O-002-18

TRADE MARKS ACT 1994

IN THE MATTER OF
APPLICATION NO. 3197699 BY BREEDON GROUP PLC
TO REGISTER

Breedon Titan

AS A TRADE MARK
IN CLASSES 6, 7, 19 AND 37
AND
THE LATE FILING OF FORM TM8 AND COUNTERSTATEMENT
FILED IN DEFENCE OF THAT APPLICATION
IN OPPOSITION PROCEEDINGS NO. 409193
LAUNCHED BY TITAN CEMENT COMPANY S.A.

BACKGROUND

1. On 21 November 2016, Breedon Group plc (“Breedon Group”) applied to register Breedon Titan as a trade mark for certain goods and services in classes 6, 7, 12[1], 19, 37 and 39. The application was published for opposition purposes on 3 February 2017.

2. Further to the filing of Form TM7a (notice of threatened opposition) on 3 April 2017, Form TM7 (notice of opposition) was subsequently filed on 3 May 2017 by Stevens Hewlett & Perkins on behalf of Titan Cement Company S.A. (“Titan Cement”). The opposition was based on Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and was directed against all of the goods and services in the application.

3. On 15 May 2017, the Tribunal served the Form TM7 on Breedon Group’s legal representatives, Josiah Hincks Solicitors. The accompanying letter indicated that a period expiring on **17 July 2017** was allowed for Breedon Group to file a Form TM8 and counterstatement if it wished to continue with the application or for either party to file a Form TM9c to request to enter a cooling off period. The letter also stated:

> “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 registrar otherwise directs.”

4. On 23 June 2017, Josiah Hincks Solicitors wrote to the Tribunal on behalf of Breedon Group requesting to amend the specification of the application. The request was sent under a header identifying a separate opposition[2], which had been filed against the application. Along with this request, it also sent copies of documents including “without prejudice” material relating to another opposition[3], which had also been filed against the application. For the sake of completeness, I should explain that the opposition at issue was one of a set of four oppositions brought by unconnected parties against Breedon Group’s application. Though the four oppositions were not

[1] The class 12 of the specification was subsequently deleted
[2] Case reference number 409181
[3] Case reference number 409176

consolidated and were dealt with by the Tribunal as separate cases, they were all notified to Josiah Hincks Solicitors on 15 May 2017 with the same deadline of 17 July 2017 being given for the filing of the four TM8s and counterstatements.

5. On 17 July 2017, the Tribunal responded to Josiah Hincks Solicitors, indicating that the proposed amendments had to be filed using the official Form TM21B and commenting on the "without prejudice" material. The letter also contained a reminder regarding the deadline of 17 July 2017. Insofar as it is relevant for this decision, it appears that, at some point during the proceedings, Breedon Group successfully negotiated a settlement to two oppositions, which are now withdrawn. However, notwithstanding this action, the opposition at issue here remained outstanding, and no TM8 and counterstatement were received within the prescribed period.

6. On 25 August 2017, the Tribunal wrote again to Josiah Hincks Solicitors indicating that Titan Cement had been requested to confirm whether the proposed amendment would allow the opposition to be withdrawn. The letter contained the following paragraph:

> "Please note, if the registry does not notify you of the opposition proceedings being withdrawn, the registry will consider the consequences of the non-filing of a Form TM8 and counterstatement".

7. On 7 September 2017, Titan Cement confirmed that their opposition was maintained and thus, in a letter dated 28 September 2017 the Tribunal indicated that as no TM8 and counterstatement had been received within the 17 July 2017 deadline, it was minded to deem the application as abandoned. A period expiring on 12 October 2017 was allowed for Breedon Group to challenge the preliminary view and file a witness statement setting out the reasons as to why the TM8 and counterstatement had not been filed.

8. On 12 October 2017 Steven Mather from Josiah Hincks Solicitors filed a TM8 and counterstatement. He also filed a witness statement in which he stated:

"4. I must apologise to the Registrar for not filing Form TM8 within the prescribed time limits.

5. As the Registry will know, there were several other oppositions which were dealt with, responded to and negotiated successfully. With this particular one, there was no response from the opponent.

6. I incorrectly assumed therefore that they were not proceeding with their application as I had hear nothing since the initial notice.

7. Indeed, I only became aware of the issue upon receipt of the Registry's letter dated 28th September 2017.

8. I accept that the TM8 was due on the 17th July 2017, and I therefore apologise to the Registry and the Tribunal Section for the late filing of this. It was based on an honest belief that the Opponent was not pursuing its opposition.

