O-290-20

TRADE MARKS ACT 1994

IN THE MATTER OF A JOINT HEARING HELD IN RELATION TO APPLICATION NO. 3420364 IN THE NAME OF YASIR MAKHMOUD

AND

OPPOSITION THERETO UNDER NO. 418506 BY NIXON & HOPE LIMITED (IN LIQUIDATION)

BACKGROUND

1. Application no. 3420364 is for the trade mark shown below:

It was applied for on 9 August 2019 in relation to goods in class 19, stands in the name of Yasir Makhmoud and was published for opposition purposes on 23 August 2019.

2. On 4 October 2019, Gateley Plc ("Gateley") filed a Form TM7A (Notice of threatened opposition) on behalf of Nixon & Hope Limited (in liquidation), the effect of which was to extend the opposition period until 23 November 2019. On 22 November 2019, Gateley filed a Form TM7 (Notice of opposition and statement of grounds). The opposition, which is directed against all of the goods in the application, is based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act"), relying upon a United Kingdom and European Union Trade Mark ("EUTM") registration i.e. UK no. 2293321 and EUTM no. 8699341 for the trade marks "FLOORS2GO" and "FLOORS 2 GO" in a range of classes including class 19.

3. On 26 November 2019, the tribunal served the Form TM7 on Mr Makhmoud. That letter contained the following:

> "If you wish to continue with your application, you need to file a notice of defence and counterstatement by completing Form TM8 - please note the important deadline below. You will find a blank Form TM8 on the IPO website, together with brief guidance on what happens after it is filed: https://www.gov.uk/government/publications/trade-mark-forms-and-fees/trademark-forms-and-fees
>
> Rule 18(1) and 18(3) of the Trade Marks Rules 2008 require that you must file your notice of defence and counterstatement (Form TM8) within **two months**

from the date of this letter. Alternatively, if both parties wish to negotiate to resolve the dispute, they may request a "cooling off period" by filing a Form TM9c, which will extend the 2 month period in which to file a Form TM8 by up to a further seven months. Form TM9c is also available on the IPO website (above). Please note both parties must agree to enter into cooling off.

IMPORTANT DEADLINE: **A completed Form TM8 (or else a Form TM9c) MUST be received on or before 27th January 2020.**

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>."

4. On 8 January 2020, the tribunal received a Form TM9C (Request for a cooling of period) completed by Mr Makhmoud. At the top of that Form there appears the following:

"**Use this form** <u>only</u> if both sides agree to a cooling-off period, otherwise we will <u>not grant</u> the request."

5. In box 5 of that Form there appears Mr Makhmoud's name and signature above which appears the following declaration:

"I confirm that the other party to these proceedings has agreed to this request for a cooling off period."

6. In an official letter dated 10 January 2020, the tribunal advised the parties that the cooling-off period had been granted and would expire on 26 August 2020. It further explained that if no request for an extension of the cooling off period was requested

(to be filed on Form TM9e), the Form TM8 should be filed on or before 26 August 2020.

7. On 29 January 2020, Gateley wrote to the tribunal stating:

> "We were surprised to see that your letter refers to "*the TM9c dated 29 December 2019 indicating that the parties wish* to *enter into* a *cooling* off *period".*
>
> The opponent has not agreed to any cooling-off period. It has not received any communications whatsoever from the applicant. We wrote to the applicant on 16 October 2019 and 1 November 2019 to attempt to discuss the matter. The applicant did not respond to either of our letters.
>
> Box 5 of the TM9c form required the applicant to declare and confirm that *"the other party* to *these proceedings has agreed to this request for* a *cooling off period".* However, the applicant made the relevant declaration without seeking (or obtaining) any agreement from the opponent.
>
> For the avoidance of doubt, the opponent does not agree to the cooling off period..."

