

1 THE PATENT OFFICE

2 Harmsworth House,
3 13/15 Bouverie Street,
4 London, EC4Y 8DP

5 Thursday, 17th January 2008

6 Before:

7 MR. RICHARD ARNOLD QC
(Sitting as the Appointed Person)

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9 In the Matter of THE TRADE MARKS ACT 1994

10 - and -

11 In the Matter of an Interlocutory Hearing held in relation to
12 Application No. 2395325 in the name of ROBERTO GIORDAN and

13 In the Matter of Application No. 82591 for a Declaration of
14 Invalidity by VIRGIN ENTERPRISES LIMITED

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16 Appeal from the decision of Mr. R. Colombo, acting on behalf
17 of the Registrar, dated 29th August 2007

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19 (Computer-aided Transcript of the Stenograph Notes of
20 Marten Walsh Cherer Ltd., 6th Floor,
21 12/14 New Fetter Lane, London EC4A 1AG.
22 Telephone No: 020-7936 6000. Fax No: 020-7427 0093)

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24 MR. M. EDENBOROUGH instructed by HARGREAVES ELSWORTH LTD appeared
25 on behalf of the Registered Proprietor.

MS. C. HUTCHINSON of GRANT SPENCER CAISLEY & PORTEOUS LLP appeared
on behalf of the Applicant.

24 D E C I S I O N

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1 MR. ARNOLD:

2 Introduction

3 1. This is an appeal by the registered proprietor of trade
4 mark No. 2395325 against a decision of Raoul Colombo dated
5 29th August 2007 (O-250-07) in which he set out the reasons
6 why he had granted the applicant for a declaration of
7 invalidity in these proceedings a one month extension of time
8 for filing its evidence-in-chief.

9 The facts

10 2. The trade mark was applied for on 25th May 2005 and
11 proceeded to registration on 9th December 2005. The trade
12 mark is VIRGIN SMILE. It stands in the name of Roberto Giordan
13 for goods in Class 10: Massage apparatus, vibrators, dental
14 apparatus and instruments; and in Class 21 for: Electric and
15 non-electric toothbrushes.

16 3. On 14th August 2006 Virgin Enterprises Limited applied
17 for a declaration of invalidity on grounds raised under
18 sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act
19 1994.

20 4. The statement of grounds annexed to the applicant's form
21 TM26(I) runs to 19 paragraphs and annexes two lengthy
22 schedules. Some flavour of the document, and therefore the
23 grounds relied upon, can be gathered from the first two
24 paragraphs, which read as follows: "Virgin Enterprises Limited
25 ('the Applicant') is the proprietor of the trade marks VIRGIN,

1 Virgin Signature and marks comprising VIRGIN throughout the
2 world. Virgin holds more than 1800 registrations of marks
3 comprising VIRGIN around the world extending to numerous
4 classes. The Applicant also holds a further 220 pending
5 applications to register marks comprising VIRGIN in the United
6 Kingdom and other countries throughout the world.

7 "The Applicant holds 31 United Kingdom trade mark
8 registrations of the mark VIRGIN word per se and 10 Community
9 trade mark registrations of the mark VIRGIN word per se. The
10 Applicant holds a further 131 registrations of marks
11 comprising VIRGIN or of the Virgin Signature in the United
12 Kingdom and 33 Community trade mark registrations of marks
13 comprising VIRGIN or of the Virgin Signature. The Applicant
14 holds 8 pending Community trade mark applications for marks
15 comprising VIRGIN and one further pending United Kingdom trade
16 mark application. The Applicant's marks are hereinafter
17 referred to as the Applicant's earlier trade marks except
18 where a specific mark is discussed."

19 5. In due course the registered proprietor filed a form TM8
20 and counterstatement, and the applicant was given a period of
21 six weeks expiring on 11th January 2007 for filing its
22 evidence-in-chief.

23 6. On 11th January 2007 the applicant requested an
24 extension of time of two months giving the following reasons
25 for that request: "The applicant has prepared a Witness

1 Statement of more than twenty five pages summarising the use
2 which has been made of the VIRGIN mark in relation to a wide
3 range of different goods and services since 1970. The Witness
4 Statement includes sales figures for the brand as a whole
5 worldwide. We have not yet managed to isolate the figures
6 relevant to the United Kingdom in particular. We have also
7 obtained global advertising expenditure but have not yet
8 isolated advertising expenditure for the United Kingdom.

