

**TRADE MARKS ACT 1994.**

**BL O/767/21**

**IN THE MATTER OF:**

**TRADE MARK No. 3459704**

**REGISTERED IN THE NAME OF TROPICAL TANG FOODS LTD**

**AND INVALIDITY APPLICATION No. 503286**

**IN THE NAME OF BARE FOODS CO.**

### **DECISION**

1. On 9 August 2020, the trade mark **RARE** was registered in the name of Tropical Tang Foods Ltd ('the Proprietor') under number 3459704 for use in relation to a broad range of goods in Class 29. On 14 August 2020, Bare Foods Co. ('the Applicant') applied under number 503286 for a declaration of partial invalidity on the basis that the Proprietor's registration impinged to a large extent on the rights to which the Applicant was entitled under s.5(2)(b) of the Trade Marks Act 1994 as proprietor of three earlier trade mark registrations, two of which protected the word mark **BARE** and the third of which protected the word mark **BARE FRUIT**.
2. A copy of the application for invalidity was sent to the Proprietor by the Trade Marks Registry on 24 August 2020 under cover of an official letter referring to rule 41(6) of the Trade Marks Rules 2008 in the following terms:

"Please find enclosed a copy of a TM26(I), application for invalidity, filed against your registration.

If you wish to continue with your registration, you need to file a notice of defence and counterstatement by completing Form TM8 – please note the important deadline below. You will find a blank Form TM8 on the IPO website, together with brief guidance on what happens after it is filed:

<https://www.gov.uk/government/publications/trade-mark-forms-and-fees>

Rule 41(6) of the Trade Marks Rules 2008 require that you must file your notice of defence and counterstatement (Form TM8) within two months from the date of this letter.

**IMPORTANT DEADLINE: A completed Form TM8 MUST be received on or before 26 October 2020.**

In accordance with rule 41(6) if the TM8 and counter-statement are not filed within this period, (a period which cannot be extended), the registration of the mark shall, unless the registrar otherwise directs, be declared invalid in whole or part. **It is important to understand that if the deadline date is missed, then in almost all circumstances, the registration will be treated as invalid in whole or part.**

3. Rule 41(6) provides as follows:

The proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.

4. The time limit of two months prescribed by this rule is both rigid and jurisdictional. It operates rigidly as a result of the barrier to the granting of an extension created by the 2008 Rules: the Registrar is expressly prevented by rule 77(6) and Schedule 1 from treating it as a “*flexible time limit*”. It operates jurisdictionally as a result of the barrier to the filing of a defence created by rule 41(6). If the proprietor of the registration in issue fails to comply with the deadline, his right to oppose the invalidity application is timed-out. At that point, the invalidity application stands undefended and the registration “*shall ... be declared invalid*” unless the Registrar counteracts that by issuing a decision which “*otherwise directs*” as to what the result of the failure to comply with the time limit should be.
5. It was therefore entirely appropriate for the Registry to spell out the consequences of failure to comply with the notified deadline, as it clearly and emphatically did, in the official letter sent to the Proprietor on 24 August 2020.

6. The Proprietor missed the deadline for filing the required Form TM8: it was filed on Monday, 31 October 2020 instead of Wednesday, 26 October 2020. On 3 December 2020, the Registry wrote to the Proprietor with a view to establishing whether and, if so, on what factual basis it maintained that the Registrar should exercise the discretion available to him under rule 41(6) so as to permit it to defend the claim for invalidity of its trade mark registration. That in due course led to the Registry informing the parties in an official letter of 20 January 2021 that it was the Registrar's preliminary view, in the light of the explanation for late filing provided by Mr Prashant Patwardhan on behalf of the Proprietor, that the late-filed Form TM8 should be admitted into the proceedings.
7. The Applicant disagreed with that view of the matter and exercised its right to ask for a hearing to be appointed for the purpose of determining whether the Proprietor should be permitted to defend the claim for invalidity. The hearing took place on 19 February 2021 before Mr James Hopkins acting for the Registrar. For the reasons he gave in his Decision issued under reference BL O/130/21 on 21 March 2021, the Hearing Officer decided that the Proprietor had not established any extenuating circumstances or compelling reasons sufficient to justify the exercise of discretion in its favour under rule 41(6). He ordered the Proprietor to pay £400. to the Applicant in respect of its costs of the claim for invalidity, which at that point fell to be treated as undefended for lack of a duly filed Form TM8.
8. The Proprietor contends on appeal before me under s.76 of the 1994 Act that the Hearing Officer's Decision was wrong and should be set aside. Its case, in essence, is that the Hearing Officer gave no real or sufficient effect to the curative dimension of the power conferred upon the Registrar by rule 41(6).
9. For the reasons I gave in TESCON Trade Mark [2020] FSR 33; BL O/240/20 I think it is clear from the case law that there is a significant disciplinary dimension to the discretion conferred upon the Registrar by that rule and none the less so because there is also a curative dimension to it. Hence the need to proceed on the basis that the non-extendable deadline of two months prescribed by the rule should be enforced in the absence of extenuating circumstances or compelling reasons sufficient to justify the conclusion that the failure to comply with it ought to be treated as excusable in the

