

O-255-18

UK INTELLECTUAL PROPERTY OFFICE

1st Floor,
4 Abbey Orchard Street,
London, SW1 2HT

Thursday, 29th March, 2018

Before:

MR. THOMAS MITCHESON Q.C.
(sitting as the Appointed Person)

- - - - -

In the Matter of the Trade Marks Act 1994

-and-

In the Matter of Registration No. 2067542
in the name of CAVIAR HOLDINGS INC.

-and-

In the matter of Revocations thereto under
Nos. 501628 and 501649 by
ROOF DECK ENTERTAINMENT LLC

- - - - -

(Appeal of the Proprietor from the decision of Mr. C.J.
Bowen, acting on behalf of the Registrar, dated 9th October
2017.)

- - - - -

(Transcript of the Shorthand Notes of Marten Walsh Cherer
Ltd., 1st Floor, Quality House, 6-9 Quality Court,
Chancery Lane, London, WC2A 1HP.
Tel No: 020-7067 2900. Fax No: 020-7831 6864.
email: info@martenwalshcherer.com.
www.martenwalshcherer.com)

- - - - -

MR. BENJAMIN LONGSTAFF (instructed by Nucleus IP Limited)
appeared on behalf of the Proprietor/Appellant.

MS. ASHTON CHANTRIELLE (instructed by Taylor Wessing LLP)
appeared on behalf of the Applicant/Respondent.

- - - - -

D E C I S I O N

- - - - -

O-255-18

THE APPOINTED PERSON: This is an appeal against the decision of C.J. Bowen, hearing officer for the Registrar, dated 9th October 2017. It concerns a procedural issue relating to the application of Rule 38(6) of the Trade Marks Rules 2008 and whether the late filing of Notice TM8(N) in response to an application for revocation for non-use is fatal to the proprietor's defence.

The mark in issue is registration no. 2067542, the device mark MARQUEE. It is registered in the name of Caviar Holdings in Classes 9, 25, 32, 39, 41 and 42. It was filed on 2nd April 1996 and entered into the register on 18th July 1997.

On 21st April and 4th May 2017, Taylor Wessing, on behalf of its client, Roof Deck Entertainment LLC, filed two applications to have this trade mark revoked in full for non-use under section 46(1)(b) of the Trade Marks Act 1994. The reason there were two applications is that further and better particulars were provided in the second application regarding the date of revocation and the address for the proprietor. In the end, I do not think anything turns on the fact that there are two applications to revoke rather than one.

The hearing officer set out the key dates in his chronology at paragraph 11 of his decision, which I gratefully adopt and incorporate herein. There was no dispute before me as to these. The issue for me is whether

O-255-18

the hearing officer erred in law or principle in refusing to allow Form TM8(N) to be filed late in these proceedings on 25th July 2017 when the forms were due on 3rd July and 17th July respectively.

Turning next to the standard to be applied, both counsel have referred me to the decision of Daniel Alexander Q.C. in *TT Education Limited v Pie Corbett Consultancy Limited* (0/017/17), at paragraph 52, which has been approved by Arnold J in *Apple Inc v Arcadia Trading* [2017] EWCH 440 (Ch) at paragraph 11. I will not go through those factors in full, but I note the reference in (ii) of Mr. Alexander's reasoning where he says, "At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions." He then goes on to refer to multifactorial decisions further along the spectrum.

Ms. Chantrielle, for the respondent, suggested that it is only in rare cases that decisions based on discretion should be overturned. In support of this, she refers to Mr. Alexander's paragraph (iii) where he refers to conclusions on primary facts. Ms. Chantrielle submitted that because Mr Alexander QC referred to discretionary decisions in the same sentence as primary facts in his paragraph (ii), the same standard must also apply.

Mr. Longstaff, for the appellant, preferred to focus on

O-255-18

paragraph (v) of Mr. Alexander's factors where he stated, "Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong."

