O-616-19

TRADE MARKS ACT 1994

IN THE MATTER OF A JOINT HEARING HELD IN RELATION TO APPLICATION NO. 3366712 IN THE NAME OF MILE HIGH LABS INTERNATIONAL LIMITED

AND

OPPOSITION THERETO UNDER NO. 416169 BY AMAZON TECHNOLOGIES, INC.

BACKGROUND

1. Application No. 3366712 is for the trade mark **365CBD**. It was applied for on 14 January 2019 in relation to a range of goods and services in classes: 1, 3, 5, 30, 32, 33, 34 and 35. It stands in the name of Mile High Labs International Limited ("the applicant") and was published for opposition purposes on 1 February 2019.

Opposition no. 416169

2. On 29 March 2019, Gill Jennings & Every LLP ("GJE") filed a Form TM7A (Notice of threatened opposition) on behalf of Amazon Technologies, Inc. ("Amazon"), the effect of which was to extend the opposition period for Amazon until 1 May 2019. On 1 May 2019, GJE filed a Form TM7 (Notice of opposition and statement of grounds) on behalf of Amazon. The opposition, which is directed against all of the goods and services in the application, is based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act") relying upon two European Union Trade Marks ("EUTM") nos. 17589243 and17589425. These trade marks are as follows:

And:

3. On 9 May 2019, the Tribunal served the Form TM7 on the applicant's then professional representatives, Trademark Eagle Limited ("TEL"), who were advised

that they had until 9 July 2019 to file either a Form TM8 and counterstatement or Form TM9C (to request cooling-off). The letter contained the following paragraphs:

> "Rule 18(2) of the Trade Marks Rules 2008 states that "*where an applicant fails to file a Form TM8 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*."
>
> **It is important to understand that <u>if the deadline date is missed</u>, then in almost all circumstances, <u>the application will be treated as abandoned</u>.**"

Opposition no. 416168

4. On 29 March 2019, GJE also filed a Form TM7A on behalf of Whole Foods Market IP, L.P. ("Whole Foods"), the effect of which was to extend the opposition period for Whole Foods until 1 May 2019. On 1 May 2019, GJE also filed a Form TM7 on behalf of Whole Foods. The opposition, which is again directed against all of the goods and services in the application, is based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act") relying upon two EUTM nos. 14756431 and 14903405. These trade marks are as follows:

365

And:

365

5. On 9 May 2019, the Tribunal served the Form TM7 on TEL who were advised that they had until 9 July 2019 to file either a Form TM8 and counterstatement or Form TM9C. On 9 July 2019, the applicant's new professional representatives, Memery Crystal LLP ("MCL"), filed a Form TM8 and counterstatement in which it responded to the earlier trade marks being relied upon in both oppositions. On 19 July 2019, the Tribunal wrote to MCL. That letter contained the following paragraph:

> "EU017589243 & EU017589425
>
> The above two earlier rights are relied upon by the opposition in a different case (OP000416169). In view of this, you are invited to remove the initial submissions with regard to these two earlier marks from the counterstatement."

6. MCL were allowed until 9 August 2019 to remedy the position by filing an amended counterstatement and, on 22 July 2019, an amended counterstatement was filed by them. In an official letter dated 29 July 2019, the amended Form TM8 was served upon GJE and Whole Foods was allowed until 30 September 2019 to file any evidence it considered appropriate. On 30 September 2019, GJE filed a witness statement from Whole Food's Secretary, Albert Percival, accompanied by seven exhibits. I shall return to this evidence later in this decision.

7. It was the official letter of 19 July 2019 in relation to opposition no. 416168 that alerted MCL to the fact that a Form TM8 had not been filed in opposition no. 416169. On 22 July 2019, MCL sought to correct that oversight by filing a Form TM8 together with a witness statement from Carl Rohsler (a partner in MCL) and a Form TM9R (the latter to request a retrospective extension of time; this Form was not required and the official fee has been refunded). In his statement, Mr Rohsler explains the circumstances which led to the missing of the deadline for filing the Form TM8.

8. Having considered Mr Rohsler's explanation of events, on 1 August 2019, the Tribunal issued a preliminary view refusing the applicant's request and allowing until 15 August 2019 for a hearing to be requested.

9. On 15 August 2019, the applicant requested a hearing and, at the same time, filed a second witness statement from Mr Rohsler together with a skeleton argument.

The joint hearing

10. A joint hearing took place before me, by telephone conference, on 18 September 2019. At the hearing, the applicant was represented by Mr Rohsler who filed a further skeleton argument accompanied by a number of Authorities upon which the applicant wished to rely. Amazon was not represented at the hearing nor did it elect to file written submissions in lieu of attendance.

DECISION

Statutory provisions

11. The filing of a Form TM8 and counterstatement in opposition proceedings is governed by rule 18 of the Trade Marks Rules 2008 ("the rules"). The relevant parts read as follows:

> "18.— (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 rule 77(5) 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."