context of the case at hand. A fact specific evaluation is necessary for the purposes of the required determination.

10. The Hearing Officer summarised the Proprietor's position in paragraph [12] of his Decision:

12. At the hearing, Mr Patwardhan reiterated that the proprietor's Form TM8 was not filed by the deadline as a result of the COVID-19 pandemic. He submitted that everyone has been impacted and delays have become the norm, rather than the exception. The proprietor, Mr Patwardhan explained, has faced difficulties in the carrying on of its import-based business due to supply chain issues caused by the pandemic. He said that goods imported from Asia have been held at Heathrow Airport, resulting in the business incurring daily costs; organising the release of these goods has been the proprietor's prime focus during the pandemic, and has taken priority over other matters, including the completion of the Form TM8 in these proceedings. Mr. Patwardhan stated that, while responding to the application was important to the proprietor, securing the business has been its main concern. Mr Patwardhan also referred to the negative impact of homeworking arrangements and having furloughed staff, both of which, in his submission, caused delays to the operation of the business. Mr Patwardhan explained that these challenges have caused his mental health to suffer, though preferred not to discuss personal issues in any greater depth. In the circumstances, Mr Patwardhan did not consider the proprietor's delay in filing the Form TM8 to be significant and argue that the pandemic ought to be considered an extenuating circumstance and a compelling reason justifying the exercise of discretion.

11. There was a short supporting 'Witness Statement' from Ms Chloe Keenan:

I Chloe Keenan resident of London, UK and who work closely with the business of Prashant Patwardhan (Owner-Tropical Tang Foods Ltd) make this statement in support of his response dated 31<sup>st</sup> October pertaining to the reasons why Form TM8 was not filed by the deadline of 26<sup>th</sup> October.

Prashant Patwardhan's business is import oriented which has been significantly impacted owing to Covid-19 related flight interruptions, furloughed staffs and other business issues which a large majority of companies have encountered across the world.

Mental strain caused by the Covid-19 related challenges and having to handle and prioritise multiple challenges have led to some delays on the work front including this issue.

12. The Hearing Officer summarised the Applicant's position in paragraph [14] of his Decision:

14. Mr Pennant outlined the factors which must be considered when deciding whether to exercise discretion in favour of a party in default, directing me to the decision of *Billions London*, O/070/19. Mr Pennant submitted that it is clear the authority of the Registrar is relatively narrow in terms of admitting a Form TM8 that is filed late where there is no fault on the part of the Registrar. He said it was generally accepted there has been no such fault in this case and, therefore, the issue to be determined rests solely on the proprietor's circumstances and the reasons it has given for the delay. Mr. Pennant highlighted the official letters from the Tribunal to the proprietor which confirmed that the deadline could not be extended. While he appreciated that securing the business and ensuring its viability would have been of paramount importance to the proprietor, he submitted that it was beholden on the proprietor to meet its deadlines. Mr Pennant also submitted that the Registry is now "quite firm" when dealing with requests for extensions of time which cite COVID-19 as the reason. Further, that people have now had nearly a year to adapt to the circumstances surrounding the pandemic. Mr Pennant contended that COVID-19, in and of itself, is not a valid excuse for requesting additional time; the relevant deadline was some six months after the commencement of widespread homeworking and, by such time, everyone would have adjusted to new working practices. On the basis that the proprietor's mark had "only just" become registered, Mr Pennant argued that there would be "no great hardship" to the proprietor, should the Form TM8 be deemed not filed. Furthermore, Mr Pennant submitted that, as the Form TM8 was completed by Mr Patwardhan personally, his references to furloughed staff were not wholly relevant to this issue. In light of the foregoing, Mr Pennant requested that the preliminary view to admit the defence be overturned.

