

TRADE MARKS ACT 1994

**IN THE MATTER of a request by Arbre Group LLC
for an extension of time in which to appeal the
Registrar's decision on opposition number 94795
(BL O/195/08)**

**Appeal of the Applicant from the decision of
Mr. N Abraham dated 2 December 2008**

DECISION

1. This is an appeal against a decision dated 2 December 2008 by the Registrar's Hearing Office, Mr Nathan Abraham (BL O/317/08). That decision was a refusal to extend the applicant's time for appealing a decision of Mr David Landau itself dated 7 July 2008 (BL O/195/08).

Background

2. On 28 September 2005, Arbre Group LLC ("the applicant") applied to register as a trade mark the stylised words "WORN FREE", in respect of a range of goods in Class 25. On 24 November 2006, Worn By (Original Icon Clothing) LLP ("the opponent") filed a notice of opposition based upon sub-sections 3(6) and 5(4)(a) of the Trade Marks Act 1994.
3. The opposition was heard on 26 June 2008. Mr David Landau issued his written decision on 7 July 2008, upholding the opposition on both grounds.

4. His decision was sent to both parties on 7 July 2008 using the Royal Mail's recorded delivery service, and was accompanied by a covering letter indicating that the date by which any appeal was to be lodged was 4 August 2008. The Registry was subsequently provided by Royal Mail with proof of delivery at the applicant's trade mark attorneys' offices on 8 July 2008.
5. Unfortunately, for unknown reasons, the decision did not reach Mr Marsh, the person having conduct of the opposition for the applicant, until 21 July 2008.¹ He promptly informed his clients in California of the decision. 9 days later, on 30 July, he wrote to the Registry, indicating that the applicant was considering an appeal, and requested an official transcript of the hearing. The Registrar duly provided the applicant with a transcript on 31 July 2008.
6. On 4 August 2008, the applicant submitted a form TM9 requesting a one-month extension to the appeal period, giving its reasons in a covering letter " ... we are still in the process of reviewing the transcript of the original hearing, prior to preparing our grounds for appeal. We would request that a short extension of time is permitted so as to enable the statement of grounds to be accurately prepared and submitted."
7. Perhaps not surprisingly given the scant reasons given on 4 August, the Registrar's preliminary view, set out in a letter of 6 August 2008, was that it would refuse the applicant's request for additional time on the grounds that insufficient reasons had been provided. Both parties were given until 20 August 2008 to respond. In a letter dated 8 August 2008, the applicant provided further reasons for its request to extend the appeal period. These were (a) Mr Landau's decision had been received "slightly belatedly at

¹ In paragraph 9 of his decision, Mr Abraham refers to the date of receipt as being **31** July. That date is plainly wrong, and may initially have been a typographical error, but the mistake unfortunately is repeated elsewhere in his decision.

- [Wilson Gunn's] offices," (b) the applicant and its business colleagues were based in California; (c) the transcript was received only on 31 July and it was necessary to refer to it to draft the Notice of Appeal, (d) significant time and effort would be required to draft and submit the statement of grounds, and (e) refusal to extend time would prejudice the applicant as it would lose the opportunity to appeal.
8. The Registrar responded on 11 August 2008, confirming the preliminary view and arranging an interlocutory hearing for 18 September 2008.
 9. On 20 August 2008, the applicant filed its substantive Grounds of Appeal.
 10. On 18 September 2008, Mr Bruce Marsh of Wilson Gunn represented the applicant, and Ms Philippa Eke of Saunders & Dolleymore represented the opponent. Both of them provided written skeleton arguments. Mr Marsh's skeleton gave further details of the reasons why the applicant sought the extension of time. In summary, these were (a) the decision of 7 July 2008 was not received until 21 July 2008, (b) the applicant's location in California and the need to consult colleagues and US legal advisors in New York delayed communications about the appeal, (c) significant time was needed to review the decision and prepare the appeal documentation, (d) the applicant's reasons for requesting the additional time outweighed any potential harm caused to the opponent and/or the public as a result of further delay and (e) the Notice of Appeal was lodged on 20 August.
 11. In its skeleton argument, the opponent (a) complained that the applicant did not comply with TPN 3/2000 and had failed to send it copy documents, (b) doubted that the applicant needed a transcript as the hearing had taken place not long before, (c) alleged that it would be harmed by further delays to the opposition, as it wished to commence infringement proceedings against the applicant based upon a Community Trade Mark but could not do so until the fate of the application was

known, and (d) “In the meantime the applicant continues to use the opposed mark in the UK which use is likely to cause confusion with the opponent’s trade mark and cause damage to the opponent.”

