

O/781/19

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 3340960 AND 3340926

IN THE NAME OF FIREXO LTD

FOR THE FOLLOWING MARKS:

FIREXO

AND



IN CLASSES 1 AND 9

AND

THE LATE FILING OF FORM TM8 AND COUNTERSTATEMENT

IN DEFENCE OF APPLICATIONS IN OPPOSITION

UNDER NOS. 415116 AND 415117

BY

WALTER KIDDE PORTABLE EQUIPMENT INC.

## Background

1. On 25 September 2018, Firexo Ltd (“the Applicant”) applied in the UK to register two trade marks numbered 3340960 and 3340926 (“the later marks”) as outlined on the front cover page in classes 1 and 9. The trade marks proceeded to publication on the 12 October 2018.

2. Walter Kidde Portable Equipment Inc (“the Opponent”) opposes the applications under section 5(2)(b) of the Trade Marks Act (“the Act”) relying upon its UK Trade Mark FIREX no.1504499 (“the earlier mark”) under opposition numbers 415116 and 415117. The earlier mark was filed on 24 June 1992 and registered on 27 June 1997.

3. In these proceedings the Opponent is represented by Dehns, whereas the Applicant is represented by HGF Limited.

4. Form TM7 was filed on 14 January 2019 and served on the Applicant on 22 January 2019. In accordance with Rules 18(1) and 18(3) of the Trade Marks Rules 2008 (“the Rules”) the Applicant was informed that it had 2 months from the date of the letter in which to file its TM8 and counterstatement. In the alternative if both parties agreed to enter into a cooling off period then a Form TM9C should be filed. The date for filing the Form TM8 or TM9C was initially given as the 22 March 2019. In addition, the consequences of failing to file a Form TM8 or TM9C was outlined. The relevant paragraphs of this letter are as follows:

“A copy of the form and accompanying statement of grounds has today been sent to the applicant for registration. In accordance with Rules 18(1) and 18(3) of the Trade Marks Rules 2008, the applicant now has **two months** in which to file a TM8 and counterstatement at the Trade Marks Registry.

If the parties wish to seek a negotiated settlement and avoid the cost of preparing and submitting evidence or submissions, a Form TM9C **must** be filed. Both parties **must** agree to enter into cooling off.

**The TM8 and counterstatement, or TM9C must be received on or before 22 March 2019.**

If no TM8, or TM9C is filed on or before the date given above, the application shall in accordance with rule 18(2) of the Trade Marks Rules 2008 be treated as abandoned in whole or part unless the registry otherwise directs.”

5. On 21 March 2019 form TM9C was filed by HGF Ltd, the Applicant’s legal representatives and the parties entered into a period of cooling off. On 22 March 2019 the parties were notified that in accordance with Rule 18(4) of the Rules the cooling off period would expire on 22 October 2019 whereby either a Form TM9E or a TM8 and counterstatement should be filed. The appropriate letter set out the consequences of failing to file either of these forms. The pertinent paragraphs are as follows:

“I refer to the TM9c dated **21 March 2019** indicating that the parties wish to enter into a cooling off period.

In accordance with Rule 18(4) of the Trade Marks Rules 2008, this period will expire on **22 October 2019**.

The Registrar, may on request, extend the cooling off period for a further nine months where such a request is filed on TM9e and with the agreement of both parties. Please note that the TM9e should be received on or before **22 October 2019**.

If no such request is made, the TM8 and counter-statement should be filed on or before **22 October 2019** or the application shall, unless the Registrar otherwise directs, be treated as abandoned in whole or part, in accordance with Rule 18(2) of the Trade Marks Rules 2008.”

If the opponent wishes at any time to terminate the cooling off period they should submit a TM9t. The applicant can terminate the cooling off period at any time by filing the TM8 and counterstatement.”

6. No Form TM8 or TM9E was received by the 22 October 2019 deadline. However, on 23 October 2019 HGF Ltd filed form TM8 and a counterstatement. The accompanying letter gave the following explanation:

We enclose Form TM8 and counter-statement for the above-mentioned opposition. We are conscious that it is filed some 17.5 hours past the deadline and ask the Registrar to exercise discretion to admit it. It was always the applicant's intention to submit the form by 22<sup>nd</sup> October 2019 in the absence of a further extension to the cooling off period. Discussions with the opponent remain on-going and are not yet concluded, and we had anticipated until quite late on 22<sup>nd</sup> October that that period may have been extended. Indeed, correspondence was exchanged with the opponent's representatives on this issue as recently as 14<sup>th</sup> October 2019. The opponent will not be adversely affected by the submission of the Form a fraction late. The oversight was on our part and we submit that the applicant should not be penalised. The remedy open to the applicant if this TM8 is not admitted is simply to re-file the trade mark application, which would put the parties to further cost and time wasted and would not resolve the substantive matter.

7. On the 1 November 2019 the registry wrote informing the Applicant that insufficient reasons had been given and that it was the registry's preliminary view not to use its discretion to allow the TM8 or counterstatement to be admitted into proceedings as it was received outside the prescribed non- extendable period. It went on to state:

“If you disagree with the preliminary view you must provide full written reasons and request a hearing on or before the 13 December 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.

