

O-328-18

**TRADE MARKS ACT 1994
IN THE MATTER OF
APPLICATION NO. 3256825
BY LIVING SERVICES LTD
TO REGISTER**



AS A TRADE MARK IN CLASSES 35, 36 AND 43

AND

**THE LATE FILING OF FORM TM8
IN DEFENCE OF THAT APPLICATION
IN OPPOSITION PROCEEDINGS (NO. 411255)
LAUNCHED BY
INSTAGRAM, LLC**

Background

1. On 14 September 2017 Living Services Limited (the “Applicant”) filed an application (no. 3256825) to register as a UK trade mark “INSTAHOME” (figurative), as shown on the front page of this decision, in respect of services in classes 35, 36, and 43.
2. On 5 January 2018, Instagram, LLC (the “Opponent”) filed a Notice of Opposition (Form TM7) opposing the application on the basis of sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). In serving that opposition, the Registry issued to the Applicant a letter dated 22 January 2018, which included content as presented below:

“ Please find enclosed a copy of the Form TM7, notice of opposition, filed against your application.

[...]

If you wish to continue with your application, you **must** in accordance with rule 18(1) and 18(3) of the Trade Mark Rules 2008, complete a Form TM8 and counterstatement (please see Glossary) and return it within **two months** from the date of this letter.

If the parties wish to seek a negotiated settlement and avoid the cost of preparing and submitting evidence or submissions, a Form TM9C ‘Request for a cooling off period’ (no fee required), which will extend the period for the filing of the applicant’s defence for a further seven months, **must** be filed. Both parties **must** agree to enter into cooling off.

The Form TM8 and counterstatement, or Form TM9C must be received on or before 22 March 2018.

If you choose not to file a TM8, or a TM9C your application shall, in accordance with rule 18(2) of the Trade Marks Rules 2008, be treated as abandoned in whole or part unless the registrar otherwise directs.

[...]”

3. By the deadline of (close of Thursday) 22 March 2018, the Registry received neither a Form TM8, nor Form TM9C, but on Monday 26 March 2018, the Applicant sent an email to the Registry stating that it wished to complete a Form TM8, but had “*failed to respond within the deadline, because the opposing party mentioned that they would like to extend their negotiations and [the Applicant] had been waiting for them.*” The Applicant asked if there was a way to complete the form at that stage and within half an hour of that email on 26 March 2018, the Applicant sent a second email to the Registry enclosing a completed Form TM8. That second email apologised for missing the

deadline of 22 March 2018 and stated that the Applicant strongly believed that it had “*been deceived and bullied by Instagram’s solicitors*” with whom it had been negotiating in good faith. The email also stated that it was the Applicant’s belief that Instagram has “*an extremely weak case*” against the Applicant and it would therefore be “*wholly unreasonable and unfair*” to decline the Applicant’s trade mark.

4. The following day, a witness statement was filed on behalf of the Applicant in the name of Dimitrios Konstantinidis and dated 27 March 2018 to explain the late filing of the Form TM8. The witness statement largely repeated the points raised in the earlier emails, referring to “3 extenuating circumstances”, which may be summarised as follows:
 - The applicant claimed to have been misled by the Opponent’s representative regarding a call to discuss a potential cooling off period;
 - It had been a difficult period for the applicant, losing 40% of his workforce whilst negotiating in good faith with the Opponent and awaiting a response from the Opponent for a “friendly settlement”;
 - It would be inappropriate and unfair to dismiss the case as the opposition has “absolutely no merit”.
5. The Applicant referred to a PDF document from HMRC to corroborate its claimed 40% loss of staff (two of five staff) and to two emails relating to communications and discussions between the parties (about which I say more later in this decision).
6. On 10 April 2018, the Registry wrote to inform the parties that having considered the reasons provided in the Witness Statement it was the preliminary view of the Registry to refuse the request for discretion to allow the late-filed Form TM8 into the proceedings. The letter stated that the reasons given were not ‘extenuating circumstances’ nor ‘compelling reasons’ sufficient to permit exercise of the Registrar’s discretion in this instance, but it allowed 14 days for either party to request a hearing if they disagreed with the preliminary view. The Applicant replied that day to say that it strongly disagreed with the preliminary view and requested a hearing. The Registry therefore scheduled a joint hearing for 3 May 2018.

