

**TRADE MARKS ACT 1994**

**IN THE MATTER OF AN INTERLOCUTORY HEARING  
IN RELATION TO A REQUEST BY LOGICA PLC  
TO ALLOW INTO PROCEEDINGS  
FORM TM7 & STATEMENT OF GROUNDS  
TO OPPOSE TRADE MARK APPLICATION NUMBER 2021563  
IN THE NAME OF LOGICAL NETWORKS PLC**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF an Interlocutory Hearing  
5 in relation to a request by Logica plc  
to allow into proceedings Form TM7 and statement of grounds  
to oppose trade mark application number 2021563  
in the name of Logical Networks plc**

10

### **Background**

15 On 22 May 1995 Logical Networks plc applied to register LOGICAL and LOGICAL NETWORKS as a series of two marks. Following examination the second mark in the series was deleted and thus the application proceeded for the trade mark LOGICAL for a specification of services in Classes 37 and 42.

20 The application is numbered 2021563 and it was accepted and published in the Trade Marks Journal on 26 January 2000. Therefore, in accordance with section 38(2) of the Trade Marks Act 1994 and rule 13(1) of the Trade Marks Rules 1994 (as amended), the period of three months for filing notice of opposition on Form TM7 together with a statement of the grounds of opposition expired on 26 April 2000.

25 On 26 April 2000 Field Fisher Waterhouse, the representatives of Logica plc, filed a notice of opposition to this application on Form TM7. The Form was accompanied by a statement of the grounds of opposition. The documents were filed by facsimile at 15:16 hrs on that day, together with an instruction to debit Field Fisher Waterhouse's Deposit Account, with the opposition fee of £200.00.

30 It appears that at the time the Form TM7 was filed there were insufficient funds in the deposit account to cover the whole fee. The balance shown in the deposit account at the time the form came to be processed, was £191.80. The fee for filing a Form TM7 is £200. As there were insufficient funds in the deposit account the Form TM7 was not processed but put to one side.

35 The following day, 27 April, the Patent Office received a letter by facsimile from Field Fisher Waterhouse. It is dated 27 April and is addressed to Mr Alistair East in the Trade Marks Law Section and reads:

40

“I am writing to you to confirm our telephone conversation of earlier this afternoon.

45

In the event that this matter will now be dealt with by another member of your office please advise me of the name of the person to whom you have forwarded this letter.

As you know on behalf of our client, Logica plc, we have filed an opposition to application no 2021563. The subject application was published in the Journal dated 26

5 January 2000. The Form TM7, statement of grounds and fee sheet were transmitted from our office to your facsimile number 01633 811175 at 3:15pm on Wednesday 26 April 2000 ie well within the hours of business as defined by Section 80 of the Trade Marks Act 1994. I enclose a copy of our facsimile transmission report for your reference.

10 We received this morning a facsimile from Carl Franklyn of Document Reception, Concept House, Newport. Mr Franklyn informed us that as there were insufficient funds in our deposit account our opposition would only receive a filing date of at the earliest today, as our deposit TT transfer of £10148.98 to the Patent Office bank account No 25011006 was received by you today. We would draw your attention to the minimal level of missing funds, namely £8.20."

15 The remainder of the letter suggests that Document Reception should have informed Field Fisher Waterhouse of the deficit on the day of filing and asks that the Registrar amend the date of receipt of the notice of opposition to show 26 April 2000.

The Official response was contained in the Office letter of 11 May 2000. This reads:

20 ".....I must inform you that the registrar is of the preliminary opinion that the opposition should not be accepted.

25 While I accept that the opposition was filed on the last day possible within normal working hours, I believe that you were informed within a reasonable period of time of the deficiency in your account because you were contacted within 24 hours. However, I would point out that the Office is not under any obligation to inform customers of any deficit in their accounts; in fact the "Terms and conditions for the operation of the Patent Office deposit account" expressly states that the account holder is responsible.

