

O-251-17

**TRADE MARKS ACT 1994
IN THE MATTER OF
APPLICATION NO. 3192868
BY CROMAR'S RESTAURANTS LTD
TO REGISTER**



**AS A TRADE MARK
IN CLASSES 30 & 43
AND
THE LATE FILING OF FORM TM8 AND COUNTERSTATEMENT
IN DEFENCE OF THAT APPLICATION
IN OPPOSITION PROCEEDINGS (NO. 408208)
LAUNCHED BY
SWIFTGUIDE LIMITED**

Background

1. On 24 October 2016, Cromar's Restaurants Ltd ('the Applicant') applied to register as a trade mark for certain goods and services in classes 30 and 43 the figurative mark shown on the front page of this decision. The application was published in the Trade Marks Journal on 11 November 2016. On 15 December 2016, Wilson Gunn trade mark attorneys on behalf of its client, Swiftguide Limited ('the Opponent') filed a notice of threatened opposition (Form TM7A), followed on 9 January 2017 by the notice of opposition (Form TM7). The Opponent relies on two registered marks to oppose all of the goods and services in the application and on section 5(2)(b) of the Trade Marks Act 1994 ('the Act').
2. The Trade Marks Registry (i.e. the Intellectual Property Office or 'IPO') wrote to the Applicant on 12 January 2017, enclosing the Opponent's Form TM7. The official letter, copied to the Opponent, included the following text:

"If you wish to continue with your application, you should complete Form TM8 and counterstatement, which is available from the IPO website, and return it within **two months** from the date of this letter. This is in accordance with rule 18(1) and 18(3) of the Trade Marks Rules 2008.

...

The TM8 and counterstatement ... must be received on or before **13 March 2017**.

If you choose not to file a TM8 ... you should be aware that your application shall unless the Registrar otherwise directs be treated as abandoned in whole or part, in accordance with rule 18(2) of the Trade Marks Rules 2008."

3. The Registry did not receive a Form TM8 from the Applicant by the above specified deadline. Consequently, on 22 March 2017 the Registry wrote to the Applicant stating that in accordance with rule 18(2) the Registry was minded to deem the application as abandoned as no defence had been filed within the prescribed period. The official letter of 22 March gave the Applicant until 5 April

2017 to respond, else the Registrar would indeed proceed to deem the application abandoned.

4. The Applicant filed its Form TM8 and counterstatement on 27 March 2017 and the Registry wrote in reply the following day, acknowledging receipt but advising that as the Form TM8 had not been filed by the 13 March 2017 deadline, then in order to consider admitting the Form TM8 the Registry would require the filing of a witness statement on or before 11 April 2017 to explain why the form was not received by the due date. It explained that in light of such information provided, the Registry would then issue a preliminary view as to whether it should invoke the discretion contained within rule 18(2) and accept the late Form TM8 into the proceedings. It advised that if nothing further were received from the Applicant, the comments as expressed in the Registry's previous letter dated 22 March 2017 would be confirmed, and the application would be deemed abandoned.
5. On 4 April 2017 the Applicant sent to the Registry a letter that provided information about the late submission of its Form TM8. The letter was in the name of William Frame, who is a director of the Applicant company and the covering email described the letter as a witness statement.
6. The letter apologised for the late submission of the form TM8 and offered explanation as follows: that for the last 6 months, Mr Frame had been involved in a re-financing project for his property company, after being ill-advised by his bank in the wake of the 2008/2009 credit crunch and that the last 6 months were the culmination of nine years of negotiation with the bank for compensation. The letter stated that the bank had admitted that its advice had not been in Mr Frame's best interests and the parties had therefore concluded an arrangement just days before. The letter explained that this had been all-consuming for the last 6 months, and that Mr Frame and his small team had "*been stretched to the limit at times.*" Mr Frame ended the letter with the good news that the business had survived (where other businesses had not) and that he was now able to concentrate efforts on the future. He stated that "*Cromars Takeaway and Restaurant in St Andrews is very much part of that*" and he would still like to register the trade mark.

7. The Registry replied to the above on 6 April 2017. The official letter acknowledged receipt of the Applicant's "witness statement" and gave its preliminary view that the reasons provided were not sufficient for the Registrar to exercise his discretion. The request to allow the late filed Form TM8 into the proceedings was therefore refused. The official letter explained that the Registrar had reached that preliminary view after careful consideration and having taken account of guidance provided by the Appointed Person in *Kickz AG and Wicked Vision Limited* (BL-O035-11) and in *Mark James Holland and Mercury Wealth management Limited* (BLO-050-12), which stipulates that the Registrar can only exercise his discretion to admit a late filed Form TM8 where there exists "*extenuating circumstances*" and "*compelling reasons*" to do so. The letter gave the Registry's view that the circumstances the Applicant described, whilst very unfortunate, did not fall into this category. The letter allowed the Applicant fourteen days to provide full written reasons if it disagreed with the preliminary view and to request a hearing. In a letter dated 6 April 2017, the Applicant contended that since the issue with the bank was beyond its control it amounted to an extenuating circumstance and asked for a hearing to be arranged.