I prefer to refer to the standard in terms of it being a high standard to meet to overturn a discretionary decision, which Mr. Longstaff agreed was a fair description of the standard to be applied in these sorts of cases. I do not think it is necessarily particularly helpful to say that such cases are rare because that begs the question as to whether this is or is not one of those rare cases. In the end, I do not think there is anything between the parties as to the standard to be applied. It is a high standard because this is a discretionary decision and I shall bear that in mind when I approach the decision of the hearing officer.

I turn now to the rule in issue, Rule 38(6), which reads as follows: "Where the proprietor fails to file a Form TM8(N) within the period specified in paragraph (3) the registration of the mark shall, unless the registrar directs otherwise, be revoked." So the issue here is whether there are relevant factors to allow the Registrar to direct otherwise within the meaning of the rule.

Both parties cited a number of cases to me where these issues had been looked at already. I think it is necessary

O-255-18

only to refer to one of those cases, namely the decision of Amanda Michaels, sitting as the Appointed Person, in the *Mercury* case (0/050/12). In that case, she referred to some of the earlier cases including the decision of Geoffrey Vos Q.C., as he then was, sitting as a Deputy Judge of the High Court, in *Music Choice Ltd's Trade Mark* [2006] R.P.C. 13. She quoted Mr. Vos Q.C. at paragraph 65 of that decision where he stated, "... that there must be compelling reasons for the proprietor to be treated as opposing the application" Again, there was no dispute between the parties that that is the appropriate test.

Ms. Michaels went on to discuss some of the factors to be applied and she referred to the factors set out by Mr. Vos Q.C. at paragraph 67 of the *Music Choice* decision. Those factors are as follows: "(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's allegations in its statement of grounds. (3) The consequences of treating the proprietor as opposing or not opposing the application. (4) Any prejudice caused to the applicant by the delay. (5) Any other relevant considerations, such as the existence of related proceedings between the same parties."

The important factors for the purposes of Mr. Longstaff's appeal for the proprietor in the present case are (1) and (3), that is to say, "The circumstances relating

O-255-18

to the missing of the deadline including reasons why it was missed and the extent to which it was missed" and, "The consequences of treating the proprietor as opposing or not opposing the application." Those are the factors on which I shall focus when I come to turn to the hearing officer's decision.

I return to the *Mercury* decision for some additional comments from Ms. Michaels. In particular, she drew parallels between the requirements for overcoming a non-extendable deadline (as in this case) and those required to overcome an extendable deadline. She referred to the *Siddiqui* decision of Mr. Thorley Q.C., sitting as an Appointed Person (BL 0/481/00). In that decision, Mr. Thorley had pointed out that where discretion is used to extend an extendable deadline, in the 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. As a result, said Mr. Thorley, a party seeking such an extension of time is expected to give full and detailed reasons for the request and, in particular, to explain the delay. I agree that this is the appropriate standard to be set for extendable deadlines.

Ms. Michaels went on to say in her paragraph 32 that in the case of non-extendable deadlines, "It is all the more incumbent on someone seeking an extension under Rule 18(2) to give full and detailed reasons for the request, to show what

O-255-18

he has done, etc and to set out in proper detail any 'extenuating circumstances' relied upon." I also agree with that. The standard is therefore even higher to overcome a non-extendable deadline and to get the Registrar to exercise discretion in favour of a proprietor who has failed to meet a non-extendable deadline.. I shall come on to consider that when I look at the evidence and the findings of the hearing officer.

I now turn to the grounds of appeal relied upon by Mr. Longstaff. They are four in number. The first ground of appeal was in relation to the hearing officer's assessment of the evidence. He suggested that the hearing officer either failed to construe the evidence correctly or else he chose to disbelieve it. I asked Mr. Longstaff to point out to me anywhere in the decision where he could suggest that the hearing officer had disbelieved the evidence before him. He was not able to point to any part of the decision which suggests that and I reject the suggestion that that is the conclusion to which the hearing officer came. None the less, I need to address Mr. Longstaff's first point that the hearing officer failed to construe the evidence correctly and to do that I need to review some of the evidence that was before him.

