

BL O/240/20

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 502,325

IN THE NAME OF PRAESIDIAD NV

FOR A DECLARATION OF INVALIDITY

IN RELATION TO INTERNATIONAL REGISTRATION No. WO 1,354,071

IN THE NAME OF TESCON SICHERHEITSSYSTEME SCHWEIZ GMBH

DECISION

1. The trade mark **TESCON** is protected for various goods and services in Classes 6, 7, 9, 42 and 45 by International Registration No. WO 1354071 standing in the name of Tescon Sicherheitssysteme Schweiz GmbH (“the Proprietor”). The protection conferred by the International Registration was extended to the United Kingdom on 9 November 2017. On 5 November 2018, Praesidiad NV (“the Applicant”) filed a Form TM26(I) and Statement of Grounds claiming a declaration of invalidity in relation to the UK extension on the basis of objections to registration raised under ss.3(6) and 5(4)(a) of the Trade Marks Act 1994.
2. On 27 November 2018, the Registrar sent a copy of the Applicant’s Form TM26(I) and Statement of Grounds to the Proprietor in accordance with the requirements of Rule 41(5) of the Trade Marks Rules 2008. The covering letter stated as follows (with emphasis and underlining as in the original):

Please find enclosed a copy of a TM26(I), application for invalidity, filed against your international registration.

If you wish to continue with your international 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 28 January 2019

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

Before you decide whether to defend your international registration, you may wish to refer to the guidance notes on invalidity proceedings and the scale of costs which are available from the IPO website at <https://www.gov.uk/government/publications/trade-marks-invalidation-trade-marks-invalidation>.

...

Related case no: 502177

It is noted that there is a related case (502177) and the registered proprietor has requested that this case be suspended to await the outcome of the later case (502325).

The request has been considered and it is the registry's view that suspension is not appropriate but the cases should be consolidated once the cases are defended i.e when both Forms TM8 have been received and admitted.

The earlier case (502177) is currently awaiting receipt of a letter dated 4 June 2018 which is relevant to the request to strike out your claim under Section 3(6). Once received and the issue is resolved, the Form TM8 will be admitted and the matter suspended to await the receipt of the Form TM8 on the later case (502325).

Once received both cases will be consolidated and the evidence rounds set.

3. Rule 41(6) provides as follows:

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.

4. The time limit of two months prescribed by this rule is both rigid and jurisdictional. It operates rigidly as a result of the barrier to the granting of an extension of time created by the 2008 Rules. The Registrar is expressly prevented by rule 77(6) and Schedule 1 from treating it as a *'flexible time limit'* and rule 77(5) ensures that the prescribed period of two months may be extended so as to regularise non-compliance with the time limit *'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.

It also operates jurisdictionally as a result of the barrier to the filing of a defence created by rule 41(6). If the proprietor of the registration in issue fails to comply with the deadline, his right to oppose the invalidity application is timed-out. At that point, the invalidity application stands undefended and the registration "*shall ... be declared invalid*" unless the Registrar sees fit to counteract that by issuing a decision which "*otherwise directs*" as to what the result of the failure to comply with the time limit should be.

5. It was therefore entirely appropriate for the Registry to spell out the consequences of failure to comply with the notified deadline, as it clearly and emphatically did, in the official letter sent to the Proprietor on 27 November 2018.

6. The Proprietor failed to comply with the deadline of 28 January 2019. Its attorneys of record sent a letter accompanied by a Form TM8 and Counterstatement to the Trade Marks Registry by email timed at 19:48 on 6 February 2019. The letter contained a request for the Registrar to exercise his discretion under rule 41(6) so as to permit the Form TM8 and Counterstatement to be accepted into the proceedings. It stated that:
“The missing of the deadline was an anomaly in our records system, which led to the date being overlooked. This is certainly not the normal practice at Dolleymores, which we trust the UKIPO recognise, and additional checks have been put in place to ensure it is not something that happens again”.

7. The Registry appears to have been unaware of that correspondence when it wrote to the Proprietor in standard terms on 7 February 2019 stating:

The official letter dated 27 November 2018 informed you that if you wished to continue with your international registration you should file a Form TM8 and counterstatement on or before 28 January 2019.

