

O-102-17

TRADE MARKS ACT 1994

IN THE MATTER OF

APPLICATION NO 3152642

BY HERTZ HAGAI

TO REGISTER

Cerock

AS A TRADE MARK

IN CLASSES 25 & 41

AND

THE LATE FORM TM8 AND COUNTERSTATEMENT

FILED IN DEFENCE OF THAT APPLICATION

IN OPPOSITION PROCEEDINGS (NO. 406746)

LAUNCHED BY

CEROC ENTERPRISES LIMITED

BACKGROUND

1) On 02 March 2016, Hertz Hagai ('Mr Hagai') applied to register **Cerock** as a trade mark for certain goods and services in classes 25 and 41. The application was published on 18 March 2016 in the Trade Marks Journal. Further to the filing of Form TM7a (Notice of threatened opposition) on 22 March 2016, Form TM7 (Notice of opposition) was subsequently filed on 07 June 2016 by Ceroc Enterprises Limited on grounds under sections 5(1) and 5(2)(b) of the Trade Marks Act 1994 ('the Act').

2) A letter dated 16 June 2016 on the case-file indicates that the Form TM7 was served to Mr Hagai, setting a deadline of 16 August 2016 for the filing of Form TM8 and counterstatement. However, it appears that further to a telephone call from Mr Hagai on 24 August 2016, in which he requested to know the status of his application as he had not received anything since the Form TM7a, the Tribunal conducted investigations from which it concluded that the letter of 16 June 2016 may not have been sent successfully and it also did not enclose a copy of the Form TM7. This error was rectified under rule 74 (correction of irregularities in procedure) of The Trade Marks Rules 2008. Accordingly, a further letter was sent to Mr Hagai on 20 September 2016 enclosing Form TM7 and setting a revised deadline for the filing of Form TM8 and counterstatement. The letter stated, inter alia, the following:

“The TM8 and counterstatement or TM9c must be received on or before **21 November 2016**.

If you choose not to file a TM8, or a TM9c to continue with your application, you should be aware that your application shall unless the Registrar otherwise directs be treated as abandoned in whole or part, in accordance with Rule 18(2) of The Trade Marks Rules 2008.”

3) As no Form TM8 and counterstatement or Form TM9C was received by the deadline requested, on 01 December 2016 the Tribunal wrote to Mr Hagai in the following terms:

“... ”

As no TM8 and counterstatement has been filed within the time period set, Rule 18(2) applies. Rule 18(2) states that the application:

“.....shall, unless the registrar otherwise directs, be treated as abandoned.”

The Trade Marks Registry is minded to deem the application as abandoned as no defence has been filed within the prescribed period.

If no response is received on or before **15 December 2016** the Registrar will proceed to deem the application abandoned.”

4) A note on the case-file indicates that Mr Hagai telephoned the Tribunal on 09 December 2016 to ask if he could file the Form TM8 and counterstatement by email. The caseworker explained to Mr Hagai that, as he had missed the deadline of 21 November 2016, he would also need to file a witness statement explaining the delay, and that the Tribunal would then consider whether those reasons were sufficient to allow the late Form TM8 and counterstatement to be admitted. Mr Hagai filed his Form TM8 and counterstatement and witness statement later the same day. His witness statement states:

“ ...

Further to my telephone conversation with Claire Woodman, it has come to my attention that the date to process my counterstatement has expired. I truly thought that the deadline was 15th December 2016, but due to my health issues after having a major heart operation and stroke, in the last two months I suffered from a heavy cough and flu which limited my ability to focus on my work. I am now only able to send my counterstatement application and am asking you to reconsider it.

...”

5) The Tribunal's letter of 16 December 2016 acknowledged receipt of the Form TM8 and counterstatement and witness statement and informed the parties that Mr Hagai's reasons were considered to be insufficient to allow the Tribunal to exercise its discretion to admit the late Form TM8 and counterstatement. A deadline of 6 January 2017 was set for the applicant to request a hearing to challenge this view.

6) Mr Hagai's email of 03 January 2017 gave further explanation as to why the application should not be deemed abandoned and requested a hearing on the matter. In his email Mr Hagai essentially reiterates that he has not been in the best of health. He also states that the dates given in the letters are confusing and that if the Tribunal can make mistakes and rectify them (the irregularity in procedure described in paragraph 2 above refers) then the same should apply to him.