The starting point is the letter of 3rd May which was sent by the Intellectual Property Office to the proprietor. All of the relevant letters that were sent are in the same

O-255-18

terms and I take this one as an example. The letter sets the background to the request that is now made under Rule 38. The second paragraph of the letter states as follows (original emphasis): "If you wish to continue with your registration you **must**, in accordance with Rule 38(3) of the Trade Mark Rules 2008, complete form TM8(N) and counterstatement (please see glossary) and return it within **2 months** from the date of this letter."

Under that, it said, "**The TM8(N) and counterstatement must be received on or before 3 July 2017.**" The last sentence on the page reads as follows: "**In accordance with Rule 38(6), if the TM8(N) 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 revoked in whole or in part.**"

It is clear from this letter and from the emphasis which is placed on it that the deadline to file TM8(N) is not extendable and is strict. The correspondence from the Intellectual Property Office makes this abundantly clear. Also, as we shall come on to see, the proprietor in the present case instructed solicitors and later trade mark agents, who also had a conference with counsel. I consider that the meaning of the letter would have been clear to all of those individuals and indeed would be very likely to be well-known to any solicitors, trade mark attorneys or counsel versed in trade mark matters, of which at least some of the

O-255-18

people instructed by the proprietor are.

I now turn to the evidence that was filed in support of the proprietor's application. There were two witness statements, one from Mr. Whitehouse and one from Mr. Lowry. Mr. Whitehouse is a consultant solicitor in the firm of G.H. Canfields LLP, who were originally instructed by the proprietor. He explains in his evidence that there was a conference arranged with counsel on 25th May 2017 and at that conference, counsel recommended the appointment of a trade mark agent on the grounds of economy and expertise. He goes on to explain that, "This recommendation was approved by both me and Mr. Lowry."

He then goes on in his paragraph 7 to explain, "Upon the advice of Counsel, it was understood by both myself and Mr. Lowry that in order to defeat the application, Caviar would have to demonstrate consistent use of the trade mark over the past five years. It was agreed that evidence of such use could only be ascertained by Mr. Lowry. It was agreed at the conference that Mr. Lowry would collect from GHC appropriate original files from which to collate such evidence."

Pausing there, I note that that evidence from Mr. Whitehouse is not contradicted by anything that Mr. Lowry says. Mr. Whitehouse continues: "8. At the close of the conference, Counsel provided me with the names of 3 trade mark agents to pass to Mr. Lowry. Counsel made a specific

O-255-18

recommendation of Nucleus IP Limited of 10 St. Bride Street, London, EC4A 4AD."

At paragraph 9, Mr. Whitehouse explains: "Mr. Lowry collected the files on or around 2nd June 2017. On 8th June 2017, Mr. Lowry emailed me requesting the names of the trade mark agents he should contact. These names were the same as those provided by Counsel at the conference. The names were forwarded to Mr. Lowry by me via email dated 14th June 2017.

"10. I did not hear further from Mr. Lowry and assumed that he had either appointed a trade mark agent and had forwarded the files to whomsoever he had appointed for the drafting of his objections." No criticism is made of the evidence of Mr. Whitehouse and there is no reason why the hearing officer should not have accepted everything that he said.

I now turn to the evidence of Mr. Lowry. He explains in his paragraph 1 that he is the managing director of Caviar Holdings Inc (the proprietor) a position which he has held since July 2004. In paragraph 6, Mr. Lowry explains, "In April 2017 Caviar became aware of the activities of Roof Deck Entertainment LLC [the applicant in these proceedings] and through our solicitors, GH Canfields LLP (GHC), we sent a letter before action dated 19 April 2017 and draft Particulars of Claim complaining of trade mark and copyright infringement, passing off and requesting suitable undertakings. Caviar also threatened to cancel the two

O-255-18

European Union trade marks for MARQUEE registered by Roof, if suitable undertakings were not provided."

He then goes on to recount the application for non-use that was made and he refers in his paragraph 9 to the conference that took place between him, GHC and counsel on 25th May 2017. He corroborates Mr. Whitehouse's statement and explanation that at the conference, counsel recommended that a specialist trade mark firm be appointed in his paragraph 10. He then goes on in paragraph 11 to explain, "The recommendation to appoint a trade mark firm was accepted, however, there was a misunderstanding between me and GHC during the conference call as to who would actually appoint the trade mark firm."