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

“...registration of the mark shall, unless the registrar otherwise directs, be declared invalid.”

The registry is minded to treat the holder 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, **21 February 2019**. This **must** be accompanied by a Witness Statement setting out the reasons as to why the Form 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.

8. Having contacted the Registry to discuss the situation, the Proprietor’s attorneys filed a witness statement by email at 16:11 the same day. In this witness statement, Ms Victoria Bennett stated as follows:

- [5] The missing of the deadline was an anomaly in our records system and an error on my part. This is certainly not the normal practice of Dolleymores. The error occurred due to a misunderstanding as to the potential consolidation of this Cancellation Action CA 502325 with Cancellation Action CA 502177, and the appropriate deadline dates connected to both cases, in particular the deadline date for filing Skeleton Arguments in respect of an interim Hearing concerning CA 502177, set out in correspondence from the UKIPO dated 15 January 2019 and the deadline date for filing the TM8 and counter-statement for CA52325, set out in correspondence from the UKIPO dated 27 November 2018. The deadline date for filing the Skeleton Arguments for the Hearing was 5 February 2019 and the Hearing date was 7 February 2019.
- [6] During the preparation of the Skeleton arguments on 5 February 2019, the error concerning the correct date for filing the TM8 and counter-statement became apparent, and the fact that the deadline of 28 January 2019 had been overlooked and the 5 February 2019 related to filing of the Skeleton Arguments only, and not the TM8 and counter-statement.
- [7] On the 6 February 2019, the form TM8 and detailed counter-statement was filed with the UKIPO, together with correspondence referring to the error and the request to submit the TM8 and counter-statement into the proceedings.
- [8] Dolleymores received correspondence from the UKIPO dated 7 February 2019 and I understand from a subsequent telephone conversation between Chris Benney and myself that Mr Benney, at the time of issuing the letter relating to the missing of the deadline, had not been made aware of Dolleymores correspondence of 6 February 2019.
- [9] It is requested, so as not to disadvantage our client Tescon Sicherheitssystem Schweiz GmbH, and in particular remove their registered right (without the grounds for invalidation actually being properly proved), due to an error concerning an official date and form, an error on our part and not on the part of Tescon Sicherheitssystem Schweiz GmbH, that in these circumstances the Registrar uses his discretion and allows the TM8 and counter-statement to be accepted into the proceedings.

9. The Registrar's preliminary view, as notified to the parties on 20 February 2019, was that the late-filed Form TM8 and Counterstatement should be admitted into the proceedings on the following basis:

When reaching its decision, the Registrar has carefully considered all the facts of the case and the guidance and factors set out by Mr Vos QC in *Music Choice Limited and Target Brands Inc CH/2005/APP 0423/0749*.

The Registrar is satisfied the registered proprietor intended to defend its registered right, the deadline was only missed by a few days. Once the error was noted, the attorney acting for the proprietor acted in a timely manner to correct it.

It is also noted the parties are already involved in proceedings before the Tribunal (Cancellation proceeding CA000502177), there will be little prejudice to the cancellation applicant by allowing the proceedings to continue, however, the registered proprietor would be severely prejudiced if it is denied the opportunity to defend its registered trade mark.

The Applicant disagreed with that view of the matter and exercised its right to ask for the Proprietor's request under rule 41(6) to be considered on the basis of written and oral submissions at a hearing to be appointed for that purpose.

10. The hearing took place on 2 April 2019 before Ms June Ralph acting for the Registrar. The Hearing Officer decided to refuse the Proprietor's request for relief under rule 41(6) and declare the UK extension of its International Registration invalid for the reasons she gave in a decision issued under reference BL O/193/19 on 10 April 2019. She ordered the Proprietor to pay £700 to the Applicant in respect of its costs of the Registry proceedings.
11. The Proprietor appealed to an Appointed Person under s.76 of the 1994 Act contending, in substance, that the Hearing Officer came to the wrong conclusion because she misdirected herself in point of law and additionally or alternatively because she erred in the exercise of her discretion under rule 41(6) by adopting a flawed approach to the required assessment. The gravamen of the latter complaint as developed in argument at

the hearing before me was that no real or sufficient effect was given to the curative dimension of the power conferred upon the Registrar by that rule.

