

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF UK TRADE MARK REGISTRATION No 2586491
WHEYHEY IN THE NAME OF BARRY JACOBS

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF INVALIDITY
NO. 84647 THERETO BY THE PROTEIN ICE CREAM COMPANY LIMITED

APPEAL BY THE APPLICANT FOR INVALIDITY FROM THE DECISION OF
MR C J BOWEN DATED 17 JANUARY 2014

DECISION

1. This is an appeal from a decision of Mr C J Bowen on behalf of the Registrar, by which he set aside a decision to invalidate UK trade mark registration No 2586491 after the proprietor failed to file a TM8, in the exercise of his power under Rule 43 of the Trade Marks Rules 2008.

Background

2. The chronology of this case is somewhat complicated but is also of importance. A number of facts are contentious, and may fall to be decided in subsequent proceedings, and nothing in the summary below is intended to pre-empt any findings on matters which are not common ground between the parties. The main points are as follows:
 - (a) On 4 April 11, "Bellator Group" filed UK trade mark application No. 2578732 for a logo ("the Logo Mark"), for goods in Classes 29 and 30 including dairy products, frozen yogurt and ice-cream:



- (b) “Bellator Group” was a trading name for a partnership between a Mr Damien Kennedy and a Mr Greg Duggan.
- (c) On 12 April 2011, Wheyhey Ltd was incorporated. Mr Kennedy and Mr Duggan became its directors, as later did Mr Barry Jacobs, the Respondent.
- (d) On 13 June 2011, Wheyhey Ltd filed UK trade mark application No. 2586491 (“the Word Mark”) for the same or similar goods in Classes 29 and 30.
- (e) Both marks proceeded to registration.
- (f) In about the middle of 2012, Mr Jacobs fell out with Mr Kennedy and Mr Duggan, and in late August or early September 2012, Mr Jacobs resigned as a director of Wheyhey Ltd.
- (g) On 16 October 2012, the Logo Mark was assigned to Bellator Partners Ltd.
- (h) On 05 November 2012, Wheyhey Ltd went into liquidation.
- (i) On 21 November 2012, the liquidator notified Companies House that Wheyhey Ltd’s registered office address had changed, but the UKIPO was not notified.
- (j) On 14 December 2012, the Logo Mark was assigned again, to The Protein Ice Cream Company Ltd, the Appellant.
- (k) On 11 January 2013, Mr Jacobs purchased certain rights from the liquidator of Wheyhey Ltd. The extent of the rights that he purchased is a matter of contention, but Mr Jacobs contends that it included the Word Mark and the Logo Mark as well as the company’s goodwill. The Applicant accepts, I think, that the Word Mark was effectively assigned to him, but denies that the Logo Mark was included in the assignment even if (which it denies) the company was then the owner of that mark. No steps were taken by Mr Jacobs or his then solicitors to record the assignment at the UKIPO.
- (l) On 15 January 2013, the Appellant filed an application to invalidate the Word Mark, on the basis that it had been registered in breach of s 5(2)(b), by reason of its earlier rights in the Logo Mark. At the same time, it applied to register the word Wheyhey as a CTM for similar goods in Classes 29 and 30; the CTM has since been registered.