9. I appreciate that that rule provides for the application to be treated as abandoned, but clearly it has not been. The application has been proceeded upon, and negotiated with two other opponents. It has not been abandoned, and it would be a waste of time and money, and a dear waste of the IPO's resources, to consider the application abandoned, for the Applicant to re-apply. We would simply have to rehearse everything again. Dismissal would be disproportionate to the matter at hand.

10. I would therefore submit that the registrar permits the late filing of the TM8 Counterstatement and proceeds to a hearing to consider the opposition."

9. The Tribunal responded on 7 November 2017. It gave the preliminary view that the Form TM8 and counterstatement could not be admitted into the proceedings. It stated:

"The applicant in its witness statement has not provided sufficient reason on its own to allow the registrar to exercise discretion under Rule 18(2) and allow

the late filed TM8 to be admitted. The facts in this case are that the TM7 was correctly served on the applicant; furthermore, the applicant admits they received it and in addition the applicant received several reminders of the due date for filing the TM8/TM9C. The applicant was aware of the consequences but simply failed to act."

10. Breedon Group objected to the preliminary view and requested to be heard on the point.

The Hearing

11. The hearing took place before me on 14 December 2017 and was conducted by telephone conference. Steven Mather appeared on behalf of Breedon Group. In advance of the hearing, Titan Cement indicated that it would not attend as it considered the hearing "to be a matter between the [Tribunal] and [Breedon Group]" and did not wish to incur unnecessary costs. According to Mr Mather, the fact that Titan Cement choose not to take part in the hearing demonstrated that "they have suffered no prejudice and will suffer no prejudice moving forward". However, as I pointed out at the hearing, Titan Cement did not expressly state what Mr Mather asked me to infer, especially if what he meant was that Titan Cement was in some way content for the late TM8 and counterstatement to be admitted into the proceedings. Thus, I consider Mr Mather's assertion to be no more than a speculative inference on which I will place no weight.

12. In his skeleton arguments Mr Mather stated that the filing of the TM8 and counterstatement outside the 17 July 2017 deadline was due to an "administrative oversight based on the honest belief that [Titan Cement] was not pursuing its opposition due to the lack of […] correspondence from them". He expanded at the hearing saying that he tried to engage in correspondence with Titan Cement but, having received no response, he assumed that Titan Cement no longer pursued the opposition. Another point made by Mr Mather was that it was clear to all parties that Breedon Group had no intention of abandoning the application. He submitted, accordingly, that it simply would be unreasonable to require Breedon Group to re-

apply for the same trade mark and that the late defence should be admitted into the proceedings in the interest of justice and fairness.

13. Lastly, in his skeleton arguments Mr Mather referred to the Civil Courts general approach to relief from sanctions. However, as I explained at the hearing, there is no general power to grant relief from sanctions in Registry proceedings under the 1994 Act and 2008 Rules[4]; the relevant test in assessing whether the narrow discretion provided by Rule 18(2) should be exercised in Breedon Group's favour is that of extenuating circumstances and compelling reasons (see below). In this connection, Mr Mather's final submission was that even if I were to hold that the cause of Breedon Group's default did not amount to "extenuating circumstances", the need of the parties to receive a substantive decision in relation to the opposition would amount to "compelling reasons".

DECISION

14. Rule 18 of the Trade Marks Rules 2008 ("the Rules") provides:

> "(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, <u>unless the registrar otherwise directs</u>, 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."

15. The period for filing a Form TM8 and counter-statement appears in Schedule 1 of the Rules and may only be extended under the following conditions, set out in Rule 77(5):

[4] See *BOSCO,* BL-O-399/15

"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."

16. In this case it is not disputed that the Form TM7 was served correctly. Mr Mather has admitted that the failure to submit the Form TM8 and counterstatement on time was due to an oversight on his part. Accordingly, Rule 77(5) does not apply and the only relevant consideration in this matter is whether the discretion conferred by the wording of Rule 18(2) should be exercised in Breedon Group's favour.

