

[2006] CAT 11

IN THE COMPETITION APPEAL TRIBUNAL

Victoria House Bloomsbury Place London WC1A 2EB Case No: 1065/1/1/06

<u>16 May 2006</u>

Before: Sir Christopher Bellamy (President)

PRATER LIMITED

<u>Appellant</u>

-and-

OFFICE OF FAIR TRADING

Respondent

ORDER OF THE PRESIDENT

- In decision (CA/98/01/2006) dated 22 February 2006 ("the Decision"), the Office of Fair Trading ("the OFT") concluded that a number of roofing contractors colluded in relation to the making of tender bids for flat roof and car park surfacing contracts utilising mastic asphalt, and flat roofing contracts using felt and single ply in England and Scotland, thereby infringing the Chapter I prohibition contained in section 2(1) of the Competition Act 1998 ("the Act").
- 2. The Decision concluded that the contractors were involved in individual agreements and/or concerted practices each of which had as its object the fixing of prices for the supply of installation, repair, maintenance and improvement services for coverings for flat roofs and vehicular decks in England and/or Scotland. In the Decision the OFT imposed financial penalties on each of the contractors.
- The Decision was notified to Prater Limited ("Prater") on 22 February 2006. By a notice of appeal dated 24 April 2006, Prater seeks to appeal the Decision under section 46 of the Act.
- 4. By virtue of the combined effect of Rules 8, 64(2) and 64(4) of the Tribunal's Rules¹ the last day for lodging the appeal in this case was Monday 24 April 2006, i.e. the next business day after 22 April 2006 which fell on a Saturday. By virtue of Rule 63(6) any document lodged after 5.00pm on a business day is treated as having been lodged on the next business day.

The events on 24 April 2006

5. At 2.15pm on Monday 24 April 2006, the Registrar received a telephone call from Shadbolt & Co LLP, the solicitors instructed to act on behalf of Prater, indicating that a notice of appeal would be filed later that day but that there was a problem in that one witness statement could not be finalised until Wednesday 26 April 2006. The Registrar indicated that, although it was not ideal, the witness statement could be lodged on 26 April 2006 if this was the earliest time at which it could be done.

¹ The Competition Appeal Tribunal Rules 2003, SI 2003 No 1372.

- 6. At 4.30pm the Registry received a telephone call from a representative of Shadbolt & Co, who was at the ground floor reception desk in Victoria House. An enquiry was made as to whether it would be a problem if the notice of appeal was served a little later than 5.00pm as it was currently being conveyed to the Tribunal in a taxi from Reigate and there were traffic problems. Shadbolt & Co were informed that an appeal had to be received by 5.00pm in order to be deemed to be filed on that day.
- 7. At 4.35pm the representative of Shadbolt & Co repeated his enquiry from the ground floor reception and, on that occasion the Registry noted that there was still some time to get the notice of appeal to the Tribunal. At 4.40pm, the representative of Shadbolt & Co attended at the Tribunal's reception and informed the Registry of his concern that the notice of appeal would be late.
- 8. At 4.43pm, after consulting the Registrar, the Registry suggested that perhaps the main body of the notice of appeal document could be e-mailed to the Registry before the 5.00pm deadline. The representative of Shadbolt & Co arranged for a pdf version of the main body of the notice of appeal document to be e-mailed to the Registry e-mail address at 4.47pm.
- 9. The Registry's computer records show that the pdf document was received in the Registry mailbox at 4.55pm. At 5.39pm the original notice of appeal and 10 copies were personally filed with the Registry and Shadbolt & Co were issued with a notice of receipt indicating the time of delivery.
- Accordingly, whilst an electronic version of the notice of appeal (excluding annexes) was sent to the Registry before 5.00pm on Monday 24 April 2006, the original notice of appeal and requisite copies were not deposited at the Registry until 5.39pm.
- 11. The Tribunal served the notice of appeal on the OFT on 2 May 2006. By a letter of the same date the Tribunal invited Prater and the OFT to file any observations they wished to make on the procedural issues that had arisen from the lodging of the notice of appeal.

12. By a letter of 4 May 2006, Prater made representations, summarised at paragraphs 15 to 27 below, to the effect that either the notice of appeal should be deemed to have been served when the pdf document was received in the Registry mailbox, or that the time limit for sending the notice of appeal to the Registrar should be extended, retrospectively. By a letter of the same date the OFT indicated that they did not propose to take any point that the appeal was out of time.

