BL O/1223/24

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK REGISTRATION NO. 905542428 IN THE NAME OF SOCIÉTÉ DES PRODUITS NESTLÉ SA FOR THE TRADE MARK

AND IN THE MATTER OF THE LATE FILING OF FORM TM8 (N) AND COUNTERSTATEMENT IN APPLICATION FOR REVOCATION NO. 506590 BY KBF ENTERPRISES LTD

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MR ANDREA ROSSI DATED 12 JUNE 2024

DECISION

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1. This is an appeal from a decision of Mr Andrea Rossi (the "Hearing Officer"), BL O/0540/24, dated 12 June 2024, in which he refused to permit the late filing of a TM8(N) and counterstatement on behalf of Société des Produits Nestlé SA ("Nestlé") in relation to revocation proceedings brought by KBF Enterprises Ltd ("KBF"). He ruled that trade mark No. 905542428 ("the 428 Mark") should be revoked as of 23 November 2012, that date being 5 years after the mark was registered.

Background

2. On 19 December 2022 KBF filed trade mark applications for the word marks CRUNCH and WARRIOR CRUNCH. In each case the specification of the mark was for goods in Class 30, namely *Confectionery bars; Flapjacks; Foodstuffs, namely, snack foods; protein bars; energy bars; protein-based confectionery; Foodstuffs made from oats.*

3. On 27 April 2023, CMS Cameron McKenna Nabarro Olswang LLP, the solicitors acting for Nestlé, wrote a letter of claim to KBF's solicitors prompted by its two trade mark applications. The letter of claim was based upon UK trade mark No. 801097098 ("the 098 Mark") which consists of the following device:

The 098 Mark is registered for a range of goods including confectionery and chocolate products in Class 30.

4. CMS's letter did not rely upon the mark which is subject to the revocation application which is at the core of this appeal, namely the 428 Mark, which consists of this device:

The 428 Mark is registered for registered for a wider range of goods in Class 30.

5. In addition, Nestlé is the proprietor of a third UK trade mark, No. N00966515, ("the 515 Mark") registered with a wider specification of goods in Classes 29, 30 and 32, and which consists of this device:

6. KBF's then solicitors, Brandsmiths, replied to the letter of claim on 21 June 2023 based upon the 098 Mark. They referred to all three of the Nestlé marks and suggested that all of them had been registered in bad faith (as having a wider specification than Nestlé intended to use) and so should be invalidated. They also said that Nestlé's marks were liable to be revoked for non-use. Brandsmiths claimed that KBF had been using its own marks for some years without any confusion having arisen.

7. A series of proceedings were then issued in the UKIPO:

    1) Nestlé filed oppositions against both of KBF's applications;
    2) KBF filed revocation and invalidity proceedings against the 428 Mark;
    3) KBF filed revocation and invalidity proceedings against the 515 Mark; and
    4) KBF filed invalidity proceedings against the 098 Mark.

8. I understand that TM8s were filed on behalf of Nestlé in good time in relation to all of those proceedings save for these revocation proceedings (CA 506590) brought against the 428 Mark. It is the delay in the filing of that TM8 which has led to this appeal.

9. It seems that both parties considered that the various proceedings should be consolidated, subject to the resolution of the matters before me on this appeal, and the decision whether or not to consolidate has accordingly been suspended. It seems likely that the proceedings will be consolidated, with or without CA 506590.

10. KBF's revocation application against the 428 Mark was based upon sub-sections 46(1)(a) and (b) of the 1994 Act. The cancellation was filed on 11 October 2023, but amendments were made to the form TM26(N) before the UKIPO was prepared to accept it and send it to Nestlé. As I understand it, first of all KBF was required to amend

the date from which it asked that the mark be revoked under s 46(1)(a), as there was an obvious error in the date given (it was less than 5 years from the date of registration). Then KBF was asked to tick the appropriate box under Section B Q3 of the form, to show whether the 46(1)(b) revocation applied to all of Nestlé's goods, although the document I have been provided with as the "original" TM26 appears to me to have had a tick in the "all goods and services" boxes under both (a) and (b). In any event, a clearer tick was provided by KBF on 28 November 2023.

11. The Re-Amended form was served by the UKIPO under cover of a letter of 12 December 2023, giving Nestlé a deadline to file its form TM8(N) of 12 February 2024. The UKIPO's letter contained the usual clear warning that if the deadline was missed the registration would be treated as revoked in whole or in part.

12. CMS was dealing with the proceedings for Nestlé and had procedures in place designed to ensure that the deadlines were met. However, unfortunately, the TM8(N) was not filed until just after 10 AM on the morning of 13 February 2024.

13. Where no TM8 is filed in time, it is the practice of the UKIPO to write to the trade mark proprietor giving it an additional 14-day period in which to set out any reasons why the Registrar should exercise the discretion vested in him to treat the application as defended. It wrote to the parties on 22 February informing them that its preliminary view was that the application for revocation should be treated as undefended, and Nestlé was given a deadline of 7 March 2024 to challenge that view and request a hearing. It did so, providing a witness statement from Mr Tom Scourfield, a partner at CMS. No direct evidence was filed from the trade mark attorney at CMS, Mr Ijalaye, who had been tasked with drafting and filing the TM8(N).