12. I begin by noting that the Hearing Officer's decision is marred by citation of and repeated references to rule 18 of the Trade Marks Rules 2008 as if that was the rule which applied for the purposes of her determination: paragraphs [13] to [15] and [22]. She must have been aware (as indicated by the references to it in paragraphs [4] and [12] of her decision) that it was rule 41(6) and not rule 18(2) which enabled the Registrar to proceed or not in the manner over which the parties were divided in their submissions. Her failure to locate her reasoning in rule 41(6) in the main body of her decision reveals a disconcerting lack of attention to detail. Nevertheless, for the reasons given in paragraphs [13] to [15] below I do not consider that her misplaced references to rule 18 actually involved or amounted to a substantive misdirection in point of law.
13. First, Arnold J (as he then was) recognised in Permanent Secretary v. John & Pascal Ltd (HALLOUMI Trade Mark) [2018] EWHC 3226 (Ch) in particular at paragraphs [36] to [39] that the discretionary power exercisable by the Registrar under rule 41(6) is essentially the same in content and character as that exercisable under rule 18(2). For completeness, I add that on 22 January 2019 Floyd LJ refused permission to appeal to the Court of Appeal against Arnold J's Judgment in that case and a further application to re-open the refusal of permission to appeal was rejected by Rose LJ on 6 June 2019.
14. Second, the Hearing Officer explained the legal considerations which guided her in paragraph [15] of her decision:

[15] As there has been no error on the part of the registrar or the office rule 77(5) is not relevant. That leaves rule 18(2) to be considered. As I referred to above, in the *KiX* (O-035-11) decision, Mr. Geoffrey Hobbs QC sitting as the Appointed Person held that the discretion conferred by rule 18(2) is a narrow one and can be exercised only if there are "extenuating circumstances". In *Mercury* (O-050-12), Ms Amanda Michaels, also sitting as the Appointed Person, in considering the factors the Registrar should take into account in exercising the discretion under rule 18(2), held that there must be "compelling reasons". She also 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). Both sides in this matter have directed me to the *Music Choice* criteria set out below in their respective skeleton arguments:

- (1) The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed;
- (2) The nature of the applicant for invalidity's allegations in its statement of grounds;
- (3) The consequences of treating the IR holder as opposing or not opposing the application for invalidity;
- (4) Any prejudice caused to the applicant for invalidity by the delay;
- (5) Any other relevant considerations, such as the existence of related proceedings between the same parties.

15. Third, she affirmed in paragraph [21] of her decision that the question she ultimately had to decide was "*whether there are sufficient extenuating circumstances or compelling reasons to enable me to exercise my discretion to admit the late-filed TM8 and counterstatement in to these proceedings*".
16. It appears to me that notwithstanding the references to rule 18 in the text of her decision, the Hearing Officer's approach to the question she had to decide was basically correct and consistent with the approach to rule 41(6) adopted and applied by Arnold J in the HALLOUMI Trade Mark case. I see no reason to think that her reasoning and conclusions would, in substance, have been any different if her references to rule 18 had been references to rule 41(6).
17. The Proprietor contended before me that there is, on the language of rule 41(6), a 'double discretion' to be exercised by the Registrar when deciding whether to accede to a request of the kind made in the present case. The words "*the registrar may treat the proprietor as not opposing the application*" were said to establish a requirement for the Registrar to determine whether the Proprietor should or should not be treated as opposing the application for a declaration of invalidity. The words "*and registration of the mark shall, unless the registrar otherwise directs, be declared invalid*" were said to establish a further requirement for the Registrar to determine whether the Proprietor's

registration should or should not be declared invalid. The Hearing Officer's exercise of discretion was said to have been vitiated by a failure to expressly decide the latter question.

