

O-331-04

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING IN RELATION TO
APPLICATION NO 2326824 IN THE NAME OF
SOCKS DIRECT LIMITED**

AND

**OPPOSITIONS THERETO (NO 91898) BY
MATALAN PLC**

BACKGROUND

1. An Interlocutory Hearing took place before me on 2 August 2004 in relation to the opposition proceedings detailed on the first page of this decision. The Hearing was appointed to determine the opponent's request for an extension of time to file evidence under Rule 13(7) of the Trade Mark Rules 2000. On 19 July 2004 the applicant submitted a letter enclosing a Witness Statement by Mr Jaweed Mirza, dated 14 July 2004 together with exhibits JM1 and JM2. This was filed in relation to the Hearing and the points it made are set out in paragraph 7 of this decision. The applicant filed a further letter on 22 July 2004 stating that they would be attending the Hearing and enclosed a skeleton argument. On 29 July 2004 the opponent filed a letter enclosing their skeleton argument. At the Hearing I overturned the preliminary view of the Trade Marks Registry granting the extension of time sought and went on to consider the consequences thereof.

2. On 3 August 2004 I wrote to both parties to confirm my decision. A period of one month was allowed for either party to file a Form TM5 to request a full written statement of the grounds for the decision. The opponent subsequently filed a Form TM5 on 24 August 2004.

3. It is not necessary to detail the early history of these proceedings; any relevant information will be included later in the decision. It is sufficient to say that following the filing of the opposition and the applicant's defence, the opponent was set a three month period, (under Rule 13(7)) ending on 5 March 2004, to file evidence in support of their opposition. The opponent submitted a request for an extension of time until 5 June 2004, on the Form TM9, filed on 2 March 2004. The reasons for additional time given were:

“Our clients, Matalan PLC, recently purchased the EASY trade mark portfolio from the previous owners, Easey Garments (UK) Limited and it has taken some time for our clients to integrate all the information within their docket system. A lot of historical information relating to the use of the trade mark EASY by our clients' predecessors is still with the previous owners and this information is currently being integrated within our clients' records system. Therefore, our clients' evidence in connection with this opposition is taking longer to complete than would normally have been expected.

We therefore request an extension of time of 3 months within which to file evidence in these proceedings.”

4. The Trade Mark Registry's preliminary view was to allow the extension of time, this was communicated to the parties by letter on 8 March 2004.

5. On 4 June 2004 the opponent submitted a further extension of time request on Form TM9, requesting an additional period of 2 months. The reasons this time were:

“As advised in our previous request, Matalan PLC purchased the EASY trade mark from the previous owners. Our clients have integrated all the information within their systems but all the information that they require to support this application has not been readily handed over by the predecessor, Easey Garments (UK) Limited. Our clients have had to locate the previous directors of Easey Garments (UK) Limited and

this has taken some time due to other commitments that they had. They are now in discussions with the ex-directors of Easey Garments (UK) Limited to supply the information relating to the use of the EASY trade mark by our clients' predecessors. We anticipate that this information will be forthcoming and that our clients will be able to file their evidence in chief within the time period now requested.

Our clients purchased the trade mark portfolio and not their predecessor and are therefore reliant upon information being provided by their predecessor relating to the use of the mark prior to the acquisition of the mark by our clients. This use backdates over many years and therefore third party co-operation is needed for our clients to fully support the position.

In the circumstances, we would be grateful if a further time period of two months could be allowed to enable our clients to complete the evidence in chief.

We have from our clients details of use made of the mark following their acquisition of the trade mark.”

6. The Trade Marks Registry's preliminary view was again to allow the extension of time, this was communicated to the parties by letter on 10 June 2004.