14. Further written submissions were made by both parties and a remote hearing was held on 30 May 2024, attended by Aaron Wood of Brandsmiths for KBF and Chris Hall of counsel for Nestlé.

15. The Hearing Officer reserved judgment and produced a written decision dated 12 June 2024 in which he found no reason or combination of reasons sufficient to constitute

extenuating circumstances or compelling reasons so as to enable him to exercise his limited discretion in Nestlé's favour under Rule 38(6). He summarised the parties' competing submissions in some detail and said that he directed himself in line with two Appointed Person decisions, *Kickz* BL O/035/11 and *Mercury* O/050/12, the latter being a decision of my own. Both of those AP decisions referred to *Music Choice* [2006] RPC 13, a decision of Mr Geoffrey Vos QC (as he then was), and the Hearing Officer here also took that case into account. At paragraphs [53]-[58] the Hearing Officer considered the various points raised by Nestlé in the light of the considerations listed in *Music Choice*:

> **"The circumstances relating to the missing of the deadline including reasons why it was missed and the extent to which it was missed**
> 53. As noted above, the stipulated deadline for the filing of the applicant's form TM8(N) and counterstatement was 12 February 2024. The form TM8(N) and counterstatement was filed by the proprietor the following morning (13 February 2024 at 10.03 am). Therefore, the deadline was missed by a few hours. In its submissions and at the hearing, the proprietor's legal representative has described the firm's case management system including the deadline notification system. On the deadline date Mr Scourfield and Mr Ijalaye received two reminders each concerning two separate proceedings (one being the proceeding at hand) both pertaining to the proprietor. Mr Scourfield, being distracted by personal matters, followed up exclusively on one task and failed to notice the deadline date for the form TM8(N). It is not clear why Mr Ijalaye, who was directly responsible for filing the TM8(N), did not action this task albeit having received the reminder.
> **The nature of the applicant's allegations in its statement of grounds**
> 54. The revocation action at hand (proceeding number CA000506590) is brought under section 46(1)(a) and section 46(1)(b) of the Act against the proprietor's trade mark number 905542428 on the basis of non-use. There is nothing to suggest that the revocation action is without merit.
> **The consequences of treating the proprietor as opposing or not opposing the application**
> 55. If the proprietor is permitted to oppose the revocation application, the proceedings will continue with the proprietor being given the opportunity to file evidence to show use and the matters will be determined on their merits. However, if the proprietor is not allowed to defend against the revocation action, the registration will be treated as abandoned and the proprietor's mark will be revoked.
> **Any prejudice caused to the applicant by the delay**
> 56. Since the late TM8(N) was filed only few hours after the deadline, the delay does not seem to have negatively affected the applicant.
> **Any other relevant considerations, such as the existence of related proceedings between the same parties.**
> 57. The applicant has filed an invalidity action against the proprietor's mark number UK00905542428 on the basis of bad faith (CA506594). The proprietor submitted its defense in this proceeding. The proprietor has filed two oppositions (OP440113 and OP440114) against the applicant's applications number 3860620 and 3860618. In both proceedings, the proprietor relies upon the earlier mark number 801097098. The applicant has filed an invalidity action pursuant to section

47(1) against trade mark number 801097098 (CA000506593) on the grounds of bad faith. The applicant has also filed two actions against the proprietor's mark 800966515:

- Revocation action under section 46(1)(a) and section 46(1)(b) (CA000506588)
- Invalidity action under section 47(1) for bad faith (CA000506592).

58. I note that whilst there are related proceedings, the exercise of discretion in the proceeding at hand will not affect the other parallel proceedings. The applicant submitted that they intend to pursue the invalidation action against the mark at hand (cancellation proceeding number CA506594 against trade mark number UK00905542428) even if the instant revocation proceeding succeeds."

16. The Hearing Officer went on to draw his conclusions at [59]-[65]:

"CONCLUSIONS

59. In reaching my decision, I recognise that if the discretion is not exercised in the proprietor's favour, the registration will be treated as abandoned and the proprietor's mark will be revoked from the earliest effective date.

60. In its submissions and at the hearing, the proprietor's representatives provided an account of CMS' case management system and the reasons that led Mr Scourfield and Mr Reid not to supervise Mr Ijalaye's work and described in detail the reasons that led Mr Scourfield to be distracted and miss the deadline. However, the proprietor's representatives have not provided me with any reason that could explain why Mr Ijalaye, who was directly responsible for filing the form TM8(N), failed to meet the deadline.

61. It seems to me the facts are simpler than represented. Mr Ijalaye was aware of the deadline to file the form TM8(N) having been reminded of this deadline on multiple occasions in the days preceding the deadline. On the deadline date Mr Ijalaye had been working on another task, he received the reminder regarding the TM8(N) but, for unspecified reasons, he failed to complete the task. The proprietor did not provide evidence that Mr Ijalaye had technical issues that impeded him from submitting the form TM8(N) on time and submitted that the delay was due to primarily a human error. Subsequently, having received a reminder the following day (morning of 13 February 2024), Mr Ijalaye completed the form TM8(N), drafted the counterstatement and submitted it.