- (m) On 31 January 2013, the application for invalidity on Form TM26(l) was served by the UKIPO at Wheyhey Ltd's registered address for service, which had been its registered office address. No error was made on the part of the Tribunal in so doing, as the liquidator had not notified the UKIPO of the change of registered office, nor had the assignment to Mr Jacobs been registered.
- (n) There was no evidence as to what became of the Form TM26(l) served at that address, but it is common ground that the application was not received by Mr Jacobs.
- (o) The TM8 should have been filed by 31 March 2013 but, in the circumstances, it was not filed. On 19 April 2013, notification was sent by the UKIPO to the same address, seeking a response by 3 May 2013. Again, no response was made.
- (p) However, on 24 May 2013, Mr. Jacobs' then solicitors wrote to the Respondent's solicitors, Squire Sanders LLP, claiming that he owned both Marks, complaining that the Logo Mark was registered in the Respondent's name and that the Appellant had applied for the CTM for the word Wheyhey, alleging that the Respondent had been infringing the Marks, and asking for an explanation of all of those matters.
- (q) On 19 July 2013, a decision was made pursuant to Rule 41, treating Mr Jacobs as not opposing the application for invalidity, because no TM8 had been filed, and the Word Mark was declared invalid. Notice was sent to the same address.
- (r) On 23 July 2013, Squire Sanders replied to Mr Jacobs' solicitors saying that they presumed that the registrations of the Marks "stand in the name of the registered proprietors as shown in the register." The letter made no reference to the invalidation of the Word Mark.
- (s) On 6 August 2013, Mr Jacobs applied to register his ownership of the Word Mark. The assignment was recorded by the UKIPO on 23 August 2013.
- (t) However, on 4 October 2013, the UKIPO informed Mr Jacobs of the invalidity decision.
- (u) On 6 November 2013, his new solicitors filed a Form TM29, requesting the Registrar to set aside the decision of 19 July 2013 pursuant to Rule 43. The Appellant conceded that such application was made promptly after he learned of the

invalidation. The application was supported by a witness statement made by Mr Jacobs; no evidence was filed on behalf of the Appellant.

- (v) In addition, Mr Jacobs filed an application to rectify the register in relation to the Logo Mark, on the basis (as I understand it, those papers not being before me) either that it had belonged to Wheyhey Ltd and been assigned to him, or that it still belonged to Wheyhey Ltd.
- (w) A preliminary view was given by the Registrar on 3 December 2013 to set aside the decision of 19 July. A hearing was sought by the Respondent. Both parties filed submissions in writing and the hearing was held by way of telephone conference before Mr Bowen on 14 January 2014. Mr Bowen confirmed the preliminary view in his written decision contained in a letter dated 17 January 2014. It is that written decision which is the subject of this appeal.

Decision below

3. Mr Bowen expressly (paragraph 2) did not seek to set out all of the submissions which had been made to him in writing and at the telephone hearing. However, he recorded that the Appellant accepted that Mr Jacobs had not received the Form TM26(I) and had conceded that when he became aware of the original decision he acted promptly in seeking to set it aside. In paragraph 6 of his decision he noted the Appellant's argument that Mr Jacobs only found himself in this unfortunate position because of inactivity on his part or on the part of his legal advisors at the time, and he recorded the submissions made to him about the prejudice caused to the Appellant in these terms:

"[the Appellant] had "relied upon the fact" that the word only mark had been cancelled, was trading under the device mark, and as a start-up company looking to attract investors, the uncertainty caused by the request to set aside the original decision was a "huge hindrance" to [the Appellant]."

4. At paragraph 11 he decided that it was reasonable for Mr Jacobs to assume that if something needed to be done to record the assignment, it would be done either by the liquidators or by his legal representatives at that time.
5. He went on:

"12. When the application to invalidate the word only trade mark was filed ..., given the factual background described above, it would have been reasonable for [the Appellant] to assume that Mr Jacobs would defend his registration and that ... it would have to seek to succeed in its application on the merits of the case. I have not lost sight of the prejudice [the Appellant] may suffer if the original decision is set aside, however, I also note that in the related proceedings, Mr Jacobs asserts that the register should be rectified to show the logo mark in either his name or that of Wheyhey Limited. Clearly the issues are related, and the consequence of Mr Jacobs being successful in either of these pleas is that [the Appellant] was not entitled to the benefit of the registration, and the existing base of its request to invalidate the word mark would fall away.

13. In reaching a conclusion, I have borne in mind the circumstances that led to the delay in Mr Jacobs recording the transfer of ownership and balanced the potential prejudice both parties may suffer if the original decision is or is not set aside. Having done so, I am satisfied that in all the circumstances described above not only was the preliminary view to set the original decision aside correct but the potential for the substantive issues in this dispute to be resolved quickly ... and on the basis of evidence rather than a technicality points to the same conclusion."