12. Mr Abraham decided to maintain the Registrar's preliminary view. The applicant requested a statement of reasons, leading to the written decision dated 2 December, which is the subject of this appeal.

The written decision

13. Mr Abraham referred to the Trade Marks Rules 2008, to Tribunal Practice Notice 2/2008 which deals with appeals to the Appointed Person and, cited the comments of Mr Simon Thorley QC, sitting as the Appointed Person in *Whiteline Windows Limited v Brugmann Frisplast GmbH* (BL O/299/00):

"Whilst I accept that the Registry has power ... to extend the time of 28 days provided for an appeal, 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"

and

"...I should not like it to be thought that extensions of time for serving appeal documents will be granted lightly."

14. However, Mr Abraham added that requests to extend time periods for submitting an appeal are assessed by the Registrar in the same way that one would assess any other request to extend a time period within proceedings (i.e. by reference to Rule 77). He considered *Liquid Force* [1999] RPC 429 and *Siddiqui's application* (BL O/481/00), a decision of Simon Thorley QC, sitting as the Appointed Person.

15. Mr Abraham went on to assess the applicant's reasons for seeking the extension of time. His first point, at paragraph 22 of his decision, was that
- “Mr Marsh placed great emphasis upon the fact that he did not receive the ... decision until 31 July 2008 (coincidentally the same date on which it requested the transcript of the hearing). ... he had been provided with insufficient time to review the relevant materials and, ... was unable to prepare and submit a thorough and detailed written statement to accompany the appeal within the remaining three day time period. Mr Marsh also claimed that the time difference between the UK and California (i.e. the applicant's base), along with the structure of the applicant's business, made it difficult to communicate effectively within that three-day period.”

Mr Abraham also referred to the other reasons given by Mr Marsh, which I have summarised above. He continued at paragraph 23:

“... I do not believe that the opponent's receipt of the full written decision only four days prior to expiry of the appeal period can be accountable to anyone other than the opponent himself.”

The Hearing Officer mentioned that the Royal Mail's online mail tracking service showed that the decision was delivered to Wilson Gunn at its Manchester Office on 8 July 2008 and that was signed for on that date by an employee of Wilson Gunn, even if “Mr Marsh may have personally received his copy of the decision on 31 July 2008.”

16. In paragraph 24 of the decision, the Hearing Officer made it clear that he was not persuaded by Mr Marsh's arguments based on the logistical difficulties caused by the client's residence in California.
17. At paragraph 27, the Hearing Officer said that he considered that in its original request for additional time, the applicant failed to satisfy the *Siddiqui* criteria. As for the letter of 8 August, he said:
- “... the applicant should have provided such detail when filing the initial request for an extension to the appeal period, I was not

persuaded that these reasons ... justify an exercise of discretion in favour of the applicant. Postal records confirm that the applicant's representative received the decision a day after it was signed by the hearing officer. The applicant therefore had the full 28 day period in which to request a transcript, prepare a suitable statement, and file the appeal with the Registrar. ... the opponent questions why the applicant waited until four days prior to the expiry of the relevant period before requesting a transcript. I raised this same point at the hearing, and was not provided with any persuasive or satisfactory answer.

28. In circumstances relating to more conventional requests for additional time in tribunal proceedings (i.e. those not relating to extensions of the appeal period), I am not convinced that these reasons would justify an exercise of discretion. In circumstances such as those being dealt with here (i.e. relating to an extension to the appeal period), I am conscious of the comments made by Simon Thorley QC in the *Whiteline Windows* ... Such comments indicate that the Registrar's approach towards assessing requests to extend the appeal period should be *at least* as strict as, if not stricter than, its approach towards requests for more time submitted during the initial and evidential stages of inter partes proceedings. Taking all this consideration, and knowing that the applicant appears to have delayed its action on receipt of the hearing officer's decision, I am of the opinion that an exercise of discretion in favour of the applicant would undermine the purposes of the statutory provision.

29. ... the opponent has made a reasonable claim towards the potential harm caused by continued use of the applicant's mark as a result of any further delays such as would be brought about by an extension to the appeal period.

30. ... there would be undesirable consequences for the opponent in allowing the proceedings to continue any further, and ... Ultimately, the applicant chose to delay its action until such time that it had no

option but to request additional time, and I was not persuaded that this justifies an exercise of discretion in its favour.”