8. As the Applicant had no professional legal representation, it was not required to provide written skeleton arguments ahead of the hearing, but it nonetheless provided such in brief form on 3 May, in which it repeated its reference to a high degree of pressure on a small team resulting in the late submission. (It also made reference to having co-existed with the Opponent for several years without confusion in the market place, however this point was not relevant to the issue of admitting a late Form TM8.) The Opponent provided skeleton arguments to the Registry and to the Applicant on 9 May 2017. The Opponent's skeleton arguments focused on the guidance under the case law referenced in the official letter of 6 April 2017, and highlighted relevant extracts from both the *Kickz* and *Mercury* cases. As these points were revisited at the hearing, I deal with them a little later in this decision.

9. The Opponent also pointed out in its skeleton arguments that the Applicant's letter of 4 April 2017 lacked some of the formality required of a witness statement, notably in that it was not signed. However, this point was not brought to the Applicant's attention when the letter was admitted into the proceedings by the Registry. The letter was received by the Registry from the Applicant's correspondence email address, identified the proceedings to which it related and bore the name of its author. At the hearing I therefore allowed the contents of that letter to stand as part of the proceedings. The formality could be rectified if necessary, but the matter drew no further objection.

The Hearing

10. The hearing took place before me on 12 May 2017 and was conducted by telephone conference. Mr Frame appeared on behalf of the Applicant and Mr Terry Rundle of Wilson Gunn represented the Opponent.
11. As an introductory matter, I emphasised that the purpose of the hearing was limited to challenging the Registry's preliminary view that the reasons provided by the Applicant were insufficient to satisfy the Registry that it should exercise its narrow discretion in the Applicant's favour and, in so doing, allow the late filed Form TM8 and counterstatement to be admitted into the proceedings.
12. , I summarised the correspondence that had passed between the Applicant and the Registry. That correspondence gave repeated reminders of the opposition and clearly set out the relevant deadlines. It made clear that failure to submit a counterstatement on Form TM8 by the deadline would result in the application being treated as abandoned and that the discretion available to the Registrar under rule 18(2) to do otherwise is narrow, as the law set out below explains.

The law

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

- “(1) The applicant shall, within the relevant period, file a Form TM8, which shall include a counter-statement.
- (2) Where the applicant fails to file a Form TM8 or counter-statement within the relevant period, the application for registration, insofar as it relates to the goods and services in respect of which the opposition is directed, shall, unless the registrar otherwise directs, be treated as abandoned.
- (3) Unless either paragraph (4), (5) or (6) applies, the relevant period shall begin on the notification date and end two months after that date.”

14. The combined effect of rules 77(1), 77(5) and Schedule 1 of the Rules means that the time limit in rule 18, which sets the period in which the defence must be filed, is non extensible other than in the circumstances identified in rules 77(5)(a) and (b) which states:

“A time limit listed in Schedule 1 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

- (a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the registrar, the Office or the International Bureau; and
- (b) it appears to the registrar that the irregularity should be rectified.”

15. It is clear that in this instance there has been no irregularity in procedure. Accordingly, I need not consider rule 77(5). The only possible basis on which I may allow the Applicant to defend the opposition proceedings is provided by the words “*unless the registrar otherwise directs*” in rule 18(2).

16. At the hearing I explained to the Applicant to promote consistency and fairness the Registry must take account of relevant principles set out in previous decisions of appellate bodies such as the Appointed Persons. Sitting as the Appointed Person in *Kickz*, it was Mr Geoffrey Hobbs QC who held that the discretion conferred by rule 18(2) is a narrow one that can be exercised only if there are “*extenuating circumstances*”. And in considering the factors the Registrar should take into account in exercising that discretion, it was Ms Amanda Michaels QC, sitting as the Appointed Person in *Mercury* who held that

there must be “*compelling reasons*”. Ms Michaels 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). Such factors, adapted for opposition proceedings, are as follows:

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

17. I must take account of all of the above factors, but to deal firstly with the second of the *Music Choice* factors, the opposition was based solely on section 5(2)(b) of the Act. To determine the outcome of the opposition would require a careful multifactorial assessment as to whether the parties’ marks are similar and are for goods and services that are identical with or similar to one another such that it is likely to confuse a notional average consumer. In this case neither of the Opponent’s marks required proof of use and the grounds claimed were expressed in identical terms for both of the earlier marks relied on. From the perspective of the Applicant therefore, notwithstanding its lay status, absorbing the content of the notice of opposition (Form TM7) was relatively straightforward.

18. Proceeding to the third factor, the consequence for the Applicant were the discretion not exercised in its favour would be that this particular application for a trade mark would be treated as abandoned; contrastingly, if the discretion were exercised the case would proceed to be determined on its merits. As to the

fourth factor, aside from the comments associated with costs (which I address later in this decision) the Opponent has brought to my attention no specific prejudice caused by the delay. And as to the fifth factor, there are, to my knowledge, no related proceedings between the parties or other relevant matters.

