

O/483/17

TRADE MARKS ACT 1994

IN THE MATTER OF A JOINT HEARING IN RELATION TO

APPLICATION NO. 3197585

IN THE NAME OF RELIANCE HOMES LIMITED

AND

OPPOSITION THERETO UNDER NO. 409307 BY RELIANCE TRUST LIMITED

BACKGROUND

1. On 19 November 2016, Reliance Homes Limited (“the applicant”) applied to register **RELIANCE HOMES** as a trade mark for services in classes 36 and 37. The application was published for opposition purposes on 3 February 2017.
2. On 3 April 2017, Reliance Trust Limited (“the opponent”) filed Form TM7a (notice of threatened opposition) against the application, extending the opposition period until 3 May 2017.
3. On 28 April 2017, a Form TM7 (notice of opposition) was filed by D Young & Co on behalf of the opponent. Whilst this form was received within the period allowed, there was a delay in processing the form within the Registry, which resulted in the status of the application being erroneously updated to “registered” and the registration certificate being issued and sent to the applicant on 12 May 2017. On 19 May 2017, an official letter enclosing the Form TM7 was sent to the applicant explaining what had happened:

“The above application was published in the Journal on 3 February 2017. A Form TM7a, Notice of threatened opposition was filed on 3 April 2017 which extended the statutory opposition period to 3 May 2017.

On 28 April 2017 the Registry received a Form TM7, notice of opposition, along with the fee of £200 from D Young & Co. Due to a clerical error within the Registry the opposition was not formally recorded in time, which resulted in the trade mark application being registered.

Given the circumstances of the case the Registry considers that the notice of opposition filed to be a valid opposition and is invoking Rule 74 of the Trade Marks Rules 2008 to correct the irregularity. The Registry proposes to change the status of the application to reflect the notice of opposition and commence opposition proceedings.

In the circumstances the Registry would be grateful if you would return the registration certificate. Please accept the Registry's apologies for any inconvenience caused by this error.

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 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 TM8 and counterstatement, or TM9C must be received on or before 19 July 2017."

4. The above correspondence was sent to the applicant's address for service electronically. A copy was also sent by post under Royal Mail recorded delivery number BV836606730GB.

5. The deadline of 19 July 2017 passed without any defence being filed and so, on 2 August 2017, the Registry wrote to the applicant again, advising it that it was minded to treat the application as abandoned. On 4 August 2017 the applicant contacted the Registry explaining that he had received the official letter of 2 August but not the official letter of 19 May. Later the same day, the Registry carried out online checks using the "Track and Trace" system, which confirmed that the official letter of 19 May 2017 was delivered and signed for on 23 May 2017. A printout of these checks was sent to the applicant.

6. On 14 August 2017, Mr Mandeep Singh Arora, the applicant's Marketing Director, filed a witness statement explaining the circumstances that led to the deadline being missed. He made the following comments:

“Due to the clerical error made by the intellectual property office, we received our trademark certificate on 12-05-2017. Later on 19-05-2017 an email was sent to ourselves regarding the opposition made on our application, which hit our spam box. It was on 04-08-2017 when we received a letter informing us that there is something wrong with our application and about the final date to file an appeal to the opposition. Then, at that very moment, we contacted Ms [...] and she explained to us exactly what is going on and what we have to do.

Based on the misunderstanding and the error made by yourselves we didn't realise that the application had been opposed. We were always under the impression that the trademark certificate was approved dated 12-05-2017. Kindly consider the case and grant us more time to evaluate and respond to the opposition. We have already started working towards our response to the opposition and hope we can successfully make our point against the opposition made”.

7. In a letter dated 29 August 2017 the Registry informed the parties that its preliminary view was that the reasons given were not sufficient to justify the exercise of discretion in the applicant's favour and the request for additional time to file the Form TM8 was refused. A period expiring 12 September 2017 was allowed for the applicant to challenge this preliminary view by requesting a hearing.

The Hearing

8. A telephone hearing took place before me on 26 September 2017. At the hearing, Mr Richard Gallafent of Gallafents Ltd represented the applicant. The opponent did not attend the hearing, nor did it file written submissions in lieu of attendance.

Skeleton Arguments and submissions at the hearing

9. On 22 September 2017 I received skeleton arguments from Mr Gallafent. The main grounds relied upon were:

- The office should not refuse the extension of time because of a simple failure on the part of a lay applicant unless the application in the light of the opposition filed is clearly not going to succeed, even in part;
- The office has discretion to allow the proceedings to continue;
- The refusal would put the applicant (and the opponent) to the additional costs and trouble to “go round again” so the sensible and practical approach is to resolve the matter in these proceedings;
- The conduct of the applicant is the result of lack of understanding.

