the above Applicant .

Please find attached correspondence that has been sent to the previous agent.

The official letter dated **20 January 2021** informed you that if you wished to continue with your registration you should file TM8 and counterstatement on or before **22 March 2021**.

As no TM8 and counterstatement have been filed within the time period set, Rule 41(6) applies. Rule 41(6) states that:

“...otherwise the registrar may treat the Proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.”

The Registry is minded to treat the Proprietor as not opposing the application for invalidation and declare the registration as invalid as no defence has been filed within the prescribed period.

If you disagree with the preliminary view you **must** provide full written reasons and request a hearing on, or before, **26 April 2021**. 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 issue a short decision on the issue of failure to comply with the Rules governing the filing of a defence.”(original emphasis)

7. On 20 April 2021, Hanson Woods Solicitors contacted the Tribunal requesting to file its defences out of time, in relation to cancellation applications 503565 and 503566, setting out the reasons for failing to file these defences within the prescribed time limit. Accompanying this letter the Proprietor filed a witness statement of Mr Edward Boateng-Addo(counsel for the Proprietor)and two TM8 Forms and Counterstatements. In summary the reason given for failing to file the defences within the prescribed time period was due to “counsel misunderstanding a direction given by the UKIPO” in relation to the 2020 Cancellation proceedings which had been stayed on 19 January 2021. Mr Boateng-Addo stated that despite the change in representation, he was aware of the 22 March 2021 deadline and the requirement to file defences within this time period but believed (in hindsight incorrectly) that the stay which related to the 2020 cancellation proceedings included the current 503565 and 503566 proceedings. A further stay was granted until 13 April 2021 in relation to the 2020 cancellation proceedings and Mr Boateng-Addo continued in his misunderstanding that this further stay also related to the proceedings in suit. It was only when the Proprietor received the Registry’s letter dated 12 April 2021 that he understood his misunderstanding and that the current proceedings had not been stayed and the deadline had been missed.

8. On 11 May 2021, the Registry wrote to the parties giving a preliminary view that the Proprietor’s’ request to file its defences out of time be refused as there appeared to be “no compelling reasons or extenuating circumstances that would permit the exercise of the Registry’s very limited discretion.” If the parties disagreed they were given an opportunity to challenge the preliminary view and to request a hearing by 25 May 2021.

9. On 24 May 2021, the Proprietor wrote to the Registry challenging the preliminary view and requested a hearing on the matter.

The Hearing

10. A hearing took place before me by telephone conference on 15 June 2021. At the hearing the Proprietor was represented by Mr Boateng-Addo, counsel instructed by Hanson Woods Solicitors. The Cancellation Applicant was represented by Mr Jamie Muir Wood, counsel, instructed by Trade Mark Wizards Ltd. Counsel for both parties filed skeleton arguments prior to the hearing and in addition Mr Boateng-Addo filed a further witness statement.

11. At the hearing, the basis of Mr Boateng-Addo's submissions followed the content of his skeleton arguments and witness statements. He was unable to provide any reason for having come to the conclusion he had in incorrectly assuming that the stay of proceedings related to all the cases in dispute other than it had been raised by the Cancellation Applicant in their skeleton arguments and at the CMC dated 19 January 2021 (albeit briefly), in relation to the 2020 Cancellation proceedings. Mr Boateng-Addo submitted that the error was his and the Proprietor should not be prejudiced by his actions. Where the Registry referred to "these proceedings" in their letter dated 19 January 2021 following the CMC, Mr Boateng-Addo submitted that he took this "to include the 2021 cancellations" since he "had in mind the fact that the Applicant's skeleton argument [para 10] cited as an issue whether the 2020 cancellation should be suspended pending the filing of HMEL's defences to the 2021 cancellations." The letter from the Registry mentioned the anticipation of further guidance as a reason to stay the proceedings and therefore Mr Boateng-Addo assumed that all the proceedings would be consolidated after the issuance of further guidance and were stayed in the interim. Mr Boateng-Addo submitted that there was no fault on the previous or current agents who had acted upon his advice. Since no correspondence had been received in the intervening period until 12 April 2021 this bolstered the opinion formed, that the proceedings in suit had been stayed with the 2020 cancellation proceedings. Due to the change in representation Mr Boateng-Addo informed the Proprietor directly that no action was needed since the proceedings had

