

O-663-18

TRADE MARKS ACT 1994

IN THE RELATED MATTERS OF

THE LATE FILING OF NOTICE OF DEFENCE FORMS AND COUNTERSTATEMENTS

IN RELATION TO:

- (1) APPLICATION No. CA501965 BY GOYA GMBH (FORMERLY FUTURE GMBH)
TO REVOKE FOR NON-USE UK TM REGISTRATION NO. 2278362 IN THE NAME OF
GOYA FOODS INC
AND**
- (2) APPLICATION NO. CA502001 BY GOYA FOODS INC TO DECLARE INVALID
UK TM REGISTRATION NO. 3229979 IN THE NAME OF GOYA GMBH
AND**
- (3) APPLICATION NO. CA502003 BY GOYA FOODS INC TO DECLARE INVALID
UK TM REGISTRATION NO. 3229977 IN THE NAME OF GOYA GMBH**

Background and summary

1. This decision records the outcome and an overview of the short joint hearing that took place before me on 11 October 2018 by telephone conference. The parties in the proceedings set out on the cover page of this decision are Goya Foods, Inc (herein “INC”) and Goya GmbH¹ (herein “GMBH”). At the hearing INC was represented by Mr Julius Stobbs of Stobbs IP; Mr Sam Carter (of counsel) represented GMBH (Lindsey Wrenn of James Love Legal also attended). Both sides filed skeleton arguments in advance of the hearing.
2. The hearing concerned issues arising from the failure by both parties to file notices of defence² (and counterstatements) by the deadlines stipulated in official correspondence from the Office. (As explained below, the parties had, instead, notified the Office of their wish for an additional period in which to negotiate a resolution between themselves.)
3. Official correspondence had explained to the parties that the Trade Mark Rules³ provide to the effect that where an appropriate form is not filed in defence of the cancellations by the relevant deadlines then, unless the registrar directs otherwise, the registrations attacked shall be revoked or declared invalid (as the case may be). The relevant forms were subsequently filed, along with witness statements on each side setting out why the forms were filed late, based in large part on a belief that the deadline had effectively been met by the parties’ request to stay the proceedings. The witness for INC stated that, in a telephone call he made to the Office ahead of the Form TM8(N) deadline, the Office had confirmed that the deadline had been met by the parties’ joint request for a suspension. Nonetheless, the Office responded by official letter stating its preliminary view that the reasons given were not sufficient to permit the registrar to exercise the limited discretion to extend the deadline prescribed in the Rules for filing the defences. The parties requested this hearing to challenge that preliminary view.
4. The hearing was atypical in that both parties actively sought precisely the same outcomes – namely, late admission of various late filed defences/counterstatements, to be followed

1 (Formerly, when proceedings started, Future GmbH.)

2 In the case of the application for revocation, the relevant defence notice is Form TM8(N); in the case of applications to declare invalid, the relevant defence notice is Form TM8.

3 Trade Marks Rules 2008, Rules 38(6) and 41(6)

by consolidation and a stay of the related proceedings. In the circumstances – with multiple inter-related proceedings, both sides now having professional representation, all cognisant of relevant leading case law (their skeleton arguments framed accordingly) and there being no points of dispute between the parties – the form and content of this decision diverges a little from the majority of such decisions on late filed defences; it does not set out in the usual detail of the chronology of events, but it does record and then explain the justification for the outcome(s), along with a few important points made at the hearing in line with the applicable law.

Outcome

5. At the hearing I agreed:

- (i) to set aside the preliminary view and to admit the parties' late filed forms (for the reasons I set out later in this decision).

Subject to formal service by the caseworker of those respective TM8(N)/TM8s, the proceedings in the three cancellation cases **CA501965**, **CA502001** and **CA502003** will become **joined**, and at the hearing it was also agreed:

- (ii) both to consolidate and to stay⁴ those three related cancellation actions.

6. *Consolidation:* The parties refer in their papers filed to a related UK trade mark **opposition No: 410597**, which I note involves the same parties and relies (in part) on the same mark of which revocation is sought under CA501965. In that opposition (410597) a Form was duly filed, but almost simultaneously with a Form TM9c, requesting a cooling off period. The Form TM8 has not yet been served, and since there has further been filed a Form TM9e, the opposition is currently in a cooling off period until 30 April 2019, but it is noted that that opposition too may, in due course, become apt for consolidation with the cancellations.

7. *Stay of proceedings:* The three related cancellation actions (**CA501965**, **CA502001** and **CA502003**) will be stayed for a period of three months – that is until **11 January 2019** - to

⁴ Using the general powers conferred under rule 62(1)(g) and rule 62(1)(f).

allow continuation of discussions between the parties towards a negotiated agreement. If by 11 January 2019 the parties have not contacted the registry, it will proceed to specify the relevant periods for filing evidence rounds (under rule 38(4) and rule 42).

