

O-280-05

TRADE MARKS ACT 1994

**IN THE MATTER OF A PRELIMINARY HEARING HELD
IN RESPECT OF TRADE MARK REGISTRATION No. 2250189
IN THE NAME OF MUSIC CHOICE LIMITED
AND A REQUEST BY TARGET BRANDS INC No. 81860
FOR A DECLARATION OF INVALIDITY IN RESPECT
OF THAT REGISTRATION**

TRADE MARKS ACT 1994

IN THE MATTER OF a Preliminary Hearing held in respect of Trade Mark Registration No. 2250189 in the name of Music Choice Limited and a request by Target Brands Inc No. 81860 for a Declaration of Invalidity in respect of that registration

BACKGROUND

1. Proceedings in this case commenced on 14 September 2004 when fJ Cleveland on behalf of Target Brands Inc filed a Form TM26(i) seeking to have the registration owned by Music Choice Limited declared invalid on a number of grounds covered by Section 47(1) and 47(2) of the Trade Marks Act 1994. The Form TM26(i) was served by the Trade Marks Registry on the Registered Proprietor's then representatives, Gill Jennings & Every, who were allowed the prescribed period of 6 weeks, until 28 October 2004 in which to file a defence (Form TM8 and Counterstatement). In the event, neither they nor the Registered Proprietor's subsequent representatives, Olswang (nor the Registered Proprietor themselves) filed a defence within the prescribed period and, following a preliminary hearing, the Registrar's Hearing Officer determined that he should not exercise any discretion he might have in the Registered Proprietor's favour and allow the application for a Declaration of Invalidity to be treated as opposed. He also determined that the period for the filing of the Applicant's evidence, under the Trade Marks Rules, which had been suspended, should be re-commenced and Target Brands Inc were allowed the balance of the prescribed 6 week period to complete their evidence in support of the application. That decision by the Registrar's Hearing Officer, Mr C J Bowen, is the subject of an Appeal.

2. This decision relates to a request by the Applicant's representatives to extend the period of time allowed by Mr Bowen for the Applicant to file evidence in support of their application. Following the Hearing, Mr Bowen wrote to the parties allowing until 14 February 2005 for the Applicant to file their evidence in support of the application for a Declaration of Invalidity. On 10 February 2005 the Applicant's representatives, fJ Cleveland, filed a Witness Statement but sought an extension of time of 6 weeks, until 28 March 2005, to file further statements. However, 3 draft statements were attached as an indication that progress was being made. In a letter dated 14 January 2005 (presumably 14 February 2005) and received at the Patent Office on 15 February, the Registered Proprietor's representatives, Olswang, objected to the request. On the same day, fJ Cleveland on behalf of the Applicant for the Declaration of Invalidity filed 5 Witness Statements in support of the application and asked that they be admitted into the proceedings in effect by the grant of an extension of time of 1 day, rather than 6 weeks as requested on 10 February. The Trade Marks Registry issued a preliminary view that the extension of time until 15 February should be allowed. The Registered Proprietor's representatives objected and the matter came before me at a Preliminary Hearing held on 28 April. I am now asked to set out the grounds of my decision to allow the extension of time.

3. At the Hearing, Ms L Hobbs of fJ Cleveland represented the Applicant for the Declaration of Invalidity, Target Brands Inc and Ms S Wright of Olswang represented the Registered Proprietor. Each side submitted a skeleton argument. Ms Hobbs' skeleton consisted of 12 pages, including Annexes and Ms Wright's 4 pages.

4. I should record that these particular proceedings are part of a wider dispute between the respective parties. Proceedings at the Office for Harmonisation In The Internal Market (Trade Marks & Designs) (OHIM) are suspended pending the determination of the respective prior rights relied upon by the parties and there is a parallel set of invalidation proceedings going on between them before the Trade Marks Registry. I had however only these proceedings and the issues detailed above before me.