9 "We have compiled evidence concerning the range of
10 products on which the mark has been used, public recognition
11 of the VIRGIN brand, details of the number of visitors to the
12 VIRGIN website in the United Kingdom, information concerning
13 use by licensees and affiliated companies, details of a survey
14 conducted in 2002 showing public recognition of the brand and
15 numerous exhibits showing use and information about use.
16 Although a great deal of information has been collected,
17 taking account of the Christmas period, the short six week
18 period set for evidence has been insufficient to complete the
19 compilation of evidence and a further two month period is
20 requested." That extension was granted, as I understand it,
21 without objection from the registered proprietor.

22 7. On 12th March 2007 the applicant requested a further
23 extension of time, this time of one month, giving the following
24 reasons for that request: "The Applicant requests a further
25 month to complete its submission of evidence in relation to the

1 subject invalidity application. The Applicant encloses an
2 unsigned version of a Witness Statement of Mark James which it
3 has prepared in support of its invalidity application. The
4 Applicant has also managed to prepare many of the 53 exhibits
5 to the attached document but there are some missing items
6 which we are still seeking to compile and a little more time
7 is required to conclude these exhibits." That extension of
8 time was again granted, as I understand it, without
9 objection from the registered proprietor.

10 8. On 11th April 2007, that is to say, the day on which the
11 second extension of time expired, the applicant requested a
12 third extension of time, again of one month, giving the
13 following reasons for the request: "We have received all of
14 the exhibits to the draft evidence but the last exhibits were
15 only received on 5 April 2007 and we have been unable to
16 complete the photocopying of the voluminous material in view
17 of the Easter break. We therefore request a further one month
18 period merely to conclude photocopying of the exhibits,
19 execution of the Witness Statement and copying of evidence
20 sets for the registered proprietor."

21 9. The registrar's preliminary view was that the third
22 extension should be granted, but on this occasion the
23 registered proprietor objected. That objection was maintained
24 at a hearing that took place on 28th June 2007.

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1 The hearing officer's decision

2 10. The hearing officer directed himself in accordance with
3 the decisions in *LIQUID FORCE Trade Mark* [1999] RPC 429 and
4 *Siddiqui's Application* [2001] ETMR 38. The substance of his
5 reasoning is contained in paragraphs 21 to 24 of his decision
6 which read as follows:

7 "21. In reaching my decision to confirm the Registry's
8 Preliminary View to allow the extension of time request, I
9 took account of the guidance provided by the Appointed
10 Persons. I was satisfied that GSCP had provided strong and
11 compelling reasons to support their request for more time to
12 be allowed. GSCP had shown what had been done, what needed to
13 be done and why it had not been done. I was prepared to
14 accept that GSCP had, once the registered proprietor had filed
15 his notice of defence and counter statement and had decided to
16 join the proceedings, acted diligently in identifying,
17 obtaining, collating and photocopying their evidence. This
18 involved identifying, from a very large number of their
19 client's earlier rights in a wide and diverse range of goods
20 and services, those earlier rights and their supporting
21 exhibits which would best provide support to their
22 application. The work of compiling all these documents and
23 exhibits into a number of complete sets for admittance into
24 the proceedings was, in part, delayed by the Easter holidays.
25 In view of these circumstances the request for an additional

1 period of one month within which to complete the photocopying
2 and submit the evidence was, in my judgment, neither excessive
3 nor unreasonable.

4 "22. My decision at the hearing was also influenced to
5 some extent by the fact that the work of compiling all the
6 evidence had been completed and that the evidence had, by the
7 time of the hearing, already been filed at the Registry. In
8 this type of situation, it is the Registrar's view that, in
9 proceedings, where there is an issue to be resolved and the
10 parties are intent on defending their position, that it is
11 always preferable to allow the proceedings to continue to a
12 main hearing where the Hearing Officer can then decide the
13 case with the benefit of all the evidence and arguments before
14 him. This must be preferable to the possible alternative of
15 the proceedings being terminated and then having another set
16 of proceedings started between the same parties, covering the
17 same issues and with the same evidence being filed into the
18 new proceedings.

