

TRADE MARKS ACT 1994

IN THE MATTER OF AN INTERLOCUTORY HEARING  
IN RELATION TO A REQUEST BY RIDE SNOWBOARD COMPANY  
FOR AN EXTENSION OF TIME WITHIN WHICH TO FILE  
EVIDENCE IN OPPOSITION PROCEEDINGS (m 46366)  
IN RELATION TO APPLICATION m 2069509  
IN THE NAME OF EARTH AND OCEAN SPORTS INC

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IN THE MATTER OF an Interlocutory Hearing  
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5 evidence in opposition proceedings (m 46366)  
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in the name of Earth and Ocean Sports Inc

At an interlocutory hearing on 5 March 1998, I allowed the opponent's request for an extension of time in which to file evidence under rule 13(3) of the Trade Marks Rules 1994.

10 The applicant had objected to the extension, and has subsequently requested a statement of the reasons for my decision, as provided by rule 56(2) of the Trade Marks Rules 1994.

*Background*

Earth and Ocean Sports Inc applied on 23 April 1996 to register the mark LIQUID FORCE in class 25 in respect of:-

15 "Clothing, namely, t-shirts, sweatpants, sweatshirts, jackets, trousers, pants, hats and gloves."

The application was given the number 2069509, and was published for opposition purposes on 6 November 1996. Notice of opposition was subsequently filed by Ride Snowboard Company on 5 February 1997. The applicant filed a counterstatement on 12 May 1997 and  
20 the Registry set a due date of 15 August 1997 for the opponent to file evidence under rule 13(3).

On 13 August 1997, the opponent filed a request (copied to the applicant) for a three month extension under the provisions of Rule 62(1). The reasons given were as follows:-

25 "We are in the process of completing the Evidence-in-Chief in support of the opposition with our US Associates and the Applicant and further time is required for clarification of a number of points and for arranging for execution of the Affidavit."

This first request was unopposed, and an extension until 15 November 1997 was granted. On 14 November 1997, the Registry received another request from the opponent for a  
30 further three month extension. This time, the reasons were given in a separate letter. (The letter was received with the official Form TM9 requesting the extension, although the letter is incorrectly dated 13 March 1997.) The relevant part of this letter reads as follows:

35 "... there are active negotiations taking place between the parties and in fact we understand from our US instructing principles that the presidents of Earth & Ocean Sports, Inc and Ride Snowboard Company are meeting

today in the USA with a view to settling a worldwide agreement. Naturally we should know the outcome of these negotiations shortly.

5 In the meantime we have been continuing in the preparation of the Evidence in Chief but matters have been delayed primarily due to the fact that the International Distribution Manager at our client company has been away abroad for the last month and has therefore not been able to provide final instructions on both his evidence as well as that being provided by their UK distributors.

10 We are accordingly enclosing herewith a request for a further three month extension of time and would be grateful if this could be granted especially as we are hopeful that an agreement will shortly be reached between the parties.

15 We confirm that we have sent a copy of this request and letter to the agents for the Applicants and understand from our US instructing principles that the US attorneys for Earth & Ocean Sports, Inc have indicated that they would be prepared to agree to this extension of time request.”

20 The applicant objected to this request for a second extension of time, saying in a letter from their agents that the opponent had had more than nine months in which to prepare evidence and they could see no reason for allowing a further extension. It was not, according to the applicant, a valid excuse to state that the International Distribution Manager was away for a month, as presumably he was not away for the preceding eight months. More significantly, the applicant denies that its US attorneys have agreed to the granting of the extension. In the same letter, the applicant denies any knowledge of negotiations between the parties with regard to settling the dispute — a fact to which the president of the applicant company (Mr Jon Anthony Glydon) has given evidence in a statutory declaration sworn on 25 28 February 1998. A photocopy of this declaration was shown to me at the hearing; the original was subsequently received in the Registry on 12 March 1998.

30 By letter dated 4 December 1997, the agents acting for the opponent requested a hearing under rule 48(1) to determine the extension request.

As far as the Registry is aware, there were no further developments or exchanges between the parties until the matter came before me at an interlocutory hearing on 5 March 1998.

#### *Decision*

35 At the hearing, the opponent was represented by Ms Sarah Lait of Barker, Brettell & Duncan. The applicant was represented by Dr Michael Spencer of Bromhead & Co.

At the outset of the hearing, Ms Lait produced copies of the opponent’s evidence in support of the opposition. One copy was handed to Dr Spencer. Ms Lait confirmed that the opponent’s evidence under rule 13(3) was now complete.

Ms Lait's case for the extension of time was essentially based on the fact that the parties were engaged in similar disputes in a number of territories, and that there had been negotiations between the parties on an international scale with a view to resolving the conflict. Ms Lait confirmed to me at the hearing that she had been pushing her client throughout the nine months to get the evidence completed.

Dr Spencer argued that the opponent had failed to provide detailed or compelling reasons to justify the granting of an extension. He submitted that the reasons given by the opponent were all very similar to examples which the Registry has described, in official notices and in the Work Manual, as being inadequate.

For example, the following extract is taken from a notice published on page vii of Trade Marks Journal 6046 on 12 October 1994:-

'Requests for extensions should be made on Form TM9 which is available from Law Section and from the clerk of stationery. Any requests must be copied to every person who is a party to the proceedings in question.

In order to determine the validity of all such requests, the Registrar must be presented with detailed and compelling reasons. Reasons such as "awaiting instructions" or "delays have occurred through holidays or illness" are not considered compelling and may be challenged.'