Standard of review

18. This appeal is a review of the Hearing Officer’s decision. That decision with regard to each of the issues in this case involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applies:

“In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. A decision does not contain an error of principle merely because it could have been better expressed.”

There may be such an error where the Hearing Officer took into account matters which should not have been considered or omitted to take into account matters which should.

Basis of the appeal

19. At the appeal, the applicant was represented by Miss Iona Berkeley of counsel. The opponent is in voluntary liquidation and it appears that its trade mark rights are to be assigned to a company called Provenasset Limited. With a view to saving costs, Mr Adam Richardson, a partner in the opponent and a shareholder in Provenasset, appeared before me with the agreement of the liquidator. I had, in addition, the benefit of reading a short skeleton argument of Ms Eke of Saunders & Dolleymore, the opponent’s trade mark attorneys, together with a witness statement essentially setting out the history of the application for the extension of time.

20. The applicant took no issue with the Hearing Officer’s statement of the relevant legal principles. However, the Grounds of Appeal before me

identified a number of errors in his application of those principles to the facts of this case. These were summarised by counsel for the applicant as

- (1) the Hearing Officer failed to take into account the fact that the Grounds of Appeal on the substantive appeal were filed on 20 August 2008, well within the one month extension of time sought by the applicant;
- (2) the Hearing Officer made a finding of a risk of prejudice to the opponent which was incorrect on the evidence before him, and
- (3) the Hearing Officer was wrong to find that the applicant had deliberately delayed in launching its appeal.

The applicant argued that the latter two factors in particular led the Hearing Officer to reach the incorrect conclusion that he ought to refuse the extension of time sought.

21. It seems to me that the Hearing Officer did make a number of errors in his decision, and those errors materially affected his view of the merits of the application for an extension of time.

22. First, the Hearing Officer took into account an argument advanced in the opponent's skeleton argument. It was said that the opponent had a Community trade mark post-dating the opposed application, and wished to commence infringement proceedings based upon that mark, and, pending resolution of this opposition, the applicant was continuing to use the opposed mark in the UK, which use was likely to cause confusion and damage to the opponent. In paragraph 29 of his decision, Mr Abraham described this as "a reasonable claim towards the potential harm caused *by continued use of the applicant's mark* as a result of any further delays" (emphasis added) and similarly in paragraph 30 he referred to "undesirable consequences for the opponent in allowing the proceedings to continue."

23. It is clear that the Hearing Officer took into account not simply the opponent's desire to issue infringement proceedings, but the fact that whilst it delayed in doing so by reason of the applicant's pending trade mark application, it was being prejudiced by continued use of the applicant's mark. That was what the opponent had said in its skeleton argument. However, in his decision of 7 July 2008, Mr Landau had found that the applicant had withdrawn "its WORN FREE brand" from the UK. That finding was based upon evidence filed by the opponent that the applicant had ceased using the mark in the form applied for in the UK. The opponent did not suggest (let alone prove) that the position had changed in the meantime. As a result, the Hearing Officer had no reason to say that the opponent was suffering from continued use of the applicant's mark whilst awaiting the resolution of the opposition proceedings. In this respect, I find that the Hearing Officer made a material error, which plainly affected the exercise of his discretion, and on this ground alone I would consider it appropriate to re-assess the merits of the application for an extension of time.
24. For completeness, I shall deal briefly with the further errors in the decision identified by the applicant:
- (1) I have already noted the confusion in the decision as to the date on which the decision of Mr Landau was received by the applicant's attorney. It is hard to know to what extent this was a material factor in the exercise of the Hearing Officer's discretion, but it played some part in it.
 - (2) The applicant complained that the Hearing Officer had not given it credit for having filed the substantive Grounds of Appeal on 20 August 2008.
I do not think that the Hearing Officer mentions in his decision the fact that the Grounds of Appeal had been filed and this suggests either that he omitted to consider the point

or that he did not consider it to be a significant factor for the purposes of exercising his discretion.

I think there is some force in the applicant's complaint that the Hearing Officer ought to have taken this into account when exercising his discretion. It seems that he did not do so, which would have been another error in his decision.

- (3) The applicant complained that the Hearing Officer wrongly concluded that it had deliberately delayed in taking action upon receipt of Mr Landau's decision.

It is clear from paragraph 30 of the decision under appeal that the Hearing Officer did reach such a conclusion, and plainly weighed this as a factor relevant to the exercise of his discretion. The Hearing Officer found that the applicant "chose to delay its action until such time that it had no option but to request additional time". However, no reason was given by the Hearing Officer for reaching that conclusion, save that at the hearing before him he had asked for an explanation of the delay "and was not provided with any persuasive or satisfactory answer."