8. On 31 January 2020, the tribunal wrote to the parties stating:

> "…The opponent has informed us in their letter dated 29th January 2020, that they had not been made aware of this cooling off period and had not agreed to this form being filed. Therefore, the Form TM9C shall not be accepted.
>
> The deadline for the Form TM9C or TM8 was the 27 January 2020, as this date has now passed, the registry is minded to deem the application as abandoned.
>
> As no TM8 and counterstatement has been filed within the time period set, Rule 18(2) applies. Rule 18(2) states that the application:

> "…….shall, unless the registrar otherwise directs, be treated as abandoned."
>
> The registry is minded to deem the application as abandoned as no defence has been filed within the prescribed period."

9. Mr Makhmoud was allowed until 14 February 2020 to request a hearing and to provide a witness statement explaining the circumstances which led to the missing of the deadline.

10. On 14 February 2020, Mr Makhmoud filed a Form TM8 accompanied by a covering letter and requested a hearing. Following a further request by the tribunal in a letter dated 25 February 2020, on 12 March 2020, Mr Makhmoud provided a witness statement dated 8 March 2020, in which he stated:

> "I, Yasir Makhmoud
> Of 100 Birmingham Road, Dudley, DY1 4RF
> The facts in this statement come from my personal knowledge
> And I am duly authorised to speak on my company's behalf in the prosecution of this application.
>
> The TM8 and counterstatement are being filed outside of the prescribed period as requested on the letter dated 31st January 2020 from the IP office, due to a letter received from the IP office dated 10th January 2020, which indicated a cooling off period had been entered into and that it would expire 26th August 2020."

11. As his witness statement simply sets out his response to the official letter of 31 January 2020, it is of no assistance. However, in the letter accompanying his Form TM8, Mr Makhmoud stated:

> "…I was of the view that both parties has agreed to the cooling off period as stated in the letter dated 10th January 2020 from the IP Office. Therefore the

TM8 was not filed on time and the mediation route was my preferred method as I would rather mediate with the opponents and come to an amicable agreement."

12. In addition, in his Form TM8, Mr Makhmoud states:

"1. I believe the Mark UK00002293321 Floors 2 Go has not been used for the last 5 years since the company entered into liquidation.

2. I believe the Mark EU008699341 Floors 2 Go has not been used in the last 5 years.

3. I have received communication from Gatelys' regarding the opposition, I have on several occasions tried to make contact with no avail.

4. I was initially contacted by Metis Partners in Apr 19, regarding the sale of Mark UK00002293321, In Aug 19 I put an offer forward to purchase the mark, the offer was acknowledged but there was no further communication from Metis, I therefore assumed they were no longer proceeding with the sale.

4. I have recently made contact with another member of Gatelys team on two separate occasions and await a response to no avail again.

5. I have also contacted the agents Metis Partners who were instructed to market the IP and await a response.

6."Floors 2 Go" has entered into administration 3 times with the last time being July 2014, I believe the mark has not been used since and the brand is severely tarnished. Therefore I believe there would be no confusion on the part of the public.

7. Visually the marks are of two completely different colours I therefore believe there would be no confusion on the part of the public. It would be perceived as a completely new business and completely separate business."

13. Having considered Mr Makhmoud's explanation of events, on 18 March 2020, the tribunal issued a preliminary view refusing his request.

The joint hearing

14. On 2 April 2020, the tribunal wrote to the parties again. The substance of that letter is as follows:

> "I refer to the joint hearing scheduled to take place by telephone conference at 10.30am on 7 April 2020.
>
> As mentioned in the official letter of 18 March 2020, the decisions of the Appointed Person in *Kickz AG v Wicked Vision Limited* (BL-O-035-11) and *Mark James Holland v Mercury Wealth Management Limited* (BL-O-050-12) are relevant. Links to these decisions are shown below…
>
> As the Hearing Officer will wish to refer to these decisions at the hearing, it would be helpful if, prior to the hearing, the parties could familiarise themselves with these decisions."

