O-132-16

TRADE MARKS ACT 1994

IN THE MATTER OF A JOINT HEARING IN RELATION TO

APPLICATION NO 3114139

BY EVOLUTION FOR WOMEN LTD TO REGISTER:

AND

NOTICE OF OPPOSITION 405740 THERETO BY EVOLUTION BANKING LTD

BACKGROUND

1. On 19 June 2015, Evolution For Women LTD applied to register the trade mark shown on the cover page of this decision. The application was published for opposition purposes on 18 September 2015.

2. On 11 November 2015, Evolution Banking Ltd ("the opponent") filed a Notice of Threatened Opposition to the registration of that mark on Form TM7a. Following its receipt, the parties were notified that the period for filing opposition had been extended to three months beginning with the date on which the application was published. The opposition period therefore expired on 18 December 2015.

3. On 16 December 2015, TLT LLP ("TLT"), the legal representatives for the putative opponent, filed a Form TM7 (notice of opposition) on its behalf. This form was received within the period allowed but the fee was not received until 22 December 2015. It is submitted that TLT had stated on other documents accompanying the opposition form[1] that the opposition fee was to be paid by bank transfer to the IPO's account on 18 December 2015.

4. By an email of 20 January 2016, the registrar wrote to the parties notifying them that the opposition fee had been received on 22 December 2015 by bank transfer. This was after the expiry of the opposition period. Because of this, the notice of opposition had been deemed to have been filed outside the statutory period allowed and, as such, could not be considered as being validly filed. The registrar also advised the putative opponent of its right to be heard on the matter.

5. On 4 February 2016, TLT requested to be heard and a joint hearing took place before me on 2 March 2016 by telephone. On 29 February 2016, I received skeleton arguments from Mr Quentin Cregan, the Counsel instructed by TLT and who represented the opponent. Ms Jo Pritchard from TLT also attended.

6. Mr Cregan relied on four arguments. The first argument was that the opposition fee should be deemed to have been paid within the opposition period and that the Form TM7 should, consequently, be admitted into the proceedings. In that regard, Mr Cregan submitted that payment was not due until 21 December 2015. However, the main argument in support of that plea was that the date on which payment is deemed to have been made is not the date when the amount was credited to the IPO's bank account, i.e. 22 December 2015, but the date when the order to transfer the opposition fee was placed by TLT, i.e. 18 December 2015. In Mr Cregan's view, a different construction of the Rules would lead to the introduction of a requirement of "clear funds" (i.e. that funds must be received in the IPO's bank account by the end of the opposition period). In Mr Cregan's submission this cannot possibly be the case as it is IPO's practice to accept cheques on the last day of the opposition period even though they take three days for the funds to clear. He submitted that it would be perverse to conclude that had a cheque been provided, it would have been deemed as payment made in due time despite the fact that the IPO would have not received the money until 23 or 24 December (which is later than 22 December when the money were actually received by bank transfer). Since, under Rule 2 of the

[1] FS2 form and covering letter

Trade Mark Fees Rules, where a form is subject to the payment of a fee, the form shall be accompanied by the fee, Mr Cregan submitted that the letter of the law should be construed as requiring that "some form of payment" must be "done or communicated by the deadline". Further, in Mr Cregan's view this reading is consistent with the decision in LOGICAL[2] and with the Form FS2[3] which identifies 'bank transfer' as a method of payment accepted by the IPO. Absent clear guidance on when fees must be received, he submitted that it must be sufficient that payment is instructed within the opposition period.

7. To this end, Mr Cregan furnished evidence that on 18 December 2015, TLT placed an order to transfer the opposition fee to the IPO via a bank transfer. The evidence consisted of a witness statement from Elizabeth Lowe, a trade mark attorney at TLT and supporting copies of emails. These confirmed that, on 16 December 2015, Ms Lowe had requested a member of TLT's finance staff to pay the opposition fee on 18 December 2015 via a "bank transfer". It appears that similar requests had been previously executed by the staff member through an electronic system called CHAPS (Clearing House Automated Payment System) which, it is said, reaches the recipient's bank account on the same day, if requested before 4 pm. However, on this occasion, due to the staff member being absent from the office, Ms Lowe's request had been passed on to someone else who executed the payment via a method called BACS (Bankers Automated Clearing Services). This, unlike the CHAPS method, does not guarantee same day payment and money "can take days to clear into the recipient's account".

