

**O-010-18**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF A JOINT HEARING HELD IN RELATION TO  
INTERNATIONAL REGISTRATION NO. 1310679  
IN THE NAME OF C3, INC.**

**AND**

**AN APPLICATION FOR INVALIDATION  
UNDER NO. 501756 BY SOLUTIONS CRÉATIVES DE COLLABORATION DE  
COMPOSANTES C3 INC.**

## **Background**

1. C3, Inc. (“the holder”) is the holder of international trade mark registration number 1310679. The trade mark has an international registration date of 6 July 2016 and protection in the UK was conferred on 28 March 2017 for a range of goods and services in classes 9, 35 and 42.

2. On 11 August 2017, Solutions créatives de collaboration de composantes C3 Inc. (“the applicant”) filed an application to invalidate the registration (form TM26(I)). The form TM26(I) includes a statement that notice was given on 3 July 2017 of the applicant’s intention to file the invalidation. The invalidity is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and is directed against all of the goods and services for which the mark is protected.

3. On 22 August 2017, the tribunal wrote to the parties and served the form TM26(I) on the holder directly (its professional representatives were not appointed until 6 September 2017). It is not disputed that the form was correctly served. In its letter, the tribunal informed the holder that, if it wished to defend its registration, it should file a form TM8 (notice of defence and counterstatement) on or before 23 October 2017. The letter contained the following paragraph:

“In accordance with rule 41(6) if the TM8 and counter-statement are not filed within this period, (a period which cannot be extended), the registration of the mark shall, unless the registrar otherwise directs, be declared invalid in whole or part”.

4. The parties’ representatives wrote to the tribunal in a letter dated 19 October 2017. The file shows that the letter was received at the IPO, by fax from the applicant’s representatives, at 7:22pm on 20 October 2017. The parties requested, jointly, that a stay be granted in order to allow settlement negotiations between the parties.

5. On 25 October 2017, the tribunal responded to the request for a stay. It advised the parties that a stay of proceedings would only be considered once the TM8 had been

filed and that, the deadline for filing the TM8 having passed, the holder should file a TM8 along with a witness statement to explain why the deadline had been missed.

6. On 27 October 2017, the holder filed a TM8, along with the witness statement of Claire Lehr, special counsel with the holder's professional representatives. Ms Lehr states that she has conduct of the matter. She indicates that the parties "are working towards a settlement" and are "engaged in progressive negotiations".<sup>1</sup>

7. In a letter dated 13 November 2017, the tribunal issued a preliminary view in which it indicated that it did not consider the reasons provided "sufficient for the Registrar to exercise its discretion" and refused to admit the late-filed form TM8. It added:

"[...] only in cases where there are "extenuating circumstances", or "compelling reasons", is the Registrar able to exercise his discretion and admit a late-filed Form TM8. Furthermore, the late filing in this instance was not because of an irregularity, omission or other error on the part of the Registrar".

8. The holder asked to be heard and a hearing took place before me, by telephone, on 20 December 2017. The holder was represented by Sam Carter of counsel, instructed by Cooley (UK) LLP and the applicant by Philip Stephenson for Bailey Walsh & Co. LLP. Both parties filed skeleton arguments.

### **The hearing**

9. Mr Carter submitted that there were two bases upon which the TM8 ought to be admitted: the general discretion under rule 41(6) and because the tribunal had made an error under rule 77(5).

10. Both in his skeleton argument and at the hearing, Mr Carter referred to guidance provided in the decisions of the Appointed Person in *Kickz AG v Wicked Vision Limited* (O/035/11) and *Mark James Holland v Mercury Wealth Management Limited*

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<sup>1</sup> §§5, 9.

(O/050/12), as well as the comments of Mr Geoffrey Vos Q.C. in *Music Choice Ltd's Trade Mark* [2006] RPC 13. Mr Carter stressed that the wording of rule 41(6) indicates that the registrar "may" (rather than must) treat the application as unopposed, though he accepted that I had to be satisfied that "extenuating circumstances" existed in order to exercise the registrar's discretion under rule 41(6). He submitted that the holder's representatives believed that the form TM8 would not be required once the request for a stay of proceedings had been filed. Any error, he said, was on the part of the holder's representatives and it would be contrary to natural justice to deprive the holder of its registration because of its representatives' mistake. Mr Carter indicated that there were ongoing negotiations between the parties and suggested that there was implicit agreement from the applicant to the admission of the TM8 because it had requested that, if the TM8 was admitted, the proceedings be stayed. He highlighted what he described as the "grave consequences" to the holder if the form TM8 is refused and suggested that there is no prejudice to the applicant if the defence is admitted. Mr Carter also pointed to the "real promptness" with which the TM8 and witness statement were filed.

11. Mr Carter's other argument was that there had been an error on the part of the registrar which ought to be rectified under rule 77(5). In his skeleton argument, there was a suggestion that the tribunal, in its letter of 25 October 2017, should have advised the holder that it could file a form TM9. That point was not pursued at the hearing. At the hearing, Mr Carter submitted that, the stay request having been received by the tribunal on 20 October 2017 (a Friday), the tribunal ought to have responded before the TM8 deadline expired on 23 October 2017 (the following Monday) to tell the holder that a TM8 would still be required.