A further notice, published on page x of Journal 6149 and dealing more specifically with extensions of time requests during the examination process, adds that the reason "Clients are considering their next action" is also **not** considered acceptable for granting such requests. This latter notice continues:-

'It should also be noted that where an applicant has been given six months to respond to the examination report, the extension will not be granted if the reasons given are eg:

Because clients are abroad further time is required.'

Chapter 15 of the Trade Marks Registry Work Manual provides (at page 89) further examples of 'reasons' that should not generally be considered acceptable. The passage in the Work Manual concludes:

'Although the period for filing evidence can be extended, the total time allowed (including the period allowed by the Rules) should not usually exceed six months. Any request for an extension beyond this period must be referred to the appropriate Law Section Manager.'

In drawing my attention to this, and the foregoing passages, Dr Spencer contended that the opponent had known since launching the opposition that evidence would be needed in support of the grounds pleaded in the notice of opposition. Taking this earlier period into account therefore, the opponent had already had nine months in which to prepare evidence before the beginning of the extension now sought.

This appears to have become quite a common argument in hearings to determine requests for extensions of time, but it did not succeed on this occasion. Although in practice, an

opponent may be in a position to begin preparing evidence for an eventual hearing when the notice of opposition is filed, there is no statutory requirement or other obligation upon them so to do. Indeed, until the applicant joins the proceedings by filing a counter-statement, the opponent cannot be certain that evidence will be required, and will not know which particular grounds of opposition are being contested and need to be supported in evidence. In the circumstances therefore, it would have been unreasonable for me to take that period (ie before the counter-statement was filed) into account when determining the merit of this request for an extension of time.

My decision was also influenced to some extent by the fact that the opponent's evidence had been completed. In the *Swiss Army Watches* case<sup>1</sup>, Mr Justice Jacob quoted a paragraph from the Registrar's decision (see lines 21-30 of page 509) which he described as "an impeccable statement of the position". The paragraph in question begins with the words:-

"As I indicated at the hearing the Registrar is always reluctant to refuse an extension of time in a case where evidence has been filed ..."

This is consistent with the Registrar's view that, in cases such as this where it is clear that there is an issue to be resolved and that both parties intend to defend their respective positions, it is preferable to allow the proceedings to continue to a main hearing where the issue at the heart of the action can be decided with the benefit of evidence. This is particularly the case where the alternative would be to terminate the proceedings, perhaps as a result of a failure to comply with a procedural requirement, only to find that another action is commenced between the same parties covering essentially the same issue. (Ms Lait had previously indicated to me at the hearing that if these opposition proceedings were deemed abandoned as a result of failure to file evidence in time, her client would immediately initiate invalidation proceedings against the mark on exactly the same grounds as had been pleaded in opposition.)

This does not negate the rule of law. Where, for example, abandonment is a mandatory consequence of the actions or inactions of a party to proceedings, then clearly those proceedings must be deemed abandoned in accordance with the law. But where the Registrar is called upon to make a subjective decision in the matter of a request for an extension of time, he is likely to be influenced to some degree by a desire to resolve the fundamental issue. In some circumstances this may mean allowing time for the parties to negotiate a settlement themselves, and in other circumstances, as here, it may mean allowing an extension of time to enable a party to file evidence so that a substantive decision can be made.

It is also important to remember that the opponents in the *Swiss Army Watches* case were refused an extension of time because of the lack of action on their part during the original, statutory period for filing evidence. The statutory declarations which Ms Lait presented at the hearing were by no means extensive, and it was difficult to see why it had taken so long

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<sup>1</sup>R v Registrar of Trade Marks *ex parte* S.A.W. Company S.A. [1996] RPC 507.

to prepare the evidence. Nevertheless, she did assure me that matters had been moving forward throughout the evidence period. Her assurance in this regard, and the fact that the evidence was ready to be filed, persuaded me that an extension of time was justified on this occasion.

5 *Mr Glydon's Evidence*

At the hearing, Dr Spencer showed me a photocopy of a statutory declaration by Jon Anthony Glydon, president of Earth & Ocean Sports Inc. In it, Mr Glydon declares that his company did not conduct any settlement negotiations with the opponent in 1997 or any time before 1997. He adds that at no time prior to 1998 did the opponent ever approach  
10 his company with an offer to negotiate. I found this somewhat surprising because it was common ground that the parties were involved in disputes about this trade mark in a number of other countries. I was told that at least some of these other actions had been decided or settled, and it seemed unlikely to me that the parties had not made any attempt to settle the opposition in the United Kingdom through negotiation. I also bore in mind  
15 that Mr Glydon's evidence was not formally part of these proceedings, only a copy, and that it had been presented so late in the day that the opponent had not had an opportunity to challenge it either in evidence or in cross-examination. In these circumstances, I did not give much weight to Mr Glydon's declaration; not because I didn't believe his evidence, but because it only represented one side of the argument.

20 Finally, I observed at the hearing that the opponent had requested a three month extension to a period which expired on 15 November 1997. The period, if extended according to the request, would thus have expired on 15 February 1998, more than two weeks prior to the hearing. Therefore in accordance with rule 62(1), I thought it fit to extend the period for filing evidence under rule 13(3) until the day after the hearing. This would allow the  
25 opponent time to formally file the evidence which had been brought to the hearing.

**Dated this 11th day of May 1997**

**Mr S J Probert  
Principal Hearing Officer  
For the Registrar, the Comptroller-General**