62. CMS seems to suggest that Mr Ijalaye failed to meet the deadline because his colleagues were unable to supervise his work, however, Mr Ijalaye had received the deadline reminders and had been directly involved in the discussions concerning the filing of the TM8(N). Hence, I do not find the lack of supervision to be a particularly exceptional circumstance to justify Mr Ijalaye's late filing.

63. Mr Wood argued that the late filing derived from a compilation of errors on the proprietor's side that culminated in the late filing. However, I do not find that Mr Ijalaye's error derived from a sum of errors or unforeseeable circumstances, but simply Mr Ijalaye on 12 February was engaged with a different task and neglected to file the form TM8(N). Accordingly, although I appreciate that Mr Scourfield could have been distracted by personal reasons, he nonetheless noticed the reminder concerning the other task due on 12 February and checked in with Mr Ijalaye. Thus, it appears to me that all the parties involved in the filing of the TM8(N) forgot about it in favour of a different task due on the same date. To my

view, such circumstances cannot be considered exceptional to justify me exercising my discretion in the proprietor's favour.

64. Lastly, although the proprietor's decision to leave the filing of the TM8(N) to the last day is not a decisive factor to determine whether to exercise the registrar's discretion, I find that the proprietor, given the clash of deadlines on the 12 February, could have easily avoided this issue by submitting the TM8(N) in advance. However, the crux of the matter is that although I have been provided with reasons for Mr Scourfield's failure to check that the form had been submitted by the given deadline, no compelling reason for Mr Ijalaye' failure to file the TM8(N) in a timely manner have been specified.

65. Having considered the proprietor's reasons for its failure to file a TM8(N) by the given deadline, I find no single reason or combination of reasons sufficient to constitute extenuating circumstances or compelling reasons to enable me to exercise my limited discretion in the proprietor's favour under Rule 38(6) to admit the late-filed TM8(N) and counterstatement into these proceedings.

OUTCOME

66. The preliminary view is upheld and the late form TM8(N) and counterstatement is not to be admitted into the proceedings. Subject to any appeal, the proprietor's mark will be revoked from the earliest effective date requested, being 23 November 2012, in respect of all goods."

17. Nestlé now appeals to the Appointed Person pursuant to section 76 of the 1994 Act. The Grounds of Appeal can be summarised as follows:

1) the Hearing Officer wrongly exercised his discretion in refusing to admit the late-filed TM8(N). Nestlé relied upon a variety of points under this heading including the *de minimis* lateness of the filing of the TM8 and the lack of prejudice to KBF;
2) the revocation application should have been dismissed because the TM26(N), which had to be amended twice, was not filed within the time period set by the Registrar; and
3) the Mark should not be revoked in any event from 23 November 2012 because there was no evidence upon which the Hearing Officer could have been satisfied that the conditions for alleged non-use existed at that date.

Ground 2 as pleaded was based upon a misunderstanding on the part of Mr Edenborough and was not pursued in that form.

18. I heard the appeal remotely on 11 November 2024. Nestlé was represented by Mr Edenborough KC, who had also settled the Grounds of Appeal. It had been the intention of KBF to be represented by Mr Wood (who had appeared below) at the hearing of the appeal, but it appears that shortly before the hearing he realised that he had a calendar

clash on 11 November. In the circumstances, on 7 November he submitted written submissions in lieu of attendance, and later on the same day provided what he described as "subsequent submissions" responding to Mr Edenborough's skeleton argument.

Standard of appeal

19. The standard of an appeal of this nature is well-established and not contentious. The principles were helpfully stated by Sir Anthony Mann in *Stitch Editing v TikTok* [2023] EWHC 1167(Ch). In addition, it is helpful to bear in mind the summary by Arnold LJ in *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262, [2024] ETMR 25, where he said:

> "110. It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: *Volpi v Volpi* [2022] EWCA Civ 464; [2022] 4 W.L.R. 48 at [2](v) (Lewison LJ). Equally, it is common ground that, in so far as the appeals challenge multi-factorial evaluations by the judge, this Court is only entitled to intervene if the judge erred in law or principle …"

20. A decision may be rationally insupportable "by reason of an identifiable flaw in the treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account a material factor, which undermines the cogency of the conclusion, or for being contrary to principle or plainly wrong" *per* Mr. Geoffrey Hobbs KC in paragraph [10] of *Lady Louisa Waterford TM* (O/0646/24). Mr Hobbs added at paragraph [19]:

> "In order to maintain the required distance between the role of decision taker at first instance and decision taker on appeal, it is necessary for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the Opponent relies are by force of what they reveal sufficient to establish — to the standard indicated in para. [10] above — that the Decision is vitiated by error."

