

O-163-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING HELD IN RELATION TO
REGISTRATION NOs 922188 & 1233063 IN THE NAME OF
MARTIN McCARTHY**

AND

**APPLICATIONS FOR REVOCATION (NOs 81226 & 81261) BY
HOUSE OF WORTH LIMITED**

BACKGROUND

1. An interlocutory hearing took place before me on 5 February 2004 in relation to the two sets of revocation proceedings detailed on the first page of this decision. The hearing was appointed to determine the applicant's request for an extension of time in order to file evidence under Rule 31(4) of the Trade Mark Rules 2000. My decision at the hearing was to allow the applicant's request for an extension of time. Granting the applicant's request allowed me to admit into the proceedings the evidence that they had brought along to the hearing that day. I also made a decision in relation to costs in which I ordered the applicant to pay the sum of £300 to the proprietor.

2. On 6 February 2004 I wrote to both parties to confirm the above decisions. A period of one month was allowed for either party to file a Form TM5 to request a full written statement of the grounds for the decisions. Both parties subsequently filed a Form TM5; the applicant did so on 10 February 2004, the proprietor on 8 March 2004.

3. It is not necessary to detail the early history of these proceedings; any relevant information will be included later in the decision. It is sufficient to say that following the filing of the two applications for revocation and the proprietor's defence thereto, the applicant was set a three month period (under Rule 31(4)) to file evidence in support of their applications. The date set in relation to revocation 81261 was 30 October 2003 whereas the date set in respect of revocation 81226 was 4 November 2003. On 28 October 2003 the applicant filed a Form TM9 on both cases seeking an extension of time of three months to each of these dates. The reasons for additional time given on Form TM9 were:

“We are conscious of our requirements to file evidence, and some material is already to hand. We are arranging a meeting in Italy with the proprietor with regards to a settlement.”

4. The Trade Mark Registry's preliminary view was to allow the extension of time, this was communicated to the parties by letter on 30 October 2003. However, it should be noted that although the extension of time was granted the Trade Marks Registry said in their letter that the reasons provided were not detailed enough but the extension had been granted because the parties were working towards a settlement.

5. On 18 November 2003 the proprietor wrote to the Trade Marks Registry to object to the granting of the extension of time. Their objection was based on the fact that although a meeting with the applicant had taken place (a further meeting had also been planned) the proprietor did not wish these meetings to serve as a reason for delaying the proceedings. They also felt that the applicant had had ample time in which to file their evidence and no good reason had been provided to explain the delay. They also pointed out that they had not received a copy of Form TM9 from the applicant.

6. In response, the Trade Marks Registry wrote to the applicant to advise them that the preliminary view had been reversed due to their failure to copy the Form TM9 to the proprietor. The applicant was advised that if a copy of the Form TM9 was sent to the proprietor then the matter would be reconsidered. It was also pointed out that if the matter was reconsidered then the proprietor's comments made in their letter of 18 November 2004 would be taken into account.

7. The applicant responded by way of letter dated 1 December 2003 in which they confirmed that they had now copied the Form TM9 to the proprietor. They also confirmed that the parties were still looking at a possible settlement and stated that one meeting had taken place and another arranged. They asked that the provision of additional time be confirmed. They also pointed out that refusal of their request would simply result in further applications to revoke being made. They requested a hearing in the case that additional time was not allowed.

8. On 11 December 2003 the Trade Marks Registry issued a further letter to both parties. In it, it was stated that the matter had been re-considered (following confirmation that a copy of the Form TM9 had been sent to the proprietor) but the preliminary view was maintained refusing the request for additional time. This view had been reached on the basis that the applicant had not provided any information with regards to collation of evidence and further that the proprietor had objected to the granting of a stay of proceedings to allow for negotiations. The matter was subsequently set down to be heard on 5 February 2004.

9. As the hearing was to take place after the date on which the disputed extension requests (if granted) would expire, the applicant filed additional Forms TM9 to cover the period between the expiry of the disputed extension and the date of the hearing. The time periods involved equate to 1 day in relation to revocation 81266 and 6 days in relation to revocation 81261.

SUBMISSIONS AT THE HEARING

Applicant's submissions

10. The applicant did not file a skeleton argument as they were not professionally represented at the hearing. However, they did file a chronology of events and copy correspondence for ease of reference. The applicant's submissions were made by Ms Johnson of the applicant company House of Worth Limited.