18. I do not accept that it was necessary for the Hearing Officer to formally adopt a 'sequential decisions' approach to the implementation of rule 41(6). An application for a declaration of invalidity must be made by filing a Form TM26(I) with a statement of the grounds on which the application is made supported by a statement of truth in accordance with the provisions of rule 41(1). An invalidity application which complies with those requirements can properly be accepted at face value by the Registrar if and when he comes to make a declaration of invalidity on the basis that the application stands undefended. To put it another way, the Registrar is able without error to accept the averments made in a compliant application for invalidity once he has decided that it should stand as an undefended application for the purposes of rule 41(6). The Hearing Officer adhered to that approach in the decision under appeal. It is not said (and it plainly could not be said) that the averments in the Statement of Grounds were insufficient at face value to support the claim for a declaration of invalidity made in the Applicant's Form TM26(I). In my view, it was open to the Hearing Officer to accede to the claim without delivering a decision explicitly (rather than implicitly) affirming that the Applicant's pleadings adequately stated a basis for the relief claimed.
19. The main question on this appeal is whether the Hearing Officer erred in the exercise of her discretion under rule 41(6) by adopting a flawed approach to the required assessment.
20. In paragraph [65] of his Judgment in the Music Choice case, Mr. Geoffrey Vos QC (as he then was) explained his overall approach to the five factors he identified for consideration in paragraph [67]: "*Having decided that there is a general discretion in the registrar, it would be inappropriate to set out factors which circumscribe the exercise of that discretion. Plainly, however, the discretion must be exercised on the premise that the time limit ... is inextensible, and that there must be compelling reasons for the proprietor to be treated as opposing the application, notwithstanding his failure to comply with an inextensible time limit*".

21. The Hearing Officer addressed each of the five factors, as adapted to the present case in paragraph [15] of her decision, in the following terms:

[16] In reviewing the first *Music Choice* factor, I note that the deadline was missed by 9 calendar days (7 working days) and that the error occurred as a result of an anomaly in the Dolleymores administrative system, compounded by human error in misunderstanding the due date in this case and in the proceedings for CA502177. Mr Bamford submits in his skeleton case that a misunderstanding over dates has no foundation given the clear communication issued by the Tribunal regarding deadlines.

[17] In terms of the second *Music Choice* factor, Praesidiad have made an application to invalidate the IR on the basis of sections 5(4)(a) and 3(6) of the Act. Both sides have made clear to me the seriousness of the allegations and the evidential burden needed to prove the grounds.

[18] Regarding the third *Music Choice* factor the consequences for Tescon if discretion is not exercised in its favour are very serious as the IR would be deemed invalid for want of a defence. This in turn would have significant consequences for Tescon in the related proceedings, CAA502177, which would fall away if the IR is deemed invalid. By contrast, if discretion is exercised in its favour, it would have the opportunity to defend the IR and a decision would be made on the merits of the case.

[19] Turning to the fourth *Music Choice* factor regarding prejudice, Ms Bennett states that this case was due to be consolidated with CA502177 once the hearing on that case had taken place and the relevant TM8 and counterstatement was filed in these proceedings. As the merits of the respective cases would be established during the evidence rounds of any consolidated proceedings, she did not believe that any prejudice had been caused to Praesidiad by the late filing of the TM8. In reply, Mr Bamford stated that prejudice had been caused to his client and reiterated that discussions with colleagues in Hamburg had been curtailed because of the absence of the TM8 and additional time and costs has been incurred by increased communication with the Tribunal and Dolleymores over this case relating to the TM8.

[20] Regard[ing] the fifth *Music Choice* factor there are previously referenced related proceedings in CA502177 to bear in mind and Ms Bennett has drawn my attention to other proceedings between the parties taking place in Belgium, Germany and Switzerland.

22. The Hearing Officer concluded in paragraph [22] of her decision that:

... In this case the incorrect recordal of a diary deadline is unfortunate but does not amount to either an extenuating circumstance or compelling reason. I do bear in mind the serious consequences for Tescon that it will lose its IR designation in the UK and there may be an adverse effect on other proceedings. However, I do not consider that these factors counterbalance the far from compelling reason as to why the deadline was missed. The diary error indicates that, in the words of Mr Hobbs in *KiX*, there has been a failure to exercise the ‘minimal degree of vigilance’ required to meet the deadline. ...