Then in paragraph 12, he states, "On 30 May 2017 GHC made enquiries with Nucleus IP Limited with a view to bringing them on board to handle the matter before the UKIPO and shared this information with me. Unfortunately, while I assumed GHC would appoint the trade mark firm to move things forward, they assumed I was doing the same and the trade mark firm was inadvertently not appointed and a suitable response was not submitted before the UKIPO."

I pause there to note that Mr. Whitehouse did not refer to the date of 30th May 2017 in his evidence and therefore it is not clear precisely what enquiries were made by GHC with Nucleus IP on this date. More significantly, however, Mr. Lowry's statement then goes on straight to the events of

O-255-18

11th July 2017 when the UKIPO notified GHC that the first deadline to submit the TM8 had passed and also to the deadline of 25th July 2017 being provided by the UKIPO to respond. What Mr. Lowry does not do -- and I consider this significant and the hearing office was justified in holding this to be significant -- is to refer to any of the in between events which had been referred to by Mr. Whitehouse, that is to say, the 2nd June date when Mr. Lowry collected the files from GHC, or 8th June 2017 when Mr. Lowry emailed Mr. Whitehouse requesting the name of the trade mark agents he should contact, or the 14th June email from Mr. Whitehouse to Mr. Lowry communicating the name of the trade mark attorneys who were recommended. None of this evidence is addressed by Mr. Lowry, nor are any of the emails provided in the evidence. I consider that this is a significant gap in the evidence that was provided to explain the failure to file the TM8s on time and I consider that the hearing officer was justified in relying on this absence of evidence in the conclusions that he reached.

I now turn to the decision of the hearing officer in relation to ground 1, his assessment of the evidence, in order to address the criticisms that Mr. Longstaff made of it. I turn first to paragraph 16 where the hearing officer recorded that at the time of the conference, Mr. Lowry was clearly under the impression that GHC would take the necessary steps to appoint a trade mark agent. That is

O-255-18

consistent with the evidence from Mr. Lowry and no criticism is made of that finding.

The hearing officer, however, goes on in paragraph 17 to record the later events, including the evidence of Mr. Whitehouse on 8th June 2017 in relation to Mr. Lowry's email to him and his responding email on 14th June 2017. The hearing officer explains, "Although copies of these emails are not in evidence, it appears that Mr. Lowry's understanding of the position must have changed (perhaps following the visit to GHC 'on or around' 2 June 2017) because he then contacted Mr. Whitehouse on the basis indicated." He refers to paragraph 10 of Mr. Whitehouse's statement.

Mr. Longstaff criticised these findings and suggested that the hearing officer had gone behind the evidence of Mr. Lowry and/or had misconstrued that evidence in reaching these findings. I do not accept that criticism. It is plain that there are gaps in the evidential story that Mr. Lowry has accounted for in his witness statement. We know that these gaps exist because of the explanation from Mr. Whitehouse of the contact that went on between him and Mr. Lowry in relation to the collection of the files and the emails going back and forth. I think it is a reasonable inference, from the absence of evidence that Mr. Lowry submitted, that he was aware by the time he had heard from Mr. Whitehouse via email that he needed to be in contact with

O-255-18

the trade mark agents. Therefore, the hearing officer was entitled to consider that even if Mr. Lowry's understanding of the position on 30th May 2017 was that GHC would take the necessary steps, that understanding of the position must have changed at a later date. I think the inference is a fair one to draw and I do not consider that Mr. Longstaff's criticisms of the findings of the hearing officer have any weight.

The hearing officer, having made that finding, then went on in paragraph 19 to say, "Making the best I can of the tension which Mr. Longstaff fairly accepted existed between the parts of the two statements I have identified, it appears to me that by at least 8 June 2017, Mr. Lowry had accepted that the responsibility for appointing trade mark agents had passed from Mr. Whitehouse to him." Pausing there, I think that is a fair inference, particularly given that Mr. Whitehouse explained that it was Mr. Lowry who emailed him to ask for details of trade mark attorneys to contact. That is consistent with the hearing officer's findings.