The Procedural requirements relating to Prater's notice of appeal

13. The procedural requirements relating to appeals are set out in the Tribunal's Rules. Insofar as they are relevant to Prater's notice of appeal, the Tribunal's Rules provide as follows:

"Time and manner of commencing appeals

8. - (1) An appeal to the Tribunal must be made by sending a notice of appeal to the Registrar so that it is received within two months of the date upon which the appellant was notified of the disputed decision or the date of publication of the decision, whichever is the earlier.

(2) The Tribunal may not extend the time limit provided under paragraph (1) unless it is satisfied that the circumstances are exceptional.

•••

(6) There shall be annexed to the notice of appeal -

(a) a copy of the disputed decision; and

(b) as far as practicable a copy of every document on which the appellant relies including the written statements of all witnesses of fact, or expert witnesses, if any.

(7) Unless the Tribunal otherwise directs the signed original of the notice of appeal (and its annexes) must be accompanied by ten copies certified by the appellant or his legal representative as conforming to the original.

Defective notices of appeal

9. - (1) If the Tribunal considers that a notice of appeal does not comply with rule 8, or is materially incomplete, or is unduly prolix or lacking in clarity, the Tribunal may give such directions as may be necessary to ensure that those defects are remedied.

(2) The Tribunal may, if satisfied that the efficient conduct of the proceedings so requires, instruct the Registrar to defer service of the notice of appeal on the respondent until after the directions referred to in paragraph (1) have been complied

with.

Power to reject

10. - (1) The Tribunal may, after giving the parties an opportunity to be heard, reject an appeal in whole or in part at any stage in the proceedings if -

•••

(d) the appellant fails to comply with any rule, direction, practice direction or order of the Tribunal.

(2) When the Tribunal rejects an appeal it may make any consequential order it considers appropriate.

Documents etc.

63. -(1) Any document required to be sent to or served on any person for the purposes of proceedings under these rules may be -

(a) delivered personally at his appropriate address;

(b) sent to him at his appropriate address by first class post;

(c) served through a document exchange;

(d) where authorised by the Tribunal, sent to him by facsimile or electronic mail or other similar means.

•••

(3) Where it appears to the Tribunal that there is a good reason to authorise service by a method not permitted by these rules, the Tribunal may of its own initiative or on the request of a party make an order permitting and specifying an alternative method of service, and specifying when the document will be deemed to be served.

•••

(5) A document which is sent or served in accordance with these rules shall be treated as if it had been received by or served on that person -

(a) in the case of personal delivery, on the day of delivery;

(b) when sent by first class post or through a document exchange, on the second day after it was posted or left at the document exchange;

(c) in the case of a facsimile transmitted on a business day before 4pm on that day or in any other case on the business day after the day on which it is transmitted;

(d) in the case of electronic mail or similar means, on the second day after the day on which it is transmitted.

(6) If a document (other than a facsimile) is served after 5pm on a business day, or at any time on a Saturday, Sunday or a Bank Holiday, the document shall be treated as having been served on the next business day.

Time

...

64. - (1) Where a period expressed in days, weeks or months is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question.

(2) A period expressed in weeks or months shall end with the expiry of whichever day in the last week or month is the same day of the week or falls on the same date in the month, as the day during which the event or action from which the period is to be calculated occurred or took place. If, in a period expressed in months, the day on which it should expire does not occur in the last month, the period shall end with the expiry of the last day of that month.

(2) "Month" shall mean calendar month.

(3) Where the time prescribed by the Tribunal, the President, a chairman or the Registrar, or by these rules, for doing any act expires on a Saturday, Sunday or Bank Holiday, the act is in time if done on the next following day which is not a Saturday, Sunday or Bank Holiday."