13. As MCL accepts that the error which occurred was theirs, the only basis on which the applicant may be allowed to defend the opposition proceedings is if I exercise in its favour the discretion afforded to me by the use of the words "*unless the registrar otherwise directs*" in rule 18(2).

How should the discretion be approached?

14. In approaching how to exercise discretion in these circumstances, the Tribunal takes into account the decisions of the Appointed Person ("AP") in *Kickz AG v Wicked Vision Limited* (BL-O-035-11) and *Mark James Holland v Mercury Wealth Management Limited* (BL-O-050-12) i.e. the Tribunal has to be satisfied that there are extenuating circumstances which justify the exercise of the discretion in the applicant's favour. At the hearing, Mr Rohsler accepted that this was the correct approach.

15. In *Mercury*, the AP indicated that a consideration of the following factors (shown below in bold) is likely to be of assistance in reaching a conclusion as to whether or not discretion should be exercised in favour of a party in default. That is the approach I intend to adopt, referring to the written and oral submissions to the extent that I consider it necessary to do so.

The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed;

16. The deadline to file the Form TM8 was 9 July 2019. In his first witness statement, Mr Rohsler explains that on 22 May 2019 the applicant instructed MCL to act for it in

this and the related opposition (no. 416168); at that time all of the files were held by TEL. On 31 May 2019, the applicant forwarded the relevant documentation to Mr Rohsler and to a junior solicitor in his team. He states:

> "6. Due to an administrative oversight we misunderstood that there were in fact two separate oppositions (000416168 and 000416169), and instead proceeded on the basis that there was one combined opposition based on three marks and an application…"

17. Mr Rohsler explains that this mistake occurred because:

> "7. (a) the documentation provided from the former representatives by email had generic file names which mimicked the numbering convention used by Microsoft for identically named/multiple copy files (e.g. "Notice of TM7" and "Notice of TM7(01)");
>
> (b) EUTM no. 014903405 and the EUTM application no. 017589243 are identical signs.
>
> (c) The notices of opposition were filed on the same day, by the same representatives; Gill Jennings Every LLP, the arguments put forward were very similar and the wording used often identical in both the Opposition and the Related Opposition."

18. Having become aware of the oversight on 19 July 2019 (a Friday), on Monday 22 July 2019, MCL filed the Form TM8 together with Mr Rohsler's first witness statement.

The nature of Amazon's allegations in its statement of grounds;

19. The opposition is based upon the likelihood of confusion under section 5(2)(b) of the Act, with all of the earlier rights being relied upon consisting of or containing the numerals 365. None of the earlier rights (one of which is still an application) are subject to the proof of use provisions.

The consequences of treating the applicant as defending or not defending the opposition;

20. If the applicant is allowed to defend the opposition, the proceedings will continue with the parties given an opportunity to file evidence and the matter will be determined on its merits.

21. If, however, the applicant is not allowed to defend the opposition its application will be deemed abandoned and it will lose its filing date of 14 January 2019. As a consequence, opposition no. 416168 will also succeed. In his skeleton argument filed on 16 September 2019, Mr Rohsler states:

> "24. The trade mark…is for the applicant's main "house" mark. There are therefore serious consequences for the applicant if the mark is deemed abandoned…"

22. He goes on to explain that to protect the applicant's position a new application for the same trade mark was filed on 1 August 2019 (no. 3418179) which, he speculates, is also likely to be opposed by Amazon/Whole Foods. The applicant indicates that if its request for discretion to be exercised in its favour is successful, this later filed application will be withdrawn.

Any prejudice caused to Amazon by the delay;

23. In his skeleton argument filed on 16 September 2019, Mr Rohsler states:

> "28. There is no prejudice caused to the Opponent by permitting the late filing of the TM8 because:
>
> (a) Both the Opponents were aware of all of the arguments being presented by the Applicant within the appropriate deadline.

(b) The Applicant has had no benefit of extra time to consider its position and the two Opponents have had precisely the same amount of time as they would have had to consider the Applicant's arguments.

(c) The only prejudice that will be caused to the Opponents in this matter will arise if the Registrar decides not to permit late filing and the Opponents are therefore obliged to refile their opposition proceedings in relation to the Applicant's new application.

(d) We submit that the fact that the Opponents sought to make no submissions today may be seen as an acceptance that it sees no prejudice to its own position by allowing the discretion to be exercised."

Any other relevant considerations such as the existence of related proceedings between the parties;

24. In his skeleton argument, Mr Rohsler points to: (i) the presence of opposition no. 416168, (ii) that on 28 August 2019 the applicant applied to invalidate on absolute grounds one of the earlier rights relied upon by Whole Foods in opposition no. 416168 i.e. EUTM no. 14756431, (iii) that another earlier right being relied upon i.e. EUTM no. 17589243, is itself only at the application stage and is the subject of opposition by Microsoft Corporation, and (iv) the applicant's equivalent EUTM (no. 18009331) is also being opposed by Amazon/Whole Foods.