8. The second and third lines of argument were based on the claim that should the fee be deemed to have been paid outside the opposition period then, in accordance with the requirements laid down in Section 38 of the Trade Marks Act (the Act), the three month period for the filing of the opposition only applies to the filing of a notice of opposition. The payment of the opposition fee is a secondary obligation not subject to that time limit and an extension of time could be discretionally granted for that payment. Mr Cregan submitted that it follows from this construction that a delay in the payment of the fee is a "procedural irregularity" which could be rectified by the Register under discretionary powers by way of Sections 17(2)(3), 74 and 77(4) of the Act after the expiry of the opposition period. In his view, this is consistent with the absence from the Act of a clear sanction where payment is filed late, in contrast to other provisions, i.e. Section 40 where the sanction of deeming the application withdrawn as a result of the application fees not being paid within the relevant period is clearly stated.

9. By his fourth and last argument, Mr Cregan contested that there is no clear guidance on the date on which payments are deemed to be made and, as it was clear from the Form FS2 and the covering letter submitted with the notice of opposition, that a bank transfer would have been sent on "either the final (or second last) business day of the [opposition] period, it was incumbent upon the IPO to identify the same point to the opponent". To this extent, it should be considered that the IPO contributed to the opponent's 'omission' or 'error' as it should have alerted TLT that funds must be received by the end of the opposition period. Consequently,

[2] O/382/00
[3] Fee sheet form

an extension of time should be discretionally granted under Section 77(5). In support, he referred to a number of Registry's decisions[4] where "notice had been given of payment difficulties".

DECISION

10. At the outset of the hearing, I indicated that I rejected the first line of argument on the ground that it is contrary to the Registry's practice, according to the guidance clearly outlined in TPN 1/2013. In any event, I pointed out, even if I were to accept Mr Cregan's argument that the opposition period expired on 21 December 2015 (which I do not), this would not materially improve the opponent's position as the opposition fee would still be deemed to have been received outside that period, i.e. on 22 December 2015. Mr Cregan accepted this and made no further submissions on the point, thus, I will say no more about it.

11. Moving to the main ground of Mr Cregan's first argument, Section 38 of the Act provides for oppositions. The relevant part of the section reads:

> "38 (1) When an application for registration has been accepted, the registrar shall cause the application to be published in the prescribed manner.
>
> (2) Any person may, within the prescribed time from the date of the publication of the application, give notice to the registrar of opposition to the registration.
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> The notice shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition."

12. Section 79(1) is also relevant and states:

> "There shall be paid in respect of applications and registration and other matters under this Act such fees as may be prescribed."

13. Rules 4(1) and (2) of the Trade Mark Rules are also relevant and are as follows:

> "4(1) The fees to be paid in respect of any application, registration or any other matter under the Act and these Rules shall be those (if any) prescribed in relation to such matter by rules under section 79 (fees).
>
> (2) Any form required to be filed with the registrar in respect of any specified matter shall be subject to the payment of the fee (if any) prescribed in respect of that matter by those rules."

14. Further, the Trade Mark (Fees) Rules states:

> "1(2) These Rules shall be construed as one with the Trade Mark Rules (2008)."

15. Under the heading 'Fees Payable', Rule 2 states:

[4] O/122/98; O/328/00; O/383/00

> "...(2) In any case where a form specified in the Schedule as the corresponding form in relation to any matter is specified in the 2008 Rules, that form shall be accompanied by the fee specified in respect of that matter (unless the 2008 Rules otherwise provide)."

16. In accordance with Section 38 of the Act, in order to give notice to the registrar of opposition to the registration, a would-be opponent must file a Form TM7 within three months[5] from the date the application was published for opposition purposes. In accordance with Rule 2 of the Trade Mark (Fees) Rules, the form shall be accompanied by the appropriate fee.

17. As indicated above, Mr Cregan submitted that the correct interpretation of the above requirements is that "payment" of the opposition fee must be "instructed" within the opposition period and there is no requirement in the Rules that funds "must be received and or have been cleared".

18. In TITAN[6] the Hearing Officer stated (albeit in respect of the Trade Mark Rules 2000):

> "34. In summary I take the view that the Trade Marks Rules and the Trade Marks (Fees) Rules are to be read together; payment of the fee is an integral part of the process of filing an opposition; the word "accompanied" should be given its normal meaning; no separate time period (prescribed or specified) arises in relating to the opposition fee; the fact that no such separate provision is made is consistent with the intention behind the statutory provisions to provide certainty in opposition proceedings; it puts opponents and applicants on an equal footing (no extension of time being available to the latter for filing a counterstatement) and it is consistent also with the fact that where, as in the case of an application for a trade mark, payment may be made separately from the filing of the form, the Rules make express provision to this effect."