7. On 1 May 2018, the Opponent filed skeleton arguments ahead of the joint hearing, arguing that the preliminary view was correct because the Form TM8 was filed after the non-extendable deadline as specified in the Registry's letter of 22 January 2018, and the Applicant's witness statement showed neither compelling reasons nor extenuating circumstances that would justify the exercise by the Registrar of his discretion to admit the late filed Form TM8 and counterstatement in these proceedings. The Opponent's skeleton arguments addressed the factors identified in case law as relevant in determining whether to exercise such discretion. I refer further to the Opponent's points later in this decision.
8. The Opponent's representatives also filed a witness statement dated 1 May 2018, made by Yana Zhou who is a solicitor employed at the firm representing the Opponent. Ms Zhou states, among other things, that all settlement discussions between these parties took place on a without prejudice basis and that there was never an agreement for a joint cooling off extension and nor had she indicated to the Applicant that she would be filing a Form TM9C on behalf of the Opponent at any point.
9. The Applicant is without professional legal representation and was not required to provide written skeleton arguments ahead of the hearing but nonetheless did so. I shall refer in summary to the Applicant's arguments shortly, but it is especially worth noting that the Applicant made reference to the effect of a health condition. Since the latter was a factor not disclosed previously in the Applicant's witness statement, the Opponent supplemented its list of relevant trade mark decisions by highlighting the decision in BL O-107/17 Ladykilla, which also involves the possible effect of a health condition. The Applicant's skeleton arguments were accompanied by copies of materials in support of its claimed points, which I shall mention in due course.
10. For the sake of completeness, I note too that the Applicant filed a further witness statement in name of Dimitrios Konstantinidis, dated 1 May 2018, which responds to the claim in the Opponent's skeleton argument that the Applicant "*admitted that he was aware of the original deadline of 22 March 2018.*" Mr Konstantinidis contends in his second witness statement that he only became aware of the deadline and of the consequences of missing it *after* the deadline had already passed and after the effect of the extenuating circumstances he has put forward.

The Hearing

11. The hearing took place before me at 11:30 on the morning of 3 May 2018, conducted by telephone conference. Mr Dimitrios Konstantinidis attended on behalf of the Applicant. Ms Victoria Leach of Stobbs IP attended as the legal representative of the Opponent.

The law

12. 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.”

13. 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.”

14. 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).

15. In order 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 Persons¹. Sitting as the Appointed Person in *Kickz AG and Wicked Vision Limited* (BL-O-035-11) (*‘Kickz’*) Mr Geoffrey Hobbs QC held that the discretion conferred by rule 18(2) can be exercised only if there are “*extenuating circumstances*”. And sitting as the Appointed Person in *Mark James Holland and Mercury Wealth Management Limited* (BL-O-050-12) (*‘Mercury’*) Ms Amanda Michaels QC held that there must be “*compelling reasons*” to justify the Registrar exercising that discretion. In considering relevant factors, Ms Michaels 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.

16. I take account of all the above factors in my decision below.

¹ An “Appointed Person” is a senior lawyer expert in matters of trade mark law, who sits in an independent capacity to hear appeals from first instance decisions by the trade mark tribunal.

The Applicant's arguments

17. At the hearing Mr Konstantinidis spoke to numerous points, most of which it had already put forward in the papers filed, which in summary are as follows:

- whereas the Opponent is a resource-rich global company with legal representation, the Applicant is a start-up micro-business without legal representation or experience in trade mark matters;
- the deadline was missed only by 2 working days, which should be considered “de minimis” and “marginal” in view of the 228 days elapsed since the date its trade mark was filed;
- there has been negligible impact to the stakeholders in this case and the Opponent has suffered no particular prejudice;
- missing the deadline was not deliberate and Mr Konstantinidis referred to academic and professional achievements attesting to his usually diligent conduct; delay does not benefit the Applicant, which wishes to finalise its trade mark as soon as possible;
- that there is no overlap between the trading activities and registrations of the parties, such that the Opponent's is “*so outrageously void that dismissal of [the Applicant's] appeal would further prevent [its] right to fair trial*”;
- citing various case law², it was argued that the statutory time limit should be extended to facilitate the right for a fair trial as framed in article 6 of the European Convention of Human Rights;
- that discretion should be exercised to extend the deadline where there are “exceptional circumstances”³ and that the Applicant's circumstances should be considered exceptional on the basis that (i) they were outside its control (ii) they affected the Applicant's ability to complete the form and there were “no reasonable steps that could have been taken to avoid or mitigate the event or its consequences”; (iii) they occurred shortly before the deadline and (iv) they can be corroborated by independent evidence.

