

TRADE MARKS ACT 1994

IN THE MATTER OF an interlocutory hearing
in relation to opposition No. 80069 by Mars UK Ltd
against trade mark application No. 2185792 in the name of
Orange Personal Communications Services Ltd.

BACKGROUND.

1. Trade mark application 2185792 was filed on 7th January 1999, accepted, and published for opposition purposes on 16th May 2001. The details of the mark itself and the specification of goods applied for are not relevant to this decision and I will not recite them. On 16th August 2001 Mars UK Ltd opposed the application. The grounds for opposition were: section 5(2)(b), section 5(4)(a) and (b), section 5(3)(a) and (b) and section 3(6). In relation to the section 5(2)(b) ground, the opponents identified a series of earlier registered trade marks, being UK registrations, of which the opponent said they were the proprietor.

2. In accordance with established practice set out in Tribunal Practice No 4/2000, the registry examined the statement of case to ensure that it had been adequately particularised and contained no obvious errors or omissions. This examination by the registry takes place prior to formal serving on the applicant but the applicant is copied in with any correspondence.

3. The registry noted in a letter to the opponents dated 21st August 2001 that, whilst the opponent had claimed to be proprietor of the UK marks identified in the statement, the marks stood in a different name on the register. Clarification was sought. This was not the only issue the registry raised but it is the only one relevant for my purposes. The opponents responded by letter dated 3rd September enclosing an amended statement and amended notice of opposition. The opponents had, however, gone beyond the clarification sought by the registry and materially changed the statement of case. The opponents, Mars UK Ltd, introduced two new opponents: Uncle Ben's Inc and NV Master Foods SA. The statement said that all three companies were wholly owned subsidiaries of Mars Incorporated. Furthermore, an additional set of earlier trade marks, being four registered community trade marks (CTMs) in the name of Uncle Ben's Inc, had been added in the statement. The marks are: 1496, 1751, 976738 and 1253491. It was said that both sets of trade marks (the original UK registrations and the CTMs) were used in the UK by Mars UK Ltd.

4. In response, the registry made no comment on the additional CTM rights, but objected to the addition of new opponents after the prescribed period. The opponents conceded that additional opponents could not be added. As an aside, although Uncle Ben's Inc were denied status in the proceedings, in theory their marks could remain as earlier trade marks relied upon by the opponent. This is because section 38(2) states that any person can oppose an application; an opponent does not need to be the proprietor or registered proprietor of earlier trade marks relied upon in opposition (see also *Wild Child Trade Mark Application [1998] RPC 455 page 459*).

5. The proceedings got under way when formal serving of the notice of opposition and statement of case on the applicant took place on 24th October 2001. A counter-statement was filed and the opponents were invited to file their evidence in chief by letter dated 7th January 2002. In accordance with rule 13(7) of the Trade Marks Rules 2000, the opponents had up to 7th April 2002 to file their evidence in chief. On 5th April 2002, they requested an extension of three months which was granted, as a preliminary view by the registry, but opposed by the applicant who also applied to strike out the series of CTM marks added during the pleadings examination process. The registry responded on the question of the additional CTM rights, saying that it was in all the parties' interests to have the marks admitted into proceedings and no-one was disadvantaged as they had been admitted so early in proceedings. Although not stated, this letter by the registry, dated 15th May 2002, was in the nature of a preliminary view. Nevertheless, the opponents persisted with their objection, and I agreed to hear both matters at a hearing on 7th June 2002 via the video conference link.

6. Miss Buckley of RGC Jenkins represented the applicants and Mr Kelly of Clifford Chance represented the opponents. Both parties had provided skeleton arguments. Although Mr Kelly's skeleton was received late in the day and Miss Buckley asked me to note this, she agreed to proceed with the hearing as she was not particularly disadvantaged. I gave my decisions at the hearing that I would allow the application to strike out the additional CTM marks and refuse the extension of time. I nevertheless allowed proceedings to continue on the basis of the original section 5(2)(b) grounds of opposition only. I am now asked to give reasons for my decisions.

Decisions.

The application to strike out the earlier CTM marks.

7. Whilst I did not understand Miss Buckley to argue a jurisdiction point, ie, that the registrar had no jurisdiction to allow amendment of the pleadings to admit new marks, it does provide me with the starting point. Leave to amend pleadings is not mentioned in the statutory rules covering the registrar's tribunal (The Trade Marks Rules 2000 as amended) but is assumed to reside in the registrar's inherent jurisdiction. I mentioned at the hearing the case of *Pharmedica [2000] RPC 536*. Mr Justice Pumfrey said in that case

“Notwithstanding the fact that the registrar is, like the county court, a tribunal which is established by statute, I have no doubt that the registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her.”