23. This attached decisive importance to “*the incorrect recordal of a diary deadline*” as a matter which “*does not amount to either an extenuating circumstance or compelling reason*” such as to justify the withholding of a declaration of invalidity in the exercise of the discretion conferred upon the Registrar by rule 41(6). It was decided, from that perspective, that there was not enough in the “*serious consequences for [the Proprietor] in losing its IR designation in the UK*” or the “*adverse effect on other proceedings*” to “*counterbalance*” the inadequacy of the “*reason as to why the deadline was missed*”. To which the Proprietor now says in effect: ‘Why not?’

24. The Proprietor maintained at the hearing before me that the Hearing Officer had no good reason either in point of fact or in point of law for treating the short delay in filing its Form TM8 and Counterstatement as anything other than a minor transgression of no real consequence which could and should simply be cured by allowing it to oppose the Applicant’s claim for a declaration of invalidity out of time. For its part, the Applicant maintained that the Hearing Officer was entitled to decide as she did for the reasons she gave and for the further reasons set out in the Respondent’s Notice it had filed in response to the Proprietor’s Notice and Grounds of Appeal. Each side sought to show that there was more to its case on the merits than could be gathered from the Hearing Officer’s ‘checklist’ approach to the five Music Choice factors. In order to deal with the arguments that were addressed to me, I need to consider the adequacy of the assessment she made in her decision.

25. The Proprietor’s failure to comply with the notified deadline was said to have been due to an “anomaly” in its attorneys’ records system and a “misunderstanding as to the

potential consolidation” of this case with a related case as foreseen in the official letter of 27 November 2018 (see paragraphs [6] and [8] above) with the end result that the deadline of 28 January 2019 for the filing of the Form TM8 and Counterstatement in the present case was ‘elided’ with the deadline of 5 February 2019 for the filing of skeleton arguments in the related case (paragraph [27] of the Proprietor’s Skeleton Argument on appeal).

26. On behalf of the Applicant it was pointed out, correctly, that: (i) it is nowhere said that the Proprietor’s attorneys entered the notified date of 28 January 2019 into their records system; (ii) it is nowhere said that they entered a wrong date instead of the correct date into their system; (iii) the deadline of 5 February 2019 for the filing of skeleton arguments in the related case was separately notified in an official letter of 15 January 2019 (“Skeleton arguments should be received by **14:00, 2 working days before the hearing. That is on or before Tuesday, 5 February 2019.**”); (iv) this was a supervening event relative to the deadline of 28 January 2019 which had already been set by the official letter of 27 November 2018; (v) it is not explained how the official letter of 15 January 2019 is said to have caused or contributed to the previously notified deadline of 28 January 2019 for filing a Form TM8 and Counterstatement becoming ‘elided’ with the subsequently notified deadline of 5 February 2019 for filing skeleton arguments in the related case; and (vi) it is not explained why the Form TM8 and Counterstatement were not filed by 5 February 2019 even though that is said to have been the date which the Proprietor’s attorneys had come to regard as the deadline for filing that they had to comply with.
27. I consider that the evidence and materials on file provided no sufficient basis either for a finding to the effect that there had been “*incorrect recordal of a diary deadline*” as posited in paragraph [22] of the Hearing Officer’s decision or for any firm findings with regard to the nature of the “anomaly” or the process of “misunderstanding” on which the Proprietor was claiming to rely for its failure to comply with the relevant deadline. I return to this in paragraphs [31] to [33] below.
28. The Proprietor challenged the contention (recorded in paragraph [19] of the Hearing Officer’s decision: see paragraph [21] above) that the Applicant had been materially prejudiced by having to wait longer than it expected to receive copies of the Form TM8

and Counterstatement. The Applicant stated its position in its Skeleton Argument for the hearing in the Registry in the following terms:

The fact that the Form TM8 was filed late and that no Counterstatement has been filed has caused prejudice to the Applicant. Collyer Bristow arranged to travel to Hamburg on 21 February 2019 to gather evidence in support of its application for invalidity. At the time, it was anticipated that the Form TM8 and Counterstatement would be available to be reviewed and discussed, *inter alia*, with local counsel. That these documents were not available meant that the discussions were necessarily restricted in scope and so less fruitful than would otherwise have been the case. An alternative date could not be arranged because the availability of certain individuals involved was limited. Further, there is the potential, but at present inchoate, waste of time and costs that would be associated with any meeting needed to address any matter arising in the Form TM8 and Counterstatement. Additional unnecessary costs have also been incurred liaising with the IPO to establish that has been going on and with the unanswered correspondence with Dolleymores.

