

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 3170757  
IN THE NAME OF AIRBLUE LIMITED**

**AND IN THE MATTER OF OPPOSITION No. 407345 THERETO  
BY JETBLUE AIRWAYS CORPORATION**

**AND IN THE MATTER OF AN APPEAL/CROSS APPEAL  
TO THE APPOINTED PERSON  
BY THE APPLICANT/OPPONENT  
AGAINST A DECISION OF MS AL SKILTON DATED 10 JANUARY 2018**

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**DECISION**

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**Background**

1. On 21 June 2016, Airblue Limited, incorporated in Pakistan (“the Applicant”) applied under number 3170757 to register the designation shown below for use as a trade mark in the UK:

airblue

2. The services in respect of which registration was sought was *Airline* in Class 39.
3. The Application was published in the Trade Marks Journal on 8 July 2016.
4. On 8 September 2016, the Application was opposed by JetBlue Airways Corporation, a Delaware company (“the Opponent”).
5. The opposition was brought under Sections 5(2)(b) (similar mark for identical or similar services and likelihood of confusion), 5(3) (mark with a reputation in the EU and relevant damage), 5(4)(a) (registration/use liable to be prevented through passing off) and 3(6) (bad faith in the application) of the Trade Marks Act 1994.
6. The opposition under Section 5(2)(b) and 5(3) was grounded on 4 x earlier EU trade mark registrations for the designations JETBLUE/jetBlue and 1 x EU trade mark registration for the designation BLUE owned by the Opponent. The Registrations were detailed at paragraph 3 of the decision below. It is accepted that each of these covered services identical to those in suit.
7. All but 1 of the earlier trade marks relied upon were subject to proof of use. The Opponent claimed on its Form TM7 Notice of opposition and statement of grounds that these marks had been used for all the goods and services concerned.

## O/600/18

8. Under Section 5(4)(a), the Opponent relied on earlier unregistered rights in its JETBLUE/jetBlue trade marks used in relation to *inter alia* air transportation.
9. The stated case under Section 3(6) was essentially that the Applicant knew of the Opponent through the airline industry and had set out deliberately to copy the Opponent's marks as shown by the Applicant's choice of words, colours and figurative representations, which was said to be below the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the field (*Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367).
10. In a Notice of defence and counterstatement filed on 12 December 2016, the Applicant took issue with the grounds of opposition and put the Opponent to proof of use of the Opponent's 4 x more that 5-years old registrations in respect of "Airlines" in Class 39.
11. The Applicant pointed to an apparent lack of confusion which it attributed to the facts that the respective airlines operated in different geographical locations and on different routes.
12. Both sides filed evidence and the matter came to be heard by Ms. Skilton for the Registrar on 21 September 2017.
13. At that hearing, the Applicant was represented by Ms. Victoria Jones of Counsel instructed by NML Corporate and the Opponent by Mr. Aaron Wood of Wood IP Limited. This representation continued before me on appeal.

### **The Hearing Officer's decision**

14. The Hearing Officer disposed of the opposition in the Opponent's favour under Section 5(2)(b). In view of that, she said that she did not need to consider any of the other grounds.
15. Furthermore, she accepted the Applicant's invitation under Section 5(2)(b) to treat the Opponent's EUTM Registration number 15274418, jetBlue figurative, as the lead mark since this registration was less than 5-years old and, as she noted, was not subject to proof of use.
16. The Hearing Officer issued her written decision under number BL O/025/18 on 10 January 2018. Her findings for the purposes of Section 5(2)(b) were as set out below.

### **Unchallenged findings**

17. The services in question were identical (para. 36).
18. The average consumer for airline services was the general public and professionals booking on behalf of third parties who would pay a higher than average level of attention to the purchase act, which would primarily be visual although aural considerations (aural recommendations/discussions with travel professionals) needed to be taken into account (paras. 37 – 44).