6. Rule 43 provides:

**"Setting aside cancellation of application or revocation or invalidation of registration;
(Form TM29)**

43.—(1) This rule applies where—

- (a) an application for registration is treated as abandoned under rule 18(2);
- (b) the registration of a mark is revoked under rule 38(6) or rule 39(3); or
- (c) the registration of a mark is declared invalid under rule 41(6),

and the applicant or the proprietor (as the case may be) claims that the decision of the registrar to treat the application as abandoned or revoke the registration of the mark or declare the mark invalid (as the case may be) ("the original decision") should be set aside on the grounds set out in paragraph (4).

(2) Where this rule applies, the applicant or the proprietor shall, within a period of six months beginning with the date that the application was refused or the register was amended to reflect the revocation or the declaration of invalidity (as the case may be), file an application on Form TM29 to set aside the decision of the registrar and shall include

evidence in support of the application and shall copy the form and the evidence to the other party to the original proceedings under the rules referred to in paragraph (1).

(3) Where the applicant or the proprietor demonstrates to the reasonable satisfaction of the registrar that the failure to file Form TM8 within the period specified in the rules referred to in paragraph (1) was due to a failure to receive Form TM7, Form TM26(N), Form TM26(O) or Form TM26(I) (as the case may be), the original decision may be set aside on such terms and conditions as the registrar thinks fit.

(4) In considering whether to set aside the original decision the matters to which the registrar must have regard include whether the person seeking to set aside the decision made an application to do so promptly upon becoming aware of the original decision and any prejudice which may be caused to the other party to the original proceedings if the original decision were to be set aside.”

7. Whilst the 2008 Rules broadly consolidated the much-amended Trade Mark Rules 2000, Rule 43 was a new provision designed to cater for cases in which a trade mark or trade mark application was lost because the proprietor was unaware that it was under attack, usually as a result of the ineffective service of the application to oppose/cancel it. The UKIPO's Consultation Paper of March 2008 on the proposed new rules indicated that the majority of such cases arose because the applicant or proprietor had not kept his address for service up to date. Prior to Rule 43 coming into effect, there was no rule enabling such a proprietor belatedly to contest the removal of his trade mark due to his failure to respond to a properly addressed notice delivered to the recorded address for service. The new Rule 43 was intended to permit parties who had lost their mark in such circumstances to apply for the decision to refuse the application/cancel the registration to be set aside “subject to rules on timeliness and equity.” The Rule thus seeks to balance the interests of the proprietor who has lost his mark and the applicant for invalidity.
8. It is clear that Rule 43 does not provide an unlimited right to seek to set aside an adverse decision made due to a failure to file a TM8, in terms either of the time when or the circumstances in which the application to set aside can be made. Two conditions must be satisfied before a proprietor whose mark has been invalidated may rely upon the Rule:
 - (a) the application must be made within six months after the register has been amended to reflect the declaration of invalidity - Rule 43(2);

- (b) the proprietor must demonstrate to the reasonable satisfaction of the registrar that his failure to file a Form TM8 in time was because he did not receive Form TM26(I) - Rule 43(3).

See case BL O/035/11, *KIX*, an appeal to the Appointed Person heard by Mr Geoffrey Hobbs QC, in which failure to satisfy the registrar of 'failure to receive' the TM26 led to the rejection of the application to set aside.

- 9. Subject to satisfying those two points, it may be seen from the wording of Rule 43(3) that the registrar has a discretion ("as the registrar thinks fit") whether to set aside the original decision, and if so whether to impose conditions.
- 10. Rule 43(4) provides that in exercising his discretion "the matters to which the registrar must have regard include" (1) whether the person seeking to set aside the decision made his application promptly after becoming aware of it, and (2) any prejudice which would be caused to the other party to the original proceedings if the decision were set aside. The first such matter is equivalent to the test for applications to set aside a regularly obtained judgment in default, under CPR 13.3(2) which provides:

"In considering whether to set aside or vary a judgment entered under Part 12, the matters to which the court must have regard include whether the person seeking to set aside the judgment made an application to do so promptly."

- 11. The Grounds of Appeal in this matter are lengthy but, in my view, deal broadly with two points which I consider further below:
 - (a) points relating to the proper exercise of the registrar's discretion, such as whether the Hearing Officer took into account matters which he should not have considered or failed to give sufficient weight to relevant matters, such as the prejudice to the Appellant; and
 - (b) an argument based upon section 25 of the 1994 Act.