The Hearing

7) A hearing took place before me on 17 February 2017 by telephone conference. Mr Hagai represented himself; the opponent was represented by Mr Mash of Brand Protect Limited. At the outset of the hearing, Mr Hagai stated that he did not know that a hearing had been scheduled. However, he confirmed that he was content for the hearing to proceed.

8) It was clear to me from the outset of the hearing that Mr Hagai was still suffering from the effects of the stroke which he had referred to in his witness statement. His speech was very slow and, at times, difficult to understand. It was also apparent that he was very confused. I asked him a number of times whether he had received the letter setting the deadline of 21 November 2016. He eventually confirmed that he had. Having then explained to him that he would need to explain why the Form TM8 and counterstatement had not been filed by that date, he persisted in stating that he thought the deadline was 15 December 2016 and that he was very confused. I went on to explain that the latter deadline was merely an opportunity for him to file reasons as to why the earlier deadline had been missed; it was not extending the deadline of 21 November 2016 for filing his Form TM8 and counterstatement as that was a non-extensible deadline. I stressed again that the purpose of the hearing was

for him to explain to me why he had failed to file his defence by 21 November 2016. Still, he seemed confused.

9) Further to more probing on my part, Mr Hagai eventually explained that he has lasting health issues further to suffering a stroke two years ago, including having to learn to speak again. He has taken medicines since then to treat the after effects of the stroke and for his heart and blood pressure which make him particularly susceptible to the effects of cold and flu and that he had been unwell in the two months leading up to December. He also explained that the stroke had impaired his ability to think clearly, that his mind is very slow and that he can often become easily confused. He explained that he must have missed the deadline because it fell during the time when he was unwell with the flu when his ability to think and focus on matters would have been particularly impaired.

10) Mr Hagai also urged me to take into account that if his application is treated as abandoned, the whole process would have to start again. When I asked him what he meant by this he said that he would file a new application for the same mark which would mean that the parties would have to start the whole opposition process again causing more time and costs for everyone; this, he said, would be of no use to anyone and so he should be allowed to file his defence in the current proceedings. He also urged me to take into account that his defence had been filed only 18 days late which he said is not a great delay.

11) For his part, Mr Mash submitted that the deadline for filing Form TM8 and counterstatement is non-extensible and referred me to the decisions of *Kickz AG and Wicked Vision Limited* (BL-O-035-11) ('*Kickz*') and *Mark James Holland and Mercury Wealth Management Limited* (BL-O-050-12) ('*Mercury*'). He argued that there are no "extenuating circumstances" or "compelling reasons" in this case which would allow me to exercise the discretion available under rule 18(2). He stated that, whilst Mr Hagai's health issues are not to be trivialised, the stroke took place over two years ago, and Mr Hagai has failed to provide a compelling explanation as to why he was unable to complete his defence which need not have taken more than a few hours. He further submitted that it appears that Mr Hagai appears to have largely ignored the letter of 20 September 2016 which set the deadline for the defence or simply

forgotten about it which is not sufficient reason to justify the exercise of my discretion. Mr Mash also stated that to allow the proceedings to continue would prejudice the opponent who would have to incur further time and costs in the case and as, in his submission, the applicant has no prospect of success substantively there is little point in allowing the case to proceed given that the application will inevitably be refused and the applicant will be liable for even more costs.

DECISION

12) Rule 18 of the Trade Marks Rules 2008 states:

“(1) The applicant shall, within the relevant period, file a Form TM8, which shall include a counter-statement.

(2) Where the applicant fails to file a Form TM8 or counter-statement within the relevant period, the application for registration, insofar as it relates to the goods and services in respect of which the opposition is directed, shall, **unless the registrar otherwise directs**, be treated as abandoned.

(3) Unless either paragraph (4), (5) or (6) applies, the relevant period shall begin on the notification date and end two months after that date.” (my emphasis)

13) The combined effect of Rules 77(1), 77(5) and Schedule 1 of the Rules means that the time limit in rule 18, which sets the period in which the defence must be filed, is non-extensible other than in the circumstances identified in rules 77(5)(a) and (b) which states:

“A time limit listed in Schedule 1 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

(a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the registrar, the Office or the International Bureau; and

(b) it appears to the registrar that the irregularity should be rectified.”