## O/600/18

19. The appropriate comparisons were on the basis of the parties' notional uses of the respective trade marks. The ways in which the Applicant used its airblue trade mark and on what routes were therefore irrelevant to the ground under Section 5(2)(b) (paras. 20 – 24).
20. There was also no challenge to the Hearing Officer instructing herself by reference to the Registrar's usual summary of legal principles applicable to Section 5(2)(b) gleaned from the case law of the Court of Justice of the EU (para. 30).

### Challenged findings

21. The stylistic differences between the trade marks including the grey/blue combination in the Applicant's trade mark were no more than minimal. In any event, the Opponent's jetBlue EUTM 15274418 was registered in black and white which would cover use of the mark in any colour (other than complex colour combinations that were not present in this case) (paras. 49 – 53).
22. The respective trade marks each broke down into 2 x elements: "air" + "blue" in the Applicant's mark and "jet" + "blue" in the earlier trade mark that would easily be recognised by the average consumer (paras. 52 – 53).
23. The words "jet" in the earlier trade mark and "air" in the trade mark applied for were respectively non-distinctive/lowly distinctive in relation to airlines but would not go unnoticed by the average consumer. The Hearing Officer did not accept the Applicant's contention that "blue" was directly descriptive of airline services although it might be taken to allude to the sky (paras. 52 – 53).
24. Neither of the word combinations in the respective trade marks was an obvious one. The distinctiveness of each of the trade marks lay in the marks overall (paras. 52 – 53).
25. The marks were visually, aurally and conceptually similar to a medium degree (paras. 54 – 60).
26. The earlier trade mark was inherently distinctive to a lower than average degree (in its totality) and could not be said on the evidence to benefit from an enhanced distinctive character through use (the latter finding was not disputed by the Respondent) (paras. 61 – 63).
27. Globally assessed and taking into account imperfect recollection, the interdependency of factors, the nature of the purchase act and the level of attention paid to the purchase act, there was a likelihood of indirect confusion namely that the average consumer when encountering one mark and then the other would mistakenly believe that the airline services concerned were provided by the same or linked undertakings. There was, however, no likelihood of direct confusion (i.e., one mark being mistaken for the other).
28. The opposition under Section 5(2)(b) succeeded and the Opponent would be awarded costs in the sum of £1,400.

**The Appeal**

29. On 7 February 2018, the Opponent filed Notice of appeal to the Appointed Person under Section 76 of the Act. On 15 February 2018, the Respondent filed a Respondent's notice essentially upholding the Hearing Officer's decision and denying the grounds of appeal and purporting to cross-appeal the size of the costs order.

**Grounds of appeal**

30. Ms. Jones said that 2 key factors underpinned the grounds of appeal. First, the Hearing Officer's treatment of the word "blue". Second, her finding of indirect confusion.
31. The full list of grounds of appeal (as stated in the skeleton argument) was as follows:

**“(a) Similarity of marks**

12. The HO erred in finding that the Application Mark is similar to the Opponent's Mark. In particular, she erred in finding:

- a. That the combination of 'jet' and 'blue' was 'not an obvious one';
- b. That 'Blue' is not descriptive of the services and in particular, by failing to find, despite her acceptance that 'Blue' alluded to the sky, that it is descriptive of the nature, geographical position and/or other characteristics of the services;
- c. That the Opponent's Mark is inherently distinctive to a lower than average degree rather than finding it had low-level distinctiveness.
- d. That the stylisation of the Application Mark does not play significant role in that mark;
- e. That 'air' and 'blue' is not an obvious combination;
- f. That the marks were visually and aurally similar to a medium degree and in particular in failing to attach sufficient weight to (i) the first words in each of their marks, their respective differences and the fact that the average consumer pays more attention to the beginning of a mark; and (ii) the stylisation of the Applicant Mark, and (iii) the low level distinctive/descriptive nature of the word elements of each of the marks.

**(b) Likelihood of confusion**

13. The HO erred when she held that there was a likelihood of confusion between the marks. In particular:

- a. She erred in reaching the findings she did as to the similarity of the marks and then applying those findings in the global assessment;

b. She erred in finding indirect confusion.”