12. Mr Stephenson commented only briefly. He said that the parties were in ongoing settlement discussions, which involved other trade marks, and that he did not want to jeopardise those negotiations or the relationship between the parties.

13. At the hearing, I reserved my decision. In making my decision, I have reviewed all of the papers on file and both parties' skeleton arguments and submissions, which I take into account.

## The statutory provisions

14. There is no need for me to set out all of the provisions governing invalidity proceedings before the tribunal. For the purposes of this decision, it suffices to note that the period allowed to an applicant to file a form TM8 by rule 41(6) is an inextensible period, governed by Schedule 1 to the Trade Marks Rules 2008 (“the Rules”). Nevertheless, the registrar has discretion to admit a late-filed TM8 if he considers it appropriate to do so. This discretion is contained in rule 41(6), which reads:

“41(6) The proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid” [my emphasis].

15. The relevant parts of rule 77 read:

“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–

(a) [...]

(b) in any other case, on Form TM9.

[...]

(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”.

## **Decision**

16. Taking first Mr Carter’s submissions regarding rule 77(5), the assertion that the tribunal ought to have invited the holder to file an extension request on a form TM9 is not correct. The TM9 is the form used to request an extension, but the period for filing the TM8 is not extendable, as Mr Carter accepted. It would not have improved the holder’s position in any event, given that the request to admit the late-filed TM8 has been given full consideration.

17. As for the suggestion that there was an error on the part of the tribunal which ought to be rectified, the stay request was filed outside business hours on a Friday evening. The holder cannot have expected it to be read until the following Monday, which was the day of the deadline. It is not reasonable, in my view, to expect the tribunal to respond the same day to a letter, particularly when it is not marked as urgent and when there was no attempt to telephone the tribunal to alert it to the letter. I do not consider that there was an error on the part of the tribunal, still less that there is an error which ought to be rectified.

18. In approaching the discretion provided by the use of the words “unless the registrar otherwise directs” in rule 41(6), I take into account the decisions in *Kickz* and *Mercury*, which, although relating to opposition proceedings, are equally applicable to invalidation cases. The following factors from *Music Choice*, approved in *Mercury*, are of particular relevance:

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

19. The tribunal's letter of 22 August 2017 made it clear that the deadline for the form TM8 could not be extended and it clearly spelled out the consequences of a failure to file the TM8 on time. No reason is given other than the mistaken belief of the holder's representatives that they did not need to file a form TM8. There is no basis for that misunderstanding, which runs contrary to the explicit statement in the tribunal's letter of 22 August: it is simply said that the representatives believed the stay request would be sufficient. The deadline was missed by four days.

(ii) The nature of the applicant's allegations in its statement of grounds

20. It is not appropriate for me to comment on the particulars of the invalidity but it does not seem to me that the application is wholly without merit.

(iii) The consequences of treating the proprietor as opposing or not opposing the application

21. The consequences for the holder are serious, as it will lose its registration. The consequences of failing to file a TM8 were made clear to the holder in the tribunal's letter of 22 August.

(iv) Any prejudice caused to the applicant by the delay

22. No prejudice to the applicant has been identified, nor can I see any material prejudice caused by the short delay.

(v) Any other relevant considerations, such as the existence of related proceedings between the same parties.

23. The settlement negotiations to which the parties have referred apparently extend to other trade marks, though Mr Carter did not appear to be aware of this and so did not give any details. There do not appear to be other proceedings between these parties at the UK IPO. I bear in mind, however, that the applicant has voiced no particular objection to the TM8 being admitted.

24. I accept that the holder's representatives acted promptly to file the form TM8 and witness statement, and I have no reason to suspect that the failure to meet the deadline was anything other than a mistake on the part of the holder's representatives. Nevertheless, it was a mistake which could easily have been avoided with greater diligence, whether by contacting the tribunal in advance to confirm whether a stay request was indeed an acceptable alternative to the TM8 or by filing a form TM8 alongside the stay request. I acknowledge that, while it was its representatives who fell into error, it is the holder who will suffer the consequences (which are serious, as it will lose its registration). That not a decisive point, however, as that is always the case where a TM8 is filed late by a representative and the registrar makes decision against the mark owner. The fact that there are ongoing negotiations between the parties is another factor I must consider but, the holder having provided no information in this regard, it is difficult to assess their relevance. Taking all of the above into account, I can see no compelling reason or extenuating circumstance which would justify the use of the registrar's discretion.

**25. In summary, having considered the competing written and oral submissions in light of the relevant case law, my decision is not to exercise the discretion available under rule 41(6) in the holder's favour. Any claim that rule 77(5) applies is dismissed. Subject to appeal, the registration will be invalidated in full.**



## **Costs**

26. The applicant has been successful and is entitled to an award of costs. The parties agreed at the hearing that any costs award should be based on the usual Registry scale (contained in Tribunal Practice Notice 2/2016). I bear in mind (i) the extent of the skeleton arguments filed and (ii) the duration of the hearing (35 minutes). I award costs to the applicant on the following basis:

Official fees:	£200
Preparing the application for invalidation	£200
Reviewing the late-filed TM8 and witness statement, and attending the hearing	£200
Total:	£600

27. I order C3, Inc. to pay to Solutions créatives de collaboration de composantes C3 Inc. the sum of £600. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 05<sup>th</sup> day of January 2018**

**Heather Harrison  
For the Registrar  
The Comptroller-General**