7. On 23 June 2004 the applicant wrote to the Trade Marks Registry to object to the granting of the extension of time. Their objection was based on the fact that Mr Mirza of Socks Direct Limited had knowledge that as part of the transfer of the Easey Garments (UK) Limited trade mark portfolio to Matalan PLC, the Director of Easey Garments (UK) Limited, Mr Clive Houshon, would join the sourcing section of Matalan PLC. Therefore, there should not have been any difficulty in obtaining information from the Director as stated in the request for an extension of time. The applicant requested an Interlocutory Hearing in accordance with Rule 54(1) of the trade Marks Rules 2000. The matter was subsequently set down to be heard on 2 August 2004. The applicant, prior to the Hearing, filed a Witness Statement to confirm the facts outlined above that Mr Clive Houshon still had a close involvement with Matalan PLC and that he should be readily available to provide any necessary information that Matalan PLC required. Exhibited to the Witness Statement was a copy of the last annual return from Companies House in respect of Easey Garments (UK) Limited which showed that Mr Clive Houshon was both Company Secretary and Director. Mr Mirza confirmed in his Witness Statement that a meeting had taken place between himself and Mr Houshon in the offices of Matalan PLC in which Mr Houshon informed Mr Mirza that, as part of the deal between Matalan PLC and Easey Garments (UK) Limited, he would have a key role in Matalan PLC's sourcing section.

SUBMISSIONS AT THE HEARING

Opponent's submissions

10. The opponent's were represented at the Hearing by Mr Kelly of Barlin Associates and I had the benefit of skeleton arguments submitted before the Hearing. In essence, Mr Kelly submitted that whilst the applicant had alleged that there was a direct link between Mr Houshon and Matalan PLC, Mr Houshon was not in fact directly employed by Matalan PLC. That and the need for information from others not employed by the Matalan group meant that there were difficulties in obtaining the necessary information about use of the mark under the Easey Garments (UK) Limited portfolio.

11. Mr Kelly also pointed out that he had tried to get evidence of use from the Trade Marks Registry in relation to registration number 1125121 (a related EASY trade mark) but they had experienced difficulty in obtaining a full copy of the file (they were required to obtain consent from the proprietor as the trade mark had been assigned) and were currently pursuing matters with the Trade Marks Registry.

12. Mr Kelly submitted that this was an exceptional case as the opponent was not relying on someone within the company to provide the necessary information. They were seeking information from people once associated with the trade mark and that this made it more difficult to obtain evidence within the time periods set.

Applicant's submissions

13. Mr Kinsey of Wildbore & Gibbons attended the Hearing on behalf of the applicant. I had the benefit of a skeleton argument from him together with the Witness Statement from the applicant, Mr Jaweed Mirza already referred to. Mr Kinsey submitted that the opponent had been given until 5 June 2004 to act diligently and file their evidence; this had not been accomplished. The applicant had realised the difficulties faced by the opponent and had not objected to the opponent's first extension of time request which meant the applicant had already had a period of 6 months in which to gather evidence. Mr Kinsey submitted that, reflecting Mr Simon Thorley QC in *Siddiqui's Application* (BL 0/481/00), the opponent had not conformed in line within the timescales provided.

14. Mr Kinsey also stated that the applicant had visited and spoken on the telephone to Mr Houshon and there was no indication therefore that Mr Houshon was not available to obtain information pertinent to the opponent's case. Mr Kinsey further submitted that this was not an exceptional case, it was a normal case and that further delay would be detrimental to the opponents.

Opponent's submissions in reply

15. Mr Kelly submitted that the reason there had been problems in obtaining information from Mr Houshon was that there was some "ill-feeling" and Mr Houshon was not inclined to co-operate in support of these proceedings at present. Mr Kelly submitted that up to 5 August 2004 would have given the opponent 5 months to file evidence which was not an exceptional amount of time.

DECISION

Relevant legislation

16. The discretionary power to extend time periods is provided for in Rule 68 of the Trade Marks Rules 2000, the relevant parts of which read:

“68. - (1) The time or periods-

(a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or

(b) specified by the registrar for doing any act or taking any proceedings,

subject to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of a time or periods prescribed by these Rules-

(a) is sought in respect of a time or periods prescribed by rules 13, 18, 23, 25, 31, 32, 33 or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;

(b) is filed after the application has been published under rule 12 above the request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10(6) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rules 13(3) and 13(5) (time for filing counter-statement), rule 13(4) (cooling off period) save as provided for in that rule, rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(2) (time for filing counter-statement), rule 32(2) (time for filing counter-statement), rule 33(2) (time for filing counter-statement), and rule 47 (time for filing opposition).