**Standard of review**

32. The parties were agreed that I should be guided by following principles (*Apple Inc. v. Arcadia Trading Ltd* [2017] EWHC 440 (Ch), Arnold J. at para. 11 in turn citing the summary set out by Mr. Daniel Alexander QC sitting as the Appointed Person in *TALK FOR LEARNING Trade Mark*, BL O/017/17 at para. 52):

“(i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR 52.11). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong (Patents Act 1977, CPR 52.11).

(ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).

(iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B* and others).

(iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country* and others).

(v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).

(vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better

expressed. Appellate courts should not rush to find mis-directions warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson* and others)."

33. Ms. Jones emphasised the general situations in sub-paragraph (v) above where the Registrar's decision would be treated as wrong.
34. Mr. Wood referred me to Mr. Alexander's further observations sitting as Deputy High Court Judge in *Abanka DD v. Abanca Corporación Bancaria SA* [2017] EWHC 2428 (Ch) concerning use of the terminology "wrong", "clearly wrong" and/or "plainly wrong" in the relevant authorities:

"24. ... Regardless of the language used, the real question, as all the cases say, is whether the decision in question was wrong in principle or was outside the range of views which could reasonably be taken on the facts (to adopt the formulation in *Rochester* at [34]). It is important not to let discussion over qualifiers of this kind distract from the central idea of appellate restraint, expressed throughout the case law: a tribunal should not conclude that a decision is wrong, simply because it would not have decided the matter that way. That is a necessary, but not sufficient, condition for appellate reversal. The English (and in the light of *Vaporized*, Scottish) approach provides for appellate discipline in situations where there is no reason to consider that an appellate tribunal is better placed to make the evaluation than the Registrar from whom the appeal is brought. Against that background, the use of the term "plainly wrong" or "clearly wrong" can serve as a reminder of the height of the bar, without acting as a straightjacket for appellate tribunals."

### Merits

35. It seemed to me apparent that the Applicant's main bone of contention was the Hearing Officer's dismissal of the Applicant's argument that the word "blue" common to both marks was descriptive of characteristics of airline services and, therefore, devoid of any distinctive character therefor.
36. Ms. Jones had sought to rely on the Registrar's decision in *NOWCOMM Trade Mark*, BL O/069/14, where the common element in the marks was the word "now" which was held to be descriptive of the telecommunication services in suit because it would indicate the immediacy of those services to the average consumer concerned<sup>1</sup>.
37. The Hearing Officer's finding with the present marks was that the word "blue" was not directly descriptive of a characteristic of airline services, although it might be understood in that context as alluding to the sky.

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<sup>1</sup> Following the decision of Arnold J. in *Starbucks (HK) Ltd v. British Sky Broadcasting Group plc* [2012] EWHC 3074 (Ch).