29. I cannot tell from the Hearing Officer's decision whether she attached any real weight or significance to this as a matter which counted either against the Proprietor or in favour of the Applicant.
30. Having had the benefit of quite extensive argument about it, I think it boils down to the proposition that the Proprietor and / or the Registrar should have acted with greater speed to make the Applicant aware of the contents of the late-filed Form TM8 and Counterstatement. I accept that the Applicant encountered needless delay in its efforts to obtain copies of those documents. I also accept that being made to wait for sight of them was irritating and inconvenient to it. However, the temporary shortfall in information as to what the Proprietor was proposing to plead by way of defence to the claim for invalidity does not appear from the materials before me to have had any adverse effect on the Applicant's ability either to oppose the late filing of the Form TM8 and Counterstatement or to pursue its claim if and when called upon to do so. In my view, this was a relatively minor procedural matter which did not significantly weaken the Proprietor's position or significantly strengthen that of the Applicant for the purposes of the Proprietor's request for relief under rule 41(6).

31. I do not doubt that the Proprietor's attorneys fully appreciated that the deadline set by the official letter of 27 November 2018 was non-extendible. I accept that they did not want to let the deadline pass by default. After it had been missed, they sought to remedy the situation by filing the Proprietor's Form TM8 and Counterstatement out of time on 6 February 2019. They acted proactively, that is to say without being prompted into doing so by the official letter in standard form that was sent to them on 7 February 2019. The fact that they acted of their own accord is consistent with the antecedent failure to comply being the result of human error on the part of one or more individuals who had been intending to do what was required in order to meet the relevant deadline.

32. I readily accept that human error is not necessarily inconsistent with the existence of extenuating circumstances or compelling reasons for permitting invalidity proceedings to be defended in the exercise of the discretion conferred by rule 41(6). I would, for example, regard it as appropriate for the discretion to be exercised in favour of permitting a claim for invalidity to be defended in circumstances where it was clearly established that the failure to comply with a filing deadline of (say) **12 February 2020** was the result of an unnoticed keystroke error which caused the due date to be incorrectly entered in an otherwise reliable record keeping system as (say) **21 February 2020**. It is nonetheless clear that the test to be applied cannot be taken to permit or require all human errors to be treated as excusable for the purposes of rule 41(6). There must, in other words, be a fact specific evaluation for the purpose of determining whether the particular error in question should or should not be treated as excusable in the circumstances of the case at hand.

33. This is the point at which the Proprietor's request for relief under rule 41(6) ran into difficulty. The general tenor of the representations made on its behalf was that its attorneys had taken reasonable and proper steps to ensure that the required Form TM8 and Counterstatement were filed before expiry of the specified deadline, but were inadvertently deflected from doing so until after the deadline had expired. However, the Registrar was presented with assertions rather than evidence and materials of sufficient clarity and precision to substantiate that or any proposition to the like effect. In the end, as emphasised in the Respondent's Notice, the Hearing Officer was left with no satisfactory explanation for the default which had occurred.

