

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING
IN RELATION TO AN APPLICATION BY
DEBONAIR TRADING INTERNACIONAL LDA
FOR THE REVOCATION OF
TRADE MARK REGISTRATION NO 712741
IN THE NAME OF KAMENOSUKE SAWADA
REVOCATION NO 12475**

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**IN THE MATTER OF an Interlocutory Hearing
in relation to an application by Debonair Trading Internacional Lda
for the revocation of trade mark registration no 712741
in the name of Kamenosuke Sawada
Revocation no 12475**

1. At an interlocutory hearing on 9 November 2001 I refused a request for an extension of time for the registered proprietor of trade mark registration no 712741 to file grounds of appeal in relation to the decision of the registrar dated 7 September 2001 to revoke the registration. At the hearing I awarded costs of £200 to the applicant for revocation.
2. In a written confirmation of the decision I allowed the registered proprietor one month from the date of the written confirmation of the decision to request a statement of grounds for my decision. The written confirmation was issued on 12 November 2001.
3. I am now asked by the registered proprietor for a statement of grounds by way of a form TM5 filed on 12 December 2001.

Background

4. An application for revocation of registration no 712741 in the name of Kamenosuke Sawada was filed by Debonair Trading Internacional Lda on 25 April 2001. The revocation application was based on non-use of the registered trade mark under sections 46(1)(a) and (b) of the Act. On 10 May 2001 the registrar wrote to the agents for the registered proprietor advising him of the application for revocation. He was told that if he wished to defend his registration he should complete form TM8, a copy of which was enclosed with the letter, file a counterstatement and either evidence of use made of the trade mark or reasons for non-use of the trade mark. He was advised that if he did not file these documents within three months the application for revocation would be granted. No response was received by the Office on or before 10 August 2001, the deadline, to this letter. Consequently a decision revoking the registration was issued on 7 September. The letter accompanying the decision advised that a period of 28 days was allowed to appeal, so that any appeal should be filed on or before 5 October 2001.
5. On 4 October 2001 the registered proprietor requested that an extension of time of two months should be granted in relation to the appeal period. In the letter the registered proprietor referred to Tribunal Practice Notice 3/2000 in relation to requests for extensions of time to file appeals. A copy of this notice is reproduced as annex 1. Consequent upon the contents of this notice the registered proprietor noted that the registrar is reluctant to grant extensions of time in relation to appeals.
6. The agents for the registered proprietor went on to advise that sales had been made in the United Kingdom, information which they had only just received. They stated that the trade mark had been promoted in the United Kingdom in 1997 and that a distributor in the United Kingdom was found in July 2001 and that already a considerable quantity of goods had been sold here.

They stated that they wanted time to put evidence in relation to sales and promotional activity in an acceptable form and to seek further information in relation to the sales.

7. The registered proprietor believed that in those circumstances there was a reason for an extension of time to be granted which was sufficiently strong to outweigh the potential harm to other parties or the public. He stated that the applicant is the proprietor of United Kingdom trade mark application no 2259592 for SO...? KISS ME. He presumed that the progress of that application was suspended pending the outcome of the instant proceedings. He stated that although the applicant might suffer prejudice from having his application further delayed pending the outcome of an appeal, that this was hardly a significant harm. He also stated that he was not aware of the applicant having made use of the trade mark SO...? KISS ME in the United Kingdom and, therefore, would not be likely to suffer any prejudice through not being able to launch the product as early as he would have wished.

8. The registered proprietor stated that it is not in the interests of the public to have on the register trade marks which have been inappropriately conferred protection. He went on to state that it is for this reason that there are provisions enabling registrations to be cancelled on grounds of non-use. He stated that in this case, where the trade mark is obviously in use in the United Kingdom, there was no potential harm to the public in consequence of the continued existence on the registrar of the registration in suit.