Standard of appeal

- 12. Both sides accepted that this appeal is by way of a review not a rehearing. *Reef Trade Mark* [2003] RPC 5 ("*Reef*") and *BUD Trade Mark* [2003] RPC 25 ("*BUD*") show that neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision, suffice to justify interference in this sort of appeal. Instead, I need to be satisfied that there is a

distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong; as Robert Walker LJ (as he then was) said at [28] in *Reef*:

“...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.”

13. Those principles have since been affirmed by the House of Lords in *Datec Electronics Holdings Ltd & Ors v. United Parcels Services Ltd* [2007] UKHL 23, [2007] 1 WLR 1325. Mr Daniel Alexander QC sitting as the Appointed Person in case BL O/471/11, *Petmeds*, 14 December 2011, summarised the position thus:

“*Datec* and other cases since *REEF* and *BUD* all reinforce the need for caution before overturning a finding of the tribunal below of the kind in issue in this case. Difference of view is plainly not enough and, to that extent, the applicant’s submissions are correct. However, those cases and the practice of appellate tribunals specifically to trade mark registration disputes show that the degree of caution should not be so great as to permit decisions based on genuine errors of approach to go uncorrected.”

14. Mr Elias, who appeared for Mr Jacobs on the appeal, submitted in addition that the Hearing Officer's decision here was in the nature of a case management decision. He referred me to *Walbrook Trustee (Jersey) v Fattal* [2008] EWCA Civ 427, in which Lawrence Collins LJ (as he then was) stated at [33] the well-established proposition

“an appellate court should not interfere with case management decisions by a judge who has applied the correct principles and who has taken into account matters which should be taken into account and left out of account matters which are irrelevant, unless the court is satisfied that the decision is so plainly wrong that it must be regarded as outside the generous ambit of the discretion entrusted to the judge.”

15. *Walbrook v Fattal* was a case where the case management decision under appeal, relating to how two actions should be tried, was “a pure exercise of judicial discretion” (*per* Nugee J in *Ward Hadaway v DB (UK) Bank*, [2013] EWHC 4538 (Ch) at [19]). I am not convinced that Mr Elias is right to categorise a decision pursuant to Rule 43 as a case management decision, but as on any basis the Hearing Officer’s decision certainly involved a pure exercise of judicial discretion, it seems to me that the same principles apply to this appeal. The appellate

function in relation to judicial discretion was described by Brooke LJ in *Tanfern Ltd. v Cameron-Macdonald* [2000] 1 W.L.R. 1311 at [32]:

“If the appeal is against the exercise of a discretion by the lower court, the decision of the House of Lords in *G. v. G. (Minors: Custody Appeal)* [1985] 1 W.L.R. 647 warrants attention. In that case Lord Fraser of Tullybelton said, at p. 652:

“Certainly it would not be useful to inquire whether different shades of meaning are intended to be conveyed by words such as ‘blatant error’ used by the President in the present case, and words such as ‘clearly wrong,’ ‘plainly wrong,’ or simply ‘wrong’ used by other judges in other cases. All these various expressions were used in order to emphasise the point that the appellate court should only interfere when they consider that the judge of first instance has not merely preferred an imperfect solution which is different from an alternative imperfect solution which the Court of Appeal might or would have adopted, but has exceeded the generous ambit within which a reasonable disagreement is possible.”

This describes the hurdle facing the Appellant in this appeal.

15. The appeal raised one further procedural matter, which was whether this was a final or an interim decision by the Hearing Officer, as permission is required to appeal an interim decision pursuant to Rule 70(2) and no application for leave to appeal was made by the Appellant. A final decision is defined in Rule 70(1) as one "which terminates the proceedings as regards one of the parties" as opposed to an interim decision which is one "made at any point in the proceedings prior to a final decision". Plainly, in the circumstances of this case, the decision by the Hearing Officer to set aside the decision declaring the Word Mark invalid did not terminate the proceedings as regards either party, suggesting that it was not a final decision within the meaning of Rule 70. However, at the end of the Hearing Officer's decision he said that if either party wished to appeal to the Appointed Person they should file the appeal within 28 days. When I raised this matter with the parties at the hearing of the appeal, Mr Elias very fairly conceded that it appeared on a reading of the decision below that leave to appeal was "wrapped up" in the decision of the Hearing Officer. That seems to me a proper reading of paragraph 18 of the decision and in the circumstances I need not consider this matter further.