It seems to me (for reasons which I set out below) that the applicant's then advisors did not act as expeditiously as they might have done, in relation either to seeking an extension of time, or lodging the substantive appeal. However, I do not consider that the lack of a persuasive explanation for the delay gave grounds for the Hearing Officer to find that the delay had been deliberate.

Again, this seems to me to have been an error affecting the Hearing Officer's exercise of his discretion, and I consider it another reason why I should reconsider the application for an extension of time.

25. Mr Landau's decision was received at the applicant's attorney's offices on 8 July. That much is clear from the file. The most significant delay occurred between 8 July when the decision reached Wilson Gunn's offices, and 21 July when the decision reached Mr Marsh, the person dealing with the matter. Perhaps not surprisingly, Mr Marsh was not able to explain the delay, as plainly something had gone wrong with his office procedures. On receipt of the decision, Mr Marsh swiftly communicated its contents to his clients. He informed his clients that the time for the decision expired on 4 August 2008 and asked for instructions. However, he did not seek a transcript of the hearing before Mr Landau until 30 July 2008. That shorter delay was unexplained. Having received the transcript on 31 July, on 4 August 2008, Mr Marsh filed his TM9 with the covering letter. I have described the ensuing steps above.
26. In considering this application for an extension of time, applying the guidance of *Siddiqui*, I must bear in mind that the applicant is seeking an indulgence from the tribunal, that there is a public interest in not permitting oppositions/applications unreasonably to drag on and I must have regard to the overriding objective which is to ensure fairness to both parties. It is for the applicant to show the merits of the extension sought. Normally this requires him "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." (see *Siddiqui* above).
27. I think it fair to say that the applicant did not show the Hearing Officer that anything had been done prior to 30 July 2008, save to seek

instructions from the applicant on about 22 July. In part this was due to the unfortunate gap between prompt delivery of the decision to Wilson Gunn by the Registry, and the arrival of the decision on Mr Marsh's desk, but it was also due to Mr Marsh having waited from 21 July to 30 July before asking for a copy of the transcript, thought to be needed to draft the Grounds of Appeal.

28. From 30 July onwards though, it seems to me that Wilson Gunn and the applicant did act with some diligence: having received the transcript on 31 July, they asked for the extension of time on 4 August, and despite being told that the extension would be refused, and having asked initially for a one month extension to 4 September, they lodged the substantive Grounds of Appeal on 20 August. In the meantime, on 8 August, they provided further reasons for seeking the extension of time. Bearing in mind Mr Thorley's comments in *Siddiqui*, it seems to me that this is a case in which there is evidence of 'late-onset' diligence which goes some way towards counter-balancing the applicant's earlier unexplained inactivity. It is not a case which in my view demonstrates any deliberate abuse of the system.

29. Considering the overriding objective, and balancing the harm to the applicant in refusing the extension of time sought against the harm to the opponent of the delay in reaching a final decision on the application/opposition, it seems to me that the fact that the applicant is not using its mark in the UK is of significance. Mr Richardson, who attended the hearing before me on behalf of the opponent (or rather, its liquidator), did not suggest to me that there had been any change in that situation. On the other hand, it seems that this application/opposition may form part of a wider dispute between the parties, in which the decision of Mr Landau may (I do not know) be of real significance, especially perhaps because of his finding under sub-section 3(6). On balance, the prejudice to the opponent of permitting the short additional delay from 4 to 20 August 2008 seems to me to be less than the prejudice to the applicant of refusing

the extension of time sought. Even allowing for the inadequacies in the applicant's explanation of the delay, it seems to me that this a case in which it is appropriate to grant the applicant the indulgence sought.

30. For those reasons, I will allow the appeal and grant the extension of time sought, so that the Grounds of Appeal lodged on 20 August will be deemed to have been lodged in time.

31. The applicant has succeeded in this appeal and is I think entitled to a contribution towards its costs. I will order the opponent to pay it £600 towards its costs of the appeal. However, as the opponent was awarded a greater sum in respect of the costs of the opposition, the £600 is not to be paid until after resolution of the substantive appeal, when it may be added to or set off against any eventual costs award. As for the costs of the hearing before Mr Abraham, I think that balancing the indulgence sought by the applicant against the stance taken by the opponent, it is right to make no order as to costs.

Amanda Michaels
19 June 2009

Miss Iona Berkeley (instructed by Messrs Eversheds) appeared on behalf of the applicant

Mr Adam Richardson appeared for the opponent.