11. From the content of her submissions (and she admitted so much) it was clear that Ms Johnson (and others working with her on the prosecution of this case) was unfamiliar with the procedures of the Trade Marks Registry. In her submissions she confirmed that meetings had taken place between the applicant and the proprietor and as a result the applicant had presumed that evidence would not need to be filed within the set deadlines and that additional time would automatically be granted to facilitate negotiations. Ms. Johnson also said that during the previous period work had taken place on the preparation of the applicant's evidence. Ms Johnson attempted to bring to my attention facts relating to the evidence and the difficulties the applicant had encountered in compiling it, however, I advised her that as these facts had not been brought to the attention of the other party (or myself) prior to the hearing then they could not be introduced for the first time now. The hearing could not be used as an avenue to introduce better or further reasons (see the decision of Mr Hobbs QC sitting as the Appointed Person in *Style Holdings PLC's Application* (BL 0/464/01)).

12. Ms. Johnson said that the applicant's evidence was now to hand and that it was in her possession at the hearing and ready to be filed that day. She also confirmed that although the Form TM9 had not been originally copied to the proprietor (which was a mere oversight), it had now been copied following the letters from the Trade Marks Registry.

Registered Proprietor's submissions

13. Mr March of Wildbore & Gibbons attended the hearing on behalf of the proprietor. I had the benefit of a skeleton argument from Mr March prior to the hearing. In essence, Mr March submitted that the applicant had failed to provide any reasons why the evidence had not been filed within the deadline originally set. No difficulties or problems that may have been encountered by the applicant had been put forward. Mr March also re-stated the point made in his earlier correspondence and in his skeleton argument that the fact that the two parties had met for settlement discussions was no reason to allow the extension – the proprietor had never given any indication or concession that the presence of negotiations would enable the proceedings to be slowed down or put on hold and that consequently the obligation on the applicant to file their evidence within the periods set down still stood.

14. Mr March also pointed out (primarily in his skeleton argument) that the applicant's initial statements of case had claimed that thorough investigations of trade, sales outlets and professional bodies had been undertaken. He took it from these statements that the applicant would have been in a position to file evidence at that early date but they had had at least 7 months since then to compile their evidence. In response to the fact that the applicant's evidence was to hand, Mr March argued that the granting of the extension should not follow the event. He argued that the manner in which the case had been handled could be viewed as an abuse of process.

DECISION

Relevant legislation

15. The discretionary power to extend time periods is provided for in Rule 68 of the Trade Marks Rules 2000, the relevant parts of which read:

“68. - (1) The time or periods-

(a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or

(b) specified by the registrar for doing any act or taking any proceedings,

subject to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of a time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;

(b) is filed after the application has been published under rule 12 above the

request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10(6) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rules 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (time for filing counter-statement), and rule 47 (time for filing opposition).

(4) Subject to paragraph (5) below, a request for extension under paragraph (1) above shall be made before the time or period in question has expired.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is satisfied with the explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.”

Case law

16. Neither party specifically focused on any case law. When coming to my decision on the merits of the request I took into account the guidance provided by the Appointed Persons, firstly in the decision of Mr Simon Thorley QC in *Siddiqui's Application* (BL 0/481/00) where he said:

“Accordingly, it must be incumbent on the applicant for the extension to show that the facts merit it. In a normal case this will require the applicant to show clearly what he has done, what he wants to do and why it is that he has not been able to do it. This does not mean that in an appropriate case where he fails to show that he has acted diligently but that special circumstances exist an extension cannot be granted.”

17. Whilst laying down the above criteria, Mr Thorley QC affirmed the line taken in *Liquid Force* [1999] RPC 429 where Mr Hobbs QC cited from and applied the decisions in *Finnegan v. Parkside Health Authority* (1998) 1WLR 411 and *Mortgage Corporation Limited v. Sandoes* (1996) TLR 751 in reaching his conclusions that:

“the absence of good reason for failure to comply with a time limit was not always and in itself sufficient to justify refusal of an extension of time; the true position being that it is for the party in default to satisfy the court that despite his default the discretion to extend time should nevertheless be exercised in his favour, for which he could rely on any relevant circumstances.”

18. Taking the case law in the round, I considered that I must firstly look to the criteria laid down in *Siddiqui's Application* and decide, based on it, whether the facts in this case warranted the grant of additional time. However, if the applicant failed on this, I was not

prevented from granting the extension if I considered there to be any relevant circumstance that persuaded me to grant the extension. I therefore considered that I have a broad discretion to allow an extension if the facts before me warrant it.