(4) Subject to paragraph (5) below, a request for extension under paragraph (1) above shall be made before the time or period in question has expired.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is satisfied with the explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.”

Case law

17. Neither party specifically focused on any case law. However, when coming to my decision on the merits of the request I took into account the guidance provided by the Appointed Persons. In the decision of Mr Simon Thorley QC in *Siddiqui's Application* (BL 0/481/00) where he said:

“Accordingly, it must be incumbent on the applicant for the extension to show that the facts merit it. In a normal case this will require the applicant to show clearly what he has done, what he wants to do and why it is that he has not been able to do it. This does not mean that in an appropriate case where he fails to show that he has acted diligently but that special circumstances exist an extension cannot be granted.”

18. Whilst laying down the above criteria, Mr Thorley QC affirmed the line taken in *Liquid Force* [1999] RPC 429 where Mr Hobbs QC cited from and applied the decisions in *Finnegan v. Parkside Health Authority* (1998) IWLR 411 and *Mortgage Corporation Limited v. Sandoes* (1996) TLR 751 in reaching his conclusions that:

“the absence of good reason for failure to comply with a time limit was not always and in itself sufficient to justify refusal of an extension of time; the true position being that it is for the party in default to satisfy the court that despite his default, the discretion to extend time should nevertheless be exercised in his favour, for which he could rely on any relevant circumstances.”

19. Taking the case law in the round, I considered that I must first of all look to the criteria laid down in *Siddiqui's Application* and decide, based on it, whether the facts in this case warranted granting additional time. However, if the opponent failed on this, I was not prevented from granting the extension if I considered there to be any relevant circumstance that persuaded me that granting an extension would otherwise be justified. I therefore considered that I had a broad discretion to allow an extension if the facts before me warranted it.

Merits of the request

20. From the reasons given on the Form TM9, the skeleton arguments filed by both parties and the submissions made at the Hearing, I was not persuaded that it was clear what had been happening in the preparation of evidence by the opponent or what had been done to overcome the problems that the opponent outlined in obtaining evidence. Though the Trade Marks Registry had given a preliminary view to grant the request, the further information provided by the applicant and the submissions made by both parties at the Hearing before me provided some explanation of the history and circumstances of this request.

21. Information provided by Mr Kelly confirmed that the opponent had incurred problems in collecting relevant information in relation to the use of the mark and this had been compounded by the transfer of the Easey Garments (UK) Limited portfolio recently to Matalan PLC. However, it was not clear that the opponent had been diligent in trying to obtain the necessary information and no details were given as to what the opponent was trying to do to overcome this problem. In this respect it is important that the opponent was diligent in progressing matters as much as their representatives, this was affirmed in *Genius Trade Mark* – [1999] RPC 741 where the Hearing Officer stated that:

“The parties in proceedings do have a responsibility in relation to the progressing of the proceedings as much as their representatives.”

From the information provided by Mr Kelly I was unable to discern what had been done to overcome the problem of Mr Houshon’s “ill-feeling” or what steps they had taken to gather evidence in support of their opposition to the application. A period of five months had therefore passed with little to show what, if any, progress has been made in the preparation of evidence in support of the opposition.

22. I agree with Mr Kinsey in so far as this is not an exceptional case. Many inter partes cases before the Trade Marks Registry involve the assignment (or licensing) of the trade mark during the proceedings and whilst this can lead to some problems, and subsequent delay in gathering evidence, it is necessary for any party seeking an extension of time to show clearly what has happened in the time period already provided, what they want to do in the time

period requested and why they have not been able to complete in the time period already provided. Furthermore, where the request represents a request for a further period beyond that provided for under the rules, it is incumbent on the party to show what progress has been made since the last request.

