

O-510-19

**TRADE MARKS ACT 1994  
IN THE MATTER OF  
INTERNATIONAL TRADE MARK REGISTRATION NO. WO874745  
STANDING IN THE NAME OF  
CHINA PROCESSED FOOD IMPORT AND EXPORT CO. LTD.  
FOR THE MARK**



**AND  
THE LATE FORM TM8 AND COUNTERSTATEMENT  
FILED IN DEFENCE OF THAT REGISTRATION  
IN CANCELLATION PROCEEDINGS (UNDER NO. 502503)  
LAUNCHED BY MS. YANG ZHANG**

## Background

1. The international registration ('IR') set out below is designated in the UK in the name of China Processed Foods Import and Export Co.Ltd. ('China Foods').

IR No. 874745	Classes
 <p>Date of protection in the UK: 20 August 2006</p>	<p>Class 29: Canned meat, poultry and eggs; canned fish and shellfish; canned fruit and vegetables; canned tomato puree; dried meat floss; broth concentrates; bouillon concentrates; eggs; white of eggs; yolk of eggs; salted eggs; preserved eggs; processed fish; sea-cucumbers; shark's fin; maw; dried shellfish; kelp; sleeve-fish; laver; shrimps; frozen shrimp meat; caviar; fish fillets; clam (not live); shrimp sauce; dried shrimps; dried shrimp floss.</p> <p>Class 30: Tea and tea substitute; sugar; honey; syrup; rice (including cereals and coarse food grains); popcorn; prawn-flavored crackers made of starches; crust of cooked rice; dilated potato chips; dilated fruit chips; dilated vegetable chips; bean products; cooking salt; essences for foodstuffs (except etheric essences and essential oils); frozen dumpling; frozen steamed stuffed buns; wheat flour; lotus root flour; prepared foods (steamed stuffed buns, dumpling; spring rolls; hamburger buns;</p>

	fried rice; porridge); seasonings for soup; sweetmeats (candy); biscuits.  Class 33: White liquor.
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2. By an application dated 18 March 2019, Ms Yan Zhang ('Ms Zhang') applied to revoke the IR on the basis of non-use under sections 46(1) and (b) of the Trade Marks Act 1994 ('the Act').

3. The application for revocation (Form TM26(N)) was served on the IR holder on 27 March 2019 setting a deadline of 28 May 2019 for the filing of a defence (Form TM8(N)) and counterstatement. The Tribunal letter to the IR Holder was addressed to:

CHINA PROCESSED FOOD  
IMPORT AND EXPORT CO. LTD.  
Rm 911, No. 8 Chao Yang Men South  
St., Chao Yang District  
100020 Beijing

The relevance of this point will become apparent later in this decision.

4. No form TM8(N) and counterstatement was received on or before 28 May 2019. Subsequently the Tribunal wrote to China Foods on 12 June 2019 in the following terms,

"The official letter dated **27 March 2019** informed you that if you wished to continue with your international registration you should file TM8(N) and counterstatement on or before **28 May 2019**.

As no TM8(N) and counterstatement have been filed within the time period set, Rule 38(6) applies. Rule 38(6) states that: "...the registration of the mark shall, unless the registrar directs otherwise, be revoked."

The registry is minded to treat the holder as not opposing the application for revocation and revoke the international registration as no defence has been filed within the prescribed period.

If you disagree with the preliminary view you **must** provide full written reasons and request a hearing on, or before, **10 July 2019**. This **must** be accompanied by a Witness Statement setting out the reasons as to why the TM8 and counterstatement are being filed outside of the prescribed period.”

5. On 10 July 2019, the Tribunal received a form TM8(N), a counterstatement, a witness statement by Chen Yunnu accompanied by evidence of use and a witness statement by Jiang Jianming setting out the reasons for the late submission of the defence. The witness statement of Jiang Jianming stated the following:

“3. the Company had not had any prior discussion with Ms Yan Zhang, the applicant of the revocation application, and therefore the Company was neither expecting nor looking out for notice from the UK Intellectual Property Office regarding the Revocation application.