21. Furthermore, a decision under Rule 38(6) involves an exercise of judicial discretion. An appeal tribunal should not readily interfere with a judge's exercise of such discretion absent an error of law or serious procedural irregularity, see *Tanfern Ltd v. Cameron-McDonald* [2000] 1 WLR 1311 at [32]:

> "the appellate court should only interfere when they consider that the judge of first instance has not merely preferred an imperfect solution which is different from an alternative imperfect solution which the Court of Appeal might or would have

adopted, but has exceeded the generous ambit within which a reasonable disagreement is possible."

The law on rule 38(6)

22. The application before the Hearing Officer related to the application of rule 38(6). There are many decisions concerning the application of this and other equivalent trade mark rules on "non-extendible" deadlines. For instance, in *Mercury* (*supra*) I said:

> "27. Music Choice was a case in which a trade mark proprietor which was the respondent to an application for a declaration of invalidity of two of its marks had filed counterstatements in time for both marks. The TM8s were filed 2 days later; one was in time, but the other was filed just one day late. The proprietor asked the Registrar to exercise her discretion and to treat the counter-statement for that mark as valid and admissible. That application was refused. The proprietor appealed. The position was that one invalidity application would have been opposed whatever the result of the appeal, whereas the 'sister Invalidity Application' would not unless the appeal succeeded.
>
> 28. Mr Vos QC held:
>
> > "65. Having decided that there is a general discretion in the registrar, it would be inappropriate to set out factors which would circumscribe the exercise of that discretion. Plainly, however, the discretion must be exercised on the premise that the time limit in r.33(6) is inextensible, and that *there must be compelling reasons for the proprietor to be treated as opposing the application, notwithstanding his failure to comply with an inextensible time limit*." (emphasis added).
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> 29. The phrase which I have emphasised by italics in paragraph 65 of Mr Vos QC's judgment is, in my view, of real significance here also: the deadline for filing Mr Holland's TM8 was inextensible, and to make sense of that concept, and distinguish it from Rules which set flexible deadlines, there must be shown to be compelling reasons to exercise the discretion which exists under Rule 18(2) in his favour.
>
> 30. In *Music Choice,* Mr Vos QC set out the factors which he considered should be taken into account in applying Rule 33 of the Trade Marks Rules 2000:
>
> > "67. The factors that are, in my judgment relevant to the exercise of the discretion in this case include:
> >
> > (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 applicant's allegations in its statement of grounds.
> >
> > (3) The consequences of treating the proprietor as opposing or not opposing the application.
> >
> > (4) Any prejudice caused to the applicant by the delay.
> >
> > (5) Any other relevant considerations, such as the existence of related proceedings between the same parties."
>
> On the particular facts of that case, he ruled that the extension of time should be granted.

> 31. In addition to that guidance, it seems to me that the manner in which a discretion to extend an inextensible deadline should be exercised may helpfully be contrasted with the way in which the Registrar exercises the discretion to extend an extendible deadline…. in the normal case it is by showing what he has done and what he wants to do and why he has not done it that the Registrar can be satisfied that granting an indulgence is in accordance with the overriding objective and that the delay is not being used so as to allow the system to be abused. … In principle matters should be disposed of within the time limit set out in the Rules and it is an exceptional case rather than the normal case where extensions will be granted." As a result, a party … is expected to give full and detailed reasons for the request and, in particular, to explain the delay.
> 32. It is all the more incumbent on someone seeking an extension under Rule 18(2) to give full and detailed reasons for the request, to show what he has done, etc and to set out in proper detail any 'extenuating circumstances' relied upon."

23. In *Caviar Holdings Inc's Trade Mark* (O/255/18), a case under rule 38(6), Thomas Mitcheson KC sitting as the Appointed Person agreed with what I had said at [32] of *Mercury*. In *Caviar Holdings* no clear explanation was given as to how the deadline had been missed. Mr Mitcheson upheld the Hearing Officer's refusal to exercise his discretion in favour of the proprietor, saying at page 14:

> "I consider that the burden is a high one on a proprietor who has missed a deadline to provide a full explanation as to why the deadline was missed, ... "

Arnold J (as he then was) agreed with this in *Permanent Secretary v John & Pascalis Ltd (HALLOUMI Trade Mark)* [2018] EWHC 3226 (Ch) at [39].

24. More recently, Mr Hobbs KC sitting as the Appointed Person noted in *Tescon trade mark* BL O/240/20, and reiterated in *Marco Polo trade mark*, BL O/681/22 that the time limit for filing a TM8 defence is rigid, although it is not absolute. In *Marco Polo* at [30] he explained:

> "The time limit of two months prescribed by Rule 41(6) is both rigid and jurisdictional. It operates rigidly as a result of the barrier to the granting of an extension created by the 2008 Rules: the Registrar is expressly prevented by Rule 77(6) and Schedule 1 from treating it as a "flexible time limit". It operates jurisdictionally as a result of the barrier to the filing of a defence created by Rule 41(6). If the proprietor of the registration in issue fails to comply with the deadline, his right to oppose the invalidity application is timed-out. At that point, the invalidity application stands undefended and the registration "shall … be declared invalid" unless the Registrar counteracts that by issuing a decision which "otherwise directs" as to what the result of the failure to comply with the time limit should be. There is a significant disciplinary dimension and none the less so because there is also a curative dimension to the exercise of the discretion available to the Registrar under Rule 41(6) ("may treat the proprietor as not opposing the application"): *TESCON Trade Mark* BL O/240/20 (17 April 2020) at paras. [43],

[44]. The discretion is generally not exercised in favour of the proprietor of the contested registration in the absence of 'extenuating circumstances' or 'compelling reasons' for doing so: *Permanent Secretary v John & Pascalis Ltd (HALLOUMI Trade Mark)* [2018] EWHC 3226 (Ch) at paras. [34] to [41](Arnold J) ."