15. The joint hearing was originally scheduled to take place before me, by telephone conference, at 10.30am on 7 April 2020. However, on the morning of the hearing, the tribunal received an email from Mr Makhmoud (timed at 9.41) in which he stated:

> "Due to unforeseen circumstances around covid symptoms and hospital admission last night I apologies I will not be able to attend the hearing via telephone link.
>
> I request at this late stage that an alternative date which will allow recovery to my symptoms, I apologise at this stage again but I'm unable to use my voice calls."

16. Given the above and the disruption caused by the Covid pandemic, the hearing was rescheduled to take place, by telephone conference, at 10.30am on 5 May 2020. On 28 April, the tribunal sent an email to both parties, which read:

> "Dear Sirs,
> Could both parties please confirm if they are still able to attend the hearing scheduled for Tuesday 5 May 2020 at 10.30am."

17. In an email dated 28 April, Mr Makhmoud responded in the following terms:

> "Dear xxx
> Thank You for the email. Yes we will attend the Hearing on 5th
> Kind Regards
> Yasir Makhmoud
> E: xxx"

18. At the hearing, Mr Makhmoud was to represent himself and the opponent was to be represented by Mr John Buckby of Gateley. Mr Buckby filed a skeleton argument in advance of both the original hearing date and an updated skeleton argument in advance of the rescheduled hearing.

19. At the appointed time on 5 May I attempted to contact Mr Makhmoud on the mobile telephone number he had provided to the tribunal in his email of 2 April 2020. Although the telephone rang, I was directed to his O2 voice-mail. As repeated attempts elicited the same result, I left a voice message. I then attempted to contact him on the telephone number he had provided on his Form TM8. A gentlemen answered the telephone and, having checked, explained that Mr Makhmoud was not there. Finally, the Hearings Clerk sent an email to Mr Makhmoud. That email, timed at 10.41, advised that I was trying to contact him.

20. As none of these efforts were successful, having spoken to Mr Buckby, it was agreed the hearing would be rescheduled to take place the following day at the same time. Given the voice message I had left and the email sent by the Hearings Clerk, this ought, in my view, to have given Mr Makhmoud sufficient time to either confirm

he would attend the rescheduled hearing or explain why he could not. In an official letter sent to Mr Makhmoud (and copied to the opponent) on 5 May 2020, the tribunal stated:

> "Further to the letter dated 7 April sent to you rescheduling the case management conference booked for today **Tuesday 5 May 2020 at 10.30am.**
>
> At the appointed time today the Hearing Officer tried repeated attempts to call you on both numbers we had on record and left a message on the answer machine plus we also sent you an email and have had no response so far.
>
> The Case Management Conference has been rescheduled for **Wednesday 6 May at 10.30am.** The Conference will take place via the **Telephone Conference Link and will go ahead tomorrow;** you will be contacted by the Hearing Officer tomorrow at the relevant time.
>
> I would be grateful if you could contact the Registrar urgently to let us know that you will be attending. Please if possible contact us by 5pm today either by phone or email."

21. On the morning of, and well in advance of the rescheduled hearing, the Hearings Clerk attempted, without success, to contact Mr Makhmoud by both telephone and email. At 10.28am on the morning of the hearing and ending at 10.44am, I made repeated attempts to contact Mr Makhmoud's mobile telephone. Once again the telephone rang and I was directed to his voice mail. I then rang the telephone number provided on his Form TM8. A gentlemen (who later identified himself as Ryan) answered the telephone. He identified the business as "floors to go" and explained that Mr Makhmoud was "not in the office". He was unable to provide an alternative contact number for Mr Makhmoud.

22. Having been unable to contact Mr Makhmoud on either the mobile telephone number he had provided or on the alternative telephone number on his Form TM8, and as he had not responded to any of the voice or emails mentioned, the hearing went ahead in his absence.

Hearing discussion

23. Mr Buckby took me through the chronology of events focusing particularly on the letters of 16 October and 1 November 2019 sent by his firm to Mr Makhmoud to which no response was received. In this regard, I noted that at point 3 of his counterstatement Mr Makhmoud refers to receiving "communication from Gately's regarding the opposition". Although Mr Makhmoud adds that he "tried to make contact with no avail", Mr Buckby explained that the letters mentioned contained his name and contact details and he confirmed that at no point had he had any contact with Mr Makhmoud either prior to the filing of the Form TM9C or indeed at all.