30 The onus is thus on the filer to ensure that if they file any "date critical" documentation that all of the formalities - such as fees - are complied with. I would also point out that the fact that only a "minimal" amount is involved is immaterial, the entire fee must be paid within the relevant period.

35 If you disagree with this decision, you should inform the Registry in writing on or before 25 May 2000 and a joint hearing will be arranged which the applicant will be invited to attend."

40 In their letter of 11 May 2000 sent by facsimile Field Fisher Waterhouse requested the appointment of a hearing.

### **The Hearing**

45 The joint hearing took place before me on 1 June 2000. The applicants were represented by Ms C Ayers of Marks & Clerk. The party seeking to oppose were represented by Mr Mark Engelman of Counsel instructed by Field Fisher Waterhouse. At the hearing I reserved my decision and subsequently informed the applicants and the party seeking to oppose of my

decision in a letter dated 28 June 2000. This was to refuse to allow the opposition filed on 26 April 2000 to be admitted as a formal opposition against the application and my letter outlined the reasons. Following the issue of my decision, the party seeking to oppose filed Form TM5 requesting a statement of grounds for my decision.

5

### **Statement of Grounds**

Without injustice to Mr Engelman's detailed submissions I believe that his case can be summarised into three main headings.

10

(i) First he suggested that the effect of the Trade Mark Registry's letter of 11 May 2000 was to suggest that the Form TM7 and the associated fee needed to have been filed at the same time in order for the opposition to have been filed within the time limit specified by section 38(2), and rule 13(1). He sought to argue that this interpretation was wrong on the basis of registry practice and the principles of statutory interpretation.

15

(ii) Second, if I was not with him on that point he sought to fall back on the provisions of rule 66 of the Trade Marks Rules 2000 concerning correction of irregularities in procedure in or before the Office.

20

(iii) Finally, he sought an extension of the period to file notice of opposition under the provisions of rule 67(1).

25

It is fair to say that the main thrust of Mr Engelman's submission at the hearing was directed to the first and second of these points and he took me to the relevant statutory provisions in the Trade Marks Act 1994, the Trade Marks Rules 2000 and the Trade Marks (Fees) Rules 2000.

30

Mr Engelman's opening submission took me to a copy of a statement for Field Fisher Waterhouse's deposit account. He drew attention to the entries shown against the date of 26 April 2000; there were four entries shown and all were debits. Mr Engelman stated that these four transactions related to official forms filed on the 25 April. Although no evidence was produced to show that these forms were filed on the 25 April I am prepared to accept that the four transactions listed could have been filed on the 25 April as I do not think that anything turns on this point. Mr Engelman stated that as these forms had not been processed until the 26 April it appeared that there is a delay of one day in respect of clearing the account of transactions relating to the preceding day. That may be so, but if the forms were filed in London that would not be surprising. He then took me to the credit column and noted that the only item on the relevant page was for the sum of £10,148.98. This credit had, he said, been arranged by telegraphic transfer thorough the CHAPS system so that the amount is received on the same day as the instruction. His instructing solicitors had provided that instruction on 27 April and yet the account was not credited until 2 May. In Mr Engelman's view this showed that there was a 'tolerance' within the Office for recording transactions in the deposit accounts because it has difficulty in recording transactions on exactly the same day as they are received. Although I have no evidence of the facts presented to me I again accept Mr Engelman's submissions as I do not think anything turns on this point. I note also that this

35

40

45

period covers a weekend and public holiday. In his submissions on this point he also made assertions about the procedure the Office should have adopted in giving Field Fisher Waterhouse advanced notice that their account was low; and about debiting accounts on the day that forms are received and then informing the filer of any deficit in their account. I will return to these points later in my decision when I consider whether there has been any error on the part of the Office.