25. In *Tescon*, which was cited to (but not by) the Hearing Officer here, Mr Hobbs QC had said:

"31. I do not doubt that the Proprietor's attorneys fully appreciated that the deadline set by the official letter of 27 November 2018 was non-extendible. I accept that they did not want to let the deadline pass by default. After it had been missed, they sought to remedy the situation by filing the Proprietor's Form TM8 and Counterstatement out of time on 6 February 2019. They acted proactively, that is to say without being prompted into doing so by the official letter in standard form that was sent to them on 7 February 2019. The fact that they acted of their own accord is consistent with the antecedent failure to comply being the result of human error on the part of one or more individuals who had been intending to do what was required in order to meet the relevant deadline.

32. I readily accept that human error is not necessarily inconsistent with the existence of extenuating circumstances or compelling reasons for permitting invalidity proceedings to be defended in the exercise of the discretion conferred by rule 41(6). I would, for example, regard it as appropriate for the discretion to be exercised in favour of permitting a claim for invalidity to be defended in circumstances where it was clearly established that the failure to comply with a filing deadline of (say) 12 February 2020 was the result of an unnoticed keystroke error which caused the due date to be incorrectly entered in an otherwise reliable record keeping system as (say) 21 February 2020. It is nonetheless clear that the test to be applied cannot be taken to permit or require all human errors to be treated as excusable for the purposes of rule 41(6). There must, in other words, be a fact specific evaluation for the purpose of determining whether the particular error in question should or should not be treated as excusable in the circumstances of the case at hand.

33. I readily accept that human error is not necessarily inconsistent with the existence of extenuating circumstances or compelling reasons for permitting invalidity proceedings to be defended in the exercise of the discretion conferred by rule 41(6). I would, for example, regard it as appropriate for the discretion to be exercised in favour of permitting a claim for invalidity to be defended in circumstances where it was clearly established that the failure to comply with a filing deadline of (say) 12 February 2020 was the result of an unnoticed keystroke error which caused the due date to be incorrectly entered in an otherwise reliable record keeping system as (say) 21 February 2020. It is nonetheless clear that the test to be applied cannot be taken to permit or require all human errors to be treated as excusable for the purposes of rule 41(6). There must, in other words, be a fact specific evaluation for the purpose of determining whether the particular error in question should or should not be treated as excusable in the circumstances of the case at hand. This is the point at which the Proprietor's request for relief under rule 41(6) ran into difficulty. The general tenor of the representations made on its behalf was that its attorneys had taken reasonable and proper steps to ensure that the required Form TM8 and Counterstatement were filed before expiry of the specified deadline, but were inadvertently deflected from doing so until after the deadline

had expired. However, the Registrar was presented with assertions rather than evidence and materials of sufficient clarity and precision to substantiate that or any proposition to the like effect. In the end, as emphasised in the Respondent's Notice, the Hearing Officer was left with no satisfactory explanation for the default which had occurred.

…

42. … I do not accept that the approach suggested by the Proprietor should be applied by analogy to cases under the 1994 Act and 2008 Rules involving non-compliance with the time limit prescribed by rule 41(6):

(1) the Civil Procedure Rules do not apply to proceedings before the Registrar of Trade Marks: see, for example, *Nursing and Midwifery Council v Harrold* [2015] EWHC 2254 (QB) at paragraph [11] per Hamblen J; the 'Denton principles' are directed to, and only strictly applicable to, the courts of England and Wales: see *BPP Holdings Ltd v Commissioners for HMRC* [2017] UKSC 55 at paragraph [24] per Lord Neuberger PSC;

(2) how strict an approach should be taken to non-compliance with time limits is not a question to which one answer is necessarily better or worse than another; a balance has to be struck between two interests which weight on opposite sides; it is recognised that it is for specialist tribunals, particularly those (as would include the Registrar) whose jurisdiction extends to the whole of the United Kingdom, to strike that balance and, in doing so, to develop their own procedural jurisprudence: see *Green v Meers Ltd* [2018] EWCA Civ 751 at paragraphs [40] to [42] per Underhill LJ;

(3) there is no general power to grant relief from sanctions in Registry proceedings under the 1994 Act and 2008 Rules: *BOSCO Trade Mark* (BL O/399/15; 21 August 2015); the Registrar is expressly prevented by rule 77(6) and Schedule 1 to the 2008 Rules from treating the time limit prescribed by rule 41(6) as a 'flexible time limit'; and the procedural jurisprudence applicable to rule 41(6) confirms that the time limit is designed to be strictly enforced.