24. Mr Buckby did, however, explain that on 4 February 2020, he received a telephone call from Ms Sahra Rizwan to discuss the matter. Ms Rizwan is, he explained, a director of a company called Floors 2 Go Ltd of which Mr Makhmoud was until recently also a director. Mr Buckby further explained that Ms Rizwan is the owner of trade mark application no. 3479215 which, I note, was filed on 3 April 2020 for an identical trade mark to that at issue in these proceedings and which seeks registration in classes 19, 27 and 35.

25. In short, Mr Buckby argued that as at no point had the opponent agreed to enter the cooling-off period, the declaration made by Mr Makhmoud on the Form TM9C on 29 December 2019 to the effect that the "other party to these proceedings has agreed to this request for a cooling off period" was false. As a consequence, he further argued that the preliminary view was correct and he urged me to confirm it.

DECISION

Statutory provisions

26. 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 is the period of two months beginning immediately after the notification date.

(4) This paragraph applies where—

(a) the applicant and the person opposing the registration agree to an extension of time for the filing of Form TM8;

(b) within the period of two months beginning immediately after the notification date, either party files Form TM9c requesting an extension of time for the filing of Form TM8; and

(c) during the period beginning on the date Form TM9c was filed and ending nine months after the notification date, no notice to continue on Form TM9t is filed by the person opposing the registration and no request for a further extension of time for the filing of Form TM8 is filed on Form TM9e,

and where this paragraph applies the relevant period is the period of nine months beginning immediately after the notification date.

(5)…

(6)…

(7),...”.

27. 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."

28. As there has been no default, omission or error on the part of the office, the only way Mr Makhmoud may be allowed to defend his trade mark application, is if I exercise the discretion provided to me by the use of the words "unless the registrar otherwise directs" in rule 18(2) in his favour.

Chronology of events

29. This appears to be as follows:

> April 2019 - Metis Partners contacted Mr Makhmoud regarding the sale of the UK trade mark being relied upon;
>
> August 2019 – Mr Makhmoud makes an offer to purchase the trade mark which is acknowledged. Mr Makhmoud hears nothing further;
>
> 9 August 2019 – Mr Makhmoud's application is filed;
>
> 23 August 2019 – Mr Makhmoud's application is published;
>
> 4 October 2019 – Form TM7A filed;

16 October 2019 – the opponent writes to Mr Makhmoud by registered post – delivery of the letter is refused;

1 November 2019 – the opponent writes to Mr Makhmoud again - the letter is served on Mr Makhmoud personally by a service agent; Mr Makhmoud does not respond;

22 November 2019 – Form TM7 filed;

26 November 2019 – Form TM7 served on Mr Makhmoud; Form TM8 or TM9C due by 27 January 2020;

8 January 2020 – Mr Makhmoud files Form TM9C;

4 February 2020 – Ms Rizwan contacts Gateley.

30. In his Form TM8, Mr Makhmoud indicates that he has:

"4…recently made contact with another member of Gatelys team on two separate occasions and await a response to no avail again.

5…contacted the agents Metis Partners who were instructed to market the IP and await a response."

How should the discretion be approached?

31. As foreshadowed in the official letters of 18 March and 2 April 2020, 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 Mr Makhmoud's favour.

32. 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.

33. However, before doing so, I note that many of the points upon which Mr Makhmoud relies appear in his Form TM8 and not in the form of a witness statement accompanied by a statement of truth. Had it been necessary, I would have directed Mr Makhmoud to provide such a statement. However, for reasons which will shortly become clear, it is not necessary for me 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;

34. The Form TM8 was due by 27 January 2020; it was received by the tribunal on 14 February 2020. It was not filed on time because Mr Makhmoud was under the mistaken impression the opponent had consented to enter cooling-off and, as a consequence, he elected to file a Form TM9C instead.