Turning to Mr Engelman’s detailed submissions, there is no dispute as to the fact that an opponent should file a Form TM7 and pay the required fee of £200.00 in order to launch an opposition. The nub of Mr Engelman’s argument came down to the interpretation of a passage in rule 3 of the Trade Marks (Fees) Rules 2000. This states

*“The fees to be paid in respect of any matters arising under the Act, The Trade Marks Rules 2000 and the Trade Marks (International Registration) Order 1996 shall be those specified in the Schedule to these Rules; and in any case where a form specified in the Schedule as the corresponding form in relation to any matter specified in the Trade Marks Rules 2000 or the Trade Marks (International Registration) Order 1996 **that form shall be accompanied by the fee, if any, specified in respect of that matter (unless the Rules or the Order otherwise provide).**”*  
*(my emphases).*

Mr Engelman referred to section 32 of the Act which deals with the making of an application and noted that the sub-section 32(4) explicitly requires the payment of a fee. However, he pointed out that registry practice, as set out in the Trade Marks Registry Work Manual, was that the fee did not have to accompany the application; although payment must be made within 2 months of the date of notice to the applicant. On the premise that the Registry had given a wide construction to the word *accompanied* when applying it to section 32 of the Act, he submitted there was no basis for applying a narrow construction when looking at section 38(2) and applying rule 3 to the payment of the fee associated with oppositions or indeed any other procedure.

There is a flaw in the basis of Mr Engelman’s reasoning on this point and this can be found in rule 11 of the Trade Marks Rules 2000. This states:

*“11. Where an application for registration of a trade mark does not satisfy the requirements of section 32(2),(3) or (4) or rule 5(1) or 8(2), the registrar shall send notice thereof to the applicant to remedy the deficiencies or, in the case of section 32(4), the default of payment and if within two months of the date of the notice the applicant-*

*(a) fails to remedy any deficiencies notified to him in respect of section 32(2), the application shall be deemed never to have been made; or*

*(b) fails to remedy any deficiency notified to him in respect of section 32(3) or rule 5(1) or 8(2) or fails to make payment as required by section 32(4) the application shall be treated as abandoned.”*

5 The Work Manual indicates that an application for a trade mark need not be accompanied by the necessary fee because rule 11 specifically provides for the Registry to issue a notice in the event that no payment is received with the application. Under the provisions of that rule the applicant is given two months from the date of that notice within which to make payment, if they fail to make payment within that time period the application shall be treated as abandoned.

10 This is not inconsistent with rule 3 nor is it a 'wide construction' of the word 'accompanied'. Rule 3 on my interpretation starts from the premise that any form set out in the Schedule shall be accompanied by the fee set out alongside it “...**unless the Rules or the Order otherwise provide**”. In the case of an application for a trade mark, rule 11 sets out the proviso and makes provision in the event that the application is not accompanied by the fee. There are no such provisions contained in the Rules or Order concerning the payment of the fee associated with the launching of an opposition. The Patent Office can not operate any 'grace period' for the payment of fees except where the Rules so provide and in the absence of such a provision in relation to oppositions, rule 3 of the fees rules must apply and the form (in this case the Form TM7) must be 'accompanied' by the fee (£200).

20 Mr Engelman took me to various authorities on the subject of statutory interpretation including “Statutory Interpretation” by Bennion and suggested that his wide construction of the word 'accompanied' was to be preferred. It was his view that the registrar should be consistent in any interpretation of the rules ie *pari materia*. I agree entirely. But, in my view there is no inconsistency in the Patent Office's interpretation of the word 'accompanied'; the exception in relation to the fee set out in section 32(4) and identified by Mr Engelman is provided for in the rules.

30 On the basis of my finding that there is no inconsistency of approach, it follows that several strands of Mr Engelman's submissions fall away. In particular, that the registrar cannot ascribe contrary definitions to terms when applying separate sections of the Act, in my view she has not, and that due note should be taken of the Work Manual. In addition, I did not give much weight to his submission concerning the need to avoid prolonging legal or other proceedings or to avoid injustice. As the opposition has been deemed not to have been made the opponents' fee will be refunded and they can launch invalidity proceedings if and when the application for registration proceeds to registration. There is no prejudice suffered by the opponents in taking this course of action.