4. The correspondence from the UK Intellectual Property Office bearing the date 27 March 2019 was sent to the company’s former business address being 7-13/F, Tower A, Cofco Plaza, No. 8 Jianguomennei Ave, Dongcheng district Beijing (CN). The Company therefore only received the correspondence regarding the Revocation Application on 19 April 2019 and sought advice as to next steps from its solicitors shortly thereafter. By the time the Company was in receipt of the Revocation Application, it did not have the benefit of the usual two month time period in which to respond.

6. The Tribunal responded to the IR Holder via its representative, Clarions Solicitors Limited, on 7 August 2019 giving its preliminary view that the late TM8(N) should not be admitted into these proceedings. A hearing was subsequently requested.

### **Hearing**

7. The hearing took place before me on 27 August 2019 by telephone conference. Ms Lorna Webb of Clarion Solicitors Limited represented China Foods and Mr Tristan Morse of Humphreys & Co represented Ms Zhang. Both sides provided skeleton arguments in advance of the hearing.

8. Ms Webb set out the main points of the witness statement from Jiang Jianming, namely that China Foods were not contacted by Ms Zhang in advance of any

revocation action being filed and that the Tribunal letter of 27 March was sent to the old business address. I intervened at this juncture to point out that the Tribunal letter dated 27 March 2019 had been sent to the address on our database, as notified to us by WIPO, namely the address as set out in above in paragraph 3 and which is the same address as the declarant, Jiang Jianming, states is the current China Foods address. There is no indication from our database or from the Tribunal correspondence records that the letter of 27 March 2019 was sent to any other address. I asked Ms Webb if she could explain why the Tribunal letter ended up at an old business address when it was not addressed there. Ms Webb was not able to provide a reason, other than she was acting on the information provided to her by China Foods. In a similar vein, I asked why China Foods was not able to act once it was in receipt of the revocation application, which Jiang Jianming states was 19 April 2019, as this was still some 5 weeks before the TM8(N) filing deadline. Ms Webb was unable to provide an explanation for this period of time nor did she give a reason as to why no action had been taken. She stated that China Foods acted instead on the Tribunal letter of 12 June 2019 and filed the TM8(N), with a counterstatement and the witness statement by Chen Yunnu accompanied by evidence of use by the deadline given which was 10 July 2019.

9. Ms Webb further reiterated that allowing the late defence to be admitted would cause no prejudice to Ms Zhang as both parties are already engaged in related opposition proceedings due to the new trade mark application made by Ms Zhang in April 2019. Ms Webb then took me through the tests set out in the *Music Choice*<sup>1</sup> case which formed the basis of her skeleton argument and which I will come to in due course.

10. Mr Morse responded that his client did not have to give notice to the other side in advance of filing revocation action and that it was accepted there would be a costs implication for taking this particular course of action. In addition, Mr Morse stated that prejudice had been caused to his client because of the delay that had taken place in the course of these proceedings, i.e. the late filing of the defence and the setting up of the hearing. This had caused a delay to his client in developing her business. Mr Morse also focussed on the time between 19 April 2019, when the China Foods

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<sup>1</sup> *Music Choice Ltd's Trade Mark* [2006] R.P.C. 13

declarant stated the TM26(N) was received, and the deadline for filing the defence on 28 May 2019. He stated that the IR holder had a reasonable opportunity to at least file the TM8(N) and counterstatement within the deadline, even if it was accompanied by an extension of time request for the filing of evidence thereafter. As such Mr Morse stated that he did not believe that there were ‘extenuating circumstances’<sup>2</sup> or ‘compelling reasons’<sup>3</sup> for the late filed defence to be admitted to proceedings.

## The decision

11. With regard to the late filing of a form TM8(N), I refer to Rule 18 of the Trade Marks Rules 2008 which 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.”

12. 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

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<sup>2</sup> *Kickz* O-035-11

<sup>3</sup> *Mercury* O-050-12

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

13. It has been established that the letter from the Tribunal was correctly addressed and I find there has been no error on the part of the registrar or the office meaning that rule 77(5) is not relevant. That leaves rule 18(2) to be considered. As referred to above, in the *Kickz* decision, Mr Geoffrey 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, also 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”. Ms Michaels 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).