19 "23. However, this is not to be taken as meaning that
20 the Registrar will always, when the evidence has been filed,
21 favour the party seeking the indulgence. Nevertheless, it
22 must surely be in the interest of all the parties to the
23 proceedings that the dispute is resolved expeditiously, fairly
24 and by saving expense wherever and whenever possible. This,
25 in general terms, accords with the observations of Laddie J.

1 in the appeal case *Hunt-Wesson Inc's Trade Mark Application*
2 (1996) RPC 233 at 241:

3 "An opposition may determine whether or not a new
4 statutory monopoly, affecting all traders in the country, is
5 to be created. Refusing permission to an opponent who files
6 evidence late affects not only him but also may penalise the
7 rest of the trade although the matter is not clear, it is
8 probable that if the evidence is excluded and the opponent, as
9 a result, loses then he will be able to return again in
10 separate proceedings to seek rectification of the register.
11 An advantage of allowing in the evidence is that it may
12 well avoid a multiplicity of proceedings.'

13 "24. At the Hearing and in the submissions made, both
14 parties expressed the wish to have these proceedings dealt
15 with as quickly and as fairly as possible. HE, on behalf of
16 the registered proprietor, informed me that his client, who
17 was present at the Hearing, was being caused severe commercial
18 difficulties due to the length of time being taken to resolve
19 these proceedings. In light of this, taking into account all
20 the circumstances of the case including the fact that the
21 evidence was now available and ready to be admitted into the
22 proceedings, and also GSCP's comments in respect of the very
23 real likelihood of fresh proceedings resulting as a
24 consequence of a decision to overturn the Preliminary View, I
25 decided to exercise the Registrar's discretion and allow the

1 applicant's request for an extension of time within which to
2 file their evidence. This would enable the proceedings to
3 move forward and allow the registered proprietor the
4 opportunity to submit his evidence to oppose the application
5 for invalidation."

6 Standard of review

7 11. This being an appeal against a decision on a case
8 management matter, the appropriate standard of review is that
9 the hearing officer's decision should not be interfered with
10 unless he erred in principle or failed to take into account
11 relevant factors or took into account irrelevant factors.

12 The appeal

13 12. The registered proprietor contends that the hearing
14 officer erred in law in four respects. In summary: first,
15 that he failed correctly to apply the principles set out in
16 *Siddiqui's Application*; secondly, that he failed to apply the
17 principle that an extension of time should only be granted
18 in an exceptional case; thirdly, that he erroneously
19 concluded that if he did not allow further time this
20 would necessarily lead to a multiplicity of proceedings
21 whereas the respondent contends that is not certain and, in
22 any event, further proceedings could be struck out as an abuse
23 of process; and, fourthly, that he failed to take into account
24 certain matters that he should have taken into account, in
25 particular, that he failed to seek adequate explanations from

1 the applicant of certain matters.

2 13. In his submissions, counsel for the registered
3 proprietor particularly focused on the first of these alleged
4 errors. He pointed out that it was held in *Siddiqui's*
5 *Application* that an application for an extension of time
6 requires the applicant for the extension to show clearly what
7 he has done, what he wants to do and why it is that he has not
8 been able to do it. Counsel submitted that, while the applicant
9 for a declaration of invalidity had addressed the first two of
10 these requirements, it had failed properly to address
11 the third requirement.

12 14. He pointed out that the applicant for a declaration
13 of invalidity was able to commence its proceedings
14 at a date of its own choosing; that the applicant for a
15 declaration of invalidity would have known that a counter-
16 statement might be filed which admitted none of the matters
17 relied upon in support of the application and that, therefore,
18 it might be required to prove them all; that the applicant
19 for a declaration of invalidity knew or should have known that
20 it could not presume that it would be granted an extension of
21 time; and, in particular, he emphasised that the nature of the
22 evidence filed by the applicant (as shown by the draft
23 statement of Mr. James that had, by the date of the third
24 application for an extension, been filed) was largely
25 historical and was of such a nature that, not only could it be

1 anticipated and prepared in advance, but it was very likely to
2 have been prepared for use in other litigation. Moreover, he
3 submitted that the nature of that evidence was such
4 that, in substance, all that was likely to be required
5 was that it should be updated. He also submitted that,
6 so far as exhibits were concerned, they could have been
7 prepared and copied exhibit by exhibit as time went along.

