

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO A REQUEST BY PEGASUS SECURITY HOLDINGS LIMITED
(THE APPLICANT) FOR AN EXTENSION OF TIME TO FILE
EVIDENCE IN SUPPORT OF THEIR APPLICATION (No 2170400)
IN OPPOSITION PROCEEDINGS LAUNCHED BY JOHNSON CONTROLS INC
(OPPOSITION No 50185)**

TRADE MARKS ACT 1994

IN THE MATTER OF an Interlocutory Hearing in relation to a request by Pegasus Security Holdings Limited (the Applicant) for an extension of time to file evidence in support of their application (No 2170400) in opposition proceedings launched by Johnson Controls Inc (opposition No 50185)

1. At an Interlocutory Hearing on 13th June 2002 I allowed a request for an extension of time for the applicant in this matter to file evidence in support of their application. Written confirmation of the decision was issued to both parties on 13th June 2002. A period of one month was given for either party to request a written statement of grounds for my decision.
2. On 26th June 2002 the opponent filed a form TM5, together with the appropriate fee (£100), requesting a written statement of grounds for my decision.

BACKGROUND

3. Pegasus Security Holdings Limited have applied under application No. 2170400 to register the trade mark PEGASUS SECURITY GROUP for a specification of goods which reads:

Class 42 Security guarding services.

4. The application was filed on 24th June 1998. Following examination of the application, the mark was published in the Trade Marks Journal on 30th June 1999. On 10th September 1999, Johnson Controls Inc filed a notice of opposition and statement of grounds opposing the prospective registration of this application.
5. The applicant filed its defence, by way of Form TM8 and counterstatement, on 22nd December 1999. The opponent was set a three month period, up to and including 6th April 2000, in which to file evidence in support of its opposition under Rule 13(7). The opponent did not file its evidence within the statutory period. Instead they sought, and were granted, an extension of time in which to file their evidence. Further extensions of time were also sought. In total 7 extensions of time were granted which represented a period of some 16 months. This 16 month period was in addition to the 3 month statutory period.
6. Evidence was filed by the opponent at different times during their extended evidence round, namely on 6th March 2001, 24th July 2001 and 6th August 2001. But this did not complete their evidence and the opponent made another request for additional time on 6th August 2001. The Registry refused this request.
7. The applicant was then, under Rule 13(9), set a three month period, up to and including 18th January 2002, in which to file evidence in support of its application for registration. On 18th January 2002 the applicant filed a Form TM9 (and fee) in which they requested an extension of time of three months. The reasons given were:

“The Applicants are currently gathering together evidence of use of their trade mark which has involved contacting previous employees who have knowledge of use of the trade mark in the 1960’s. Therefore, further time is needed to complete this exercise. Since the opponents were granted over 15 months of extensions of time to complete their evidence, the Applicants’ request is clearly not unreasonable.”

8. The Registry took the preliminary view that the above reasons were sufficient to allow the additional time sought. Although, I would say that the issue of the parity of time granted to each side and the applicant's claim that this was not unreasonable, is of little value given that each request must be judged upon its own merits with reference to the reasons in support. This preliminary decision was not challenged and the time allowed for the filing of the applicant's evidence was extended until 18th April 2002.

9. On 18th April 2002 the applicant filed a further TM9 (and fee) in which they requested another extension of time of three months. This was the applicant's second extension request; if granted, the applicant will have been provided with a total number of 9 months (inclusive of the statutory 3 month period) in which to collate and file their evidence. The reasons given for this latest extension were:

“The Applicants are still gathering together evidence of use of their trade mark which has involved contacting previous employees who have knowledge of use of the trade mark in the 1960's. Understandably, this is proving very time consuming and accordingly, further time is needed to complete this exercise. Since the Opponents were granted over 15 months of extensions of time to complete their evidence, the Applicants' request is clearly not unreasonable.”

10. The Registry took the preliminary view that the request should be refused. This was based upon the fact that no progress with regard to the compilation of evidence had been demonstrated since their last extension of time. The preliminary view was notified to the parties on 30th April 2002; both parties were allowed until 14th May 2002 in which to provide written arguments against the preliminary view and to request a hearing under Rule 54(1).