40 In addition, there is nothing to be gained, as Mr Engelman sought to persuade me, from looking at the provisions relating to fee arrangements in parallel jurisdictions such as the Office for Harmonisation in the Internal Market (OHIM). Firstly I do not regard them as “international law” and secondly, the statutory provisions and mechanism for filing forms and making such payments is entirely different. If Mr Engelman had identified appropriate provisions in the Trade Marks Directive or the Trade Mark Law Treaty to support his arguments then I would have taken due note of them, however, he did not.

45 Mr Engelman referred to the constitutional right of access to justice as set out by the Divisional Court in *R v Lord Chancellor ex parte Witham* [1997] AER. He suggested that there was no specific statutory provisions which identifies the time of filing of the fee

associated with oppositions. For all the reasons set out above it is clear that I disagree and that rule 3 of the Trade Mark Fees Rules 2000 requires that the form shall be accompanied by the fee unless the rules provide otherwise, which in the matter of oppositions to registration they do not. Further he submitted that a person should not be penalised except under clear  
5 law. It seems to me that the law in this area is perfectly clear. Finally he sought to rely on the “de minimus principle” that the law does not concern itself with trifling matters and submitted that the underpayment of £8.20 was de minimus. The requirement to pay a fee is a statutory requirement clearly set out in rule 13(1). The fee required is that shown in the associated Fees Rules. Unless that fee is paid in full it seems to me that the requirements of the statutory  
10 provisions have not been met and a filing date cannot be accorded. Mr Engelman made reference to other principles of statutory interpretation the details of which I do not think I need summarise. Suffice is to say that I was not persuaded that any of his references could deflect me from my view that the form must be accompanied by the fee (in full) in order for it to be treated as properly filed.

15 To conclude on this point, I adopt the definition of the word ‘accompanied’ provided in Mr Engelman’s skeleton argument. Collins English Dictionary defines ‘accompanied’ to include inter alia “to occur, co-exist, or be associated with”. On the basis of this definition it seems to me that the drafters of the statutory instrument intended that the form should be  
20 associated with the fee whether that was provided in cash, in cheque form or when deducted from a deposit account held by the Patent Office. Thus, in summary, whilst a form and fee need not be received at the same moment in time, there is no general provision whereby a form may be filed on one date and then the fee filed on another without the loss of the filing date. Except where the Act or Rules provide otherwise (as in the case of the application for  
25 registration), a filing date can only be accorded where both the fee and form have been received by the Office.

Mr Engelman said that for me to find as I have would throw into question the whole deposit  
30 account system since by its very nature the fee can never accompany the form. I do not accept this point. For the reasons set out in the above paragraph the use of the word ‘accompanied’ is in my view entirely consistent with the operation of the deposit account system. Mr Engelman made reference to the Public Office Fees (Patents, Designs and Trade Marks) Order 1964 which provides that all fees prescribed by Rules made pursuant to the Patents Act 1949  
35 to 1961, the Registered Designs Act 1949 to 1961 and the Trade Marks Act 1938, or to any amendment or re-enactment thereof, shall be collected in money. The effect of this is to prevent payment of statutory fees by anything other than money, for example payment by way of a non-money asset such as a valuable painting or the provision of services. There is no statutory definition of money and no reasons for the Patent Office to adopt such a restrictive interpretation that payment in money would cover only the physical transfer of paper money or  
40 coins.

Mr Engelman’s second line of argument was to seek the exercise of the registrar’s discretion under rule 66. This states:

45 *“66- Subject to rule 68 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct.”*

It is clear from the wording of this rule that its operation is subject to rule 68 which deals with

the alteration of time limits. The relevant parts read:

- “68- (1) *The time or periods-*  
5 (a) *prescribed by these Rules, other than the time or periods prescribed by the*  
*rules mentioned in paragraph (3) below, or*  
*(b)....*  
*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*  
10 *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 rule 13,.... the party*  
15 *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..., rule 13(1) (time*  
20 *for filing opposition)....*
- (4) *Subject to paragraph (5) below, a request for extension under paragraph*  
25 *(1) above shall be made before the time or periods 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*  
30 *appears to her to be just and equitable to do so.*
- (6)....
- (7) *Without prejudice to the above, in the case of any irregularity or*  
*prospective irregularity in or before the Office or the registrar which -*  
35 *(a) consists of a failure to comply with any limitation as to times or*  
*periods specified in the Act or these Rules or the old law as that law*  
*continues to apply and which has occurred or appears to the registrar*  
*as likely to occur in the absence of a direction under this rule, and*  
40 *(b) is attributable wholly or in part to an error, default or omission on*  
*the part of the Office or the registrar and which it appears to her*  
*should be rectified,*  
*she may direct that the time or period in question shall be altered in such*  
*manner as she may specify and upon such terms as she may direct.”*

45 Mr Engelman sought to invoke rule 66 and put forward various factors which he submitted should be taken into account. I should say that it is my view, in the circumstances of this case, that I cannot consider the operation of rule 66 in isolation. The wording of the rule states clearly that it is subject to rule 68. Thus, if the operation of the rule would act to extend a



time period I must consider the application of rule 68. It is my view that if I was to find that there was an error it would have the effect of extending the time period for filing the notice of opposition in this case. Thus, in my view in exercising my discretion I must read rule 66 and rule 68 together.

5

Whilst the period for the filing of the notice of opposition under rule 13(1) is one of the periods which is excepted from paragraph (1) of rule 68 and thus cannot be extended, the provisions of rule 68(7) give the registrar the power to extend such a period if certain conditions are met.

10

For the registrar to direct that the time period in question should be altered there must be an irregularity which is attributable wholly or in part to an error default or omission on the part of the Office or registrar. If such an error is found it may be rectified if it appears to the registrar that it should be so rectified.

15

From the facts of this case there seems to me to be no error in the procedure adopted by the Office in dealing with this opposition. The Office processed the fee sheets in the date order in which they were received. This is consistent with paragraph 11 of the "Terms and Conditions for the operation of Patent Office Deposit Accounts" (effective from 31 October 1994) which states:

20

*"11. Debits to deposit accounts will be entered in the chronological order in which fee sheets....are processed...."*

25

Thus, the fee sheets received on the 25 April were processed on 26 April leaving £191.80 in Field Fisher Waterhouse's deposit account. As to alerting Field Fisher Waterhouse to the lack of funds, it seems to me that there has been no breach of the "Terms and Conditions". In particular I note that paragraph 16 of the "Terms and Conditions" states:

30

*"16. If there are insufficient funds in the deposit account to cover the whole of a fee sheet or order, the individual transactions therein will be accepted strictly in the order in which they are listed on the fee sheet or order, excluding any trade mark applications which, because of the period allowed for late payment of the relevant fee, will be presumed to have been listed last on fee sheets irrespective of where they actually appear. Any individual item on a fee sheet will not be accepted unless there are sufficient funds in the deposit account to cover the transaction in full. **Deposit account holders will be alerted by telephone or fax if there are insufficient funds in the deposit account to process a fee sheet or order in full (but it will often not be possible to notify the account holder on the day of receipt of the fee sheet or order).** This is designed to enable account holders to make emergency arrangements to top-up their accounts. It is suggested that confirmation of emergency funding action taken should be faxed to the Patent Office ....*

35

40

45

*In the case of statutory fees, deposit account holders are reminded that a filing date for a deposit account transaction cannot be accorded where inadequate funds are available. A filing date will only be assigned when sufficient payment is received. Exceptions are trade mark applications and patent applications under the Patent Co-*

*operation Treaty where a period is allowed for late payment of the relevant fee.”*

I have emboldened two passages from this paragraph of the terms and conditions because I believe them to be particularly relevant. The first states that the Office will contact deposit  
5 account holders in the event that there are insufficient funds in their account. But, it also states that it will often not be possible to notify them of this fact on the day of receipt. The second passage reminds them that a filing date can only be accorded when there are sufficient funds in their account to cover the transaction.