43. In *Barton v. Wright Hassall LLP* [2018] UKSC 18 at paragraph [8] Lord Sumption JSC observed in relation to the power to waive compliance with procedural conditions under provisions such as those in Civil Procedure Rule 3.9 that "there is a disciplinary factor in the decision whether to impose or relieve from sanctions for non-compliance with rules or orders of the court, which has become increasingly significant in recent years with the growing pressure of business in the courts." I do not think it can be doubted that there is a significant disciplinary dimension to the power conferred upon the Registrar by rule 41(6) and none the less so because there is also a curative dimension to it.

44. The structure of the rule as I have described it in paragraph [4] above points to the importance of the disciplinary dimension. As I have said, the procedural jurisprudence applicable to rule 41(6) confirms that the time limit it prescribes is designed to be strictly enforced. Many decisions can be found to support that proposition. Prominent among them is the decision in the *HALLOUMI Trade Mark* case where a certification trade mark registration held by the Permanent Secretary, Ministry of Energy, Commerce and Tourism, Republic of Cyprus was declared invalid under rule 41(6) consequent upon the failure of the proprietor to file a Form TM8 and Counterstatement by the notified date of 26 March 2018. Rose LJ noted the gravity of this for the Republic of Cyprus in her Order of 6 June 2019 rejecting the trade mark proprietor's application to re-open Floyd LJ's refusal of permission to appeal to the Court of Appeal. Paragraphs [12] and [46] of the

Judgment of Arnold J reflect the stringency of the requirement to comply with the time limit prescribed by the rule:

> [12] The [Registry's] letter of 26 January 2018 was received by the Ministry at the latest on 9 February 2018. The Ministry's evidence is that the letter was read by at least two officials in the Ministry on 9 February 2018 and that, on or shortly after that date, a third official instructed a fourth official to forward the letter to the Law Office of the Republic of Cyprus; but that instruction was not actioned, and so no Form TM8 or counterstatement was filed. …
>
> [46] … I have summarised in paragraph 12 above the explanation which is given by the Ministry in the further evidence. That evidence simply demonstrates that the Ministry was the author of its own misfortune. The Ministry's internal procedures were so disorganised that the letter enclosing the Application was passed from official to official after receipt on 9 February 2018, but no action was taken. In my judgment this evidence fails to establish any extenuating circumstances for the Ministry's failure to meet the statutory deadline. In those circumstances the other aspects of the further evidence cannot provide a sufficient basis for the exercise of the rule 41(6) discretion in the Ministry's favour."

26. As a result of the stringency of the Rules as to timeous service of a TM8, there are many cases in which the absence of sufficient extenuating circumstances or compelling reasons for failure to file a TM8 by the deadline set by the Rules has led to the loss of a registered mark. Before the Hearing Officer, Nestlé pointed to a number of UKIPO decisions in which extenuating circumstances had led to an order permitting late filing of a TM8 and I too was referred to those decisions. However, Mr Edenborough KC of course accepted that each such case turns on its own facts.

Merits of the appeal

27. The first point raised under Ground 1 was that the Hearing Officer had failed to give suitable weight to the "*de minimis"* lateness of filing of the TM8. Mr Edenborough rightly accepted that the question of whether the form was filed late is a binary question, which was against him, although it was also necessary to consider how late it was. He submitted that the Hearing Officer had not given sufficient weight to the minimal delay here, and sought to tie that point to his arguments that the delay only occurred because of an unfortunate combination of events (such as the illness of a member of Mr Scourfield's family) particularly affecting the 12 February 2024, and that KBF was already aware that the revocation action would be resisted on the basis that there had been genuine use made of the Mark, because that was the basis of the resistance to the parallel invalidity attack.

28. The first difficulty with Mr Edenborough's argument is that it is clear that the Hearing Officer appreciated that the deadline was only missed by a few hours. He says so in terms at paragraph [53] of the Decision and by implication at paragraph [61]. It does not seem to me that it can be said that the Hearing Officer failed to give adequate weight to that point. He plainly weighed up this point as part of his analysis of the circumstances in which the form came to be filed late.

29. Mr Edenborough also addressed me on the unfairness of ignoring the multiple layers of fail-safe procedures in place at CMS, designed to prevent deadlines being missed. He said that the fact that all the procedures failed to work was down to exceptional circumstances on 12 February 2024. The problem with this point (which is not clearly pleaded in the Grounds of Appeal) is that the Hearing Officer was addressed at length on this point, which was covered in Mr Scourfield's evidence and Nestlé's written submissions, and it is clear to me that he carefully considered it. Mr Edenborough submitted that it was not a question of the weight given to the point by the Hearing Officer, but that the Hearing Officer had not appreciated the point at all. I cannot accept this submission. It is abundantly clear that he had read and understood the evidence as to CMS's procedures and what had gone wrong. In my judgment, the Hearing Officer took all of these extenuating factors into account. He was entitled, in my judgment, to reach the conclusions that he did at [60]-[65] of the Decision, and there are no grounds to revisit those points on appeal.