10. At hearing Mr Gallafent recognised that there was no error on the part of the Registry and argued that the reason why the applicant had done nothing in response to the notice of opposition and the official letter of 19 May 2017 was because of a lack of understanding on its part. Mr Gallafent submitted that the Registry should “look at the situation in the round” where private litigants are involved and confirmed that he had received instructions from the applicant to make a new application, should I maintain the preliminary view. In this connection, I referred Mr Gallafent to the decision in *BOSCO*, BL-O-399/15, where Mr Geoffrey Hobbs, sitting as the Appointed Person, stated:

“18. It continues to be the position in civil proceedings in the High Court that: ‘... if proceedings are not to become a free-for-all, the court must insist on litigants of all kinds following the rules. In my view, therefore, being a litigant in person with no previous experience of legal proceedings is not a good reason for failing to comply with the rules’: *R (Hysaj) v Secretary of State for the Home Department* [2014] EWCA Civ. 1633 at paragraph [46] per Moore-Bick

LJ, Vice-President of the Court of Appeal, with whom Tomlinson LJ and King LJ agreed. In the same vein, it was observed in *Nata Lee Ltd v Abid* [2014] EWCA Civ. 1652 at paragraph [53] per Briggs LJ with whom Moore-Bick LJ, Vice-President of the Court of Appeal, and Underhill LJ agreed, that: ‘... the fact that a party (whether an individual or a corporate body) is not professionally represented is not of itself a reason for the disapplication of rules, orders and directions, or for the disapplication of the overriding objective which now places great value on the requirement that they be obeyed by litigants. In short, the CPR do not, at least at present, make specific or separate provision for litigants in person. There may be cases in which the fact that a party is a litigant in person has some consequence in the determination of applications for relief from sanctions, but this is likely to operate at the margins’.

19. The same approach should, in my view, be adopted in relation to the need for compliance with rules, orders and directions in Registry proceedings under the 1994 Act and the 2008 Rules. And on considering the matter from that perspective, I am satisfied that the Decision under appeal cannot properly be regarded as unjust in the light of the Proprietor’s explanation for ignoring the Form TM26(I) and official letters he had received. It was evidently a conscious decision on his part to do nothing in response to those communications. His decision to that effect was based on an erroneous ‘assumption’ that the Registry was copying him into correspondence relating to Opposition No. 401660. That erroneous ‘assumption’ seems to have been unilaterally made and persisted in by him from the beginning (28 August 2014 letter) to the end (Decision dated 2 December 2014) of the sequence of relevant communications. However, the relevant communications were clearly not what the Proprietor says he ‘assumed’ them to be. And a party to Registry proceedings who actually considered the notifications provided by those communications could not have understood them to be what the Proprietor says he ‘assumed’ them to be. That being so, I attribute the Proprietor’s erroneous ‘assumption’ and ‘lack of understanding’ to the absence of any actual consideration of the notifications addressed to him. The absence of such consideration does not, in my view, render the notifications any the less

valid and effective for the purposes of the Decision under appeal or provide the Proprietor with any legitimate basis for characterising the Decision as unjust. There was no ‘failure to receive’, only a ‘failure to consider’, the Form TM26(l) and official letters. The Proprietor’s case on appeal gains no support from the provisions of Rule 43.” (my emphasis)

11. Mr Gallafent contended that Mr Hobbs’ comments were made in the context of an invalidation action and that the outcome of the case meant that, in those circumstances, the applicant for invalidity was “instantly successful”. In the case at issue, Mr Gallafent pointed out, different considerations should apply. In particular, he submitted that given his client’s instructions to re-apply for the same mark (in the event that the preliminary view was confirmed), it would be sensible to allow the existing proceedings to continue rather than make it necessary for the applicant to file a subsequent application.

DECISION

12. Rule 18 of the Trade Marks Rules 2008 provides:

“(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 period for filing a Form TM8 and counter-statement appears in Schedule 1 of the Rules and may only be extended under the following conditions, set out in Rule 77(5):

“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. Although Mr Arora seems to suggest, in his witness statement, that the Registry’s error might have contributed to the applicant’s misunderstanding, this argument was not put forward at the hearing and Mr Gallafent accepted that there was no error on the part of the Registry and that the failure to submit the Form TM8 was due to an oversight on the part of the applicant. Accordingly, Rule 77(5) does not apply and the only relevant consideration in this matter is whether the discretion conferred by the wording of Rule 18(2) should be exercised in the applicant’s favour.