The nature of the opponent's allegations in its statement of grounds;

35. The opponent relies upon the likelihood of confusion under section 5(2)(b) of the Act. As both of the earlier trade marks being relied upon are, in principle, subject to the proof of use provisions, in its Notice of opposition, the opponent indicated that in the five year period prior to the date of the filing of Mr Makhmoud's application, both trade marks had been used on all the goods and services upon which it relies. In his counterstatement, Mr Makhmoud denies that is the case and he asks the opponent to make good on its claims.

The consequences of treating Mr Makhmoud as defending or not defending the opposition;

36. If Mr Makhmoud is allowed to defend his application, the proceedings will continue and, given his request in the Form TM8, it will be necessary for the opponent to demonstrate that it has used its trade marks within the relevant period. If he is not allowed to defend, the application will be treated as abandoned.

Any prejudice caused to the opponent by the delay;

37. Beyond the additional time and costs the opponent has had to spend in relation to the joint hearing and that it would have to expend if the proceedings continue, at the hearing, Mr Buckby did not identify any other specific prejudice the opponent was likely to suffer.

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

38. Other than the application mentioned above in the name of Ms Rizwan, Mr Buckby confirmed there were no other related proceedings between the parties.

Considerations

39. Despite his positive indication that he would attend the hearing and despite the tribunal's numerous attempts to contact him to allow him an opportunity to do so, it is regrettable that Mr Makhmoud failed to attend a hearing which was rescheduled at his request.

40. However, on the basis of the written evidence and Mr Buckby's oral submissions at the hearing, it appears that following the opponent's letters of 16 October and 1 November 2019, there had been no contact in any form between Mr Makhmoud and Gateley. The mere fact that the opponent had sent him the two letters mentioned in connection with the matter was, in my view, an insufficient basis for him to assume that they "had agreed" to enter the cooling-off period. It would have been a

straightforward matter for Mr Makhmoud to obtain either written or oral confirmation that the opponent agreed to such an approach. Had such an agreement not been forthcoming, Mr Makhmoud could have filed his Form TM8 and counterstatement ahead of the deadline set. Not to obtain such an agreement and to infer that such an agreement is in place without first obtaining a positive indication to that effect from the party not filing the Form TM9C is, in my view, very unwise.

41. In those circumstances, the declaration on the Form TM9C that Mr Makhmoud signed to the effect that the opponent had agreed to enter cooling-off was unfounded. It was that unfounded assumption that led to Mr Makhmoud missing the deadline to file a Form TM8 and counterstatement. As the error was entirely of Mr Makhmoud's making and completely avoidable, it does not constitute an extenuating circumstance and as such I decline to exercise the narrow discretion provided by rule 18(2) in his favour.

Outcome

42. Subject to any successful appeal, the application will be treated as abandoned.

Costs

43. As my decision terminates the proceedings, I must also consider the matter of costs. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016.

44. At the hearing, Mr Buckby drew my attention to the additional time and costs the opponent had incurred in relation to: (i) the rescheduling of the original hearing (at very short notice), (ii) its preparation for the rescheduled hearing (which included the filing of an amended skeleton argument), and (iii) the fact that that hearing had to be further rescheduled. Mr Buckby also pointed to the manner in which the applicant had conducted himself throughout the proceedings, including his approach to the joint hearing and not copying correspondence to the opponent.

45. Having applied the guidance in the TPN and keeping in mind Mr Buckby's submissions, many of which have considerable force, I award costs to the opponent on the following basis:

Preparing the Notice of Opposition:	£200
Official fee:	£100
Preparation for and attendance at the original and rescheduled hearings:	£600
Total:	**£900**

46. I order Yasir Makhmoud to pay to Nixon & Hope Limited (in liquidation) the sum of **£900**. This sum is to be paid within two months of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26th day of May 2020

C J BOWEN
For the Registrar