been stayed. The mistake was as a result of human error and not an administrative oversight. There was no attempt to take advantage of the process or to delay proceedings. Mr Boateng-Addo submitted that if the application was granted any delay as a result of his actions was minimal, there were ongoing related proceedings and there would be no prejudice to the Cancellation Applicant whereas there would be consequences for the Proprietor if the request was refused. Mr Boateng-Addo argued that his human error amounted to extenuating circumstances and a compelling reason to justify the exercise of discretion in circumstances as envisaged in *Praesidiad NV v Tecson Sicherheitssysteme Schweiz GMBH* BLO/240/20.

12. Mr Muir Wood outlined that the Proprietor had not provided sufficient explanation to justify the exercise of discretion. There was no reason for Mr Boateng-Addo to come to the conclusion he had and to misunderstand the direction given by the Registrar, since the letter dated 19 January 2021 following the CMC was expressly headed with the cancellation numbers relating to the 2020 cancellation proceedings only. It was argued that the previous and current agents representing the Proprietor would have known that proceedings could not have been consolidated until defences had been filed and neither had “given any evidence to explain how they, as the IPO representatives, had failed to file a defence and counterstatement in respect of either of the Applications.” In relation to the reason for the CMC dated 19 January whilst the skeleton argument at para 10 referred to consolidating the proceedings the Proprietor had ignored the purpose of the original request which was a stay “to enable the Cancellation Applicant to file applications after 31 December 2020, when the comparable UK rights had been cloned from the underlying EU rights.” Mr Muir Wood submitted that whilst it was accepted in *Praesidiad* that human error could amount to extenuating circumstances or compelling reasons this could not be taken to permit or require all human errors to be treated as excusable without evidence and materials of sufficient clarity and precision. Mr Muir Wood accepted that if the applications were treated as unopposed this would result in the Proprietor losing its trade marks, but submitted that this alone was not a reason to exercise the discretion as demonstrated by the decision in *Ringdale* BL/O/727/19 where the Hearing Officer had not exercised her discretion in allowing a late TM8 in circumstances where the defendant being a

litigant in person had not been aware of the proceedings until after the deadline had passed.

Decision

13. The filing of form TM8 and counterstatement in cancellation proceedings is governed by Rule 41(6) of the Rules, which provides as follows:

“41(6) - The Proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the Proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.”

14. The combined effect of rules 77(1), 77(5) and Schedule 1 of the Rules means that the time limit in Rule 41(6), 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.”

15. In this instance there has been no suggestion of any irregularity in procedure by the Registry, accordingly, I need not consider the provisions of Rule 77(5) further. Consequently the only basis upon which the Proprietor relies is in me exercising my discretion by use of the words “unless the registrar otherwise directs”

16. 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*¹ and *Mark James Holland v Mercury Wealth Management Limited*.² In short the Registry must be satisfied that there are “*extenuating circumstances*” and “*compelling reasons*” which justify the exercise of its discretion in the Cancellation 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.

17. 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.

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

18. As noted above the stipulated deadline date for filing both TM8 forms was 22 March 2021; both TM8 forms were filed on 20 April 2021. The deadline was therefore missed by some 29 days.

¹ BL-O-035-11

² BL-O-050-12

19. The reason given was that Mr Boateng- Addo believed that the proceedings had been stayed at the same time as the 2020 cancellation proceedings which related to the same parties. Whilst being aware of the deadline he had been under the misapprehension that the registrar's letter dated 19 January 2021 related to all proceedings in dispute.