15. In *Kickz AG and Wicked Vision Limited*, BL-O-035-11, Mr Hobbs QC sitting as the Appointed Person held that the discretion conferred by Rule 18(2) is narrow and can be exercised only if there are *extenuating circumstances*. In *Mark James Holland and Mercury Wealth Management Limited*, BL-O-050-12, Ms Amanda Michaels, sitting as the Appointed Person, in considering the factors the Registrar should take into account in exercising the discretion under Rule 18(2), held that there must be *compelling reasons*. She also referred to the criteria established in *Music Choice Ltd’s Trade Mark* [2006] R.P.C. 13, which provides guidance applicable by analogy when exercising the discretion under Rule 18(2). Adapted for present purposes, such factors are:

- (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 opponent’s allegations in its statement of grounds;
- (3) The consequences of treating the applicant as opposing or not opposing the opposition;
- (4) Any prejudice caused to the opponent by the delay;

(5) Any other relevant considerations, such as the existence of related proceedings between the same parties.

16. In relation to points 1 and 2, the due date for filing the Form TM8 was 19 July 2017. Though Mr Arora sought to suggest, in his witness statement, that the applicant “had started working towards [its] response to the opposition” to date, over two months after the relevant deadline, no Form TM8 has been filed. Even taking into account that the opposition is based on three different grounds¹ completing the Form TM8 need not to have taken more than half day (considerably less for a professional representative) and the applicant has provided no reasons as to why it has failed to provide a defence.

17. As I have explained in the preceding paragraphs, Mr Arora referred to the electronic copy of the official letter of 19 May 2017 as being sent to his “spam” folder, however, he did not positively state that he did not receive the copy sent by post. Further, the “Track and Trace” document mentioned above confirmed receipt of that very same letter on 23 May 2017 and Mr Gallafent accepted, at the hearing, that there was no error on the part of the Registry. Thus, the applicant’s case ultimately rests on its failure to understand and/or consider the content of the Registry’s correspondence that notified it of the notice of opposition. The fact that the applicant has failed to act diligently cannot, by itself, justify missing the deadline and does not provide a compelling reason to exercise the discretion conferred by Rule 18(2). Further, according to the aforementioned case-law, the fact that the applicant was unrepresented at the time when the TM7 was served, “is not a good reason for failing to comply with the rules”.

18. Insofar as Mr Gallafent’s argument that the guidance provided in *BOSCO* should not apply to the present case, I do not concur that Mr Hobbs drew a distinction between invalidation and opposition cases. Whilst Mr Hobbs’ observations were made in the context of an invalidation action, they highlighted the fact that litigants in person are not subject to any special and/or more favourable rules and, it seems to me, were aimed at everyone involved in proceedings brought before the Registry.

¹ Sections 5(2)(b), 5(3) and 5(4)(a)

19. In relation to points 3, 4 and 5, I am not aware of the existence of any related proceedings between the same parties and the final outcome of the case is not something that I should be concerned about at this stage. Further, Mr Gallafent's point in respect of the applicant's instructions to file a new application, is not sufficient to counterbalance the lack of any compelling reasons for the applicant to be treated as defending the opposition². It will always be the case that where a party to proceedings fails to file a defence resulting in an adverse decision from the Tribunal, the consequence will be the loss of some or all of the subject application/registration. This is not a sufficient reason in and of itself for a finding in the applicant's favour, rather, it is a possible consequence and is one of the factors to be considered.

CONCLUSION

20. For the reasons given above, I conclude that, in the words of Mr Hobbs in *Kix*, in this case there has been a failure by the applicant to exercise the minimal degree of vigilance required necessary to deal with the opposition. The applicant was "the author of its own misfortune". Consequently, the application is deemed abandoned in respect of all of the services specified in the notice of opposition. Since this is a total opposition the application, subject to any successful appeal, will be deemed abandoned.

Costs

21. As my decision concludes the proceedings, I will now consider the matter of costs. Awards of costs are dealt with in Tribunal Practice Notice (TPN) 2 of 2016. Bearing the guidance in that TPN in mind, and the conclusions I have reached above, I award costs to the opponent on the following basis:

² See *Mercury* paragraph 35 point (v)

Official fees:	£200
Preparing a notice of opposition:	£100
Total:	£300

22. I order Reliance Homes Limited to pay Reliance Trust Limited the sum of £300 as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this day 05th of October 2017

Teresa Perks
For the Registrar
The Comptroller - General