17. In *Kickz AG and Wicked Vision Limited,* BL-O-035-11, Mr Hobbs QC sitting as the Appointed Person held that the discretion conferred by Rule 18(2) is narrow and can be exercised only if there are *extenuating circumstances.* In *Mark James Holland and Mercury Wealth Management Limited,* BL-O-050-12, Ms Amanda Michaels, sitting as the Appointed Person, in considering the factors the Registrar should take into account in exercising the discretion under Rule 18(2), held that there must be *compelling reasons.* She also referred to the criteria established in *Music Choice Ltd's Trade Mark* [2006] R.P.C. 13, which provides guidance applicable by analogy when exercising the discretion under Rule 18(2). Adapted for present purposes, such factors are:

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

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

(3) The consequences of treating the applicant as opposing or not opposing the opposition;

(4) Any prejudice caused to the opponent by the delay;

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

18. Mr Mather's explanation was that he erroneously believed that the opposition had been withdrawn because he had received no response to the correspondence he had sent to Titan Cement. Aside from the fact that there is no evidence of any correspondence on which Mr Mather relies, the question I need to answer here is not "Does Mr Mather's 'honest belief' and wrong assumption provide a reasonable excuse for his conduct?", but "Are there extenuating circumstances and compelling reasons which would justify the exercise of the discretion conferred by Rule 18(2)?". The test of extenuating circumstances and compelling reasons is a stringent one and places emphasis on the very high threshold which a party seeking the indulgence must overcome.

19. Based on the facts found, Mr Mather was instructed by Breedon Group and notified that four oppositions had been launched against his client's application. He was warned of the 17 July 2017 deadline and of the consequences of a failure to file a TM8 and counterstatement within that deadline. Whilst he managed to successfully reach a settlement in relation to two oppositions, which were subsequently withdrawn, he seems to have assumed, at some point in the proceedings, that Titan Cement no longer had an interest in pursuing the opposition. This is because, he said, he had received no response to some correspondence he had sent to Titan Cement. He then failed to file a defence within the time limit set. Given what I have said above, I consider that Mr Mather had plenty of opportunities to find out whether Titan Cement was still pursuing the opposition. His assumption was unilaterally made and, in my opinion, wholly unreasonably as there was no indication from Titan Cement that they no longer wished to oppose the application. I see nothing extenuating or compelling in these circumstances. At the hearing Mr Mather contended that the need of the parties to receive a substantive decision in relation to the opposition amounts to "compelling reasons". I disagree. Whilst I appreciate that it might be important for a business to find out the outcome of an opposition to its trade mark application, it cannot be that this consideration amounts to or provides a compelling reason for an applicant to be treated as defending an opposition where it failed to comply with the time limit set out in Rule 18. The test of compelling reasons

is clearly designed to characterise the discretion introduced by Rule 18 as a narrow one and it is unwarranted in my view to read the wording “compelling reasons” in the way contended by Mr Mather.

20. As to Mr Mather’s argument that it was clear to all parties that his client had no intention of abandoning the application, he failed to provide any reasoning explaining his conclusion. However, whilst I accept that Breedon Group managed to settle two separate oppositions which had been filed against its application, in the absence of any direct indication as to what Breedon Group’s intention was in relation to Titan Cement’s opposition, the Tribunal was not required to draw inferences from Breedon Group’s approach to separate proceedings [5].

21. Though it is not appropriate for me to comment on the particulars of Titan’s Cement’s opposition, it does not seem to me that it is wholly without merit. Lastly, I am not aware of the existence of any related proceedings between Breedon Group and Titan Cement. I accept that to treat this application as abandoned would be a regrettable consequence for Breedon Group and I note too i) Mr Mather’s point in respect of the potential filing of a new application and ii) that there has been no claim that a delay in proceeding with the opposition would cause prejudice to Titan Cement, however, these factors are not sufficient to counterbalance the lack of any extenuating circumstances and compelling reasons for Breedon Group to be treated as defending the opposition[6].

22. Consequently, my decision is that the reasons for the failure to file the TM8 and counterstatement on time do not constitute exceptional circumstances or compelling reasons such to allow the exercise of the Registrar’s narrow discretion. My decision is therefore not to exercise the discretion available under Rule 18(2) in Breedon Group’s favour. Since this is a total opposition, the application, subject to any successful appeal, will be deemed abandoned.

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[5] See *BOSCO,* BL-O-399/15

[6] See *Mercury* paragraph 35 point (v)

Costs

23. As my decision terminates the proceedings, I will now consider the matter of costs. Awards of costs are dealt with in Tribunal Practice Notice (TPN) 2 of 2016. Bearing the guidance in that TPN in mind, and the conclusions I have reached above, I award costs to Titan Cement on the following basis:

Official fees:	£200
Preparing a notice of opposition:	£200
Total:	**£400**

24. I order Breedon Group plc to pay Titan Cement Company S.A. the sum of £400 as a contribution towards its costs. 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 2nd day of January 2018

Teresa Perks
For the Registrar
The Comptroller - General