The nature of the Cancellation Applicant 's allegations in its statement of grounds

20. The application for a declaration of invalidity is based upon section 5(4)(a) of the Act under which the Cancellation Applicant contends that it has generated a substantial and valuable goodwill in each of the signs relied upon in connection to the goods and services. Any use by the Proprietor would amount to a misrepresentation to the public that the Proprietor's goods and services are those of the Applicant or are authorised, approved by or in some way connected with the Applicant, causing damage.

21. 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, which will require the filing of evidence.

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

22. If the Proprietor is allowed to defend the application the proceedings will continue, the parties will be given the opportunity to file evidence and the matter will be determined on its merits.

23. If, however, the Proprietor is not allowed to defend the application its registrations will be declared invalid in relation to those goods and services for which declaration of invalidity has been sought.

Any prejudice caused to the Cancellation Applicant by the delay

24. The Cancellation Applicant accepted that the delay would cause no real temporal prejudice to it beyond an ongoing lack of certainty about its rights. Other than the additional costs incurred in dealing with the late TM8 application the Cancellation Applicant has not identified any prejudice that it has been caused.

25. Therefore I do not consider that there would be any prejudice to the Cancellation Applicant other than the proceedings continuing and the delay which has already occurred.

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

26. There are ongoing cancellation proceedings at the UKIPO which are currently stayed until 13 July 2021. The parties have been involved in a long running dispute including proceedings at both the UKIPO and EUIPO.

Considerations

27. I remind myself that the deadline for filing form TM8 is non-extendable and the guidance from the caselaw indicates that even one day late could lead to a refusal to exercise the discretion. If discretion is not exercised in the Proprietor's favour I understand that this would result in the loss of its registrations for those goods and services for which invalidity is sought.

28. Mr Boateng-Addo accepts fully that the fault lies completely in his court for which he can give no explanation other than he misunderstood the Registry's letter dated 19 January 2021 believing it to cover all proceedings. Having come to this conclusion I accept there was no reason to query the matter with the Registry. The Registry was notified of the change of representatives on 10 February 2021, but no official letter was sent out to the parties until 12 April 2021 by which time the time limit had passed.

I note that the letter dated 12 April 2021 provided a copy of the previous letter sent to the original agents dated 20 January 2021 which set out the important deadline. I consider that had this letter been sent out to the current representatives earlier it may have triggered a query in their minds in order to question Mr Boateng-Addo's advice regarding the stay of proceedings and which set of proceedings this covered. I consider that Mr Boateng-Addo's actions once formed (even though as a result of a misapprehension) was compounded by the change of representatives and the delay in communicating this change by the IPO. As an officer of the court, I accept the explanation given by Mr Boateng-Addo that the misapprehension was as a result of human error and once formed that misconception was not discovered until the Registry's letter dated 12 April 2021 by which time the time for filing the defences had lapsed. I accept that the parties have been embroiled in a long-standing dispute which appears to centre around who can establish the earlier right. Other than a short delay and the proceedings continuing I do not consider that any prejudice would be suffered by the Cancellation Applicant.

29. Having considered the matter, noting the comments by both representatives at the hearing and taking account of the factors as set out by the caselaw in *Kicks*, *Mercury* and *Music Choice* I find that compelling reasons and extenuating circumstances were provided sufficient to justify the use of the Registry's discretion as provided by Rule 41(6).

Conclusion

30. The consequence of the above finding is that the Proprietor's late filed TM8 forms and counterstatements will be admitted into the proceedings and assessed accordingly. Providing no anomalies are identified they will then formally be served upon the Cancellation Applicant and a timetable will be set for the filing of evidence.

Costs

31. As I have admitted the Proprietor's defences into the proceedings and the cancellation applications are allowed to continue, costs will be considered at the final determination of the case.

Dated this 30th day of June 2021

Leisa Davies

For the Registrar