8. In my view there is a clear jurisdiction to allow amendment of pleadings to add additional rights not identified in the original statement. The circumstances where it may be invoked could be, for example, that an opponent, who is after all working to a strict three month opposition deadline which cannot be extended, is unable to confirm all the rights he might bring to bear. Some rights may be in the hands of distant licensees perhaps. In my view, however, leave must be sought in all cases, whatever the stage of proceedings, and reasons

must support that application for leave. The relevant part of Paragraph 22 of Tribunal Practice Note 4/2000, which gives practical effect to this element of the registrar's inherent jurisdiction, states:

“22. As parties will be expected to file focussed statements of case and counter-statements, the Trade Marks Registry will consider requests to amend these documents later in the proceedings. Amendments may include adding or removing a ground of opposition/revocation or invalidity or correcting information contained therein. If an amendment becomes necessary parties should seek leave to make the amendment at the earliest opportunity. *When seeking leave to amend full details of the amendment together with reasons for the amendment should be submitted.*” (*My emphasis*)

Whilst the above paragraph goes on to suggest that it is likely that there is a presumption in favour of granting leave to amend, since this would avoid a multiplicity of proceedings, it is nevertheless clear that amendment to the pleadings is not a right but an act of discretion, for which leave, supported by reasons, must be sought.

9. To develop this a little further, simply because the counter-statement had not been filed, or even invited, does not mean that an opponent has a right to amend his statement to add rights or grounds not identified within the prescribed three month period. To say otherwise would be to reward an opponent whose statement of case was defective in some way with a potentially valuable advantage over an opponent whose statement was, from a registry point of view, unobjectionable.

10. As the granting of leave to amend is an act of discretion, the registrar will be required to weigh up a number of factors including: the stage at which amendment is sought; disadvantage or prejudice suffered by the other side and whether this can be compensated for in costs; the consequence of refusing leave in terms of a multiplicity of proceedings and whether the delay has been properly explained.

11. There is no question but that all except the last of the above factors were overwhelmingly in the opponent's favour and were duly highlighted by Mr Kelly. The applicants were unlikely to be prejudiced or disadvantaged since the proceedings had not even started, the statement had not been served. As I have said, this had been acknowledged by the registry in an earlier letter expressing the preliminary view that amendment should be allowed. However, I am not bound by that earlier view and the issue had to be considered afresh at the hearing.

12. Mr Kelly also asked me take into account the provisions of Article 13 of Council Directive No 89/101/EEC, implemented of course by the Trade Marks Act 1994. He said that the Article had the effect that national authorities were obliged to consider all relevant earlier trade mark rights before registering a new right. Article 13 reads:

“Art 13

Grounds for refusal or revocation or invalidity relating to only some of the goods or services

Where grounds for refusal of registrationexist in respect of some only of the goods or services for which that trade mark has been applied for or registered, refusal of registration ...shall cover those goods or services only.”

13. However, the rationale behind Article 13 has nothing to do with an obligation to admit all earlier rights into national opposition proceedings, so much as confirmation that refusal or post registration action may result in only partial registration.

14. The final strand of Mr Kelly’s argument related to the fact that the applicants had not raised the issue earlier. Miss Buckley explained that they had only recently appreciated the significance of the amendment and could not be barred from raising objection. I agree with this. Since the opponents had not drawn attention to the additional CTM rights in their accompanying letter to the amended statement, it is easy to see how the issue may have been overlooked. Furthermore, even if the applicants had latched onto the matter at the time, since they had not formally joined proceedings they may well have been uncertain or unwilling to engage at the time. All in all, I felt that the applicant’s failure to raise the matter at the time should neither prevent them from raising the matter later when they did become aware, nor should it lead me to conclude that some kind of acquiescence had happened.

15. For her part, Miss Buckley contended that the period for opposition is three months, it cannot be extended. In the interests of certainty an applicant must know the case it has to answer and who it is answering. She said that the introduction of a further set of rights, of which there was no indication in the original statement, after the three month deadline, was an abuse of the examination of pleadings process. Proper leave had not been sought and no explanation was given as to the original omission, either in writing at the time or subsequently. The applicants were disadvantaged as their burden had increased. The last point carried little weight in view of the stage at which the amendment took place.