19. This is broadly consistent with the decision O/382/00 which Mr Cregan relies upon in interpreting the meaning of the word "accompany". This is understood as "to occur, co-exist, or be associated with". In that decision the Hearing Officer held the view that the statutory provisions required the filing of a Form TM7 and its requisite fee to be effected at the same time. He stated:

> "To conclude on this point, I adopt the definition of the word 'accompanied' provided in Mr Engelman's skeleton argument. Collins English Dictionary defines 'accompanied' to include inter alia "to occur, co-exist, or be associated with". On the basis of this definition it seems to me that the drafters of the statutory instrument intended that the form should be associated with the fee whether that was provided in cash, in cheque form or when deducted from a deposit account held by the Patent Office. Thus, in summary, whilst a form and fee need not be received at the same moment in time, there is no general provision whereby a form may be filed on one date and then the fee filed on

[5] Provided that a Form TM7a has been filed
[6] BL O/460/01

another without the loss of the filing date. Except where the Act or Rules provide otherwise (as in the case of the application for registration), a filing date can only be accorded where both the fee and form have been received by the Office."

20. The upshot of these provisions and their interpretation is that in order for an opposition to be deemed validly filed, the opposition fees must be paid within the opposition period. Although it is not necessary that payment is made and notice is filed at the same moment in time, the time constraints introduced by Section 38 of the Act apply to both the filing of the notice of opposition and the payment of the fee. It is clear, therefore, that in order to decide the matter in front of me, I must turn to the question of whether the date on which fee is deemed to have been be paid, in the circumstances of the case, is within the opposition period.

21. The date on which fees are deemed to have been be paid, for the purpose of meeting an opposition deadline, will depend on the method of payment utilised. The IPO permits payment of fees to be made by credit or debit card, deductions from IPO deposit accounts, cheques and bank transfers. Mr Cregan submitted that had a cheque been received on the last day of the opposition period, it would have been accepted as payment made on time despite the funds themselves not yet having been cleared; thus, there cannot be a requirement that payments made by bank transfer must be cleared. However, in my view, this is not the correct approach and there is a fundamental difference between a cheque and a bank transfer which comes down to the distinction between 'payment' and 'cleared funds'. What is required for an opposition to be considered as validly filed is the receipt, within the opposition period, of the payment (of the fee). As I have said, the date when payment is deemed to have been received depends on the method of payment. The IPO's practice is that a cheque is regarded as payment and if one is received for the appropriate fee within the opposition period, it is deemed as payment received on time. This is the position regardless of whether or not the funds have cleared before the expiry of the opposition period. This practice is in accordance with the law as to when payment by cheque is deemed to have taken place, as outlined in the Court of Appeal's decision in *Homes v Smith,* 2000 WL 418, in which Lord Woolf stated:

> "The general position in law as to the payment by cheque is clear. Where a cheque is offered in payment, it amounts to a conditional payment of the amount of the cheque which, if accepted, operates as a conditional payment from the time when the cheque was delivered […]. If the cheque is not met on presentation, the payment is subject to a condition subsequent which means that the sum which was due becomes due once more".

22. Whilst a cheque is regarded as payment, a bank transfer is not. It is an instruction given to a bank to pay a sum in the recipient's bank account. It is not regarded as a 'payment' until the funds are actually cleared into the recipient's bank account. Although there is no clear provision to this effect in the Trade Mark Directive, a similar position is outlined in the Community Trade Mark Fees Regulation[7] at Articles 5(1)(a) and 8(1)(a), which state that in relation to fees paid by payment or transfer to a bank account held by the Office "the date on which payment

7 Commission Regulation (EC) No 2869/95. The Amending Regulation (EU) No 2015/2424 will enter into force on 23 March 2016 and confirms the same approach at Article 144b.

shall be considered to have been made to the Office" is "the date on which the amount of the payment or of the transfer is actually entered in a bank account held by the Office".

23. The Register's practice mirrors the above. Given that the putative opponent's payment, made by bank transfer, was not received until 22 December 2015, the fact is that it was received after the expiry of the opposition period.