## O/600/18

38. Ms. Jones argued (on the authority of *NOWCOMM*) that (I paraphrase) once the Hearing Officer acknowledged that “blue” alluded to the sky, she should have found that “blue” was descriptive of a characteristic of airline services because aircraft fly through the sky and/or being in a blue sky signified an untroubled journey. I disagree.
39. In order to be relevantly descriptive, the meaning(s) conveyed by a designation must be sufficiently concrete in order immediately and without further reflection to create a specific and direct link with a description of the services in question or one of their characteristics in the minds of the relevant public (see, e.g., Case T-804/16, *LG Electronics, Inc. v EUIPO* EU:T:2018:8, paras. 15 – 21).
40. The fact that the word “blue” in the marks could be taken to allude to the sky, with the consequent meanings that the Applicant suggests, is in my view at too general a level and/or too removed to constitute a direct and specific reference to a characteristic of airline services in the required sense (*ROCHESTER Trade Mark*, BL O/049/17, para. 43).
41. In my judgment, the Hearing Officer was entitled to find that the common element “blue/Blue” in the marks was not descriptive and totally lacking in distinctive character in relation to airline services and did not err in so doing.
42. I take next, the Applicant’s complaints that Hearing Officer erred in stating that the combinations “jet” and “blue” on the one hand, and “air” and “blue” on the other hand were not obvious combinations. By contrast the Hearing Officer gave as an example of an obvious combination the particular colour “jet black”. The Applicant did not advance reasons as to why the Hearing Officer erred in these regards (beyond as a follow up to the previous argument (already dismissed) that since the word “blue” in the marks was descriptive so were the marks in their totalities). I am unpersuaded that the Hearing Officer erred in finding that the marks represented non-obvious word combinations.
43. The Applicant contended that the Hearing Officer should have found that the marks were lowly distinctive instead of, as she determined, possessing below average distinctiveness. To my mind there is nothing in this criticism. The pinpointing of the distinctiveness residing in a particular sign is not an exact science. Moreover, the Applicant’s criticism appears to be a question of semantics.
44. Ms. Jones returned to the Registrar’s decision in *NOWCOMM* in support of the Applicant’s argument that the Hearing Officer accorded insufficient weight to the stylistic features of the Applicant’s mark namely the colours grey and blue and the lower case font arrangement. In *NOWCOMM*, both marks were found to consist of entirely non-distinctive word elements (not so in the present case) in the context of telecoms, and the figurative “O” in the Applicant’s mark was held to contribute to the distinctiveness of *NOWCOMM* figurative overall. The marks, services and circumstances of *NOWCOMM* were therefore different. The Hearing Officer noted that since the Opponent’s earlier registration was in black and white it covered use of the mark in any colour. Moreover the stylistic differences were minimal and unlikely to be accorded any great significance by the average consumer. In my judgment those findings were within her entitlement to make, which she did only after careful and considered overall observation.

45. It is true that the first part of a mark can have a significant impact on the overall impression produced by a mark in the minds of the public (see, e.g., Case T-556/17, *Staropilsen s. r. o. v. EUIPO* EU:T:2018:382, para. 39). However, the case law recognises that this depends on the circumstances of the particular case so that the first part of a mark is not always the most important component (see, e.g., Case T-15/17, *Dimitrios Mitrakos v. EUIPO* EU:T:2018:198, para. 33). The Hearing Officer said on this (without footnote references):

“67. The applicant draws my attention to the general rule that the average consumer pays more attention to the beginnings of marks submitting that although ‘blue’ is present in both marks, they begin with ‘air’ and ‘jet’. This principle has been established in a number of cases, including, *El Corte Inglés, SA v OHIM* and is a general rule which does not replace the principle that each case must be decided on its merits taking each mark as a whole. In this case, given the low distinctiveness of the first three letters of both parties’ marks, I am not persuaded that this is a significant factor which dominates the global assessment I must make.”

I can see nothing wrong with this statement which is well within the authorities.

46. Appeal ground 12f is a conglomeration of the previous grounds now rejected. In view of her findings none of which have successfully been challenged, the Hearing Officer was within her entitlement (contrary to the contentions of the Applicant) to conclude that there was a medium degree of visual and aural similarity between the marks.
47. I should mention 1 further point here. The Applicant criticised the Hearing Officer for not giving any weight to the following statement in the Witness Statement of Andrew Geoffrey Smithson, solicitor for the Applicant, dated 15 May 2017 at paragraph 3a:

“I have also carried out searches myself and can state that the results of these searches shows that there are 10 other registered airlines with the word ‘Blue’ in the name and 53 other registered airlines with the word ‘Jet’ in the name.”

48. The Hearing Officer observed in relation to this statement (without footnote references):

“26. It is not clear whether these searches were conducted on trade mark or company name registers, nor has the applicant provided any examples of the use of ‘Jet’ and ‘Blue’ by other airline businesses. It has not indicated the actual marks/names used or how they are used.

27. To the extent that the airlines referred to have trade marks on the Trade Mark register I bear in mind the guidance in *Zero Industry Srl v OHIM*, when the General Court stated that:

“73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’, it should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to



how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 *GfK v OHIM – BUS (Online Bus)* [2005] ECR II-4865, paragraph 68, and Case T-29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II-5309, paragraph 71).”