11. On 14th May 2002, the applicant submitted a letter providing further argument in support of their request. They detailed difficulties that had been faced by the applicant company in recent months. The company had been undergoing a restructuring exercise which had caused considerable difficulties. They explained that the finance team of the applicant (who also handle their trade mark matters) had been involved in an in-depth financial review. They explained that as this review was nearing completion, time could now be devoted back towards evidence compilation. The applicant also indicated that a hearing would be required if the preliminary view was maintained.

12. The Registry maintained the preliminary refusal. In accordance with the applicant's wishes, an Interlocutory Hearing was arranged for the matter to be decided. The Hearing took place before me, via a video conference link, on 13th June 2002. Ms Shackleton of Page White Farrer represented the applicant for registration and Ms Tan of Field Fisher Waterhouse represented the opponent.

13. During the hearing both representatives gave submissions directed at the reasons for or against the granting of an extension in this matter. I also had the benefit of skeleton arguments from both sides prior to the hearing. I will refer to these submissions and/or the skeleton arguments, as and when necessary during the course of this decision.

14. It should be noted that the applicant's skeleton argument contained an additional reason in support of their request for additional time. The reason related to the destruction of a storage container that was kept in the Docklands, and had contained archived material belonging to the applicant that would have been utilised in the compilation of their evidence.

This reason had not been advanced in any of the previous correspondence relating to the request; I will deal with this issue in more detail later in this decision.

DECISION

The law

15. The discretionary power to extend time periods is provided for in Rule 68 of the Trade Mark Rules 2000, the relevant parts of which read:

“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 a time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 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 that 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), rules 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, 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(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (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.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is

satisfied with the explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.”

16. I considered that the extension of time filed by the applicant on 18th April 2002 satisfied (in so far as meeting the formalities for filing) the provisions of Rule 68. The extension sought is in respect of evidence under Rule 13(9) and as such is not a period excepted by Rule 68(3). The request was filed on time, had been copied to the other side and was accompanied by the appropriate fee.

Preliminary Issues

17. Prior to giving my decision on the merits, or otherwise, of the request before me, it was necessary to deal with two preliminary issues. Both issues were raised by Ms Tan (for the opponent). The first related to the amount of information that I should take into account when reaching my decision. The second related to whether the request should receive an automatic refusal due to the failure of the applicant to copy correspondence relating to the request to the other party to the proceedings.

The amount of information to consider

18. Any party requesting an extension of time must put forward their reasons for the request. As detailed earlier, the applicant provided reasons in support of their request on 3 separate occasions. The first were contained in the Form TM9 submitted on 18th April 2002, the second were contained in the applicant's letter to the Registry dated 14th May 2002, the third were contained in the applicant's skeleton arguments submitted on 12th June 2002. The applicant has therefore sought to improve their position in the face of the Registry's preliminary refusals of their request by filing these additional reasons.

19. Ms Tan sought to rely on the decision reached in *Style Holdings v Wilson Sporting Goods Co (BL 0/464/01)* to suggest that the only reasons that I should take into account were those contained in the applicant's initial request for an extension of time. For her part, Ms Shackleton explained that she had been “drip-fed” the reasons by her client, and that whilst this was unfortunate I should nevertheless consider all the reasons put forward by the applicant.

20. In the decision referred to above, Mr Hobbs QC (sitting as the Appointed Persons) said:

“I take the view that if it was appropriate to allow the opponent to expand or clarify the written reasons for its request, it was no less appropriate to require it to reduce the intended expansion and clarification to a true and accurate statement in writing.

I think it is regrettable that the Registrar did not insist that if the opponent intended to offer an amplified explanation with regard to the preparation of the evidence and the reasons for the delay in filing it, it should do so in writing in advance of the hearing so that the request for an extension of time could be fully and effectively considered against the background of a properly stated case.”

21. Taking Mr Hobbs' comments into consideration, I believe it right to take into account further reasoning in support of the request, as long as the reasons are put forward in writing prior to the hearing. Clearly, the letter filed by the applicant on 14th May 2002 falls within

this category. The position with regard to the reasons put forward as part of the applicant's skeleton argument, those relating to the destruction of the archived materials in the Docklands, is less clear.

22. The purpose of a skeleton argument is to foreshadow the submissions that will be made at the forthcoming hearing. The submissions should be based upon the pleadings (or in this case the reasons for the extension) that have been put on record by the requester. Neither the hearing, nor the skeleton argument, should be treated as an avenue for the introduction of new facts to support the request; if this were not the case then hearings would routinely be "ambushed" with new facts to which the other side (and the Hearing Officer) will have had little or no time to prepare for.