16. Even if I were to accept that leave had implicitly been sought by the act of filing an amended statement containing the additional rights, Miss Buckley’s key point, which I found both inescapable and decisive, was the fact that at no stage had any explanation been given for the omission of the CTM marks. Paragraph 22 of TPN 4/2000 requires such an explanation. Not only had no explanation been given at the time the original amended statement had been filed, but no explanation had been given subsequently, even when the applicants had first raised their concerns. So critical was this that I gave Mr Kelly a final opportunity at the hearing to explain to me what had happened when the original statement had been filed. Whilst he explained that it could be assumed that when the rights were added the opponents were aware of them, he could give no clear explanation as to events surrounding the original omission of the CTM marks, and accordingly I felt, reluctantly, that I had no option but to allow the application to strike out the CTM marks on the basis that Paragraph 22 of TPN 4/2000 had not properly been complied with and no reasons provided as

the basis on which discretion could be exercised.

17. I say reluctantly as Mr Kelly's sole stumbling block was the absence of an explanation for the omission of the CTM marks. All other discretionary factors were overwhelmingly and unarguably in his favour. That said, it is only with a satisfactory explanation that the registrar can be satisfied that the original omission was unintended and genuine.

18. The application for the striking out of the CTM marks: 1496, 1751, 976738 and 1253491 from the amended statement of case was accordingly allowed.

The extension of time.

19 The power to extend the opponent's period of time for filing their evidence is derived from rule 68(1) of the Trade Marks Rules 2000 which reads:

“68. - (1) The time or periods-

(a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or

(b) specified by the registrar for doing any act or taking any proceedings,

subject to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of a time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;

(b) is filed after the application has been published under rule 12 above the request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10(6) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rules 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (time for filing counter-statement), and rule 47 (time for filing opposition).”

As the extension sought under rule 13(7) is not excluded under rule 68(3), it may be extended under rule 68(1) provided the formal requirements in rule 68(2) are met, which they were.

20. The reasons given for the extension, which were originally given with the Form TM9 filed on 5th April 2002, were as follows:

“The reason is our client is currently in the process of gathering evidence of use in the form of labels and product samples. As a large part of the evidence will have to be obtained from Mars’ divisions you will appreciate that this can be a lengthy process. In addition the opponent needs further time to verify advertising and sales figures for products sold under the trade mark relied on in this opposition. We anticipate being able to respond within the term now requested. “

21. In the opponent’s skeleton argument, and at the hearing, some amplification by Mr Kelly was offered. I should add, in the light of the Appointed Person’s comments in *Style Holdings Plc v Wilson Sporting Goods Co (Appointed Person (BL 0/464/01))* that I did not understand Mr Kelly to be adding fresh facts to his original reasons for the extension; he was merely amplifying his original reasons filed with Form TM9. To quote from his skeleton:

“ Substantial work has been going on collecting evidence on over 30 years of use on a fast moving consumer product “. At the hearing, Mr Kelly stressed that evidence needed to be formalised for the UK proceedings and there was mention of the need to contact an advertising agency to obtain video evidence. No evidence was brought to the hearing.

22. In his submissions, Mr Kelly urged me to take into account a number of factors: this was a first extension; that the material being prepared for the UK opposition was materially different to that submitted in parallel OHIM proceedings, which I will mention below; that if an extension was refused there was a real danger of a multiplicity of proceedings, and finally that, in relation to authorities on extensions of time, to which I will also refer to below, the amount of extension required was not that significant.

23. Miss Buckley made much of parallel OHIM proceedings between the same parties, in which she said that the opponent had produced a wealth of evidence of use of its trade marks by mid November 2001. An extension could, therefore, only be justified for material above and beyond that filed in the OHIM proceedings. In any event, however, she said that the opponent had clearly failed to justify the need for any extension at all and had clearly failed the tests of diligence set out in various authorities on extension of time.

24. Whilst each extension of time case turns on its own facts, there are a number of well-known authorities which provide guidelines to the registrar in the exercise of her discretion. In *Dr Ghayasuddin Siddiqui’s Application, Opposition by The Muslim Parliament*, on appeal to the Appointed Person, (unreported, decision dated 9th October 2000 (BL/481/00)) the Appointed Person said:

“ Accordingly, it must be incumbent on the applicant 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.”

The Appointed Person also says in that decision that parties whose application for an extension of time is opposed would be well advised when they come to the hearing to bring any evidence they have to hand with them in the event that the hearing officer is minded not to allow the extension. I have already said that no such evidence was produced at the hearing.

25. Applying the Siddiqui tests above, I had no doubt that the reasons brought by Mr Kelly did not merit the indulgence sought. What had been done during the statutory period had to be assumed from general statements: “Our client is currently in the process of gathering evidence of use in the form of labels and product samples“, and, “In addition the opponent needs further time to verify advertising and sales figures for products sold under the trade mark relied on in this opposition.”. Whilst it would have been wrong of me to infer inactivity from either of these statements, it could also be said that the absence of compelling detail did not assist Mr Kelly. Furthermore, whilst not being determinative of an extension request, it is often the case that the production of evidence at the hearing, or to demonstrate work in progress, helps dispel any lingering uncertainty.