14. The Tribunal's *Guide to Proceedings*, October 2005, which has the status of a practice direction issued by the President pursuant to Rule 68(2) and has been approved by the Tribunal's members, deals with the conduct of proceedings before the Tribunal commenced after 20 June 2003 and is intended to give practical guidance for parties and their legal representatives as to the procedures of the Tribunal in relation to all cases which it is competent to entertain. The paragraphs of the *Guide to Proceedings*, relevant to Prater's notice of appeal are set out in full below:

"SERVICE OF THE NOTICE OF APPEAL

- 6.7 Under Rule 8(2) the notice of appeal which commences the appeal must be served on the Registrar of the Tribunal, and not on the respondent. Pursuant to Rule 63 there are at present two methods of serving the notice of appeal on the Registrar:
 - by physically delivering the notice of appeal to the Registry of the Tribunal at the Tribunal address for service which is Victoria House, Bloomsbury Place, London WC1A 2EB (as notified on the Tribunal website); or

- by sending the application by first class post to that address.
- 6.8 For practical reasons, service of the notice of appeal by fax or other electronic means has not at present been authorised by the Tribunal pursuant to Rule 63(1)(d). The service of the appeal through a document exchange is not at present available, but may be introduced if there is sufficient demand.

Personal service

- 6.9 A document which is physically served on the Registrar at Victoria House may be deposited in the Registry between 9.30 am and 5 pm Monday to Friday. During those hours, documents should **not** be left at the reception desk on the ground floor of Victoria House. On arrival at the entrance to Victoria House in Bloomsbury Square contact should be made, via the central reception, with a member of the Registry's staff who will take physical delivery of the document (see section 4 of this Guide on how to contact the Tribunal).
- 6.10 A notice of appeal **must be served by 5 pm** if it is to be treated as served on that day. **Otherwise, it is treated as being served on the next business day (Rule 63(6))².**
- 6.11 Documents delivered after 5 pm may be received by a member of the Registry staff, if the Registry is manned at the time of delivery. Parties should be aware that there is no guarantee that this will be the case. Documents should **not** be left at the main Victoria House reception if it has not been possible to contact the Registry after 5pm.

•••

RESTRICTED POWER TO EXTEND TIME FOR APPEALING

- 6.14 Under Rule 8(2), the Tribunal may not extend the two-month time limit for appealing 'unless satisfied that the circumstances are exceptional'. The possibilities of obtaining an extension of the time limit for appealing are thus **extremely limited.** (The comparable rule in the Rules of Procedure of the CFI, which is to be found in Article 42 of the Statute (EC) of the Court of Justice, requires the party concerned to prove the existence of unforeseen circumstances or of force majeure: see *Hasbro v DGFT* [2003] CAT 1).
- 6.15 **Parties are strongly advised to keep in touch with the Registry while** the appeal is in the course of preparation and not to leave filing the appeal to the last minute. The earlier the appeal is filed, the earlier the Tribunal can get down to work."

² This applies equally to any document to be filed at the Registry.

"The structure of the notice of appeal

•••

The documents to be annexed

- 6.37 Any documents relied on should be annexed to the notice of appeal. The notice of appeal should clearly explain the relevance of each of the annexed documents and which passages of the document are relied on.
 - •••
- 6.40 It will normally be necessary to annex all documents pertaining to the establishment or evaluation of primary facts, for example, copies of the agreement(s) in issue, and all documents identified in the contested decision as evidence of the facts relied on by the OFT. It will generally be convenient to provide a self-contained numbered bundle containing the documents of this kind relied on in the decision, and any exculpatory documents relied on by the appellant, arranged **in chronological order** with the oldest document on top of the first bundle. In some cases, such bundles will already have been prepared for the purposes of the procedure before the OFT. The formal documents relating to the procedure before the relevant regulator (for example, the OFT's statement of objections and the appellant's response to that notice) should also be annexed to the notice of appeal if they are relevant to an issue that arises on the appeal.
- 6.41 As regards witness statements on issues of primary fact (eg as to whether a particular agreement or conduct took place or not) statements by witnesses on whose evidence the appellant will rely should be furnished, wherever possible, with the notice of appeal. The Tribunal will require an explanation if this is not done, particularly if the factual issues in question have already been raised in the procedure before the OFT.

•••

6.44 Having regard to the timetable for the determination of the appeal, and the very limited possibilities of introducing new issues, the Tribunal may be obliged to exclude from consideration material which could reasonably have been included with the notice of appeal, but which was not."