Applicable law on admission of the late filed defences

The Trade Marks Rules

8. **Rule 38** concerns applications for revocation on the grounds of non-use (Form TM26(N)) and the filing of counter-statement Form TM8(N).

Rule 38(3) states:

The proprietor shall, within two months of the date on which he was sent a copy of Form TM26(N) by the registrar, file a Form TM8(N), which shall include a counter-statement.

And **rule 38(6)** states (emphasis added):

Where the proprietor fails to file a Form TM8(N) within the period specified in paragraph (3) the registration of the mark shall, unless the registrar directs otherwise, be revoked.

9. **Rule 41** concerns the filing of applications for invalidation (Form TM26(I)) and counter-statement (Form TM8). **Rule 41(6)** provides (emphasis added):

“The proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.”

10. **Rule 77** governs the extension of time-limits under the Rules.

Rule 77(5) 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.”

11. Rule 38(3) and 41(6) are included in Schedule 1 to the Rules.
12. There are therefore two bases on which an extension of time for filing a TM8/TM8(N) may be granted:
 - (1) Under rule 77(5); and/or
 - (2) Under the general discretion provided by the words “*unless the registrar otherwise directs*” in rule 38(6) or by the words “*unless the registrar otherwise directs*” in rule 41(6)
13. The leading cases⁵ on extension of time for filing a TM8 are *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’*). Sitting as the Appointed Person in *Kickz* Mr Geoffrey Hobbs QC held that the discretion conferred by rule 18(2) can be exercised only if there are “*extenuating circumstances*”. And sitting as the Appointed Person in *Mercury* Ms Amanda Michaels QC held that there must be “*compelling reasons*” to justify the Registrar exercising that discretion. In considering relevant factors, Ms Michaels 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 for cancellation proceedings⁶ are as follows:

⁵ Both these decisions are in the context of opposition proceedings, but are also applicable in cancellation proceedings.

⁶ The term here covering both applications for declarations of invalidity and applications to revoke for non-use.

- i. The circumstances relating to the missing of the deadline, including reasons why it was missed and the extent to which it was missed;
- ii. The nature of the cancellation applicant's allegations in its statement of grounds;
- iii. The consequences of treating the proprietor as opposing or not opposing the cancellation application;
- iv. Any prejudice caused to the cancellation applicant by the delay;
- v. Any other relevant considerations, such as the existence of related proceedings between the same parties.

The alleged irregularity

14. There is no dispute from the parties that the written communications from Office made clear the deadlines for filing the defence forms, and the consequences of not doing so. Before the expiry of the deadline for the defence forms, the parties twice contacted the Office to signal their wish for time in which to pursue a negotiated settlement between themselves. This intention was indicated first by the filing by GMBH (at that point without legal representation) of a Form TM9c "Request for a cooling off period" (by mutual agreement of the parties). The Office replied to receipt of that form stating that it was "*not appropriate for cancellation matters and therefore invalid*" and that the previously notified deadline date for filing the Form TM8 and counterstatement still applied⁷.
15. A few days later (and still within the relevant deadlines) the parties filed a joint request from to the Office to suspend the three proceedings (CA502001, CA502003, and CA501965). This step seems to have been based on a misapprehension of previous correspondence – or at least on an erroneous belief that it is procedurally possible to instigate a hiatus in cancellation actions at a point in time before due filing of a Form TM8/TM8(N). Having stated in its letter that the Form TM9c 'was not appropriate and invalid', the Office had meant to communicate that whereas opposition proceedings

⁷ Correspondence from the Office in connection with the related opposition (410597) would have (properly) included reference to a Form TM9c as an alternative to a Form TM8.

provide for a cooling off period, there is no equivalent facility for cancellation proceedings and the only available step to the parties was the filing of the defence form.

16. Receiving no correspondence from the Office following the submission of the suspension request, INC's representatives took the active step of telephoning the Office (ahead of INC's TM8(N) deadline) to confirm that the documents had been safely received and that the parties had effectively met their deadlines. INC states that in that telephone call it was told that the suspension request did indeed satisfy the filing deadline requirement. That (incorrect) information was at odds with the (correct) position set out in an official letter subsequently sent by the Office (by then after the expiry of the TM8/(N) deadlines). One of the issues raised by INC in relation to the present hearing was therefore that that reported misinformation in the telephone call amounted to an irregularity attributable to the Office within the provisions of rule 77(5)(a), giving grounds for extending a time limit covered by Schedule 1 to the Rules.