Merits of the request

19. I agreed with Mr March that no information has been put forward by the applicant to explain what difficulties or problems they may have encountered in compiling their evidence. The reasons on Form TM9 state that “some evidence is to hand” so clearly some activity with regard to evidence compilation must have taken place during the time period granted thus far. However, the extent of this activity was not known. Neither did the reasons put forward explain what remained to be done; all that one could have assumed is the quite obvious fact that further time was required to complete and file the evidence.

20. If the test to be applied was based solely on the criteria laid down by Mr Thorley QC in *Siddiqui’s Application* then the applicant would have failed in their request. However, other factors had been brought to my attention, namely the fact that the parties were engaged in settlement negotiations and the applicant’s presumption that this lessened the burden on them to file their evidence, and furthermore that the applicant’s evidence had now been completed and was available at the hearing to be filed.

21. In terms of the settlement negotiations, there was common ground that the parties had met once and that a further meeting had been arranged (this further meeting had, I believe, taken place by the time of the hearing). From Mr March’s submissions it appeared that these meetings were instigated by the applicant. On the face of it, the fact that the parties had met provides little support for a request for additional time to file evidence. In many proceedings before the registrar settlement negotiations are taking place as a backdrop to the proceedings; this, however, does not mean that a party abrogates its responsibility to follow the procedural steps laid down by the rules and to compile and file their evidence accordingly. The proper position that ought to have been adopted if a party is intent on settling the dispute amicably and not wishing to file its evidence is for a request (with the agreement of the other party) to be made to the registrar for the proceedings to be stayed. This was not done, nor from the content of the proprietor’s objection to the applicant’s extension of time, would I assume the proprietor to have agreed to such a request.

22. However, it must be borne in mind that the applicant had not been professionally represented in these proceedings and thus the presumptions that they had made with regard to the urgency (or lack of it) for filing their evidence may be understandable; unfamiliarity with the procedures cannot be considered a primary determinating factor though it is something that may be taken into account in the final analysis of the matter.

23. The evidence the applicant wished to file was brought along to the hearing for filing that day. I therefore considered to what extent this fact should influence my decision. The decision of Mr Hobbs QC sitting as the Appointed Person in *Liquid Force* is helpful here:

“It is confirmed in the passage from the Principal Hearing Officer's decision I have quoted above that the Registrar is reluctant to refuse an extension of time for the filing of evidence if the evidence is available to be filed when he comes to consider whether the requested extension of time should be granted. This generally accords with the

observations of Laddie J. in *Hunt-Wesson Inc's Trade Mark Application* [1996] RPC 233 at 241:

"An opposition may determine whether or not a new statutory monopoly, affecting all traders in the country, is to be created. Refusing permission to an opponent who files evidence late affects not only him but also may penalise the rest of the trade. ... although the matter is not clear, it is probable that if the evidence is excluded and the opponent, as a result, loses then he will be able to return again in separate proceedings to seek rectification of the register. An advantage of allowing in the evidence...is that it may well avoid a multiplicity of proceedings."

However, I think it is necessary to bear in mind that these observations were made in the context of proceedings in which the parties were evidently intent on having their dispute determined on its merits. A different view may be taken when it appears that a party has failed to produce evidence capable of supporting his contentions because he is unable or unwilling to do so. That may involve an abuse of process. If so, it may be appropriate to let the default operate as a bar to further progress of the claims based on the unsupported contentions: *Grovit v. Doctor* [1997] 1 WLR 640 (HL) at 647, 648 per Lord Woolf; *Arbuthnot Latham Bank Ltd. v. Trafalgar Holdings Ltd* 1 WLR 1426 (CA) at 1436. And even if the default does not appear to involve an abuse of process, it may yet be the case that the delay in producing such evidence is inordinate, inexcusable and so seriously prejudicial to the opposite party that no indulgence should be given to the party in default in accordance with the principles laid down and reaffirmed by the House of Lords in *Birkett v. James* [1978] AC 297 and *Department of Transport v. Chris Smaller (Transport) Ltd* [1989] AC 1997.

For these reasons I consider that the natural reluctance of the Registrar to refuse an extension of time for filing evidence which has belatedly come to hand cannot be elevated to the status of an invariable rule. In order to leave room for justice to be done I think it is necessary to recognise that a contested application for an extension of time to file evidence should not necessarily "follow the event" (i.e. succeed if the evidence is available at the hearing of the application and fail if it is not) and should not automatically succeed on the basis that refusal is liable to result in the commencement of another action between the same parties covering essentially the same subject matter. I nevertheless agree that these are important factors to be taken into account when deciding whether an extension of time should be granted or refused. In the present case the Principal Hearing Officer took them into account without regarding them as determinative per se. I agree with that approach."