5. The issue before me on 28 April was whether the Applicant for the Declaration of Invalidity should be allowed an extension of time of 1 day, from 14 February to 15 February, to file all their evidence in support of the Application for the Declaration of Invalidity. The reasons advanced by fJ Cleveland for the request in their letter were as follows:

“In compliance with your letter of 25 January 2005, Toni Dembski-Brandl has executed two further statements, one in this application and one in invalidation application no. 81859. A copy of the statement made in this application is attached.

Further witnesses are to make statements in this application shortly. Three witness statements in draft are attached.

As you are aware, procedurally, this application has become some what complex and responsibility for it at fJ Cleveland has had to be transferred, following the departure of the attorney previously handling it. The evidence to be filed has been finalised since your 25 January 2005 letter, and one of the statements has been executed. We have been in frequent contact with our instructing principle at Target Brands Inc and with Target brands Inc’s US and UK lawyers concerning the evidence to be filed in this application and in related application no. 81859, and concerning other actions between Target Brands, Inc and Music Choice Limited.”

6. In their letter of 14 [January] Olswang sought to point out that the Applicant had already filed substantial evidence in other proceedings before the Trade Marks Registry, that the Applicant’s reasons were neither strong nor compelling and that since there were no just and equitable reasons such as to satisfy the Trade Marks Registry, the request for an extension of time should be refused. In filing the balance of their evidence on 15 February, fJ Cleveland responded to Olswang’s comments. Insofar as these are relevant, they indicated that the attorney at fJ Cleveland who had been handling these proceedings left the firm and had been replaced with another; there had been requests for consolidation of these and other proceedings; there had been correspondence between the parties concerning a possible settlement and that in the event that the extension was not granted, the current application for the Declaration of Invalidity would be withdrawn and a further application made incurring further expense to all concerned.

The Law

7. Insofar as it is relevant, Rule 33A Application for Invalidation; evidence rounds (Form TM54) states:

“(1) The applicant, within six weeks of the initiation date –

(a) shall file any evidence he may consider necessary to adduce in support of the grounds on which the application was made; and

(b) where –

(i) the application is based on an earlier trade mark;

(ii) neither section 47(2A)(a) nor (b) applies to the mark; and

(iii) the truth of a matter set out in the statement of use is either denied or not admitted by the proprietor,

shall file evidence supporting the statement of use.”

8. Rule 68 (as amended by Trade Marks (amendment) Rules 2004), and insofar as it is relevant states:

“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 time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13 to 13C, 18, 23, 25, 31, 31A, 32, 32A, 33, 33A 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 the 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), rule 13A(1) (time for filing counter-statement), 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(3) (time for filing counter-statement and evidence of use or reasons for non-use), rule 32(3) (time for filing counter-statement), rule 33(6) (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.”

9. As the period of time allowed was not one excluded by the rules from being extended; that the request for an extension of time allowed was made on a Form TM9; that the required fee paid and that these actions were taken before the expiry of the period there were, and are, no formalities objections.

Jurisprudence

10. The following extract from the Trade Mark Registry's Law Section Work Manual is relevant:

“6.As to onus, the party seeking the extension has the evidential burden and the reasons for the extension should be ‘strong and compelling’ (*A.J and M.A Levy’s Trade Mark* [1999] RPC 292). In the case of *R v Registrar of Trade Marks, ex parte SAW Company SA* [1996] RPC 507, Jacob J said that ‘six months is a very generous period for the filing of evidence’ and upheld a decision refusing an extension on the basis that there had been a lack of action on the part of the defaulting party during the relevant prescribed period. It should be noted that Jacob J’s comments in relation to a six month period for filing evidence are not interpreted by the Registrar as constituting an absolute time limit, over and above which no discretion can be exercised. In the case of *Liquid Force* [1999] RPC 429, the Appointed Person held that the Registrar’s discretion under the rules to extend periods was as broad as that of the court, so that the absence of a good reason to extend a period was not always, in itself, ‘sufficient to justify refusal; the true position being that it is for the party in default to satisfy the Court that despite his default, discretion should be exercised, for which purpose he could rely on any relevant circumstance’, e.g. public interest. Also in *Liquid Force*, the Appointed Person held that the fact that evidence is available at the time a contested extension of time takes place is not determinative per se (by or in itself; intrinsically), though it is an important factor. Finally, whilst ongoing negotiations do not relieve a party of its obligation to file evidence they could still be a relevant factor in exercising discretion. Also, the Appointed Person stated:

“In the interests of legal certainty it is plainly desirable that valid applications for registration should succeed and valid objections to registration should be upheld without undue delay. The time limits applicable to opposition proceedings under the 1994 Act and the 1994 Rules were formulated with that consideration in mind. The Registrar endeavours to ensure that prescribed time limits are observed, subject to his power to grant fair and reasonable extensions of time in appropriate cases.”

In *Siddiqui’s Application* (BL O-481-00) the Appointed Person said that it was incumbent on the party requesting the extension to put forward facts which merited the extension. The Appointed Person said:

“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. However, in the normal case it is by showing what he has done and what he wants to do and why he has not done it that the Registrar can be satisfied that granting an indulgence is in accordance with the overriding

objective and that the delay is not being used so as to allow the system to be abused.””

11. In addition, the Office adheres to the same overriding objective as the Court for dealing with cases justly, as set out in the Civil Procedure Rules. This includes, so far as is practicable:

- (a) ensuring that the parties are on an equal footing;
- (b) saving expense
- (c) dealing with the case in ways which are proportionate – (1) to the amount of money involved (2) to the importance of the case (3) to the complexity of the issues and (4) to the financial position of each party
- (d) ensuring that it is dealt with expeditiously and fairly.

12. In this particular case, given the background set out above, the law and the jurisprudence, I determined that an extension of time of 1 day in order to allow the Applicant for the Declaration of Invalidity to file their evidence in support of their application was justified. Though it seemed to me that the reasons advanced by the Applicant could not be described as compelling, they did have substance and the objections by the Registered Proprietor did not. In the circumstances, it seemed that the balance in this case fell in allowing the extension of time.

13. For example, there had been a change of Attorney within the firm representing the Applicants and the various sets of proceedings in the UK and OHIM had made things quite complicated; there was an on-going request for consolidation which they consider may have made life easier, but which was refused. On the other hand the Registered Proprietor as far as I could see was in no way prejudiced by one day extra taken by the Applicant.

14. I was reinforced in that view when I took account of the need to apply proportionality to the proceedings. This was a case in which the Applicant had filed some, but not all of their evidence in the time permitted. They sought an extension of time of 6 weeks in order to complete their portfolio and in doing so provided drafts of the evidence that were likely to be provided within that timescale. In the event, they only required 1 day extra to file the additional Witness Statements. That, to my mind showed some determination to get on with these proceedings and should be taken into account. Indeed by the time the Applicant’s representative had filed their objection to the extension, the evidence was available to them.

15. In summary therefore, because there was justification for granting an extension of time and that the amount of time (1 day) was reasonable, I granted an extension of time until 15 February to admit the additional evidence filed by the Applicant on that day. I should note that the threat to withdraw these proceedings and re-file was not a factor in recording my decision.

COSTS

16. Both sides made submissions on the subject of costs. If successful, both sought costs, at least from the scale, in respect of this Preliminary Hearing. I decided, however, to determine the matter, despite the fact that my decision was to a significant extent based on proportionality and reflected my view that the Registered Proprietor in maintaining their objection to an extension of time of 1 day was not acting in accordance with the overriding objective and in particular was out of proportion to the general scheme of proceedings before the Trade Marks Registry and indeed the Courts. The matter of costs for this Preliminary issue should be considered by the Registrar's Hearing Officer who determines the substantive issues. In the event of a settlement between the parties, I would expect any agreement to cover the matter of the parties respective costs.

Dated this 17th day of October 2005

**M KNIGHT
For the Registrar
the Comptroller-General**