This paragraph of the terms and conditions also sets out the action that will be taken if there are insufficient funds to cover all the transactions on the fee sheet. Transactions will be dealt with in the order in which they are listed on the fee sheet unless there are any forms, such as applications for the registration of a trade mark, which because of the period allowed for late payment will be presumed to have been listed last. Whilst Mr Engelman informed me that  
10 certain of the forms filed on 25 April and processed on the 26 April related to such applications, the wording of this paragraph relates only to the items on an individual fee sheet and does not envisage balancing fee sheets relating to earlier or later filed transactions on a given day and subsequently altering the order in which such transactions are processed. This would clearly be impracticable and as stated above, would not be in accordance with paragraph  
15 11 which states that debits will be made in the chronological order in which they are processed.

I note also Paragraph 6 of the Terms & Conditions which states:

25 *“6. Account holders are responsible for monitoring the balance in their accounts and ensuring that sufficient funds are available adequately to cover and not delay their deposit account business. No minimum payment limits will be applied.”*

Mr Engelman submitted that the Office should operate an advance warning system informing  
30 deposit account holders when their balance is low. Paragraph 6 of the terms and conditions clearly puts the responsibility for monitoring the balance of the account onto the account holder. This must be right, as it would be impossible for the Office to know what amounted to a “low” balance. The question could be posed “Too low for what?” A fee sheet might have several hundred or even several thousands of pounds worth of business contained on it.  
35 Alternatively it might only amount to a fee of £20. Indeed though the balance in Field Fisher Waterhouse’s deposit account showed only £191.80 on 26 April, three further transactions, on 27, 28 and 29 April, did proceed because they were for £100, £50 and £15 respectively.

In addition, Paragraph 10 of the Terms and conditions is relevant. This states:

40 *“10. Deposit accounts will not be permitted to be overdrawn.”*

Whilst Mr Engelman drew attention to the fact that on 2 May the account showed a negative  
45 balance it seems that the statement does not reflect the order in which the fee sheets and findings were entered on to the system. I understand the Finance System is programmed not to accept completion of fee sheet transactions if this would result in the account being overdrawn.

When the Form TM7 from Field Fisher Waterhouse received on 26 April was processed, the

5 plain fact of the matter is that there were insufficient funds in the account to cover the required  
10 accompanying fee. The Office acted promptly, in my view, in informing the opponents’  
representatives of this fact within one day of receipt. The responsibility for ensuring that there  
are sufficient funds in the deposit account rests firmly in this case with the opponents’  
representative. The Patent Office does not force representatives to use the deposit account  
system. As Ms Ayers pointed out at the hearing, her firm chooses to continue to send cheques  
15 accompanying the relevant forms. If a firm chooses to use the deposit account system then it is  
incumbent upon them to ensure that there are sufficient funds in their account to cover any  
transactions. When an application is made to open a Deposit Account, Form DP1 (annexed to  
20 this decision) states that they accept the associated terms and conditions. In summary I can  
find no error in the way in which the Patent Office handled this matter and so decline to extend  
the period for filing the opposition under the provisions of Rules 66 and 68.

15 Mr Engelman also sought an extension of time for filing the notice of opposition. As set out  
above, in my view the provisions of rule 68(3) of the Trade Mark Rules 2000 are explicit and  
the period for filing notice of opposition is not extendable. The only exception to this is as set  
out in rule 68(7) and for the reasons I have stated above, I find that there is no error default or  
omission on the part of the Office or the registrar and therefore I decline to extend the time for  
20 filing the notice of opposition in this case.

25 For all the reasons set out above the Form TM7 submitted by Field Fisher Waterhouse can not  
be accepted by the Patent Office as a properly filed opposition to application number 2021563.  
Thus, in the event that this decision is not the subject of an appeal the application for  
registration will proceed to registration.

**Dated this 10 day of October 2000**

30  
  
35 **M KNIGHT**  
**For the Registrar**  
**the Comptroller-General**

*Annexe only available as a paper copy*