Substantive points of the appeal

16. It was submitted on behalf of the Appellant that Rule 43 is designed to deal with circumstances where the proprietor's failure to receive the Form TM 26(I) was not due to his own fault, but only where it arose from some external error, such as a postal error, and that the Rule does not cover circumstances where the proprietor had been negligent in not ensuring that he would receive official notifications from the IPO. In my judgment, no such general exclusion can be read into the Rule. The Rule, in my view, confers a discretion upon the registrar as to whether to set aside the original decision, which is limited only by the requirement in Rule 43 (4) that the registrar *must* have regard to the two factors set out in that sub-rule, namely the promptness with which the application to set aside is made after the applicant becomes aware of the original decision, and any prejudice which may be caused to the other party if the original decision were set aside.
17. It does not seem to me that anything in the Rule limits its application to cases in which no blame attaches to the applicant to set aside for his failure to receive the Form TM 26(I). Had this been the intention, it seems to me that the Rule would have made express provision to that effect, and whilst the Consultation Paper obviously is not determinative of the question, certainly it does not suggest that any such limitation of the Rule was intended. The reason why the proceedings were not received by the proprietor, however, may well be a matter for the registrar to take into account in the proper exercise of the discretion granted by the Rule. In this case, the Appellant conceded that the Form had not been received yet the Hearing Officer considered why that was the case, and especially the explanation offered for the failure to register the assignment to Mr Jacobs. In my view he cannot be said to have erred in doing so.
18. The Appellant goes further and says that the Hearing Officer was wrong to find that a reasonable explanation had been offered for Mr Jacobs' solicitors to have failed to register the assignment in good time (their lack of IP knowledge) and gave too much weight to the point. It does not seem to me that the Hearing Officer actually made any such finding. He noted in paragraph 11 that Mr Jacobs' legal representatives at the time were not IP specialists, but it seems to me that the operative part of that paragraph is where the Hearing Officer accepted that it was not an unreasonable submission to say that Mr Jacobs could reasonably have assumed that either the liquidators or his legal representatives would have recorded the assignment if it was necessary to do so. I do not think this point was criticised by the Appellant, but if it was, I reject any criticism of the Hearing Officer's decision on this

point. This was a matter which he was entitled to take into account in exercising his discretion and he does not appear to have given undue weight to it.

19. Similarly, the Appellant submitted that Rule 43(3) requires the proprietor to demonstrate to "the reasonable satisfaction of the registrar" that his failure to file his Form TM8 was because he did not receive the Form TM26(I) and that the registrar is precluded from being "reasonably satisfied" for these purposes where the failure to receive the Form TM26(I) was due to the proprietor's negligence (or that of his legal advisors). Again, in my view, this is to misread Rule 43(3). All that is required - as a pre-condition to the exercise of the registrar's discretion to set aside the invalidation decision - is that the registrar be reasonably satisfied that the reason why no response was made to the invalidation application was because the proprietor did not receive it. In this case, it was conceded that Mr Jacobs did not receive the Form TM26(I) (in contrast to the position in the *KIX* case heard by Mr Hobbs QC) and the Appellant did not suggest that there was any reason for the failure to file the Form TM8 other than the fact that Mr Jacobs had not received notice of the proceedings. Any negligence on the part of the proprietor is not, in my judgment, relevant to the question of whether he can bring his application within Rule 43, but is relevant to the exercise of the discretion to be exercised by the registrar in deciding whether or not set aside the decision caused by the proprietor's failure to file a TM8. If there was fault on the part of the proprietor or his advisors then I consider that this is a factor which the registrar ought to weigh in the balance when exercising his discretion. In my view, the Hearing Officer did take the point into account in paragraph 11 of this decision.
20. Next, the Appellant submitted that Mr Jacobs had been aware of the threat to apply for invalidation of the Word Mark at the time (presumably) when he took the assignment from the liquidators, and was therefore even more negligent in failing to ensure that the assignment was recorded at the UKIPO. It was submitted that Mr Jacobs would have learned of that threat from information made public by the liquidators in an advertisement placed by them on a website called IP-BID.com, describing itself as "The UK's Online Insolvency marketplace." That advertisement stated that various assets of Wheyhey Ltd were for sale, but warned that "The current trade mark is owned personally by the founders and they have served notice that the Company's right to use the trade mark has terminated. The company has its own registered word mark for the name."
21. It does not seem to me that the Appellant is able to make good its submission as to Mr Jacobs' knowledge of the threat to the validity of the Word Mark. First of all, there was no