23. Taking the request and submissions in totality, there is some explanation of what the opponent has done in the time period already provided; what they are trying to do within the time period now sought and why they have not been able to complete this in the time period already allocated. This is not on its own sufficient to warrant granting an extension of time. I must be satisfied that the reasons are also detailed, compelling and that there has been diligence in trying to meet the deadline set. In this case I am not satisfied that the problems encountered by the opponent could not have been overcome and progress made on the compiling of their evidence. No information has been provided to suggest that any evidence has been collected within the time allowed so far and to show that the opponent has been diligent in its attempts to provide the evidence in the time periods set. The extension of time, in all the circumstances, must in my view be refused.

Subsequent issues

24. In refusing the extension of time request and thus overturning the preliminary view of the Trade Marks Registry I had to consider the consequences thereof. The deadline for the opponent to file evidence in accordance with Rule 13(7) had passed and the opponent had not filed any evidence in these proceedings. Rule 13(8) states:

“If the person opposing the registration files no evidence under paragraph (7) above in support of his grounds of opposition, he shall, unless the registrar otherwise directs, be deemed to have withdrawn his opposition.”

It is clear that the Registrar has discretion to allow an opposition to continue, absent of any evidence. Before any direction under this rule can be made it is necessary that comments are sought from the parties to the proceedings. At the Hearing I sought the comments of both parties as to how I should proceed in light of my decision to refuse the extension of time.

25. Mr Kelly sought the exercise of the Registrar’s discretion to allow the proceedings to continue and in doing so to direct that they continue in the absence of any evidence from the opponent.

26. The guidance provided in the Trade Marks Registry’s Work Manual (Chapter 15) sets out the position outlined in the Special Notice published in the Trade Marks Journal 6102 on 22 November 1995, which states the following:

“If no evidence is filed, the opponent will be deemed to have withdrawn their opposition unless the registrar otherwise directs upon application by the opponent. Circumstances where the Registrar may direct otherwise are described in PDN 05 which says, in summary, that if an opposition is based at least in part on section 5(1) and/or 5(2) **and** the opponent says that he intends to rely on submissions at a hearing (or written submissions) then the registry may allow proceedings to continue, imposing conditions if she sees fit.”

In this case the grounds of opposition are based on Section 5(2)(b) and Section 5(4)(a) of the Trade marks Act 1994. In accordance with the published practice I was prepared to allow the proceedings to continue on the grounds based on Section 5(2)(b) only. It is clear that to

substantiate a ground of opposition under Section 5(4)(a) evidence is required. As no evidence has been filed in this case and in view of my decision above none can be, that ground can no longer be supported. I directed that the opposition would only be allowed to continue if the opponent provided an undertaking to either make oral submissions at a Hearing or file written submissions (if the proceedings culminate in a substantive decision) and if the opponent filed an amended Statement of Grounds removing the ground based on Section 5(4)(a).

27. A period of one month from the date of the official letter confirming the decision taken at the Hearing (letter dated 3 August 2004) was allowed for the opponent to provide this agreement and to provide an amended statement of grounds.

28. I confirmed with Mr Kinsey that the applicant would not be required to file an amended counterstatement as the original counterstatement merely denied all the allegations made in the opponent's Statement of Grounds.

29. I indicated that assuming the agreement was forthcoming, the Trade Marks Registry would set a period for the applicant to file any evidence under the provisions of Rule 13C(4)(b) of the Trade Marks Rules 2000 (as amended).

CONCLUSION

30. The request for an extension of time by the opponent is refused and therefore no evidence has been filed in accordance with Rule 13(7) of the Trade Marks Rules 2000. Following a request from the opponent and with no objection from the applicant, the case may proceed on the basis of a ground based on Section 5(2)(b) only, subject to the opponent's agreement to either file written submissions in lieu of a substantive hearing or make oral submissions at a Hearing and the opponent filing an amended Statement of Grounds. If these directions are complied with, a time period would be set for the applicant to file evidence in support of their case.

Costs

31. Neither party had sought an award of costs to be made therefore I did not make any award at this stage of the proceedings. At the conclusion of the proceedings should an award of costs be made, then this Interlocutory Hearing can be factored into any award given.

Dated this 3rd Day of November 2004

**Keven Bader
For the Registrar
The Comptroller-General**