30. Mr Edenborough explained that the next four pleaded elements of Ground 1 were all different aspects of the same point, namely that the adverse consequences to Nestlé are out of proportion to the unwarranted benefit to KBF.

31. The second point pleaded under Ground 1 was the lack of prejudice that the Respondent would suffer if the TM8 were admitted into the proceedings. Again, the Hearing Officer mentioned that point at paragraph [56] of the Decision and he said that the delay had not negatively affected KBF. I am not sure, therefore, how the Hearing Officer could be said to have erred on this point in a manner unfavourable to Nestlé.

32. The next point pleaded under Ground 1 was an allegation that KBF knew that the 428 Mark had in fact been put genuine use. Mr Wood said that this was a point which was

not raised before the Hearing Officer but only on the appeal. He took great exception to the point being raised, as he said that it suggested some wrongful conduct on his part. I do not consider that misconduct was implied, nor did Mr Edenborough rely upon any such point. The point was simply tied into the question of the lack of prejudice to KBF were the TM8 permitted to be filed late, because KBF was supposedly aware of genuine use of the Mark.

33. It is certainly the case that Nestlé's defence in the invalidation proceedings had been filed, and so KBF must have known that Nestlé was claiming that it had made use of the 428 Mark. However, for a number of reasons, I do not accept that it would be right to me to find that KBS was aware of genuine use of the 428 Mark, still less should I find that this showed an error in the Decision below. First, I think that this point about KBF's knowledge or belief was not raised before the Hearing Officer, nor was there any evidence before the Hearing Officer to this effect. For instance, I cannot see that the point was raised in the lengthy 2nd witness statement of Mr Scourfield dated 4 March 2024. Instead, he referred to the fact that the Counterstatement that had been filed by Nestlé in December 2023 in the invalidity proceedings relating to the 428 Mark *claimed* that it had been put to genuine use. The same can be said about Nestlé's written reasons settled by Mr Hall and dated 18 April 2024. Those documents do not prove knowledge or belief about use on KBF's part.

34. In the absence of proper evidence as to the knowledge or belief of KBS, Mr Edenborough sought to rely upon the terms of Brandsmiths' letter of 21 June 2023 which I have mentioned above. However, it does not seem that Brandsmiths' letter was put before the Hearing Officer, although other correspondence was exhibited with the written reasons. Any attempt to rely upon that letter at this stage, therefore, seems to me to amount to an attempt to rely upon fresh evidence to which the usual *Ladd v Marshall,* etc tests would apply. There was no formal application before me to adduce the letter of 21 June 2023 in evidence. In any event, in my judgment the letter would not have proved that KBF knew of genuine use of the 428 Mark, as it related to the question of use of the 098 Mark, which was the Mark relied upon by Nestlé in the letter of claim, and whether there had been genuine use of that mark across its full specification of goods. Whilst the letter did refer to the 428 Mark, I cannot accept that it showed clearly

that KBF was aware that its cancellation application in relation to the 428 Mark was wholly without merit.

35. Mr Edenborough submitted that the Hearing Officer was wrong to say in paragraph [54] that there was nothing to suggest that the revocation action was without merit. However, for the reasons set out above, and as that point had not been raised before the Hearing Officer, that cannot be said to be an error on his part.

36. Lastly, and this again was a point which was not pleaded in the Grounds of Appeal, Mr Edenborough submitted that the Hearing Officer should have given greater weight to the danger of inconsistent decisions, in light of the various proceedings I have described above. The defence to the invalidation proceedings brought against the 428 Mark depends upon there having been genuine use of the Mark. Nestlé had submitted before the Hearing Officer that any finding of genuine use in the invalidation proceedings would conflict with the revocation of the Mark for non-use. Mr Edenborough accepted that the argument was rather more subtle than that, as the consequence of a failure under Rule 38 is that the matter is dealt with administratively, as opposed to on its merits. As he said, there is not actually a decision on the merits of non-use, the finding is that there is revocation for non-use through an administrative default. In those circumstances, it does not appear to me that there is a real risk of having inconsistent judgments here.

37. For all of these reasons I reject this element of Ground 1.

38. Fourthly under Ground 1, Nestlé complained that revocation of the 428 Mark in the circumstances would be an unjustified windfall benefit to KBF and that it would be inequitably denied its property right. That may be right. However, almost by definition, cases where a party fails to file its TM8 timeously and is not permitted to defend confer a windfall on the cancellation applicant, at the very least in not having to fight the case in full, and the result is to deny the proprietor its property right. I do not understand how this adds any weight to the submission that the Hearing Officer wrongly exercised his discretion in refusing to admit the TM8 into the proceedings.

39. Next under Ground 1, Nestlé complained of lack of parity of treatment, based upon the mistaken view that the Re-Amended TM26 had been filed out of time. Mr Edenborough

accepted that it had in fact been filed within an extension granted by the UKIPO, and the suggestion that it had not was his mistake. In his skeleton argument, he submitted that there was nevertheless a lack of parity of treatment between the parties, as an extension of time was granted to file the Re-Amended TM26 without scrutiny, but the TM8 was "subjected to the greatest scrutiny." I do not understand this point. This reflects the fact that there is a strict deadline for filing a TM8 but not a TM26. Moreover, again this point does not appear to have been raised with the Hearing Officer, and it cannot be said that he erred in disregarding it.