evidence before the Hearing Officer to show either that the liquidators' advertisement came to Mr Jacob's attention, or that he responded to it before taking the assignment of the company's assets from the liquidators. Secondly, although the Appellant submitted that the advertisement would have put Mr Jacobs on notice of its threat to challenge the validity of the Word Mark registration, in my judgment nothing in the advertisement suggested that there was any such threat, as opposed potentially to an issue as to the ownership of the Logo Mark.

22. At the hearing before me, Mr Traub conceded that the advertisement did not give notice of the invalidation threat, so that there was no evidence before the Hearing Officer to show that such a threat had known to Mr Jacobs. The Hearing Officer cannot therefore be criticised for not having taken this point into account as a factor relevant to the exercise of his discretion.
23. Alternatively, the Appellant submitted that the Hearing Officer erred in giving undue weight to the existence of the rectification proceedings brought by Mr Jacobs. In particular, it was suggested that he gave too much weight to the prejudice which would be suffered by Mr Jacobs if the invalidity decision was not set aside, because of the existence of the rectification proceedings, as of course the invalidity proceedings would be likely to fail if the rectification proceedings succeeded. It was submitted that the wording of Rule 43(4) requires the Hearing Officer to consider *only* the prejudice caused to the applicant for invalidity, so that he erred in also taking into account the prejudice caused to Mr Jacobs if the invalidity decision was not set aside.
24. I do not accept this submission. It seems to me absolutely clear that Rule 43(4) does not fetter the Hearing Officer's discretion further than to require him to take into account the two particular matters mentioned in that sub-rule; it is clear from the wording of the sub-rule that the Hearing Officer will take other matters into account, and the potential prejudice to the party making the application under Rule 43 must surely be one such matter, whatever the weight to be given to it.
25. The Appellant also submitted that the Hearing Officer had erred in the exercise of his discretion by giving insufficient weight to the commercial prejudice suffered by or likely be suffered by the Appellant whilst the invalidation proceedings remain undecided. It seems to me that there are two difficulties with this submission. First, it is inherent in an application made under Rule 43 that the party whose invalidation application has succeeded in default

of a proper defence by the proprietor will be disappointed if the proceedings are reopened, and any such party is likely to suffer some prejudice as a result of the original decision being set aside, even if that prejudice consists only in having to fight the invalidation proceedings. That prejudice is expressly to be taken into account by reason of Rule 43(4), whilst the time-bar imposed by Rule 43(2) is designed to limit the period of such uncertainty to 6 months after the declaration of invalidity.