17. I am loth to accept that contention. The parties now understand that it was not open to them to seek suspension of the cancellation proceedings at the stage they did⁸. The official written correspondence had expressed no such option and had repeatedly stated the deadline for filing of the defence notice form (and had communicated the consequence of not meeting the deadline). There is no record on the registry's electronic case file of that call, nor any contemporaneous email record of what was reportedly said. While I do not disbelieve INC's account of the call and its reliance on it, it would clearly be undesirable to proceed on the basis that the accurate written stipulations set out in official correspondence may be displaced by a reported – but, at least as between the Office and the parties, unrecorded and unconfirmed – telephone call. In the circumstances, my decision on whether to admit the late filed forms is made not on the basis of the claimed irregularity, but on the basis of the discretion inherent in the words "*unless the registrar otherwise directs/directs otherwise*" in Rules 38(6) and 41(6) and of my assessment of the factors in *Music Choice*.

⁸ The general powers, such as the power to stay proceedings under rule 62(1)(f), are expressed to be subject to the proviso "except where the Act or these Rules otherwise provide". Rule 62(1)(f) is interstitial: it cannot be used to thwart the intended effect of other provisions of the Act and the Rules. It therefore cannot be used to provide the Applicant with relief or dispensation from the unequivocally expressed provisions of 38(3) and 41(6). See, by analogy, paragraph 14 of the decision by Geoffrey Hobbs QC in *Leathermaster* (O-084004) citing *E's Application* [1983] RPC 231 (HL).

18. The united voice and agreed wishes of the parties are not enough to allow in defences that have been filed late. The Rules are stringent in this area. My decision given above to allow the exercise of the discretion to admit the late filed forms took account of all of the *Music Choice* factors. The assessment is multifactorial and in the present circumstances I noted as particularly influential the following considerations:
19. **The extent of related proceedings:** The parties have shown that they are in dispute in relation to as many as ten separate UK, EU and International trade mark registrations. The cancellation applications considered herein are particularly intertwined in that INC relies on its UK registration 2278362 in support of its cancellation applications (CA502001 and CA502003), yet the mark under registration 2278362 is itself the subject of the revocation application by GMBH. The parties had been and continue to be engaged in negotiations to resolve these multiple related proceedings, and determination on a procedural basis of the cancellation applications of INC and/or GMBH would likely prejudice those negotiations, particularly in circumstances where, as set out above, the applications are so closely intertwined.
20. **Multiplicity of proceedings:** Non-admission of the Forms TM8/(N) and counterstatements would lead to a multiplicity of proceedings in the event that the parties withdraw their respective actions and refile them, such that their rights would be maintained and the parties file the same documents in the same order as already filed, with the exception of filing the suspension requests after the TM8(N)s and Counterstatements. This would result in significant additional time and cost for the parties and the Office. The end result of the potential multiplicity of proceedings, would then be that the subject cancellation proceedings would then be in suspension, mirroring the position in the other multiple, EU-wide proceedings in which INC and GMBH are involved, which are in cooling-off or suspension.
21. **Lack of prejudice:** Similarly, since the parties had accepted the existence of the proceedings at all material times and remain in ongoing discussions in respect of possible settlement of a multiplicity of UK and EU opposition and cancellation proceedings, there is no prejudice to any party by the admission of the late forms and counterstatements.

22. I also note that GMBH was at the material times an unrepresented litigant in person and, being a German, would likely have been unfamiliar with the UK trade mark proceedings. Nonetheless, the fact that a party is not professionally represented is not in general and of itself a reason for the disapplication of rules, in particular where deadlines are clearly communicated by the Office, although it may factor at the margins⁹. I note that INC, effectively taking a step on behalf of both parties, was legally represented when it requested suspension, although I note too, that despite the apparent procedural error of the request, the representatives of INC did seemingly at least take the active step of checking on the suspension request and states that it was misled by the assurance it reportedly received from the person responding over the telephone from the Office. This element of diligence is not determinative, but nor is it irrelevant¹⁰. I also note that once the position had been clarified to the parties, they subsequently filed their defence forms and counterstatements within the period then stipulated by the Office.

COSTS

23. Neither party sought costs. In the circumstances **there will be no costs award** from this joint hearing to be factored into any substantive decision by the tribunal in the event that the proceedings progress to decision stage.

Dated this 18th day of October 2018

Matthew Williams
For the Registrar

⁹ See paragraph 18 of the decision by Geoffrey Hobbs QC in BOSCO (O-399-15)

¹⁰ See *Appeal to the Decision of C3, Inc. and Solutions Créatives De Collaboration De Composantes C3 Inc* (O-394-18) at paragraph 16, quoting the comments of the Hearing Officer at paragraph 24 of the original decision.