23. However, having said that, it is also necessary to leave room for justice to be done. If an additional reason to support the request is sought to be introduced, particularly a persuasive one, then scope should be provided to allow for its introduction (although an automatic presumption that new facts will be accepted at the hearing is clearly not acceptable). If scope were not provided, then parties could be placed at a disadvantage due not to the strength of their case, but to the fact that they are prevented from filing evidence to support their case resulting from a refusal of an extension of time even though the facts may have warranted the granting of additional time. It is therefore a question, based upon all the surrounding circumstances, of what is the most proportionate course of action to take.

24. It is regrettable that further reasons were put forward so late in the day; it is certainly not a practice that I would endorse. Ms Tan, in her submissions, referred to the *Style Decision*, but did not claim that the opponent would suffer any specific disadvantage or prejudice if I were to take into account the additional reasons. Neither was there any suggestion made by the opponent that in view of the "surprise" element of the additional reasons that an adjournment should be considered in order to allow an opportunity to consult her client and to consider ways of rebutting the new facts that had been brought to the table. Neither was there any suggestion that more time would be required in order to prepare for the hearing in order to enable the case to be fully and effectively argued.

25. As such, I did not feel that the opponent would be disadvantaged, nor did I feel that there would be any difficulty in the issues being fully and effectively argued. I therefore found that the most proportionate course of action was that all the reasons put forward (including those contained in the applicant's skeleton argument) should be taken into account when reaching my decision. I find support in this approach from the *Style Holdings* decision when Mr Hobbs QC says:

"I think it was unsatisfactory for the applicant and for the hearing officer that this was not done. Nevertheless, in the absence of a written explanation of the kind I have described, I do not feel able to say that it was not open to the hearing officer to exercise the discretion available to him in the way that he did on the basis of what he considered to have been the merits of the oral representations made to him on that occasion."

Copying of correspondence

26. The second preliminary issue raised before me was whether the failure by the applicant to

copy their letter of 14th May 2002 to the opponent, should result in an automatic refusal of the request. The aforesaid letter had not been copied to the opponent; the opponent only received a copy after requesting one from the Registry.

27. Rule 68(2)(a) indicates that an extension of time request should be copied to each party to the proceedings. The document that the opponent failed to copy was not the request itself but correspondence relating to the request. The correspondence did however contain additional reasons to support the request. If the applicant had intended to rely on these reasons to support their request, then I consider there to be at least a moral obligation to also copy any correspondence containing further reasons or argument.

28. The “Registrar's direction in relation to Extensions of time”, a published practice direction, indicates that the Registrar will not consider a request for an extension of time unless the request has been copied to any other party to the proceedings. However, this does not, in my view, mean that an automatic refusal will follow, but more that the request will not be considered until the other side has received a copy of the request. The applicant can be criticised for failing to copy their letter. But the opponent had possession of a copy within a short time and accordingly the request should be fully considered.

The Case Law

29. I was not specifically addressed on the approach that I should take when considering whether the discretionary power available to me should be exercised in this matter. However, Ms Tan did submit that the applicant had not met the criteria laid down in *Siddiqui's Application (BL 0/481/00)*. In this decision, Mr Simon Thorley QC (sitting as the Appointed Person) said:

“Accordingly, it must be incumbent on the applicant for the extension to show that the facts merit it. 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.”

30. Whilst laying down the above criteria, Mr Thorley QC affirmed the line taken in *Liquid Force (BL 0/481/00)* where Mr Hobbs QC (sitting as the Appointed Person) cited from and applied the decisions in *Finnegan v. Parkside Health Authority (1998) 1WLR 411* and *Mortgage Corporation Limited v. Sandoes (1996) TLR 751* in reaching his conclusions that:

“ the absence of good reason for failure to comply with a time limit was not always and in itself sufficient to justify refusal of an extension of time; the true position being that it is for the party in default to satisfy the court that despite his default the discretion to extend time should nevertheless be exercised in his favour, for which he could rely on any relevant circumstances.”