9. Finally the registered proprietor state that in view of the his failure to file a form TM8 and counterstatement in due time, this case presents particular difficulties and as a consequence it would be necessary to seek Counsel's opinion and assistance in finalising the notice of appeal and evidence of use in connection with the appeal. He stated that it was for this reason that an extension of two months was requested.

10. The Office advised the applicant of the request for an extension of time and that he had until 19 October to make any comments that he wished to make in relation to the request for an extension of time.

11. On 16 October the applicant responded. He stated that he objected to the granting of an extension of time.

12. The applicant stated that to grant the extension of time would be entirely pointless as an appeal could not possibly succeed. He stated that the registration had been revoked because the registered proprietor had chosen not to file a counterstatement and had also chosen not to file any evidence of use. He stated that these matters were not in dispute and it was irrelevant whether the proprietor had been or had not been in a position to defend the registration had they been so minded and had taken prompt action. The applicant stated that rule 31(3) is arguably permissive rather than mandatory in saying that the registrar may treat the proprietor's opposition to the application for revocation as having been withdrawn. However, any appeal would need to contest that the registrar had acted unreasonably in exercising any discretion (if there is any) that she had under rule 31(3). He stated that at the time that the registrar's decision was made there was no conceivable basis on which the registrar could have acted otherwise than to revoke the registration.

13. The applicant stated that the granting of an extension of time would enable the proprietor to file an appeal with the consequent suspension of the effect of the revocation decision and consequent stalling of the applicant for revocation's trade mark application no 2259592. He stated that the registered proprietor has stated that this was hardly a significant harm. This was followed, he stated, by the total non-sequenter that because the applicant for revocation has not launched a product bearing their trade mark in the United Kingdom to date, that they would not suffer any prejudice through being unable to launch such a product as early as would have been wished.

14. The applicant stated that as long as the registration in suit remained on the register he was at grave risk if he launched any product. The longer the registered proprietor was allowed to maintain the ambiguity of the present circumstances, the longer the applicant for revocation was prevented from launching a product.

15. He stated that it was not necessary even to consider the question of whether or not the registered proprietor could have shown use of the mark. Should, however, the registrar be minded to think this issue relevant that it was clear from what has been said on behalf of the registered proprietor that there was no genuine use prior to the date of the application for revocation. He stated that the registered proprietor claimed to have appointed a distributor in July 2001 and to have made sales thereafter. However, the application for revocation was made three months earlier than that and the registered proprietor was aware of the likelihood of an application being made for revocation from 31 January 2001.

16. On 18 October the Office received a further letter from the applicant.

17. He stated that the period within which a valid counter-statement accompanied by evidence could be filed in connection with the application for revocation expired on 10 August 2001. He stated that when this date passed it became apparent that the cited registration had to be revoked. The registered proprietor stated that a major launch of product in class 3 under the trade mark SO...KISS ME? took place on 5 September 2001 and that the product is sold in Boots, Superdrug and Sainsburys as well as other stores. He stated that he is committed to major production expenses and major launch expenses by way of promotional activities in support of the product. He would, therefore, be severely disadvantaged by the registrar consenting to extend the time for appeal, with consequent perpetuation of the uncertainty surrounding the present situation. He stated that if the registrar required he would provide formal evidence of these matters.

18. Following this letter the Office advised the parties that an interlocutory hearing would take place on 9 November 2001 in order for the matter to be decided.

19. In relation to the hearing the registered proprietor furnished a skeleton argument in support of his case.

20. The registered proprietor began by dealing with what led up to the filing of the application for revocation and the subsequent issuing of the decision to revoke the registration. It is stated that on 27 September 2001 the agents for the registered proprietor were advised by their instructing Japanese principals that there had in fact been use of the trade mark KISS ME in the United

Kingdom. On 1 October 2001 a fax was received from the Canadian distributor of KISS ME products setting out the use which had been made of the trade mark in the United Kingdom. The agents for the registered proprietor were advised to take all necessary steps to maintain the registration in suit. It was stated that the information supplied was not particularly detailed and clear and that further time would be need to request further information and draft formal evidence for use in any appeal.