² Supreme Court decision in *Pomieczowski v District court of Leguınca Poland* [2012] UKSC 20, [2012] 1 WLR 1604

³ Citing the Court of Appeal decisions in *The Nursing and Midwifery Council -v- Daniels* [2015] EWCA Civ 225 and the principles in *Adesina and Baines v Nursing and Midwifery Council*[2013] EWCA Civ 818; [2013] 1 WLR 3156

18. In line with the revelation made in his skeleton arguments, Mr Konstantinidis stated that in January 2015, at the age of 26, he underwent heart surgery for a rare condition. In advance of the hearing, Mr Konstantinidis had filed a copy of a hospital letter which confirmed his admission for cardiac surgery. Mr Konstantinidis explained that “privacy concerns and shame” had led him not to mention his health condition initially, as well as concerns over not wishing to jeopardise investor confidence. He stated that the condition continues to have a negative effect and that there have times during periods of extreme stress, where his heart races and his body “powers down” making him unable to do anything. He stated that one such period was “*the week of 19th March 2018, where a series of catastrophic events had a severe impact*” on his body and his ability to fulfil his duties.

19. Mr Konstantinidis recounted that series of events, including:

- the shock of losing two of his five team adding to his tasks and responsibilities at a time when he was working up to 100 hours a week;
- cash-flow issues necessitating terminating the use of a trade mark attorney (this is supported by a letter from the Applicant’s trade mark attorney dated 30 January 2018); this added further to Mr Konstantinidis’s workload and it took him “considerable time to get up to speed”
- that his concentration had been on what seemed a likely amicable compromise, but that at the final stages he claims that the Opponent’s representatives stopped replying to emails and calls, which Mr Konstantinidis characterises as an orchestrated time-wasting strategy to “overwhelm and sabotage” the Applicant.

The Opponent’s arguments

20. The Opponent addressed the Applicant’s points by grouped reference to the factors enumerated in Music Choice 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;*

- The Opponent’s representatives refuted any allegations of bullying and maintains that its correspondence with the applicant was professional and courteous. Ms Leach referred to Ms Zhou’s witness statement and noted that it was not the Applicant’s contention that the parties had agreed to enter into a cooling off period, but merely that it was expecting a telephone discussion to discuss the prospect. All discussions as to an amicable settlement were on a without prejudice basis and not admissible into these proceedings. On that point, Ms Leach asked that without prejudice material be removed from the public record. I explained to Mr Konstantinidis the nature of without prejudice material and that it need not be marked as such to fall within the protection of that rule. I acceded to the Ms Leach’s request and **materials filed by the Applicant that constitute without prejudice materials will be removed from the public record and not taken into account in these proceedings.**

 - Ms Leach argued that the loss of staff is something that all businesses must accommodate as part of ordinary business life and that the Form TM8 takes only a short time to complete. The Opponent believes that it has “*very good grounds to successfully oppose the application*” but Ms Leach also argued that since the Hearing Officer is not here considering the merits of the opposition, the prospect of success or otherwise is not a pertinent consideration in relation to a late filed TM8.

 - The Opponent referred to guidance in the decision by Mr Geoffrey Hobbs QC sitting as the Appointed Person in BOSCO (BL-O-399/15) to the effect that being a litigant in person and lapses in diligence are not of themselves good reasons for failing to comply with the rules.

 - Ms Leach also noted that three years had elapsed since Mr Konstantinidis underwent heart surgery and it was not clear why that historical procedure prevented the timely completion of the Form TM8.
- (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;* and (iv) *any prejudice caused to the opponent by the delay;*

- The grounds of Opposition under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 require a multifactorial assessment. The Opponent contended that to proceed with the opposition after the Applicant has failed to file its TM8 and counterstatement would put the Opponent to undue cost and time burden in preparing extensive evidence, including evidence of its reputation. The Opponent argued that this would not be proportionate or justifiable in circumstances, where the Applicant knew of the relevant deadline and simply failed to meet its obligation. The Opponent referred to the Tribunal's overriding objective to ensure the cases are dealt with in a timely and cost effective manner to all parties. The Opponent argued that even if the Applicant were to refile a fresh application for the same trade mark, such an application would be allocated a later filing date and would therefore be subject to a different relevant date for the purposes of the assessment of the Opponent's claims under sections 5(2)(b) and 5(3).
- (v) As to the fifth and final of the *Music Choice* factors, the Opponent confirmed that there were no related proceedings between the same parties.