Decision

25. I begin by reminding myself that the application in suit is the subject of two oppositions filed by what the applicant describes as "affiliated" parties; GJE have not denied that this is the case. Regulation 19(2A)(a) of The Trade Marks Regulations 2018 (which came into force on 14 January 2019 and which amends Section 38 of the Act) contains the following:

"(2A) Where a notice of opposition is filed on the basis of one or more earlier trade marks or other earlier rights—

(a) the rights (if plural) must all belong to the same proprietor…",

26. Consequently, prior to 14 January 2019, it would have been permissible for GJE to have filed one Form TM7 with Amazon and Whole Foods named as joint opponents. However, post 13 January 2019, it was necessary for separate Forms TM7 to be filed.

27. This is what happened, with both Forms TM7A and TM7 being filed on the same days (29 March and 1 May 2019 respectively) by the same professional representatives (GJE), based on the same section of the Act (section 5(2)(b)) and relying upon the four earlier rights shown above which consist of or contain the numerals 365.

28. The Forms TM7 were served on TEL on the same day (9 May 2019) and the deadline for response was the same in both (9 July 2019). The Form TM8 filed by MCL in opposition no. 416168 was filed in a timely manner, but mistakenly responded to the claims made in both oppositions on one Form TM8 as opposed to two. The reasons which led to this mistake and the subsequent missing of the deadline are shown in paragraph 17 above.

29. Having become aware of their error, MCL acted quickly and filed the Form TM8 in opposition no. 416169 on 22 July 2019 i.e. thirteen days after the deadline expired.

Considerations

30. I accept that if the discretion is not exercised in the applicant's favour, both oppositions will succeed and the applicant will lose its application/date of filing. I further accept that the presence of the applicant's later filed application is likely to result in opposition proceedings between the same parties at some point in the future. However, as the loss of priority and the possibility of further proceedings on much the same basis is often the consequence of a failure to comply with the inextensible deadline to file a Form TM8, these are not factors that, in my view, assist the applicant greatly.

31. Similarly, the fact that Amazon chose not to attend the hearing or make submissions does not, in my view, necessarily indicate that it does not consider it will be prejudiced were the late filed TM8 to be admitted into the proceedings. It may, for example, simply indicate that it considered the Tribunal's preliminary view to refuse the applicant's request was unlikely to be disturbed and elected not to incur any further costs in this regard.

32. In reaching a conclusion, I shall, inter alia, also keep in mind: (i) the presence of related opposition no. 416168 and the similarities with opposition no. 416169, (ii) the apparent lack of prejudice to Amazon should the Form TM8 be admitted, (iii) the fact that one of the earlier rights being relied upon is itself still an application which is subject to opposition by a third party, and (iv) an identical application filed by the applicant at the European Union Intellectual Property Office ("EUIPO") is also being opposed by Amazon/Whole Foods.

33. Given the factual matrix I have described, I think it is reasonable for me to conclude that having filed the Form TM8 in opposition no. 416168 in a timely manner (i.e. by the deadline which applied to the filing of a defence in both oppositions) and as that defence dealt with all of the earlier rights relied upon in both oppositions, not only would Amazon's agents, GJE, have been aware that it was the applicant's intention to resist both oppositions, but they would also have been aware of the basis of the defence in both oppositions. While any error is, of course, regrettable, despite the error which occurred, it appears to me that Amazon is unlikely to have suffered any material prejudice as a result. Taking into account the various factors I have identified earlier and, in particular, the presence of related opposition no. 416168, together with what I regard as being the likely savings in both time and costs for all concerned (including the Tribunal), **has led me to conclude that the discretion provided under rule 18(2) should be exercised in the applicant's favour and, in so doing, the late filed Form TM8 should be admitted into the proceedings.**

Next steps

34. At the hearing, Mr Rohsler suggested that if I concluded the discretion should be exercised in the applicant's favour, opposition nos. 416168 and 169 should be

consolidated. That, I think, is a sensible suggestion. As I mentioned above, Whole Foods filed its evidence-in-chief in opposition no. 416168 on 30 September 2019.

35. If Amazon seeks leave to appeal this decision and if such leave is granted, the proceedings will be suspended.

36. However, if leave to appeal is not sought or, if sought, is refused, I direct that:

(i) the Form TM8 filed in opposition no. 416169 be admitted and served upon GJE;

(ii) opposition nos. 416168 and 416169 will be consolidated;

(iii) the evidence of Mr Percival will be admitted into the consolidated proceedings;

(iv) Amazon will be set a period of two months to consider filing evidence in the consolidated proceedings.

14 October 2019

C J BOWEN
For the Registrar