13. The Proprietor's position in response is summarised in paragraph [15] of the Decision:

15. In reply, Mr Patwardhan disputed the applicant's argument that businesses had a year to adjust to the pandemic by the time of the deadline. He submitted that, while, theoretically, businesses had had time to adjust, in all practical purposes, many

businesses across the world still faced challenges. In Mr Patwardhan's view, it has been difficult for businesses to operate under frequently changing rules, and it is not correct to assume that all businesses had implemented effective adjustments. Mr Patwardhan also disagreed with Mr Pennant's submission that furloughed staff are not relevant to this issue; he explained that, while he had indeed filed the Form TM8, his employees' issues had also impacted on his functioning. In this regard, Mr Patwardhan submitted that he does not work in isolation and needs the help of his employees to carry on the business. Finally, Mr Patwardhan outlined that the Registry has the discretionary power to admit the Form TM8 and has provisionally exercised that discretion so that the case may be determined on its merits.

14. There was no suggestion that the Applicant had suffered any prejudice as a result of the Form TM8 being filed on Monday, 31 October 2020 rather than on Wednesday, 26 October 2020. With regard to the circumstances in which the default occurred, the Hearing Officer appears to have accepted in his Decision that the Proprietor was at the relevant time struggling to overcome the difficulties described in the representations made by Mr Patwardhan on its behalf.
15. Paragraphs [31] and [32] of the Hearing Officer's Decision contain the substance of the reasoning on which his determination is based:

31. I accept that the pandemic has been challenging for individuals and businesses alike. Moreover, I understand that the proprietor has had important matters to attend to during the pandemic which directly concerned the survival of the business. However, the sorts of issues to which Mr Patwardhan has referred, i.e. resolving supply chain difficulties, homeworking arrangements and furloughed staff, have been experienced by many in this country during the pandemic and, for the most part, deadlines before this Tribunal have continued to be met. While I have some sympathy with the position in which the proprietor found itself and appreciate that the pandemic has undoubtedly caused mental strain for many, it has not demonstrated any specific impact on its business operations over and above the general difficulties which all businesses have been faced with. Further, as Mr Pennant highlighted, the pandemic had been ongoing for several months prior to the deadline for the filing of the Form TM8. It is reasonable to expect that businesses would have implemented necessary adjustments to ensure the continuation of business operations by that time. Moreover, whilst I appreciate Mr Patwardhan's submission that he does not

work in isolation, I can see no reason by the sorts of issues to which he has referred would have directly impacted his ability to file the Form TM8 by the stipulated deadline, not least because the completion of the form is not a particularly onerous task.

32. I am conscious of the serious consequence that will result in treating the proprietor as not defending the application, i.e. that it will lose some of its registration. However, after careful consideration, without specific details, the generalised impact of the pandemic does not, in my view, amount to an extenuating circumstance or compelling reason and, as such, is not sufficient to justify me exercising the very limited discretion provided in Rule 41(6) in the proprietor's favour.

16. The Proprietor did not attend the hearing of its Appeal. Its 'Reasons for appeal' are set out at length in its Form TM55P filed on 29 March 2021. I propose to take them into account in the same way as I would if they had overtly been filed as written submissions in lieu of attendance.

17. The 'Reasons for appeal' raise the following points:

1. The Registrar does not find furloughed staff, office shutdowns, supply chain interruptions for an import export- based business as reasons for any specific impact on the business operations. The registrar outlines them as general difficulties which all businesses have been faced with.

Here, I would request "The Appointed Person" to consider that are these not the same issues that have led to thousands of businesses going bust. What has been labelled as non-specific impact by The Registrar is clear lack of understanding of the impact these issues have on functioning and running of the businesses, if these factors were inconsequential then all businesses would have easily survived the pandemic.

Secondly, during the hearing I had specifically mentioned along side the business impact there has been personal impact as well, which I was told is not required to detail now. On one hand the option of discussing the impact of person factors did not even arise and on the other hand the factors that have led to shutting of businesses big or small have been made light of.