19. I now turn to consider the first factor listed in *Music Choice*. The Applicant missed the deadline by two weeks, but when the Registry highlighted the missed deadline, the Applicant submitted its Form TM8 within five. At the hearing, Mr Frame amplified on the points he had made previously in writing, as to his attention and time being fully absorbed with a financing issue relating to his property company. He referred to tough economic times in Scotland making it difficult to raise capital. He said that he had been “*fighting for his commercial life*,” that his wife had been in the process of selling her own business and for the last six months his small team had worked twelve hour days and for five and a half days a week. He said that the process of acquiring a trade mark was not one with which he was very familiar and as with any business, there were many competing issues to juggle and deal with. His attention and priorities had been focused on re-financing in response to the impact of a fundamental strategic decision taken by the National Australia Bank/Clydesdale Bank. Mr Frame described the oversight in missing the deadline for submitting the Form TM8 as “*an honest mistake*” and in no way a calculated move “*to spin things out*.” It was simply that the person who had been handling the application had “*forgotten about it*”, but had submitted it as soon as the oversight was noticed.

20. In reply on behalf of the Opponent, Mr Rundle reiterated the points made in the Opponent’s skeleton argument, highlighting pertinent extracts from the guidance of the Appointed Persons with regard to Rule 18(2) in *Kickz* and *Mercury*. He cited the statement of the Appointed Person in *Kickz* that the applicant had in that case been “*the author of its own misfortune, there having been no adherence to any system or procedure for checking and dealing with [important received correspondence]*.”

21. Mr Rundle acknowledged that the circumstances outlined in the Applicant's letter of 4 April 2017 were unfortunate, but submitted that they were directly comparable to the circumstances of the applicant in *Mercury* who had been "*distracted by other legal matters.*" Mr Rundle highlighted that in *Mercury*, the Appointed Person stated that the applicant had "*failed to provide any supporting documentation to show the nature and impact of the legal matters or court cases on which he relied, still less to prove that they were individually or cumulatively such as to prevent him from having the time to deal with the opposition to his trade mark application.*" Mr Rundle argued that the same applied in the present proceedings as the Applicant had "*failed to show that it would not have been possible for it to find the time necessary to file the TM8 within the prescribed time limit.*"

Decision

22. The Registry's letter of 12 January 2017 made clear to the parties the consequences of not responding by the relevant deadline. It is understandable that certain business priorities may absorb time and focus at the expense of other issues. Mr Frame has explained that he was engaged with refinancing his property company and lost track of the progress of the trade mark application initiated in late October/early November 2016. I do not doubt that explanation, although I recognise the validity of Mr Rundle's points (referencing *Mercury* in the previous paragraph) as to the lack of supporting documentation.

23. Oversights in attending to deadlines are commonplace in daily life and I accept that it was in this case simply an honest mistake. However, I agree with the Mr Rundle's submission that those circumstances are directly comparable to the circumstances of the applicant in *Mercury* who had been "*distracted by other legal matters*" and which were insufficient in that case for the Appointed Person to allow a Form TM8 beyond the deadline.

24. To treat this application for its trade mark as abandoned would be a regrettable consequence for the Applicant, and I note too that there has been no claim that a short delay in proceeding with the opposition would cause prejudice to the

Opponent. However, in line with the view of the Appointed Person in *Mercury*, these factors are not sufficient to counterbalance the absence of a compelling reason for the Applicant to be treated as defending the opposition where it failed to comply with the time limit in Rule 18. That time limit is inextensible and the Registrar's discretion to admit a late filed defence is narrow. The guidance from the decisions of Appointed Persons as set out earlier in this decision lead me to find that there are in this case no compelling reasons or extenuating circumstances sufficient to enable the exercise of the narrow discretion in the Applicant's favour. Consequently, the trade mark application is treated as abandoned under rule 18(2).

COSTS

25. As my decision concludes the proceedings, I must now go on and consider the matter of costs.
26. As part of its skeleton arguments for this hearing, the Opponent requested off-the-scale costs in respect of the Opponent's incurring what it called "*additional unnecessary costs*" as the Applicant requested the hearing in circumstances where the Registrar had given its view that the Applicant had failed to provide sufficient extenuating circumstances or compelling reasons to justify admitting the TM8 filed on a date beyond the stipulated deadline, which could not be extended. I do not accept that argument. The Applicant was entitled to challenge the preliminary view of the Registry and to request a hearing.
27. Using the guidance set out in Tribunal Practice Notice 2/2016, and taking account of the straightforward nature of the issue and short duration of the hearing, I award the Opponent costs as follows:

Official fee (TM7)	£100
Preparing the notice of opposition	£100
Preparation for joint hearing (incl. consideration of TM8 and witness statement) and attending hearing	£300

Total:	£500
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28. I order Cromar's Restaurants Ltd to pay Swiftguide Limited the sum of **£500** (five hundred pounds). This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23RD day of May 2017

Matthew Williams
For the Registrar,
the Comptroller-General