26. As to the future, Mr Kelly mentioned obtaining video evidence from an advertising agency as well as formalising evidence and verifying sales details. He anticipated being in a position to complete the evidence within the extended period but there was no real guarantee. Again, this was all too vague for comfort.

27. Most telling of all though was that I had no idea what obstacles had occasioned the need for the extension, such that the statutory period was insufficient. The opponent had said that it needed the time to get the relevant information from its various divisions and this can be a lengthy process. No doubt this can be the case, but standing on its own as a reason for exercising discretion in a particular case, without further compelling detail, I felt was asking too much. All in all, I felt there was a lack of detail in the reasons given which, when coupled with the absence of any evidence ready to file, told against the opponents.

28. Miss Buckley urged me to take into account parallel OHIM proceedings where the opponents had produced, by mid - November last year, voluminous evidence of use in the UK. I make no comment on this, save to say that such an argument is capable of being countered, as Mr Kelly did, by saying that the two sets of proceedings are different and a party will need to tailor its evidence, not only in terms of different formal requirements but also in terms of substance. In the event I had no need to express a view on this as the opponent had to my mind failed to answer the factual questions posed in the Siddiqui case. All other argument was thus submerged.

29. In arriving at my conclusions I recognised that Siddiqui’s Application acknowledges, following *Liquid Force [1999] RPC 429*, that a defaulter who does not have good reasons for an extension may have discretion exercised in their favour if they bring special circumstances to the registrar’s attention, provided there is no abuse. In other words the registrar has a

broad discretion in the matter. For example, there may be an overriding public interest in having the case decided with the benefit of evidence.

30. However, nothing about this case struck me as out of the ordinary, such that special circumstances could be relied upon to justify an extension. Mr Kelly urged me to consider the consequences of a refusal to grant the discretion, in that he said that a multiplicity of proceedings may result. He relied on the *Hunt-Wesson Case [1996] RPC 233* in support of this argument. In my view *Hunt-Wesson* applies only to the admission of ‘further’ evidence, but I concede that the threat of a multiplicity of proceedings could well be a factor in the grant of an extension of time. One must always consider the possible consequences of refusal of the indulgence. That said, it would be wrong to elevate the consequences to a position where they determine whether the indulgence should be granted; the consequences may be but one factor in an overall picture. As I have said in this particular case, I focussed primarily on the Siddiqui ‘diligence’ tests and, having felt strongly that more detail was needed to substantiate the request, I was not disposed to allow the possible threat of a multiplicity of proceedings to tip the balance.

31. I may also mention that Mr Kelly did refer to other cases on extensions of time which had been cited by the applicants: *Red Letter Days Plc v Redenvelope Inc (BL 0/201/02)*, *Style Holdings Plc v Wilson Sporting Goods Co (Appointed Person (BL 0/464/01))*. He said that these cases could not be applied as the requests for extension were longer than the period asked for in this case. Distinguishing cases is of course very easy if the only basis is simply the amount of time requested. The important thing is that, where higher authorities set out principles to be applied, that these are followed. The key tests, and simple ones at that, are the one set out in Siddiqui’s Application which I have applied. I did not deal with other cases at the hearing and I do not propose to in this statement.

32. As the opponent had failed to satisfy me that the tests in Siddiqui’s Application had been met, and there were no special circumstances, the request for an extension was refused.

The consequences of refusal to grant an extension.

33. Although I had refused the applicants an extension and thereby prevented them from filing evidence in chief, I nevertheless directed under rule 13(8) that the proceedings continue. Mr Kelly alerted me to the fact that there were grounds of opposition under section 5(2) which are susceptible of determination without evidence, and in respect of which the registrar has indicated in a Tribunal Practice Direction that may provide the basis for the continuation of proceedings. In accordance with that Direction, Mr Kelly undertook to make submissions at the main hearing on the section 5(2) grounds, and on that basis I allowed proceedings to continue, setting the applicants a period in which to file their evidence as well as a concurrent period in which the opponent’s had to amend their grounds of opposition to reflect the decisions at the hearing.

34. Thus, the grounds under section 5(4)(a) and (b), section 5(3)(a) and (b) and section 3(6) were struck out, and the grounds of opposition were restricted to section 5(2)(b).

Dated this 14TH day of August 2002

Edward S Smith
For the Registrar, the Comptroller-General.