21. The registered proprietor submitted that the launch of the product of the applicant took place less than four weeks after the date on which registered proprietor's defence to the revocation action should have been filed. He stated, therefore, that it did not seem likely that the applicant waited for the outcome of the application before taking the decision to launch his product in the United Kingdom. He stated that it would be expected that it would take far longer than four weeks to prepare for such a significant product launch. The registered proprietor stated that accordingly such damage as might hypothetically be suffered by the applicant by virtue of allowing the extension of time request resulted largely from his own actions in proceeding with the launch of a product when the trade mark position was far from clear.

22. The registered proprietor stated that if the registrar was not prepared to allow the extension of time request then the registration would be revoked. He stated that this would be an entirely anomalous position given the result of the Canadian distributor's promotional activities as there was now a distributor of KISS ME products in the United Kingdom, who has ordered over 4,000 items for sale in the United Kingdom. He stated that if the revocation action was allowed to proceed the use of his trade mark might be held to infringe the applicant's registration of the trade mark SO?.....KISS ME.

23. He stated that it was not the case that the appeal was entirely pointless, as advanced by the applicant. He stated that if the "authorities" deemed it appropriate new evidence could be admitted on appeal and new grounds of opposition/defence could be allowed to be entered. He stated that he would be asking the Appointed Person to admit new evidence into the proceedings, this being of fundamental importance to the instant case.

24. The registered proprietor referred to the factors to be considered in deciding whether or not to accept fresh evidence into the proceedings. Reference was made to Kerley (at 5-138). He stated that the Registry has in the FIRETRACE case granted the registered proprietors of a mark an opportunity to defend revocation proceedings despite a failure to file form TM8 and a counterstatement.

Decision

25. Both parties have sought to deal with the issue of whether the appeal could succeed and whether new evidence could be admitted into the proceedings. I do not consider that this is a matter that I should or could consider. It is not germane to the issue of whether the grounds for the extension of time are valid. It is also an issue for "above". I cannot and should not make any comment on the likelihood or otherwise of evidence being allowed in or the possible outcome of the appeal. It is for "above" to decide.

26. The key issue and the sole issue before me is whether the registered proprietor has justified his reasons for an extension of time.

27. The applicant argued that he would suffer prejudice owing to the actions he had taken in promotion and use of his trade mark SO...? KISS ME. I accept that the applicant might suffer prejudice, however it is a prejudice that he has brought upon himself. Until the decision for revocation was final - after all avenues of appeal were exhausted - he could not presume that his action would be final and successful. He took the risk in using the trade mark before the decision was final and so he must live with the consequences of that risk. Consequently I do not consider that the argument that to allow the extension of time would be prejudicial to the applicant is one that can have a bearing upon the issue.

28. The registered proprietor has spent time in dealing with the issue of discovering use of his trade mark and the need to collate the evidence of this. I do not see how this is relevant to the issue before me. It is not necessary, and it is not normal, for an appellant to file evidence with his grounds for appeal. To file an appeal he simply needs to state what the grounds for appeal are. It is also the case that if he wishes to file evidence he would need to seek leave from "above" to do so. It is a matter that follows the statement of grounds of appeal, it is not contemporaneous with the notice of appeal.

29. In relation to the actual issue I consider that the sole relevant grounds were advanced in the final paragraph of the registered proprietor's letter of 4 October 2001 which states:

"Obviously, in view of the Register of Proprietors (sic) failure to file a form TM8 and Counterstatement in due time, this case presents particular difficulties and as a consequence, it will be necessary to seek Counsel's opinion and assistance in finalising the Notice of Appeal and evidence of use in connection with an Appeal. It is for this reason that the two month extension of time is requested."

30. In *Siddiqi's Application* SRIS 0/481/00 Mr Simon Thorley QC, sitting as the appointed person stated:

"1. It must always be borne in mind that any application for an extension of time is seeking an indulgence from the Tribunal. The Act and the Rules lay down a comprehensive code for the conduct of prosecution of applications and for the conduct of opposition. The code presumes a normal case and provides for it.