2. The registrar further states "Further, as Mr Pennant highlighted, the pandemic had been ongoing for several months

prior to the deadline for the filing of the Form TM8. It is reasonable to expect that businesses would have implemented necessary adjustments to ensure the continuation of business operations by that time.”

If the opposing counsel and The Registrar believes that 6 months into the pandemic was reasonable time for the businesses to implement necessary adjustments to ensure continuation of the business operations, I would like “The Appointed Person” to consider that even after 14 months of the pandemic be it big or small businesses they have not been able to go back to the normal operations.

If so why calling any Bank/HMRC/Logistics Company/Shop/Restaurant starts with the line that “due to pandemic we are working with limited staff and there will longer ques and delays.” The fact can be verified by calling any of the services even today.

Even in its own correspondence during this period, the IPO office has apologised in its correspondence for the delay. While for the opposing counsel to state: “It is reasonable to expect that businesses would have implemented necessary adjustments to ensure the continuation of business operations by that time,” as a weakest possible counter defence can be understood for The Registrar to accept it and alter his own decision is highly inexplicable.

3. The Registrar further states: “Moreover, whilst I appreciate Mr Patwardhan’s submission that he does not work in isolation, I can see no reason why the sorts of issues to which he has referred would have directly impacted his ability to file the Form TM8 by the stipulated deadline, not least because the completion of the form is not a particularly onerous task.”

What the Registrar and the opposing counsel generalize as “sort of issues,” are precisely the sort of issues that has caused businesses to shut down, loss of millions of livelihoods, governments spending billions and yet the economies slipping into recessions. What appears general sort of issues- supply chain issue, adequate number of staff, managing cash flows are the fundamental of businesses. When they come under pressure, they have far reaching implications and negatively impact all aspects of the business which in this case is late filing of TM8 by four days.

For the opposing counsel to contend and The Registrar to agree and alter his earlier decision based on the imaginary situation that every business is functioning normal despite the devastating impacts of the pandemic needs to be rectified. My plea to “The

Appointed Person” is not to treat this business as being pandemic proof. We are a start-up where even in the normal circumstance we multi-task to keep the business going. When confronted with such an extra ordinary situation and yet expected to work and function normally, it may be a nice fantasy but not a real-world situation. Decisions are ought to be based on the real situation and the facts and not on imaginary pleas.

In view of the above, we would request “The Appointed Person” to allow for the acceptance the late filing of TM8 by four days and let the Trademark debate take place based on its merit and not use this excuse to sabotage the trademark that has been genuinely issued and earned.

18. The Applicant maintained that the Hearing Officer was right to decide as he did for the reasons he gave. It drew support for that from the prevailing practice in Registry proceedings of treating the pandemic as insufficient, without more, to establish the existence of extenuating circumstances or compelling reasons for failing to comply with time limits prescribed by the 2008 Rules: see, for example, KAKES Trade Mark BL O/549/20 (5 November 2020) at paragraphs [18], [30] and [34]; and TIGER (DEVICE) Trade Mark BL O/067/21 (29 January 2021) at paragraphs [22], [44] and [46].
19. I have come to the conclusion that the Appeal should be allowed for the following reasons.
20. It was incumbent on the Proprietor to establish the existence of extenuating circumstances or special reasons for not having filed its Form TM8 by 26 October 2020. That could not be done simply by pointing to the fact that the pandemic had created a working environment in which it was to a greater or lesser degree more difficult for people and businesses to function effectively by comparison with the way they were able to function before. It was necessary for the Proprietor to go further and explain the impact of the pandemic on its own particular situation relative to the circumstances of the present case. Which is what it did: see above.
21. The Registrar then had to make an informed decision as to whether the degree of disruption suffered by the Proprietor provided a sufficient basis for granting it relief from the disciplinary consequences of rule 41(6). It was relevant for that purpose to consider whether the degree of disruption was relatively severe or relatively mild in terms of its impact on the Proprietor’s capacity to function effectively. However, I do

not accept that it was necessary or appropriate for the Registrar to require the Proprietor to demonstrate a ***“specific impact on its business operations over and above the general difficulties which all businesses have been faced with”*** as posited in paragraph [31] of the Hearing Officer’s Decision.