49. Ms. Jones’s points included that: (1) Mr. Smithson was talking about *registered* airlines (by which I assumed she meant that this was sufficient proof that such airlines were operating – somewhere); (2) the Opponent’s evidence included 2 x references to an airline called “Blue Air” (which I accept)<sup>2</sup>; and (3) the evidence purportedly went not only to reduced distinctiveness of the Opponent’s mark through third party uses but also to the alleged descriptiveness of the Opponent’s mark overall.
50. I failed to see how this was supposed to advance the Applicant’s case. The Hearing Officer’s observations on the Applicant’s evidence and by reference to the *Zero* case were correct (at paras. 26 – 27 reproduced at para. 48 above). Moreover, the Opponent’s evidence identified a single airline only with the word “blue” in its name (Blue Air) about which no further details were given. In any event, use by other traders in the same field of a designation as a trade mark does not go to that designation’s descriptiveness for the products concerned (*Nude Brands Limited v. Stella McCartney Limited* [[2009] EWHC 2154 (Ch), para. 29)
51. As already stated, the final ground of appeal 12f. under “**(a) Similarity of marks**” was predicated on the success of the preceding grounds of appeal which failed. Accordingly, I have not been shown that the Hearing Officer fell into error in her multifactorial assessment of a medium degree of visual and aural similarity between the marks.
52. The first ground of appeal 13a. under “**(b) Likelihood of confusion**” was likewise expressed to be dependent on the prior grounds of appeal, and likewise fails.
53. Regarding ground of appeal 13b., the Applicant’s points on likelihood of confusion were (as I understood them): (1) the high level of attention paid by the average consumer to the purchase of airline services; (2) the alleged low level of distinctiveness in the marks especially the common “blue” element; and (3) the present case did not fall within the categories of indirect confusion set out by Mr. Iain Purvis QC sitting as the Appointed Person in *L.A. SUGAR FIG Trade Mark*, BL O/375/10 at paragraph 17.

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<sup>2</sup> The references were in Internet searches conducted by the Opponent’s representatives in Wikipedia and Google (Witness Statement of Anna Perry, Consultant Wood IP, 9 March 2017, paras. 3 – 4, AP1 and AP2. The references were to the bare name although the context of the entry/snippets indicates an airline.

54. My observations in relation to those points are:
- 1) The Hearing Officer held that the average consumer would pay a higher than average level of attention to purchase of airline services, though not the highest level (para. 44). The Applicant accepted that finding. The Hearing Officer said that she was factoring *inter alia* her finding on the level of attention paid to the purchase act into her interdependent assessment of likelihood of confusion.
  - 2) The distinctiveness of an earlier trade mark is but one of the relevant factors in the global assessment of likelihood of confusion under Section 5(2)(b). It is trite law that even when an earlier trade mark is weakly distinctive there can still be a likelihood of confusion (see e.g. *Arctic Cat, Inc. v. EUIPO* EU:T:2018:43, para. 57).
  - 3) The categories of indirect confusion given by Mr. Purvis in *L.A. SUGAR* were intended neither to be a straitjacket nor exhaustive.
55. In my judgment, the Hearing Officer was entitled to determine (in view of her prior findings, not overturned in this appeal) that there was a significant risk that the relevant consumer would mistakenly believe airline services offered under the respective trade marks were being provided/supplied by the same or a linked undertaking.

**Cross appeal**

56. As I indicated earlier, the Opponent cross appealed against the costs order made by the Hearing Officer in a “Respondent’s notice” filed on 15 February 2018. I deal with the formal and procedural implications of that below.
57. The costs order made by the Hearing Officer (referring to Tribunal Practice Note 2/2016 for the appropriate scale of costs) was as follows:
- |   |       |
|---|-------|
| Official fees:  | £100  |
| Preparing a statement and considering the other side’s statement: | £200  |
| Commenting on the other side’s evidence and filing evidence:      | £400  |
| Preparation and attendance at a hearing:                          | £600  |
| Total:  | £1400 |
58. The first item was footnoted by the Hearing Officer to explain that the official fee had been reduced to take account of the fact that the case was determined on the Section 5(2) ground.
59. Mr. Wood made the following criticisms of the award by reference to a comparison chart reproduced in the next paragraph:
- 1) The amount awarded in respect of preparing the opposition and statement of grounds and considering the defence and counterstatement was the least that could be awarded on the scale.