24 Having found that the payment was not made within the period allowed, I will go on to consider Mr Cregan's next submission that this is a failure that could be rectified under the provisions of Rule 74(4) or (5). This states:

> "74.—(1) Subject to rule 77, the registrar may authorise the rectification of any irregularity in procedure (including the rectification of any document filed) connected with any proceeding or other matter before the registrar or the Office.
>
> (2) Any rectification made under paragraph (1) shall be made—
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> (a) after giving the parties such notice; and
>
> (b) subject to such conditions, as the registrar may direct."

25. Rule 77 states:

> "77.—(1) Subject to paragraphs (4) and (5), the registrar may, at the request of the person or party concerned or at the registrar's own initiative extend a time or period prescribed by these Rules or a time or period specified by the registrar for doing any act and any extension under this paragraph shall be made subject to such conditions as the registrar may direct.
>
> (2) A request for extension under this rule may be made before or after the time or period in question has expired and shall be made—
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> (a) where the application for registration has not been published and the request for an extension relates to a time or period other than one specified under rule 13 and is made before the time or period in question has expired, in writing; and
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> (b) in any other case, on Form TM9.
>
> (3) Where an extension under paragraph (1) is requested in relation to proceedings before the registrar, the party seeking the extension shall send a copy of the request to every other person who is a party to the proceedings.
>
> (4) The registrar shall extend a flexible time limit, except a time or period which applies in relation to proceedings before the registrar or the filing of an appeal to the Appointed Person under rule 71, where—

(a) the request for extension is made before the end of the period of two months beginning with the date the relevant time or period expired; and

(b) no previous request has been made under this paragraph.

(5) 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.

(6) In this rule—

"flexible time limit" means—

(a) a time or period prescribed by these Rules, except a time or period prescribed by the rules listed in Schedule 1, or

(b) a time or period specified by the registrar for doing any act or taking any proceedings; and "proceedings before the registrar" means any dispute between two or more parties relating to a matter before the registrar in connection with a trade mark."

26. Mr Cregan referred me to the decision of Mr Hobbs Q.C. sitting as the Appointed Person in *BSA*[8] where he considered the issue of rectification of an application for revocation. However, that situation is not on all fours with the current one, where the issue is that a Form TM7 has been filed which is not the subject of a flexible time limit and has not been accompanied by the requisite fee. And whilst it is clear from Rules 74 and 77 above, that the registrar has the power to rectify irregularities, these provision cannot apply to the present case. This is because, the payment of the opposition fee is subject to the same inextensible time limit as the filing of a notice of opposition[9]. In addition, Rule 77(5)(a) requires that in order to be rectified, any irregularity must be attributable to a default, omission or other error by the registrar, the Office of the International Bureau. That is not the case here.

27. This leads me to Mr Cregan's last argument. As I outlined at the hearing, there is no merit in Mr Cregan's submission that having been notified that it was the opponent's intention to pay the opposition fee on the last day of the opposition period via a bank transfer, the IPO should have alerted the opponent so that it could ensure that payment arrived on time. There was nothing in the covering letter or in the Form FS2 submitted with the notice of opposition which indicated that the fee was to have been paid using a method of payment which would delay the receipt of the fee. Collins English Dictionary defines the phrase 'bank transfer' as 'a payment between

[8] [2008] RPC 22
[9] Schedule 1 to the Rules

two bank accounts', and the phrase in itself does not say anything about the method used to make the bank transfer. This is confirmed by Ms Lowe's account that her intention was to make the payment using a fast bank transfer method, i.e. CHAPS, which ensured a same-day payment but that the TLT finance staff interpreted her request as referring to a bank transfer method, i.e. BACS, which took three working days to clear. Mr Cregan made reference to other decisions [10] where the Register had notified parties of payment difficulties, however, in these cases there was a clear error or difficulty, i.e. where the cheque was for an insufficient payment, where there were insufficient funds in the deposit account or where the cheque was not enclosed. In the present case no irregularity could have been identified by the Register.

Summary

28. In the circumstances and having considered all the submissions, I conclude that whilst the Form TM7 was received on 16 December 2015 it was not accompanied by the fee as required and furthermore, that fee was not received until after the expiry of the period for filing opposition. I therefore refused to admit the Form TM7 and the application shall proceed to registration.

29. Neither party having sought them, I made no order as to costs.

Dated this 9th day of March 2016

Teresa Perks
For the Registrar
The Comptroller-General

[10] O-122/98; O-382/00O-496/12