Prater's submissions

15. Prater acknowledges that its notice of appeal has technically not been served in time in accordance with the Rules. However, it requests that that the Tribunal make an order in the terms of either paragraph 1 or 2 below:

- The receipt by the Registry of Prater's notice of appeal by e-mail before 5pm on 24 April 2006 be treated as a specified alternative method of service pursuant to Rule 63(3) of The Competition Appeal Tribunal Rules 2003 ("the Rules") and that the notice of appeal is deemed to have been served within the time specified in Rule 8(1).
- 2. The time limit for sending a notice of appeal to the Registrar be extended pursuant to Rule 8(2) so that the notice of appeal delivered on or about 5:39pm on 24 April 2006 be treated as having been duly served in accordance with Rule 8(1).
- 16. Prater also seeks a further order that the witness statement served on 26 April 2006 be treated as validly deposited with the Registrar pursuant to Rule 8, and/or validly annexed to the notice of appeal.
- 17. In respect of the timetable for appealing, Prater submits that its advisers were mindful of the Tribunal's guidance to appellants that they should not wait until the last possible moment to file appeals. However, in this case, the Statement of Objections covered a number of contracts in respect of which it was alleged that there had been unlawful activity. One of these contracts was a contract in respect of which the OFT had indicated its intention to fine Prater in the Statement of Objections but in the challenged Decision the OFT reached no conclusion as to how to deal with this contract at the time the Decision was taken.
- 18. Prater submits that for both legal and commercial reasons, the outcome in respect of that contract was a significant factor in deciding whether, and if so on what basis, to proceed with an appeal. After some reflection it was decided to contact the OFT to elicit any available information regarding its intentions. This contact produced a response from the OFT by way of an e-mail of 12 April 2006. The OFT indicated in this e-mail that it was unlikely to make a decision on the contract in question before 24 April. Accordingly, on 13 April 2006 Prater decided to pursue the appeal.
- 19. In respect of Prater's failure to annex the witness statement of in question to its notice of appeal, Prater notes that it was thought necessary to provide the Tribunal with evidence of Prater's turnover on the relevant market. In order to finalise the statement, it transpired that the witness needed to access documents kept under the safe custody of

Prater's Finance Director, who was unavailable until 24 April. However, when the Finance Director returned to the office, it was discovered that there were complexities in the calculation of the turnover figures in question which in turn affected the drafting of the notice of appeal. Counsel for Prater advised that it would not be acceptable to risk causing any confusion in the evidence before the Tribunal. To that end the notice of appeal was re-read and re-considered and a footnote was inserted. Unfortunately, this delayed the printing of the requisite copies of the notice of appeal, and delayed the notice of appeal leaving the offices of Shadbolt & Co by nearly an hour.

- 20. Prater submits that Shadbolt & Co endeavoured to keep the Tribunal informed of progress in service, as requested by the Tribunal's *Guide to Proceedings*. In particular, Prater forewarned the Registrar that a problem had arisen with the witness statement and updated the Tribunal as to difficulties it was encountering in filing its notice of appeal on 24 April 2006. When it became apparent that it would no longer be possible to personally serve the notice of appeal on the Tribunal within the deadline, Shadbolt & Co sought guidance from the Tribunal as to how to proceed.
- 21. Shadbolt & Co submit that there may have been some misunderstanding on its part following the conversation with Registry at 4.42pm, in that it understood that the Tribunal would accept service of the notice by e-mail and on the basis of that understanding the signed notice of appeal was sent by e-mail. Had the understanding been different, Prater submits that there were alternative means available of lodging a written document before 5.00pm insofar as an e-mailed copy could have been signed by a solicitor at Shadbolt & Co's London office and delivered to the Tribunal from there, as those offices are only 2.5km from the Tribunal. Alternatively, Prater submits that it might also have sought to have the appeal lodged by counsel as his chambers are only 500 metres from the Tribunal and he had been e-mailed a copy of the notice.
- 22. Prater submits that it is appropriate for the Tribunal, in the light of the facts of the instant case, to grant an Order under Rule 63(3) so as to treat the e-mailed notice of appeal as validly served for the purposes of the Tribunal's Rules. In that regard Prater notes that the notice was served by e-mail before 5.00pm and, pursuant to Rule 63(3), the Tribunal has power to order that a method of service that is otherwise impermissible should be treated as permissible.