14) In *Kickz*, Mr Hobbs QC sitting as the Appointed Person held that the discretion conferred by rule 18(2) is a narrow one and can be exercised only if there are “extenuating circumstances”. In *Mercury*, Ms Amanda Michaels, sitting as the Appointed Person, in considering the factors the Registrar should take into account in exercising the discretion under rule 18(2), held that there must be “compelling reasons”. She also referred to the criteria established in *Music Choice Ltd's Trade Mark* [2006] R.P.C. 13 (*Music Choice*), which provides guidance, applicable by analogy, when exercising the discretion under rule 18(2). Such factors (adapted for an opposition case) are:

- (1) The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed;
- (2) The nature of the opponent’s allegations in its statement of grounds;
- (3) The consequences of treating the applicant as opposing or not opposing the opposition;
- (4) Any prejudice caused to the opponent by the delay;
- (5) Any other relevant considerations, such as the existence of related proceedings between the same parties.

15) Insofar as the first *Music Choice* factor is concerned, I note firstly that the deadline was missed by 18 days. I agree with Mr Hagai that this is not a significant delay. Of course, I must also bear in mind what the circumstances were which led Mr Hagai to miss the deadline in the first place. It is true that Mr Hagai’s explanation could have been more comprehensive and clear and I am mindful of Mr Mash’s criticisms in this regard and his view that it seems that Mr Hagai either ignored or simply forgot to adhere to the deadline. However, I accept that Mr Hagai has all of the health issues which he has described, including suffering from the flu leading up to the deadline and I am also prepared to accept that the nature of his health problems, including the after effects of a stroke and the medication which he takes, can cause him to become easily confused and impair his ability to think clearly (more so than an individual who does not have those health issues) and that the combination of all of these factors caused him to miss the deadline.

16) In terms of the second of the *Music Choice* factors, the grounds of opposition are under sections 5(1) and 5(2)(b) of the Act. Mr Mash has argued that I should take into account that Mr Hagai has no prospect of success given that the opponent is likely to succeed under the latter ground, if not the former. I note this contention but it is not open to me to give a view on a Mr Hagai's prospect of success as it is not a matter before me. It suffices to bear in mind that the latter ground, at least, is one which requires a careful multifactorial assessment.

17) Turning to the third *Music Choice* factor, the consequences for the applicant if discretion is not exercised in his favour are serious as his trade mark application would be deemed abandoned for want of a defence. Contrastingly, if discretion is exercised in his favour he would be provided with the opportunity to defend his trade mark and a decision would be made on the merits of the case. As to the fourth *Music Choice* factor, it seems to me that any prejudice caused to the opponent by the delay has been minimal.

18) As regards the fifth *Music Choice* factor, I have not been made aware of any related proceedings between the parties. However, I bear in mind Mr Hagai's intention to file a new trade mark application for the same mark should the subject application be deemed abandoned and his view that it would clearly be preferable to continue with these proceedings rather than start from scratch, causing more delay and costs for both parties. In this regard, I also note that Mr Mash confirmed that if a new application was filed the opponent would, indeed, oppose it. I agree with Mr Mash that this should not, of itself, persuade me to exercise my discretion, however, it is nevertheless an important factor to keep in mind.

19) Having addressed each of the relevant factors in *Music Choice*, I must now decide whether there are sufficient extenuating circumstances to enable me to exercise my discretion. After careful consideration, my decision is that the requisite extenuating circumstances are made out. In reaching this view, I have borne in mind, in particular, Mr Hagai's health issues and apparent cognitive problems which can impair his ability to think clearly, the delay of just 18 days, the serious consequences for Mr Hagai if I were to find against him and his intention to file a new application should the subject one be deemed abandoned leading to a further opposition having

to be filed (as confirmed by Mr Mash) which, in turn, would lead to further time and costs for both parties. **The late Form TM8 and counterstatement is admitted into the proceedings.**

COSTS

20) In the circumstances, I do not consider an award of costs to be appropriate.

Dated this 1st day of March 2017

A handwritten signature in black ink, appearing to be 'B Hedley', written in a cursive style.

**Beverley Hedley
For the Registrar,
the Comptroller-General**