34. There is normally no hardship involved in requiring a trade mark proprietor to comply with the time limit of two months prescribed by rule 41(6). The Proprietor did not suggest (and the Hearing Officer had no reason to infer) that the position was any different in the present case. It was open to the Hearing Officer, on the evidence and materials before her, to conclude as she did in paragraph [22] of her decision that there had been a failure on the part of the Proprietor to exercise the minimal degree of vigilance required to meet the notified deadline.
35. The situation of the Proprietor in relation to the trade mark protected by the registration in issue was relevant for the purpose of enabling the Registrar to assess the severity of the consequences it was seeking to avert by means of its request for relief under rule 41(6).
36. In paragraph [8] of its Skeleton Argument for the hearing in the Registry, the Proprietor emphasised that the outcome of pending Invalidity Application No. 502177 (in which the Proprietor was challenging the validity of the Applicant's Trade Mark No. 3221251 TESCO registered in Classes 6, 9, 42 and 45 on 4 August 2017 with a claimed priority date of 13 October 2016) was dependent on the outcome of the Applicant's claim for a declaration of invalidity in relation to the Proprietor's Trade Mark (IR) No. 1,354,071 TESCO in the present proceedings. That was recognised in paragraph [18] of the Hearing Officer's decision.
37. In the letter they sent to the Registry by email on 6 February 2019, the Proprietor's attorneys stated that "*The actions in the UK are not isolated*" and referred to the existence of issues in common between the present proceedings and related proceedings between the same parties in other countries. The Hearing Officer referred to this in paragraph [20] of her decision.
38. It can be seen from paragraph [22] of her decision that the Hearing Officer was mindful of the severity of the consequences that the Proprietor was seeking to avert ("*the serious consequences for TESCO that it will lose its IR designation in the UK and there may be an adverse effect on other proceedings*"), but considered that they should for the purposes of rule 41(6) be regarded as the "*unfortunate*" result of the Proprietor's

own “*failure to exercise the ‘minimal degree of vigilance’ required to meet the deadline*”.

39. In substance, she decided that the severity of the consequences counted for less than the inadequacy of the explanation for non-compliance put forward by the Proprietor in support of its request for relief from the legal requirement to comply with the non-extendible deadline. And decisively so.
40. In substance, the Proprietor contends on this appeal that the severity of the consequences should have counted for more, not less, than any inadequacy in its explanation for non-compliance. And decisively so.
41. The Proprietor maintains in that connection that the Registrar’s power to grant relief under rule 41(6) ought to be analogised to the power to grant relief from sanctions under Civil Procedure Rule 3.9:

Relief from sanctions

3.9–(1) On an application for relief from any sanction imposed for a failure to comply with any rule, practice direction or court order, the court will consider all the circumstances of the case, so as to enable it to deal justly with the application, including the need–

- (a) for litigation to be conducted efficiently and at proportionate cost; and
- (b) to enforce compliance with rules, practice directions and orders.

- (2) An application for relief must be supported by evidence.

This would have required the Hearing Officer to proceed on ‘Denton principles’ (Denton v T H White Ltd [2014] EWCA Civ 906) along the following lines: (1) identify and assess the seriousness and significance of the failure to comply; (2) consider why the default occurred; (3) evaluate all the circumstances of the case so as to deal justly with the application for relief. If the breach was neither serious nor significant, it would usually not be necessary to spend much time on the second and third stages of the process. It was submitted that the Proprietor’s failure to comply with the time limit

prescribed by Rule 41(6) would, in line with that approach, fall to be regarded as neither serious nor significant.

42. I do not propose to dwell on the correctness or otherwise of that submission because I do not accept that the approach suggested by the Proprietor should be applied by analogy to cases under the 1994 Act and 2008 Rules involving non-compliance with the time limit prescribed by rule 41(6):
- (1) the Civil Procedure Rules do not apply to proceedings before the Registrar of Trade Marks: see, for example, Nursing and Midwifery Council v Harrold [2015] EWHC 2254 (QB) at paragraph [11] per Hamblen J; the ‘Denton principles’ are directed to, and only strictly applicable to, the courts of England and Wales: see BPP Holdings Ltd v Commissioners for HMRC [2017] UKSC 55 at paragraph [24] per Lord Neuberger PSC;
 - (2) how strict an approach should be taken to non-compliance with time limits is not a question to which one answer is necessarily better or worse than another; a balance has to be struck between two interests which weight on opposite sides; it is recognised that it is for specialist tribunals, particularly those (as would include the Registrar) whose jurisdiction extends to the whole of the United Kingdom, to strike that balance and, in doing so, to develop their own procedural jurisprudence: see Green v Meers Ltd [2018] EWCA Civ 751 at paragraphs [40] to [42] per Underhill LJ;
 - (3) there is no general power to grant relief from sanctions in Registry proceedings under the 1994 Act and 2008 Rules: BOSCO Trade Mark (BL O/399/15; 21 August 2015); the Registrar is expressly prevented by rule 77(6) and Schedule 1 to the 2008 Rules from treating the time limit prescribed by rule 41(6) as a ‘flexible time limit’; and the procedural jurisprudence applicable to rule 41(6) confirms that the time limit is designed to be strictly enforced.
43. In Barton v. Wright Hassall LLP [2018] UKSC 18 at paragraph [8] Lord Sumption JSC observed in relation to the power to waive compliance with procedural conditions under provisions such as those in Civil Procedure Rule 3.9 that “*there is a disciplinary factor*