The hearing officer went on in paragraph 19, "When Mr. Whitehouse passed those names to Mr. Lowry on 14 June 2017, he ought to have advised him of both the deadlines running and the consequences of failing to meet them. However, even if he did not, and even if at no point during, inter alia, the conference with counsel the deadlines were mentioned (which seems most unlikely), I would have expected a business person such as Mr. Lowry to have made the

O-255-18

necessary enquiries with Mr. Whitehouse on receipt of his email of 14th June 2017."

Even if, as I have rejected, any criticism could be made of the hearing officer's findings in paragraph 19, I consider that the explanation proffered through Mr. Lowry's witness statement was wholly inadequate to meet the standard which is required in a case such as this where a non-extendable deadline has been missed and where a party is seeking to persuade the Registrar to exercise his discretion in order to allow the proceedings nevertheless to continue. I consider that the burden is a high one on a proprietor who has missed a deadline to provide a full explanation as to why the deadline was missed, including exhibiting relevant correspondence, which goes further than the requirements that Mr. Thorley set out in *Siddiqui*. That hurdle has clearly not been met in the present case, as can be seen by the absence of explanation of a number of steps by Mr. Lowry in his evidence.

In paragraph 20, the hearing officer went on to refer to the second deadline missed on 17th July. He referred to the arguments made before him that six days between 11th July and 17th July were sufficient to ensure that the second deadline was observed. I will return to this under ground 2 of Mr. Longstaff's appeal.

To conclude on ground 1, I think that the hearing

O-255-18

officer was right in his paragraphs 32 and 33 that by the time the deadlines came around, Mr. Lowry was aware that it was his responsibility to appoint a trade mark agent to handle the matter on the proprietor's behalf and that the failure to file the TM8 by that date was due to a lack of diligence on the part of the proprietor. There was insufficient explanation as to why those deadlines were missed and in the words of the Appointed Person, Mr. Hobbs, in the *Kickz* case, the hearing officer was correct to determine that the proprietor was the author of its own misfortune. In conclusion, therefore, I do not accept that any criticism can be raised in relation to the hearing officer's assessment of the evidence and I reject the appeal under ground 1.

Turning to ground 2, this refers to the second deadline which was missed and the weight that the hearing officer placed upon that. I have already referred to the hearing officer's findings in paragraph 20. He went on to deal with the consequences of this in paragraph 35 and he concluded that having already missed one deadline, he would have expected the proprietor to make every effort to meet the second deadline. There was some discussion before me as to the state of the evidence as to whether it was clear or not that Mr. Lowry was aware of the second deadline personally. I accept that the evidence is not entirely clear as to that. However, Mr. Lowry did explain, once he was aware of the 11th

O-255-18

July deadline, that given the importance of the MARQUEE trade mark to his business, once he became aware of the situation on 11th July, he arranged for GHC to appoint the trade mark firm and arranged a call with GHC and the trade mark firm to ensure that the latest deadline was met.

I consider that it is more likely than not that Mr. Lowry did instruct the trade mark agents before the second deadline of 17th July came around and that that deadline could have been met by the proprietor's agents had they been instructed by then. However, in the end, I do not think that the hearing officer placed much weight on this additional point and I need say no more about it other than I do not believe that the hearing officer made any error in the findings he reached in paragraph 35.

I now turn to the third ground and, in particular, to the criticism that the hearing officer did not place sufficient weight on the prejudice to the proprietor if the discretion is not exercised in the present case. This prejudice is, of course, the revocation of the mark based on the applications made and its effect not only on the proprietor's current business, but also on the potential litigation to which I have already referred, which the proprietor itself commenced by letter before action in April 2017.

I have to say that of the grounds of appeal before me, this is the one that troubled me most. The point is this.