8 15. So far as that submission is concerned, I do not accept
9 that the hearing officer erred in law or in principle. On the
10 contrary, he expressly directed himself in accordance with
11 *Siddiqui's Application* and, in paragraph 21 of his decision,
12 he did consider all three of the requirements that were
13 established in that case. Counsel's submission, in my judgment,
14 amounts to an argument that the hearing officer ought to have
15 decided differently from how he did decide. But that is not
16 the relevant test on an appeal of this nature.

17 16. So far as the second ground of appeal is concerned,
18 again, I am not persuaded that the hearing officer
19 made any error of law or principle. It is clear from paragraph
20 18 of his decision that he was aware that the request for an
21 extension of time was one that was required to be
22 justified by strong and compelling reasons.

23 17. Turning to the third matter relied on, it is clear from
24 his decision that the hearing officer regarded the likelihood
25 of further proceedings being the consequence of a refusal of

1 the extension sought as an important factor in favour of the
2 extension being granted. In my view, it cannot be said that
3 he made any error of law or principle in making that
4 assessment in the circumstances of the present case.
5 While it may be true that there was no certainty that
6 the applicant for a declaration of invalidity would file
7 further proceedings if these ones were terminated
8 as a result of its failure to file its evidence-in-chief
9 in due time, it seems to me that the hearing officer
10 was entitled to take the view that that was highly
11 likely.

12 18. As to the submission that further proceedings might be
13 struck out as an abuse of process, that is not a suggestion
14 that counsel for the registered proprietor has developed or
15 attempted to substantiate. While I do not say that that is
16 not a possibility, I take the view that, in the absence of a
17 more substantial argument to support that suggestion, the
18 hearing officer was entitled to take the view that that was
19 not very likely.

20 19. As to the fourth ground of appeal, this really amounts
21 to a series of submissions as to the detailed circumstances of
22 the case and the weight that should be given to them. So far
23 as those are concerned, in my judgment the hearing officer's
24 approach cannot be criticised. He clearly considered the
25 circumstances of the present case, gave them the relative

1 weight that he considered they were entitled to and reached a
2 conclusion.

3 20. The highest it can be put, in my view, is that it could
4 be said that an extension of time of one month, essentially
5 for photocopying, was generous and that, while an extension of
6 time might have been justified, that did not necessarily
7 justify an extension of a whole month. But it does not follow
8 that the hearing officer's decision was one that fell outside
9 the ambit of his discretion.

10 Conclusion

11 21. The appeal is dismissed.

12 MR. ARNOLD: Costs?

13 MS. HUTCHINSON: We would like to ask for costs in the appeal.

14 MR. ARNOLD: How much are you asking for?

15 MS. HUTCHINSON: I forgot to look up the scale before I came out,
16 I am afraid.

17 MR. ARNOLD: I do not have the current scale to hand anyway, but
18 it is not necessarily determinative in a situation like this
19 because the scale fees are more directed to substantive
20 hearings than to interim hearings.

21 MR. EDENBOROUGH: I will just see whether I have them here, but I
22 do not think I have.

23 MS. HUTCHINSON: I think there was a recent similar situation
24 where costs of about £700 were awarded.

25 MR. ARNOLD: Are you suggesting to me that your actual costs are

1 as much as that?

2 MS. HUTCHINSON: Higher.

3 MR. ARNOLD: All right. So do I take it from what you say that

4 you are asking for £700?

5 MS. HUTCHINSON: Yes.

6 MR. ARNOLD: Mr. Edenborough?

7 MR. EDENBOROUGH: Sir, shall I just check whether I have the scale

8 here or is that not relevant?

9 MR. ARNOLD: If you would like to take a moment to do that, by all

10 means.

11 MR. EDENBOROUGH: (Pause) No, I am sorry, sir. With respect to

12 the £700, in our submission even if that were less than the

13 actual costs that have been incurred, it is still

14 disproportionate with respect to this matter coming before

15 you. If costs are going to be awarded against us then those

16 costs should be much smaller than that; low hundreds.

17 MR. ARNOLD: What would you say to this? It might be said that in

18 this tribunal there is a distinction to be made between costs

19 of substantive hearings and costs of case management hearings.

20 So far as substantive hearings are concerned, the basic policy

21 that operates, both in the registry and in this appeal

22 jurisdiction, is to have scale costs which are deliberately

23 not reflective of the actual costs that litigants incur. That

24 is so as to ensure that litigants are not discouraged from

25 having their disputes resolved by concerns over costs.