Post-hearing letter

21. I gave no decision at the hearing, but indicated that a written decision would follow. Following the hearing, later the same day, I wrote to the parties informing them that having considered the matter closely in light of the various points on each side, especially in light of the guidance from case law, I was at that stage minded to confirm the Registry's preliminary view that the application be treated as abandoned for lack of a timely response to the opposition. However, I gave the Applicant **until Monday 21 May 2018** to provide further evidence to help me better assess the ongoing impact of his health issues and how they may have affected his ability to file a timely defence.

Further evidence from the Applicant

22. The Applicant filed a witness statement in the name of Dimitrios Konstantinidis, dated 17 May 2018, which cast in evidential form points that he had made in his skeleton arguments and at the oral hearing, as well as giving further information. It repeated that he has a condition that requires regular monitoring and annual check-ups. Periods of

extreme stress exacerbate symptoms including shortness of breath, lightheadedness, dizziness and fatigue. He states that a period of unprecedented stress was the week commencing 19 March 2018. Mr Konstantinidis states that he underwent further surgery on 26 February 2018, complicated by excessive bleeding requiring a further hospital visit. The witness statement is corroborated by a letter from his GP dated 8 May 2018.

Conclusion

23. I take note of the limited extent to which allowances may be made for litigants in person as explained in BOSCO. The Registry's letter of 22 January 2018 emphasised the deadline of 22 March 2018, presenting the date in bold print; even an uncharacteristic slip in vigilance is not an extenuating circumstance such that the Registrar should exercise discretion. While cash-flow issues, loss of legal representation and loss of staff will doubtless have been stressful, they are factors of a type that most businesses will commonly experience and cannot be considered extenuating circumstances of the sort envisaged by case law in this area. The claims as to denial of a right to a fair trial are insupportable – the opposition rules and procedures are clear and do not contravene Article 6 of the European Convention of Human Rights.
24. While parties to negotiations inevitably perceive respective conduct from their own perspectives, there is no evidence of anything other than professional and courteous conduct on the part of the Opponent's legal representatives. In any case, the Registry's letter of 22 March 2018 made clear the need to file either the Form TM8 or else a Form TM9C by the deadline date and the Opponent's representatives cannot in these circumstances be held responsible that neither form was duly filed in this case.
25. It is not the case that the opposition could simply be dismissed as without merit. For example, to determine the outcome of the opposition based on the 5(2)(b) ground would require a careful multifactorial assessment as to whether the parties' marks are similar and are for goods or services that are identical with or similar to one another such that it is likely to confuse a notional average consumer.

26. There would plainly be some prejudice to the Applicant in not being able to defend the opposition, and there is no evidence that a short delay in proceeding with the opposition would cause specific prejudice to the Opponent. On the other hand, any such prejudice to the Applicant could presumably be alleviated simply by the Applicant filing a new application for the trade mark in respect of goods and services as the Applicant considered best.
27. It was in consideration of the above points that I wrote to the parties on 3 May 2018 to indicate that I was minded to confirm the preliminary view. However, having now received the further materials from the Applicant, I find that the medical matters evidenced may be considered as extenuating circumstances. The evidence strongly indicates live health issues that may very well have been exacerbated during the relevant period. I therefore find that it is reasonable to admit the Form TM8 in this case, notwithstanding its being filed a few days late. **Consequently, the trade mark application is NOT treated as abandoned under rule 18(2).** I note the Opponent's reference to a previous (first instance) decision by the tribunal where the health issues described were not sufficient to justify the exercise of the Registrar's discretion, but clearly each case must be decided according to the facts and evidence.
28. I note that the Form TM8 includes content which may itself be covered by the without prejudice rule. The Registry will provide directions to the Applicant to correct that accordingly before the TM8 is served.

COSTS

29. In the circumstances, I do not consider it appropriate to make any order for costs.

Dated this 25th day of May 2018

M Williams

Matthew Williams

For the Registrar,

the Comptroller-General