The Registry's letter dated 22 March 2019 informed you that a TM8 and counterstatement or TM9e must be received on or before **22 October 2019**. In addition, the letter outlined the consequences, that the application may be deemed abandoned if either of these forms were not received within the time period specified. Although the form TM8 has now been filed, the discretion available to the Registrar when deciding whether to accept a late filed TM8, is narrow and there must be "extenuating circumstances" and "compelling reasons" sufficient to warrant the exercise of such discretion."

8. On 15 November 2019 HGF Ltd objected to the Registry's preliminary view and requested a hearing of the matter. A witness statement completed by Jonathan Thurgood, Trade Mark Attorney for HGF Limited, accompanied this request setting out an explanation as to why the original deadline for filing the TM8 had been missed. The reason given, centred on a number of issues pertinent to the ill-health, absence and personal issues of its paralegal staff and despite the deadline being entered onto the system it had been overlooked by the member of the formalities team whose responsibility it was to draw it to the attention of the attorney/fee earner. Mr Thurgood submitted that the circumstances were unusual and highly extenuating, justifying an admission of the defences. In addition, since the oversight was caused by the solicitors then the applicant should not be penalised.

### **The hearing**

9. A hearing took place before me by telephone conference on 17 December 2019. At the hearing the applicant was represented by Mr Jonathan Thurgood who had filed skeleton arguments in advance of the hearing. The Opponent was not represented at the hearing nor did they elect to file written submissions in lieu of attendance. The reasons for the request were outlined in Mr Thurgood's witness statement and skeleton arguments which although were marked as confidential were served on the Opponent and its legal representatives. I do not propose to summarise the contents of these documents but will refer to any relevant points as necessary.

## The Law

10. The filing of a Form TM8 and counterstatement in opposition proceedings is governed by Rule 18 of the Rules which provides as follows:

“(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.”<sup>1</sup>

11. 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 out the period in which the defence must be filed is a non-extensible period other than in the circumstances identified in Rule 77(5) which states:

“A time limit 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.”

12. In this instance there has been no irregularity in procedure by the registry, accordingly, I need not consider the provisions of Rule 77(5) further. It is clear that

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<sup>1</sup> Rules 18(4), (5) and (6) cover the intervening effect of a cooling -off period by the filing of a Form TM9C.

HGF Ltd, as the Applicant's legal representative, rely upon the registrar exercising its discretion under Rule 18(2) to allow the late filing of form TM8, which otherwise would be non-extendable.

13. In assessing whether to exercise discretion I must take account of the relevant leading authorities of the Appointed Persons in *Kickz AG v Wicked Vision Limited*<sup>2</sup> and *Mark James Holland v Mercury Wealth Management Limited*.<sup>3</sup> In short the registry must be satisfied that there are “*extenuating circumstances*” and “*compelling reasons*” which justify the exercise of its discretion in the applicant's favour. Ms Amanda Michaels QC as the Appointed Person referred to the criteria established in *Music Choice Ltd's Trade Mark [2006] R.P.C. 13* setting out the following relevant factors:

- 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 opponent's allegations in its statement of grounds;
- iii. The consequences of treating the applicant as opposing or not opposing the opposition;
- iv. Any prejudice caused to the opponent by the delay;
- v. Any other relevant considerations, such as the existence of related proceedings between the same parties.

14. At the hearing Mr Thurgood argued that the correct approach to be adopted was the one as outlined in the case of *Mercury* and this is in fact the approach I propose to take. I will refer to his written and oral submissions to the extent that I consider it necessary to my decision.

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<sup>2</sup> BL-O-035-11

<sup>3</sup> BL-O-050-12

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

15. The stipulated deadline date for filing form TM8 (following on from the cooling off period) was 22 October 2019; a Form TM8 was filed on 23 October 2019. The deadline was therefore missed by less than 24 hours. The explanation given which lead to the unintentional oversight was described by Mr Thurgood as “a perfect storm of a number of unrelated serious problems combining to result in personnel weakness/error at a particular moment”. In particular, despite a sophisticated IP management system in place, Mr Thurgood outlined the cause of the missed deadline falling with a newly appointed and inexperienced paralegal and his/her failure to follow the diarising procedure. Mr Thurgood outlined a number of serious unforeseen and very difficult issues that had arisen with its staff over the last six months to include illness, maternity leave, caring responsibilities and personal tragedy which had led to a “substantial disturbance and interruption to what is normally a smooth running operation”. This resulted in the “deadline on the system unfortunately not being spotted, reminded, actioned and checked”. This oversight only came to light on 23 October 2019 and was rectified immediately. Mr Thurgood argued that this single lapse in its normally organised and sophisticated system differed to the situation as outlined in the caselaw referred to. The office was normally run with care and attention being paid to deadlines and that this responsibility was taken seriously by the firm.

The nature of the opponent’s allegations in its statement of grounds

16. The Opponent claims that the parties’ marks are similar and that the contested goods are identical or similar to that which is relied upon by the Opponent such that there would be a likelihood of confusion. I note that the Opponent’s mark is subject to the proof of use provisions.