- 23. Alternatively, it is submitted that the Tribunal should extend time for making the appeal under Rule 8(2) by, in effect, 40 minutes. Prater submits that the factual circumstances that led to the events of 24 April 2006 justify the Tribunal regarding this as an appropriate case to exercise its discretion to treat the circumstances as exceptional justifying the making of an order pursuant to Rule 8(2). In the overall context of this matter, Prater submits that it would be fair for it to be allowed an additional 39 minutes to submit its appeal.
- 24. Prater submits that the rule in the Statute of the Court of Justice referred to in paragraph 6.14 of the *Guide to Proceedings* is not strictly comparable insofar as that forms part of the Treaty arrangements amongst Member States. Accordingly, Prater submits that the scope of circumstances that meet the requirements for extension of time under the Statute are narrower than those under Rule 8(2). Prater further submits that the facts considered in the decision of the President in *Hasbro UK Limited v DGFT* [2003] CAT 1 are not comparable to the facts of this case. Prater also notes that service by e-mail is regarded as permissible at the Court of First Instance of the European Communities ("the CFI") in the circumstances set out in the Practice Direction "*Use of Technical Means of Communication*" published on 4 April 2002 at OJ L 871/48. Further, the OFT cannot have suffered any prejudice from the short delay.

OFT's submissions

- 25. The OFT submits that, in the light of the specific facts of this case, as it understands them to be, in particular that Prater exceeded the deadline for filing its Notice of Appeal on 24 April 2006 by only thirty nine minutes, the delay being caused by traffic problems, and the fact that a pdf version had been lodged timeously, the OFT has no objections to the decision by the Tribunal to allow the Notice of Appeal to be lodged and served pending further submissions.
- 26. However, notwithstanding the above, given that Prater's Notice of Appeal was not served on the OFT until 2 May 2006, the OFT requests that the deadline for filing the its defence be set at 6 weeks from the date of actual service of the notice of appeal, i.e. by 5.00pm on 13 June 2006, in accordance with rules 14, 63 and 64 of the Tribunal's Rules.

Analysis

(i) Should service of the notice of appeal by e-mail be deemed valid service?

- Under Rule 63(3) of the Tribunal's Rules, set out above, the Tribunal may, if there is 27. "good reason" to authorise service by a method not permitted by the Rules, make an order permitting an alternative method of service and specify when the document will be deemed to be served. There is at present no formal order by the Tribunal to that effect, nor is it clear that the Registry's understandable efforts to assist the appellant could be construed as an implied order under Rule 63(3) made by the Registrar, even assuming that there would have been power to make such an order, having regard to Rule 62(3)(d). Furthermore, the email sent to the Registry by Shadbolt & Co. did not contain the annexes to the notice of appeal, which are an integral part of, and have to be served with, the notice of appeal. In any event, there is no order of the Tribunal specifying, under Rule 63(3), "when the document will be deemed to be served". Insofar as the Registry did not expressly specify when the notice of appeal would be deemed to have been served, Rule 63(5)(d), set out above, applies and, in those circumstances, the e-mail is treated as being served on the second day after the 24 April 2006 - i.e. out of time.
- 28. It is notable that Rule 63(5) is in the same terms Rule 6.7 of the Civil Procedure Rules ("the CPR"). When considering the deemed date of service under CPR Rule 6.7, the Court of Appeal has held that in order to establish whether a document has been served in time, the court will not look to the day on which the document actually arrived since uncertainties in the postal system and similar considerations in respect of the other methods of service make it sensible that there should be a date of service which is certain and not subject to challenge on grounds of uncertain and potentially contentious facts, see *Godwin v Swindon Borough Council* [2001] EWCA Civ 1478, [2001] 4 All ER 641 and *Anderton v Clwyd County Council* [2002] EWCA Civ 933, [2002] 3 All ER 813.
- 29. In the light of the above, the Tribunal does not consider that the notice of appeal can be deemed to have been validly served on it pursuant to Rule 63(3) of the Tribunal's Rules.