22. I say that because I consider: (i) that the ***“difficulties which all businesses have been faced with”*** were not ***“general difficulties”*** so much as ***“complex difficulties”*** inflicted by a pandemic which could not simply be taken to have had either the same or an equally adverse ‘real world’ impact on the multitude of different ***“businesses”*** affected by it; (ii) that the ***“specific impact”*** and ***“general difficulties”*** could not realistically be parcelled up and separated into different and distinct aspects of the difficult working environment created by the pandemic when considering the ‘real world’ effects of it on a particular business; (iii) that the ***“specific impact”*** of the pandemic did not in the ‘real world’ occupy a space ***“over and above”*** the ***“general difficulties”*** of the working environment created by it; and (iv) that ‘real world’ difficulties inflicted on a business by the pandemic could not reasonably be treated as immaterial by characterising them as instances or examples of ***“general difficulties which all businesses have been faced with”***.
23. In short, the Hearing Officer ought to have focused on the ***“specific impact of the pandemic on the Proprietor’s business operations”*** without endeavouring to treat ‘real world’ difficulties inflicted on the Proprietor by the pandemic as immaterial by characterising them as instances or examples of ***“general difficulties which all businesses have been faced with”***.
24. The Institute for Government [Timeline of UK coronavirus lockdowns, March 2020 to March 2021](#) shows that the period running from 24 August 2020 to 26 October 2020 for the purposes of rule 41(6) of the 2008 Rules coincided with the progressive tightening of restrictions which followed the period from May to August 2020 during which there had been incremental easing of the tight restrictions that were in force between March and May of that year.

25. I accept the thrust of the points made by the Proprietor in its ‘Reasons for appeal’: paragraphs [31] and [32] of the Hearing Officer’s Decision did not adequately address the specifics of the concrete case that he was called upon to consider. This was not a ‘new normal’ in which it was “*reasonable to expect that businesses would have implemented necessary adjustments to ensure the continuation of business operations by that time*”. It was an ‘ongoing abnormal’ in which it was reasonable to expect that there were businesses still struggling to cope with the disruptive effects of the pandemic on their business operations. The Proprietor’s business was one of them. And the disruption to its ‘import / export’ based operations seems to have been quite severe.
26. The Hearing Officer said: “... *I can see no reason why the sorts of issues to which [Mr Patwardhan] has referred would have directly impacted his ability to file the Form TM8 by the stipulated deadline, not least because the completion of the form is not a particularly onerous task.*” The Proprietor was not, in fact, contending that the completion of the form was “*a particularly onerous task*”. It was contending that its business was beset by ‘real world’ difficulties that were demanding and draining of its time and resources during the period from 24 August 2020 to 26 October 2020 to such an extent that it needed the breathing space of an additional 5 days from 26 October 2020 to 31 October 2020 in which to deal with the completion and filing of the Form TM8.
27. Those difficulties as described in the representations made by Mr Patwardhan on behalf of the Proprietor (which, I emphasise, the Hearing Officer appears to have accepted in his Decision) ate into the two-month period for compliance prescribed by rule 41(6) to an extent which seems to me to have substantially impaired the utility of the two-month period to the Proprietor. They did so through no fault of the Proprietor. And they did so as a result of an event (a major public health crisis) that was too abnormal to be regarded as a situation to which the disciplinary consequences of the rule were intended to be mechanistically applicable. I am not able to say (and I do not accept that the Hearing Officer was able to say) that there were no extenuating circumstances and no compelling reasons sufficient to justify a rebalancing of the situation by allowing a modest extension over until 31 October 2020 for the filing of the Proprietor’s Form TM8 in the exercise of the discretion conferred on the Registrar by rule 41(6).

28. For the reasons I have given the Appeal is allowed, the Hearing Officer's Decision and order as to costs are set aside and the Applicant's claim for invalidity of the Proprietor's Trade Mark No. 3459704 is remitted to the Registrar for further processing in accordance with the provisions of the 1994 Act and the 2008 Rules.
  
29. Since I consider that the usefulness of the proceedings before me is from a practical point of view liable to depend on the outcome of the proceedings as a whole, I direct that the costs of the Appeal be treated as costs incurred in the registry proceedings and dealt with by the Registrar in the usual way at the conclusion of the claim for invalidity.

Geoffrey Hobbs QC

14 October 2021

The Proprietor was not present or represented at the hearing of the Appeal

Mr Jeremy Pennant of D. Young & Co LLP appeared on behalf of the Applicant.

The Registrar took no part in the Appeal.