O-255-18

It is clear from the *Music Choice* factors that the loss of the mark and the prejudice to the proprietor is something which must be taken into account when the hearing officer comes to his or her decision. The question before me is whether the hearing officer placed sufficient weight on this. The criticism that is made is that in paragraph 31 of his decision, the hearing officer stated as follows: "However, the mere fact that the proprietor will lose its registration if I am against it is not a point in its favour; this will always be the case when a party fails to file a defence resulting in an adverse decision from the Tribunal."

Mr. Longstaff focused on this paragraph and this wording and suggested that the hearing officer had failed to take proper account of the prejudice in coming to his decision not to exercise his discretion. Taken alone, that paragraph might suggest that the hearing officer did not have all the relevant factors in mind. However, it is important to look at the decision as a whole and in particular I need to refer to paragraphs 23 and 24 of the decision where, in 23, the hearing officer recorded the submissions of Mr. Longstaff before him as to the consequences of treating the proprietor as not opposing and that those would be enormously unjust for Caviar. In paragraph 24, the hearing officer recorded the fact that if the proprietor is not allowed to defend the applications, it will lose its registration from the earliest date of revocation sought,

O-255-18

i.e. 12th February 2013.

Furthermore, the hearing officer went on in paragraph 36 to consider (notwithstanding what he had said in paragraph 31) the prejudice to the proprietor and he stated, "Having reached the above conclusions, the lack of prejudice to the applicant caused by the delay and the obvious prejudice to the proprietor is not, in my view, sufficient to counterbalance the lack of any compelling reasons to allow the proprietor to defend the applications."

I consider that the wording in paragraph 31 is a little unfortunate in so far as it suggests that the hearing officer had placed no weight on the fact that the proprietor will lose its registration. However, I do not believe that is what the hearing officer did when he came to his decision overall. I consider that in recording the submission in paragraph 31, the hearing officer was merely reflecting the observation that has been made in some of the earlier cases, that it is not enough on its own that the proprietor will lose the ability to defend the action to justify the exercise of the Registrar's discretion because that, of course, is always the case whenever a TM8 has not been filed. That is what I consider to be the point that the hearing officer was trying to make in paragraph 31.

Notwithstanding that, it is still necessary in every case to decide whether or not the prejudice to the proprietor by the fact that the TM8 was not put in in time outweighs the

O-255-18

other factors which the hearing officer had to take into account. I consider that in reaching his conclusion in his decision in paragraphs 36 and 37, the hearing officer did take into account sufficiently the prejudice to the proprietor. In balancing all the factors that were relevant based on the *Mercury* decision, he decided that the prejudice to the proprietor -- and it is an obvious and significant prejudice -- nevertheless was not sufficient to counterbalance the lack of any compelling reasons to allow the proprietor to defend the applications.

I consider that he was entitled to reach this decision. As I have already recorded, I find that there is an absence of proper evidence and explanation to justify why the dates were missed, particularly on behalf of Mr. Lowry. That absence of evidence is a serious one and in the light of that, even though there is a prejudice to the proprietor in not being able to defend his action, overall the hearing officer was entitled to come to the decision that he did and exercise his discretion in the way that he did to reject the proprietor's case. I do not think the conclusion of the hearing officer can be criticised even if he could have made his reasoning a little clearer in paragraph 31 of his decision. Those are my conclusions on ground 3.

Finally, I come to ground 4, that the overall approach to the discretion exercised by the hearing officer was irrational in its harshness and the facts of this case amount

O-255-18

to extenuating circumstances. This was really a wrap-up point to reflect the criticisms overall of the hearing officer's decision, but given the conclusions I have already reached, I do not consider that the hearing officer's decision overall was irrational. For the reasons I have given, he was entitled to assess the evidence as he did; he was entitled to refer to the second missed deadline as he did; and he was entitled, when he weighed up the factors, including the prejudice to the proprietor, to conclude that, overall, the prejudice was insufficient to counterbalance the lack of any compelling reasons to allow the proprietor to defend the applications.

For all those reasons, therefore, I reject the proprietor's appeal.

- - - - -