in the decision whether to impose or relieve from sanctions for non-compliance with rules or orders of the court, which has become increasingly significant in recent years with the growing pressure of business in the courts.” I do not think it can be doubted that there is a significant disciplinary dimension to the power conferred upon the Registrar by rule 41(6) and none the less so because there is also a curative dimension to it.

44. The structure of the rule as I have described it in paragraph [4] above points to the importance of the disciplinary dimension. As I have said, the procedural jurisprudence applicable to rule 41(6) confirms that the time limit it prescribes is designed to be strictly enforced. Many decisions can be found to support that proposition. Prominent among them is the decision in the HALLOUMI Trade Mark case where a certification trade mark registration held by the Permanent Secretary, Ministry of Energy, Commerce and Tourism, Republic of Cyprus was declared invalid under rule 41(6) consequent upon the failure of the proprietor to file a Form TM8 and Counterstatement by the notified date of 26 March 2018. Rose LJ noted the gravity of this for the Republic of Cyprus in her Order of 6 June 2019 rejecting the trade mark proprietor’s application to re-open Floyd LJ’s refusal of permission to appeal to the Court of Appeal. Paragraphs [12] and [46] of the Judgment of Arnold J reflect the stringency of the requirement to comply with the time limit prescribed by the rule:

[12] The [Registry’s] letter of 26 January 2018 was received by the Ministry at the latest on 9 February 2018. The Ministry’s evidence is that the letter was read by at least two officials in the Ministry on 9 February 2018 and that, on or shortly after that date, a third official instructed a fourth official to forward the letter to the Law Office of the Republic of Cyprus; but that instruction was not actioned, and so no Form TM8 or counterstatement was filed.

...

[46] ... I have summarised in paragraph 12 above the explanation which is given by the Ministry in the further evidence. That evidence simply demonstrates that the Ministry was the author of its own misfortune. The Ministry’s internal procedures were so disorganised that the letter enclosing the Application was passed from official to official after receipt on 9 February 2018, but no action was taken. In my judgment this evidence fails to establish any extenuating circumstances for the Ministry’s failure to meet the statutory deadline.

In those circumstances the other aspects of the further evidence cannot provide a sufficient basis for the exercise of the rule 41(6) discretion in the Ministry's favour.

45. In the final analysis, I am unable to accept that the Hearing Officer's decision to refuse the Proprietor's request for relief under rule 41(6) was wrong. Whilst her decision could have been better expressed, I consider that it was open to her in point of law and in point of fact to find that the Proprietor had not established a sufficient basis for the discretion conferred by that rule to be exercised in its favour. I therefore dismiss the appeal.
46. I approach the question of costs in the manner indicated in paragraphs [12] to [14] of my decision in AMARO GAYO Trade Mark BL O/257/18 (25 April 2018). Having regard to what I consider to be the amount of effort and expenditure that is likely to have been reasonably and productively incurred by the Applicant in defending the Hearing Officer's decision, I think it would be reasonable to order the Proprietor to pay £3,850 to the Applicant as a contribution to its costs of the proceedings on appeal. That sum (which is additional to the sum of £700 awarded to the Applicant in respect of its costs of the proceedings in the Registry) is to be paid within 21 days of the date of this decision.

Geoffrey Hobbs QC

17 April 2020

Mr Benet Brandreth QC instructed by Dolleymores appeared on behalf of the Proprietor.

Mr Michael Edenborough QC and Mr Tim Bamford instructed by Collyer Bristow LLP appeared on behalf of the Applicant.