26. If the applicant for invalidity will suffer any particular prejudice as a result of setting aside the decision, the Hearing Officer ought to take that into account and give it due weight. However, any such particular prejudice needs to be identified and evidence is likely to be needed to make good the submission of prejudice. So whilst the Hearing Officer was obliged to (and did) take the prejudice to the Appellant into account, it is clear to me that the fact that there is such prejudice is not in itself a bar to setting aside a decision under Rule 43.
27. Moreover, there was no evidence before the Hearing Officer here as to the impact of the lack of finality of the decision upon the Appellant. The Appellant's skeleton argument for the hearing below gave no detail at all of the prejudice suffered and whilst it seems that submissions were then made as to the impact of commercial uncertainty, and the Appellant's difficulty in expanding its business, there was no evidence to that effect. Similarly, Mr Traub referred to the fact that the Appellant had made various trade mark applications based upon a CTM application filed on the same date as the invalidity application, and would be prejudiced if it could not rely upon them, but there was no evidence as to those applications or when they were made, or whether there had been any reliance on the invalidity application or the decision which Mr Jacobs sought to set aside.
28. Furthermore, the letter written to the Appellant's solicitors by Mr. Jacobs' solicitors on 24 May 2013 would have made it abundantly clear to the Appellant that he was claiming rights in the Word Mark, so that the Appellant should have anticipated that had he known of the invalidity application he would have been likely to defend it. The fact that it would have been reasonable for the Appellant to expect Mr Jacobs to defend the application was a point which it seems to me the Hearing Officer was right to take into account in exercising his discretion.
29. In any event, however, the Hearing Officer set out the points which had been made as to prejudice to the Appellant in paragraph 6 of his decision and said in paragraph 12 that he had not lost sight of such prejudice. As a result, it seems to me that it cannot be said that the

Hearing Officer failed to give sufficient weight to such prejudice to the Appellant, but on the contrary he gave some weight to the point despite the complete lack of evidence in support.

30. Lastly, the Appellant sought to persuade me that the Hearing Officer erred in failing to take into account the "guidance" provided by sub-sections 25 (3) and (4) of the 1994 Act. It argued that those sub-sections emphasise the importance of promptness in applying to register the particulars of a registrable transaction and impose (in effect) sanctions for delay in doing so. In particular, it was said that the sub-sections show that the Act anticipates that such transactions are to be recorded within six months of the relevant transaction, that Mr Jacobs applied to register the assignment only seven months after the event, and that this was a matter which the Hearing Officer ought to have taken into account in exercising his discretion.
31. I accept that sub-sections 25 (3) and (4) are designed to protect an innocent third party from a failure to register an interest within a specified period. To that limited extent, those rules bear some resemblance to the requirement in Rule 43(4) that account shall be taken of any prejudice which would be suffered by the applicant for invalidity if a default decision were set aside. However, I am not persuaded that this argument goes any further than that. Rule 43 contains its own protections against a dilatory proprietor. It does not confer an unfettered discretion upon the registrar to set aside an invalidation decision at any time after it has been made. Not only must the application to set aside be made within 6 months of the implementation of the decision, but the application must be made promptly. It is upon those provisions that a party in the Appellant's position must rely when an application is made under Rule 43, not sub-sections 25 (3) and (4), which apply in quite different circumstances.
32. For all these reasons, I dismiss the appeal.
33. Costs will follow the event. I will order the Appellant to make a contribution towards Mr Jacobs' costs of the appeal in the sum of £1250, to be paid within 14 days of today.
34. Lastly, Mr Elias invited me (if appropriate) to update the directions given by the Hearing Officer. This seems to me a sensible and time-saving suggestion, and it was not opposed by Mr Traub. I bear in mind the length of time which has elapsed since the application to set aside was made and the fact that both parties have in the meantime had the opportunity of considering the merits of the proceedings. I therefore direct as follows:

- (a) Mr Jacobs has until 16 September 2014 to file his TM8 and counterstatement in invalidation number 84647;
- (b) the Appellant has until 16 September 2014 to file its TM8 and counterstatement in rectification proceedings number 84730;
- (c) assuming the TM8s are considered acceptable by the registrar, they will be served on the other party and the proceedings shall be consolidated that stage;
- (d) each party shall file evidence in chief in support of its application 2 months after service of the other's TM8 (the exact date to be specified at the time by the registrar);
- (e) each party shall file evidence in answer (if any) within 2 months thereafter (the exact date to be specified at the time by the registrar);
- (f) any further directions shall be given, as necessary, by the registrar;
- (g) the parties may apply to vary these directions, by application in writing to the registrar.

Amanda Michaels
The Appointed Person
15 August 2014

Mr Florian Traub of Squire Sanders LLP appeared for the Appellant.

Mr Thomas Elias instructed by Freeth Cartwright LLP appeared for the Respondent.