30. The Tribunal does not consider that it would be appropriate in this case to make any retrospective order pursuant to Rule 63(3), even assuming that the Tribunal had power to do so, authorising service by e-mail in this case and deeming the notice of appeal to have been received at 4.57pm on 24 April 2006. The time limit for commencing an appeal under Rule 8(1) is central to the Tribunal's Rules and the entire case management system operated by the Tribunal. In that context the need for clarity and certainty is paramount. The Tribunal receives a great number of complex and lengthy documents in many different kinds of cases, often within short deadlines. It is imperative that the present Rules be strictly observed. The Tribunal would not wish to convey the impression that a failure to follow the procedures in the *Guide to Proceedings* can be retrospectively condoned by the Tribunal, or to encourage satellite litigation in this important area. Moreover, in the Tribunal's view, a notice of appeal served without annexes is not validly served.

(ii) Do the particular facts of the instant case constitute an "exceptional circumstance" for the purposes of Rule 8(2) of the Tribunal's Rules?

- 31. Insofar as the notice of appeal cannot be deemed to have been validly served on the Tribunal pursuant to Rule 63(3) of the Tribunal's Rules, it is necessary to consider whether the particular facts of the instant case constitute an "exceptional circumstance" for the purposes of Rule 8(2) of the Tribunal's Rules. In the Tribunal's view, not without hesitation, the particular facts of the instant case can be regarded as exceptional circumstances for the purposes of extending the time limit for commencing an appeal pursuant to Rule 8(2) of the Tribunal's Rules.
- 32. The Tribunal would not regard the fact that the person conveying the notice of appeal became stuck in traffic as "exceptional circumstances". Moreover, considering that the contested Decision was served on 22 February 2006, the Tribunal does not accept Prater's explanation as sufficient justification for the lateness in the preparation of the appeal. Advisers to potential appellants should be aware of the importance of preparing notices of appeal, with annexes, as soon as possible and that such preparation should not be left until the last few days.

- 33. However, in the present case as soon as it became apparent that there would be difficulties, Prater informed the Tribunal of the difficulties in lodging the notice of appeal by 5.00pm and sought guidance from the Registry as to how to proceed and acted quickly on the information that it received. As a result of the conversation with Registry at 4.42pm, Prater e-mailed the signed notice of appeal to the Tribunal rather than using alternative means possibly available to it, such as using Shadbolt & Co's London office or Prater's counsel to personally serve the notice of appeal on the Tribunal before the 5.00pm deadline. The Tribunal is unable to rule out the possibility that Prater could have effected personal service of the notice of appeal on the Tribunal before 5.00pm if the conversation with Registry had not taken place.
- 34. On those unusual facts, the Tribunal in this case is satisfied that the particular circumstances of the instant case are exceptional and, accordingly, the Tribunal may extend time pursuant to Rule 8(2) of the Tribunal's Rules. Such an extension of time may be granted even after the time limit has expired: Rule 19(2)(i). The Tribunal makes it clear that deadlines under the Rules are to be strictly followed and it is only in what are anticipated to be the unique circumstances of the present case that the Tribunal is prepared to make an order under Rule 8(2). It is unlikely that a similar order would be made in future cases.

(iii) The failure to annex a witness statement to the notice of appeal

- 35. The witness statement in question was served on the Tribunal on 26 April 2006 and annexed to Prater's notice of appeal before it was served on the OFT. Any defect in the notice of appeal within the meaning of Rule 9(1) of the Tribunal's Rules, has been remedied. In those circumstances, the Tribunal does not consider that any order is required.
- 36. The Tribunal considers, however, that it is particularly important that notices of appeal and annexes are complete when they are lodged with the Tribunal and that service of these documents is not fragmented as in the present case. The Tribunal does not expect the circumstances of the present case to be repeated and is unlikely to grant a similar indulgence in future cases.

(iv) The time for filing the defence

- 37. Pursuant to Rule 14(1) of the Tribunal's Rules, the defence should be filed within six weeks of "the date on which the respondent received a copy of the notice of appeal". Applying Rule 14(1) to the present case, the OFT is required to file its defence by 5.00pm on Tuesday 13 June 2006. In those circumstances, the OFT does not require the extension of time it has sought and, accordingly, we make no order.
- 38. For those reasons, the Tribunal makes the following Order:
 - That the time for Prater to serve its notice of appeal against the Decision CA/98/01/2006 of the OFT, be extended, retrospectively, until 5.40pm on Monday 24 April 2006, pursuant to Rule 8(2) of the Tribunal's Rules.
 - 2. Liberty to apply.

Sir Christopher Bellamy President of the Competition Appeal Tribunal 16 May 2006