2. There is a public interest which clearly underlies the rules that oppositions and applications should not be allowed unreasonably to drag on.

3. In all cases the Registry must have regard to the overriding objective which is to ensure fairness to both parties. Thus, it can grant an extension when the facts of the case merit it."

31. Mr Thorley goes on to state:

"Accordingly, it must be incumbent on the application for the extension to show that the

facts do 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. However, in the normal case it is by showing what he has done and what he wants to do and why he has not done it that the Registrar can be satisfied that granting an indulgence is in accordance with the overriding objective and that the delay is not being used so as to allow the system to be abused.

Jacob J made it clear in the SAW case that any perception that the Registrar would grant extensions liberally was wrong and I take this opportunity to repeat that. In principle matters should be disposed of within the time limit set out in the rules and it is an exceptional case rather than the normal case where extensions will be granted."

31. Mr Geoffrey Hobbs QC, sitting as the appointed person, held the following in *Style Holdings* - BL 0-464-01

"By not simply confining the hearing to the question whether the reasons put forward in writing on 2nd March 2000 were adequate as a basis for the exercise of discretion in the opponent's favour the hearing officer effectively allowed the opponent to review its request orally on 1st June 2000 (one day less than three months after the expiry of the extension of time granted in December 1999) and to do so on the basis of facts and matters which had not previously been brought to the attention of the Registrar or the applicant"

32. From the above I consider it clear that the only reasons for the request that could be considered at the hearing were those contained in the registered proprietor's letter of 4 October. The reasons in that letter need to show that the facts merited the extension, the registered proprietor also need to show clearly what he had done, what he wants to do and why it is that he has not been able to do it.

33. As I have stated above much of argument of the applicant do not relate to the germane issue, the filing of grounds of appeal in the time limit. In relation to not filing the grounds of appeal, as opposed to evidence, the registered proprietor simply stated that he needed to consult counsel as to the grounds that should be pleaded. He stated that he "will" need to consult counsel, an action in the future. He put no evidence or indication of having taking steps to consult counsel. He has not shown what he has done but simply indicated an action that he will take if granted the extension. He has not indicated that he is consulting counsel and waiting for the results of those consultations. The registered proprietor has given no reason or justification as to why it would take a further two months to consult counsel. I also note that the registered proprietor used the word "finalising", presumably if it was only necessary to finalise he could have furnished a non-finalised copy of the grounds of appeal to support his case. He did not.

34. Even if consultation with counsel was a valid reason for granting the request a period of two months would appear to be particularly disproportionate. Especially when considered against the 28 day period for filing an appeal, the registered proprietor wanted the appeal period more than tripled in order to consult counsel so that he could submit finalised grounds of appeal.

35. In *Whiteline Windows v Burgmann Firsoplast GmbH* - BL 0/299/00 Mr Simon Thorley QC, sitting as the appointed person, stated that:

“this is a matter which must be approached with the greatest caution so as to ensure that the exercise of discretion does not undermine the purpose underlying the statutory provision. Appeals create uncertainty and it is in the interests of everyone that appeals are disposed of timeously. Extensions of time in which to enter notices of appeal are therefore not to be encouraged.”

36. It is clear to me, therefore, that requests for extensions of time in relation to appeals must be considered cautiously. To allow an extension militates against finality and engenders uncertainty. The time limit for appeal is set at 28 days, for a party to wish to more than treble that limit must require exceptional circumstances. I find it difficult to envisage how or why the filing of grounds of appeal should be such an onerous and time consuming operation, even if counsel is to be consulted. Especially when it is, according to the registered proprietor, a matter of “finalising”. Other than the consultation with counsel there is nothing in the filing of the appeal which is out of the hands of the representative of the registered proprietor, he controls his own destiny. If he wishes to appeal I presume that he knows the grounds upon which he wishes to appeal. One must have grounds for appeal, not just a dislike of the decision. I am also not aware that actually seeking counsel’s advice is in itself an activity that involves a great deal of delay; especially if it is only to “finalise”.