1 However, when there are case management decisions to be
2 taken which are exercises of discretion, it might be said that
3 there are good policy reasons why appeals against such
4 decisions should be discouraged save in clear cases where such
5 appeals are really justified and that, for those reasons,
6 something approaching a more compensatory approach should be
7 adopted. What would you say to that?

8 MR. EDENBOROUGH: I would say, sir, that would be fundamentally
9 wrong for the following reason. What you then basically do
10 is, by the imposition of penal costs, because that is, in
11 essence, what it amounts to, you would stifle all appeals
12 against CMC-type decisions. That cannot be right. People
13 come to the registry expecting costs of a certain order and if
14 what you are doing with respect to the more minor decisions is
15 making those costs orders far larger and out of proportion to
16 the costs orders that would be made with respect to the
17 substantive matter then, in my submission, the people who come
18 to the registry would be rightly outraged. That is not what
19 they would expect and if that were to happen it needs to be
20 foreshadowed clearly by a Practice Notice.

21 MR. ARNOLD: Ms. Hutchinson, is there anything else you want to
22 say?

23 MS. HUTCHINSON: I think that you have to take into account
24 whether there was any realistic prospect of the decision being
25 turned over on appeal. I think in actual fact there is good

1 reason to award costs which note the fact that there almost
2 certainly was not a realistic prospect of this decision being
3 turned over on appeal, so there has been considerable delay
4 and work for everybody in having to hear the appeal, and that
5 that should be recognised in the costs.

6 MR. EDENBOROUGH: Might I just say one thing, sir?

7 MR. ARNOLD: Yes.

8 MR. EDENBOROUGH: That is, if you were to adopt that policy, then
9 might I ask you, sir, to set out your decision fully reasoned
10 with respect to the costs issue because, in my submission,
11 that would be a significant departure from what has happened
12 before and the mere award of a number would not contain the
13 reasoning that you are clearly contemplating.

14 MR. ARNOLD: Anything else?

15 MR. EDENBOROUGH: No. It was only to invite you, if you were
16 going to make such an order, to fully reason it, sir.

17 MR. ARNOLD: The applicant for a declaration of invalidity having
18 succeeded on the appeal now asks for an award of costs.

19 The applicant's attorney asks me for an award in the sum
20 of £700 on the basis, as I understand it, that in a recent
21 case a similar sum was awarded and that her client's actual
22 costs are in excess of that amount.

23 Counsel for the registered proprietor did not dispute
24 that costs should follow the event but submitted that they
25 should be nothing like that magnitude, and that something more

1 according to the normal nominal costs that are typically
2 awarded in this jurisdiction should be awarded, although he
3 did not put forward any specific alternative figure.

4 In my view, the applicant for a declaration of
5 invalidity's attorney is right to make the submission that
6 this was not only an appeal against a case management decision
7 on an extension of time but also an appeal that had no
8 realistic prospect of success.

9 In my judgment, appeals against case management
10 decisions in the registry, particularly decisions about
11 extensions of time, are to be discouraged save where there is
12 a real reason and justification for such an appeal. In the
13 circumstances of the present case, I do not consider that
14 there was such justification.

15 Accordingly, I consider that it is right to approach
16 this case on the footing that an award of costs that more
17 closely approximates to the applicant for a declaration of
18 invalidity's actual costs is justified. That does not mean
19 that an indemnity award is necessarily appropriate.

20 Considering matters in the round, I propose to order that the
21 registered proprietor pay the applicant for a declaration of
22 invalidity the sum of £500 as a contribution to its costs.

23 Thank you very much.

24 MR. EDENBOROUGH: I am sorry, sir, there is one point. Might I
25 take instructions on the period in which that should be paid?

1 It is an applicant in person.
2 MR. ARNOLD: Certainly.
3 (Counsel took instructions)
4 MR. EDENBOROUGH: Would it be possible to have 14 days?
5 MR. ARNOLD: Certainly. I am sorry, I should ask Ms. Hutchinson
6 if there is any objection to that.
7 MS. HUTCHINSON: None at all.
8 MR. ARNOLD: Indeed, 14 days.
9 MR. EDENBOROUGH: Thank you, sir.
10 MR. ARNOLD: Thank you both.

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