- (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 applicant’s allegations in its statement of grounds;
- (3) The consequences of treating the IR holder as opposing or not opposing the application for revocation;
- (4) Any prejudice caused to the applicant by the delay;
- (5) Any other relevant considerations, such as the existence of related proceedings between the same parties.

14. With regard to the first *Music Choice* factor, I note that the deadline was missed by 43 calendar days. The error occurred when the Tribunal letter of 27 March 2019 serving the notice of the application for revocation did not reach its correct destination until 19 April 2019 even though the letter was correctly addressed. No reason has been given either by Mr Jiang Jianming in his witness statement or by Ms Webb in her representations as to the circumstances of how the letter went to a

different address. Furthermore, no reason was given as to why China Foods did not act on the eventual receipt of the Tribunal letter given that there was still some 5 weeks left until the 28 May deadline for the filing of the defence.

15. In terms of the second *Music Choice* factor, Ms Zhang has made an application to revoke the IR on the basis of non-use under sections 46(1) and (b) of the Trade Marks Act 1994 ('the Act').

16. Regarding the third *Music Choice* factor, the consequences for China Foods if discretion is not exercised in its favour are very serious as the IR would be revoked. Ms Webb states in her skeleton argument that,

“The mark, which is being sought to be revoked on the grounds of non-use, is being used. It would be unfairly prejudicial on the Defendant not to admit the Defendant’s TM8 and counterstatement into the proceedings. The Defendant would lose its proprietary rights in the mark even though there is genuine use of the mark. If the defendant is not treated as opposing the application and the mark is automatically revoked, in order to gain registered protection for its mark again, it would have to file a new trade mark application and would lose its registered rights dating back to the filing date of the mark. This, again, would be unfairly prejudicial on the Defendant.

17. Turning to the fourth *Music Choice* factor, Ms Webb states that no prejudice has been caused to the applicant for revocation as Ms Zhang had already made her new trade mark application prior to the original deadline of 28 May 2019. Mr Morse countered that the ongoing delays due to the late filed defence and hearing had prejudiced his client by preventing her from getting on with developing her business.

18. Finally in relation to the fifth *Music Choice* factor, there are previously referenced related proceedings, namely OPP417179, to bear in mind.

19. Having addressed each of the relevant factors in *Music Choice*, I must now decide whether there are sufficient extenuating circumstances or compelling reasons



to enable me to exercise my discretion to admit the late filed TM8(N) and counterstatement in to these proceedings.

20. After careful consideration, I do not find that there are sufficient extenuating circumstances or compelling reasons which justify me exercising the discretion provided by rule 18(2) in China Foods favour. In this case, the letter from the Tribunal was correctly addressed to China Foods. Its arrival at a different address is unexplained, as is the failure to act sooner once the letter was received some five weeks before the deadline for filing a defence was due to expire. There does not seem to be a clear reason why China Foods waited until the Tribunal letter of 12 June to act when it was in possession of the earlier letter informing them of the TM8(N) deadline of 28 May 2019. I am mindful of the serious consequences for China Foods that it will lose its IR designation in the UK and there may be an adverse effect on other related proceedings. However, I do not consider that these factors counterbalance the far from compelling reasons as to why the deadline was missed. The approach of China Foods in this matter indicates that, in the words of Mr Hobbs in *Kickz*, it has been 'the author of its own misfortune'. **The late Form TM8(N) and counterstatement is not admitted into the proceedings. The IR is treated as invalid.**

### **Costs**

21. As my decision terminates the proceedings, I must consider the matter of costs. Awards of costs are set out in Tribunal Practice Notice 2/2016, however I take into account the fact that the applicant for revocation did not inform the IR holder that she was intending to launch revocation action. I award the opponent the following costs:

Official fee – TM26(N)	£200
Preparing for & attending the hearing	£250
<b>Total</b>	<b>£450</b>

22. I order China Processed Food Import and Export Co. Ltd to pay Ms Yan Zhang the sum of £450. This sum is to be paid within fourteen days of the expiry of the

appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated 2 September 2019**

**June Ralph  
For the Registrar,  
The Comptroller-General**