31. In the *Liquid Force* case the “default” was the failure to file evidence within the set time limit. This case illustrates that even in circumstances where there is no good reason to explain the default, the extension may nevertheless be granted in reliance on any relevant circumstance. The decision to grant or otherwise is a discretionary matter adjudged on the basis of proportionality when considering all of the circumstances put forward.

32. Taking the case law in the round, I considered that I must firstly look to the Siddiqui criteria and decide, based on the information gained from applying the criteria, whether the facts warranted the granting of the request. However, if the requestor failed on this, I was not prevented from granting the extension if there were any special or relevant circumstances that I considered sufficient to justify the extension sought. In other words I have a broad discretion to grant an extension when I feel the facts warrant it.

The Siddiqui Criteria

33. To succeed under this criteria, the applicant must show what he had done, what he wants to do and why it is that he has not been able to do it. I needed to consider to what extent the applicant had met the criteria and whether this determined the request in their favour.

34. It would be fair to say that the majority of the information placed before me related to the difficulties that had been faced by the applicant whilst compiling their evidence, thus explaining the reasons for delay. Having said that it would also be fair to say that the applicant had not been inactive during the periods granted to-date. It was clear that some evidence had been located and was ready to be finalised. Documents from the files of the applicant's representative had been located; press articles from 1996 and 1991 were also mentioned. Contact with previous directors and employees of the applicant company had also taken place. I was informed at the hearing that evidence had been sourced from one of the ex directors of the applicant company.

35. The further time required by the applicant was, they said, needed in order to finalise the evidence located thus far and to seek evidence from alternative sources. The evidence from alternative sources was required following the destruction of some archived material belonging to the applicant company (see below for more information on this).

36. A number of factors were put forward to explain the delay. Firstly, the claim that the necessity to contact previous directors/employees had been time consuming. Secondly, the fact that the applicant company had undergone a re-structuring exercise which had diverted the financial team (who are also responsible for trade mark matters) towards an urgent and in-depth financial review. Thirdly, the fact that it had been discovered that hundreds of archived documents, placed in a container in the Docklands, had accidentally been destroyed. This third factor meant there was a need to seek alternative sources of the archived material.

Analysis of factors

37. As mentioned above, I did not consider that the applicant had been inactive; some progress towards the compilation of evidence had clearly been made. During the hearing I was provided with submissions as to the current state of play of the applicant's evidence. It was explained to me that the evidence was in a progressed state and that the applicant would have little difficulty in furnishing the evidence within the time period being sought. These factors are relevant in demonstrating to me that the applicant had been diligent in their approach and had not purposefully sought to delay the proceedings.

38. As to the reasons for delay, some are more persuasive than others. The mere fact that it was necessary to contact previous directors/employees is not a particularly persuasive factor. There was no information as to why this task was particularly onerous and why this would depart from the normal difficulties faced by parties collecting evidence. The facts

surrounding the financial review are a little more persuasive. Whilst there is an obvious obligation on any party in proceedings not to completely disembark from the task of evidence collation (which does not appear to have been done here), the financial review does appear to have been a necessary and understandably difficult situation. The facts surrounding the accidental destruction of the applicant's archived materials is, in my view, of strong persuasion. It is clear that the loss of such a valuable source of information will inevitably lead to some delay whilst alternative sources of information are sought.

Special or relevant circumstances

39. Most of the information provided by the applicant related directly to the issue of evidence collation and the factors explaining the delay in filing. No specific claim to any other special or relevant circumstances were made. The only other factor that I can reasonably take into account is the applicant's submission that if I were minded to refuse the extension and the subsequent loss from the proceedings of the applicant's evidence, then this would lead to a consequential multiplicity of proceedings. It was claimed that the applicant would have no option other than to make a fresh application for registration with the probability that further opposition proceedings would result. Whilst this is not determinative per se, it is another factor that I bear in mind.

Conclusion

40. The combination of the above factors persuaded me that the applicant had demonstrated sufficient reason for the granting of an indulgence in this matter. The applicant had shown diligence during the periods already allowed, there was a clear expectation that the evidence would be filed within the extended period, and there were factors to explain the delay in filing the evidence. The extension of time was therefore granted up to and including 18th July 2002.

Costs

41. I was not addressed on the issue of costs at the hearing. The issue of costs was therefore deferred and will be dealt with at the conclusion of proceedings.

Dated this 21ST Day of August 2002

**Oliver Morris
For the Registrar
The Comptroller-General**