37. For the above reason I reached my decision to refuse the request for an extension of time to file an appeal.

The costs order

38. At the hearing I awarded costs of £200 to the applicant for revocation.

39. The proceedings are covered by the new scale of costs, which relate to actions commenced on or after 22 May 2000. Under this scale of costs, which are of course not mandatory upon me, up to £1,500 can be awarded for attendance and preparation for a hearing. Both representatives are based in London. The applicant for revocation did not furnish a skeleton argument in relation to the hearing. It appeared equitable that the applicant for revocation should receive some contribution to his costs for attendance at the hearing; the indulgence was refused and he had opposed its granting so he was the “winning” party. I considered that £200 was a reasonable sum in respect of the contribution to his costs.

Dated this 20th day of December 2001

**DW Landau
For the Registrar
The Comptroller General**

Requests for extensions of time in which to appeal decisions

The prescribed periods during which appeals against decisions of the Comptroller or Registrar may be lodged may generally be extended by the Comptroller/Registrar. However, such extensions are discretionary and should not be granted lightly. In deciding whether to grant an extension the Hearing Officer needs to have full regard to the same overriding objectives as the courts, as set out in rule 1.1 of the Civil Procedure Rules 1998, one of which is to deal with cases expeditiously and fairly.

This was underlined in a recent decision, *Whiteline Windows Limited v. Brugmann Frisoplast GmbH* (unreported). Mr Simon Thorley Q.C. sitting as the Appointed Person on a trade marks appeal, commented that whilst he accepted that the Registrar had the power to extend the appeal period, it was a matter which must be approached with the greatest caution. He stated that caution was necessary to ensure that the exercise of discretion did not undermine the purpose underlying the statutory provision. He further commented that appeals create uncertainty and as such it was in the interests of everyone to ensure that appeals are disposed of timeously. Mr Thorley concluded by stating that extensions of time in which to enter notices of appeal are therefore not to be encouraged.

Thus an extension will only be granted if there is a reason which is sufficiently strong to outweigh the potential harm to other parties or the public that may be caused by further delay. This approach will be adopted in future not just for appeals against inter partes decisions but also for ex parte ones, for which a more-relaxed attitude may sometimes have been adopted in the past. Any request for an extension must be supported by full and detailed reasons. If the decision being appealed was made in inter partes proceedings, the request must be copied to any other party to proceedings, and the Comptroller/Registrar will seek to take their views into account before making a decision on the request. Please note that (i) on trade marks cases, requests for extension must be made on Form TM9, and (ii) on patents and designs cases, the Comptroller cannot even entertain a request unless it is made before the expiry of the normal appeal period.

Background: the legislation

The relevant legislation is as follows:

- Patents: Appeal is to the High Court. The appeal period is 14 days for a decision on a matter of procedure and 6 weeks otherwise and is prescribed in paragraph 16.3 of Practice Direction Part 49E made under the Civil Procedure Rules 1998. The power to extend the period is in paragraph 16.5.
- Trade marks: There are two routes of Appeal from decisions of the Registrar of Trade Marks. Appeal can be made to an Appointed Person. The appeal period is 28 days and is prescribed in rule 63 of the Trade Marks Rules 2000. The power to extend is in rule 68.

Appeal can also be made to the High Court. The appeal period is 28 days and is prescribed in paragraph 23.3 of Practice Direction Part 49E made under the Civil Procedure Rules 1998. The power to extend the period is in paragraph 23.8.

- Registered designs: Appeal is to the Registered Designs Appeals Tribunal. The periods are the same as for patents and are prescribed in rule 2 of the Registered Designs Appeals Tribunal (Amendment) Rules 1970. The power to extend is in rule 4.
- Design right: Appeal may be to the High Court or the Registered Designs Appeals Tribunal, depending on the nature of the case. In neither instance does the Comptroller have clear powers to extend an appeal period.