40. The last point pleaded under Ground 1 was as follows "the Re-Amended TM26 failed to plead an alleged five-years period of non-use that expired the day before it was filed, namely 28 November 2023, and so it failed to put in issue a period of time in which subsequent genuine use could have been proven that would have saved the Mark from revocation." This was a point which Nestlé pursued at the hearing of the appeal. Mr Edenborough argued that the nature of the amendments made to the TM26 was fundamental and meant that the cancellation application was not properly formulated until the final version was filed on 28 November 2023. He argued that the filing date should therefore be treated as having been 28 November, rather than 11 October when the TM26 was first lodged. He submitted that relation back (that is to say, the rule that a pleading takes effect not from the date when the amendment was made but from the date of the original document) should not apply to this kind of amendment. In addition, he submitted that as the TM26 had to be seen as effective only from 28 November 2023, there was a gap between the last revocation date claimed in it and 28 November, during which period non-use was not alleged, and Nestlé might have been able to rely on s 46(3).

41. It seems to me that there is a real difficulty with that argument being pursued in this appeal. In my judgment, the problem identified in this part of the Grounds of Appeal does not relate to the Decision of 12 June 2024, but to the decision taken by the UKIPO in November 2023 to accept the Re-Amended form 26(N) with the alterations I have described above, whilst permitting KBF to retain the issue date of 11 October. There has been no appeal from that Decision and that is not the appeal before me.

42. Mr Edenborough also sought to persuade me that there had been a serious jurisdictional error in the UKIPO inn permitting KBF to amend its TM26 without having given Nestlé an opportunity to object. He accepted that this point was not raised in the Grounds of Appeal, and suggested that Nestlé might amend the Grounds, after which further submissions would be required. He also submitted that had the UKIPO not permitted that amendment, the date for filing the TM8 would have been different and absent the particular issues experienced leading up to 12 February 2024, the TM8 would have been filed in time.

43. Having considered these related points and Mr Edenborough's arguments with care, I have concluded that they all fail on the point just mentioned: the real complaint which has been raised is not about anything decided in the Decision under appeal, but about separate steps taken by the UKIPO in the previous November. Any appeal would have to relate to those steps and this matter cannot properly be raised in the current appeal, even were I (exceptionally) to allow amendment of the Grounds.

44. Nestle submitted that the Registrar's power to grant relief under rule 41(6) is analogous to the power to grant relief from sanctions under Civil Procedure Rule 3.9 and that those Rules, and the well-known *Denton* principles, apply in Registry proceedings. The same point had been made below to the Hearing Officer. He did not accept the submissions and nor do I for the reasons given by Mr Hobbs KC in *Tescon* at [42(3)].

45. Otherwise, Nestlé did not suggest that the Hearing Officer had misdirected himself on the law. Nor did it argue that the Hearing Officer's findings were not open to him, but instead it complained that the way in which he weighed up the various factors to be taken into consideration was wrong. I do not agree. I do not consider that there is any element of the decision which has properly been identified by Nestlé as "wrong" or which undermines the cogency of the Decision. In my judgment, the Hearing Officer fully understood the need to weigh up the various considerations, and he did so conventionally in the manner suggested by *Music Choice.* I consider that it was open to him in point of law and in point of fact to find that Nestlé had not established a sufficient basis for the discretion conferred by Rule 38(6) to be exercised in its favour.

46. As I have said, Ground 2 fell away, being replaced by points I have considered above.

47. Ground 3 was that the Mark ought not to have been revoked from 23 November 2012, because the Hearing Officer did not have any material before him to be satisfied that the conditions for non-use were met at that date. I do not consider that this is a good point. The TM26 seeks revocation pursuant to s 46(1)(a), so it is alleged that "within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use." Where no defence is filed, the proprietor is deemed not to dispute the claim. In the circumstances, I can see no objection to revocation taking effect on the appropriate date five years after registration. In this case, that date was 23 November 2012. This Ground is therefore also rejected.

48. For all these reasons, I dismiss the appeal.

49. Nestlé has lost and should make a contribution to KBF's costs of the appeal. Mr Wood sought costs off the scale on the basis that the appeal was hopeless. I do not accept that this is a fair view of the merits of the appeal, despite my refusal to accede to Nestlé's arguments. I do not consider that there are grounds here to award costs off the scale.

50. I take into account the fact that Mr Wood did not attend the hearing but provided me with written submissions. I will order Nestlé to pay KBF £1000 towards its costs of the appeal, to be paid together with the costs awarded by the Hearing Officer. Given the imminent Christmas break, those sums are to be paid by 5 pm on Friday 24 January.

Amanda Michaels
The Appointed Person
24 December 2024

MR. MICHAEL EDENBOROUGH KC (instructed by **Appleyard Lees IP LLP**) appeared for the Proprietor/Appellant.

Written submissions from **Mr Aaron Wood** were provided for the Respondent