24. From the above statements it is clear that I could not grant the extension simply because the evidence was to hand. I also disagreed with Mr March's submission that the way in which the applicant had handled their case amounted to an abuse of process. The applicant stated on their Form TM9 that some evidence was to hand which indicated that some activity in relation to the compilation of their evidence took place during the time period allowed thus far. There was nothing to suggest that the applicant was intentionally delaying the filing of their evidence. The evidence was ultimately ready to be filed a little over three months from the end of their initial statutory period, this is neither inordinate nor inexcusable.

25. The assumptions that the applicant made in view of the ongoing settlement negotiations must similarly be regarded as non-abusive. They stemmed merely from the applicant's unfamiliarity of the procedures rather than any form of delaying or spoiling tactic. It was also clear from the applicant's earlier correspondence that if their applications were to fail due to their inability to file evidence, it would have resulted in them filing further applications for revocation. A multiplicity of proceedings was again not a determinative factor *per se*, but it was another factor that I bore in mind.

26. Further guidance on the issues surrounding the provision of evidence at a hearing can be seen in *Siddiqui's Application* where Mr Thorley QC stated:

"I should take this opportunity to state that parties who seek an extension of time and whose application for an extension of time is opposed would be well advised when they come to the hearing of that application to bring with them such evidence as they have to hand so that that evidence can be filed forthwith if the hearing officer is minded not to grant an extension."

This appeared to be further support that the Hearing Officer should be prepared to accept evidence into the proceedings, all things being equal, if it was available to be filed at the hearing.

27. It is clearly in the interests of any proceedings that they are determined on their true merits with the benefit (if available) of evidence. In the present case evidence was available and admitting it into the proceedings would not cause any further delay. The applicant's failure to file evidence earlier could not be attributed to an abuse of process; its ultimate provision was within a reasonable timeframe. It is clear that some activity in terms of evidence compilation was carried out in the previous period. Refusing the extension of time and the consequent refusal to accept the evidence into the proceedings may also have resulted in a multiplicity of proceedings. Taking all these factors into account I considered it right to allow the additional time up to the date of the hearing. In doing so the applicant's evidence was admitted into the proceedings.

Costs

28. At the hearing I also heard both sides' submissions on costs. For the proprietor, Mr March argued that even if the extension was granted then the proprietor should nevertheless receive an award of costs in view of the way in which the applicant had handled the prosecution of their case. For the applicant, I understood Ms Johnson not to resist an award of costs if I considered their conduct to have been unhelpful.

29. Rule 60 of the Trade Marks Rules 2000 provides the power for the registrar to award costs as he considers reasonable. *Rizla Ltd's Application* [1993] RPC 365 confirms that in the matter of costs the registrar has a wide discretion. When considering the issue of costs I must look to the conduct of the parties and see whether they have put, or been put, to any unnecessary inconvenience or expense. However, I have borne in mind that an award of costs should not be regarded as a punitive measure.

30. Although the applicant succeeded in their application for an extension of time I was conscious that one of the primary influencing factors in their success was the fact that their evidence was brought along to the hearing. No advance notice of this was provided to the

other party (or myself). If advance notice of their intention to file evidence on the day of the hearing had been given then the other side would have had the opportunity to reconsider their position and make an informed decision on the necessity for them to attend the hearing.

31. Furthermore, I was also conscious that the reasons provided on the Form TM9 were far from perfect. Had an accurate statement detailing the information highlighted in *Siddiqui's Application* been provided then again the other side (and the Trade Marks Registry) would have been placed in a more informed position and a more speedy and cost efficient outcome may have resulted.

32. As I have already mentioned I do not feel that the applicant has acted in an abusive way but has suffered from a naivety of the system. This is understandable given the applicant's unrepresented status, however, this should not shield them from an award of costs if the other side has been put to unnecessary trouble. In all the circumstances I indicated that an award of £300 would be made in favour of the proprietor.

CONCLUSION

33. The extension of time stands as granted on both applications which consequently allows the evidence filed at the hearing to be admitted into the proceedings. I also ordered the applicant to pay the sum of £300 costs to the proprietor.

Dated this 7th Day of June 2004

**Oliver Morris
For the Registrar
The Comptroller-General**