17. Whilst it is not for the present hearing to determine the merits of the case, for the purposes of the criteria under consideration it is sufficient to note that there is an arguable case to be determined and that in order for the Opponent to rely on its mark it is required to file evidence of use.

The consequences of treating the applicant as opposing or not opposing the opposition

18. If the Applicant is allowed to defend the opposition the proceedings will continue, the parties will be given the opportunity to file evidence and the matter will be determined on its merits. If, however, the Applicant is treated as not opposing the opposition then the application will be treated as abandoned in so far as those goods that are opposed namely those in class 9 and the application will proceed to registration for the unopposed goods in class 1. This is no more than the normal consequence of a failure to meet the deadline under the Rules.

19. At the hearing Mr Thurgood argued that the consequences of treating the application as abandoned would ultimately introduce a further delay and added costs to the parties. Since its goods in class 9 were critical to its application it would be forced to refile its application, the consequence of which would be the loss of its priority date, placing it in a weakened position and potentially allowing others to register identical or similar marks in the interim. In addition, if the Opponent chose to oppose the fresh application it would place the parties back in the position they would have been in as at 22 October 2019.

Any prejudice caused to the opponent by the delay

20. The Opponent did not seek to attend the hearing or make any submissions regarding any prejudice it would incur. Other than having to defend the matter I am unaware of any other prejudice.

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

21. In its skeleton argument Mr Thurgood states that there are related proceedings and that the opponent has filed an opposition against the Applicant's EU trade mark application, however, he submits that these current UK proceedings are independent and therefore that this point is neutral. I was informed by Mr Thurgood that these proceedings are taking their normal course and are not subject to cooling off. The Opponent has not opposed their application in the USA despite threatening to do so.

**Decision**

22. I begin by reminding myself that the applications in suit are the subject of two oppositions filed by the same Opponent necessitating in the filing of two TM7 forms. The Opponent relies on the same grounds under section 5(2)(b) and the same earlier right. The parties entered into a cooling off period and that according to the Applicant the parties were in continued correspondence regarding a further period of cooling off with the view of discussing a possible settlement. Mr Thurgood submits that as a result of a number of issues with its administrative staff the deadline was missed and that the Applicant should not be penalised.

23. I note that the deadline for filing form TM8 is non extendable and that guidance from caselaw indicates that even one day late could lead to a refusal to exercise the discretion. In many instances a claimed administrative error through lack of experience of the employee would be unlikely to warrant a finding of extenuating circumstances, as would a change of personnel within a firm as there would be an expectation that the responsibility would ultimately lie with the senior management team and in particular the lawyer having conduct of the case. However, I accept the facts as presented, described by Mr Thurgood as a "perfect storm" of unrelated serious problems giving rise to a failure in, what is ordinarily, "an excellent computer and diary

system and process management system". This allows me to distinguish this case from the facts in the *Kicks* decision where the Appointed Person found that the Applicant in that case was "the author of its own misfortune". The evidence and submissions presented by Mr Thurgood paint a picture of a robust case management system in place, that fell short on this occasion, due to a catalogue of staffing issues including both health and personal issues. This oversight does not appear to have arisen as a result of a general disorganised and lackadaisical approach by the legal representatives and I note that the error was corrected immediately when it came to light. The failure arose as a result of human error and not as a flagrant disregard for processes and time limits. I also note that the Opponent has not submitted any contrary arguments as to why the registry should not exercise its discretion.

24. I accept that if the discretion is not exercised in the Applicant's favour the opposition will succeed in part and it will lose its application/date of filing in relation to its goods in class 9 but will be partly registered for its class 1 goods. I further accept that this partial registration will result in a further application and potential opposition proceedings at some point in the future.

25. Taking account of the unique circumstances which led to the deadline being missed the legal representatives have admitted that the error was entirely theirs and that their client should not be prejudiced by this omission. Upon noticing the error the Applicant's representative sought to correct it by filing a counterstatement and TM8 less than 24 hours later. I also take note that in particular the parties were in correspondence throughout the proceedings and as such the Opponent would have been fully aware that the Applicant fully intended to resist the opposition. Whilst an error is regrettable it appears to me that there is no material prejudice to the Opponent as a result of the missed deadline which was corrected within 24 hours. Taking into account the factors I have identified, the unique circumstances outlined by the Applicant's legal representative's as to how the deadline was missed, together with the inevitable delay and added costs if the application was treated as abandoned and having regard to the factors as set out by the case law in *Kicks*, *Mercury* and *Music Choice*, I am of the view that I am able to exercise my discretion provided under Rule

18(2) in the Applicant's favour and in so doing allow the late filed form TM8 to be admitted into the proceedings.

26. The caseworker will notify the parties as to the formal service of the Form TM8 and the relevant next steps.

### **Costs**

27. No submissions regarding costs were raised by either party and therefore any issue regarding costs will be considered at the final determination of the case.

Dated this 19<sup>th</sup> day of December 2019

Leisa Davies

For the Registrar