## O/600/18

- 2) The sum allowed for preparing and filing evidence and considering and commenting on the other side's evidence was below the scale range.
- 3) The sum of £600 awarded in respect of the hearing was under one half of that specified on the scale. Accordingly this failed adequately to take into account the Opponent's preparation for and attendance at the half-day hearing that took place.
- 4) The Opponent had paid the requisite £200 opposition fee, whereas the Hearing Officer only ordered £100 to be paid in recompense.

60. Mr. Wood's table aided comparison:

Task	Scale Amount	Amount awarded
Preparing a statement and considering the other side's statement	From £200 to £650 depending on the nature of the statements, for example their complexity and relevance.	£200
Preparing evidence and considering and commenting on the other side's evidence	From £500 if the evidence is light to £2200 if the evidence is substantial. The award could go above this range in exceptionally large cases but will be cut down if the successful party had filed a significant amount of unnecessary evidence.	£400
Preparing for and attending a hearing	Up to £1600 per day of hearing, capped at £3300 for the full hearing unless one side has acted unreasonably. From £300 to £550 for preparation of submissions, depending on their substance, if there is no oral hearing.	£600
Expenses	(a) Official fees arising from the action and paid by the successful party (other than fees for extensions of time).	£100 (reduced on the basis that the decision was made only on s.5(2))

## O/600/18

	(b) The reasonable travel and accommodation expenses for any witness of the successful party required to attend a hearing for cross examination.	
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61. Mr. Wood confirmed that the opposition was brought and fought under Section 5(2)(b), 5(3), and 5(4)(a) and Section 3(6) of the Act. The Opponent relied on several of its earlier trade mark registrations in respect of which the Opponent was called upon by the Applicant to provide proof of use in relation to airlines. The Opponent accepted that at its invitation, the Hearing Officer decided the 5(2)(b) ground of opposition on the basis of EUTM 15274418, which did not require proof of use, but pointed out that the Opponent's proof of use evidence also went to the Opponent's claims to enhanced distinctive character, reputation and goodwill. Further, I note that EUTM 15274418 only achieved registration shortly before the evidence rounds closed.
62. The Opponent reminded me that it needed to file evidence in reply to allegedly incorrect evidence filed by the Applicant's representative, and evidence in support of the Opponent's cases of tarnishment under Section 5(3) and bad faith under Section 3(6).
63. The Opponent added that it claimed before the Hearing Officer, costs above the scale because of the Applicant's alleged bad faith.
64. The Registrar's office have confirmed that there was no case management hearing. Even though no transcript was available, I think it safe to assume (from the file correspondence, skeleton arguments before the Hearing Officer and submissions before me) that all the grounds of opposition remained at issue up to, during and at the conclusion of the first instance hearing. In other words, the parties were unaware that the case would be decided solely under Section 5(2)(b), until the Hearing Officer's decision was notified to them.
65. The non-determination of the grounds of opposition under Sections 5(3), 5(4)(a) and 3(6) appears therefore to have been a unilateral case management decision within the meaning of Rule 62 of the Trade Marks Rules 2008 taken on the part of the Hearing Officer without providing the parties an opportunity to be heard pursuant to Rule 63 (*DEAKIN/DEAKINS Trade Mark*, BL O/421/14, paras. 31 – 33, 39 – 40, 52 – 56, 68 – 70)<sup>3</sup>. That said, neither party appealed this aspect of the decision.

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<sup>3</sup> I also note the explanation of "procedural economy" by Arnold J. in *Generics (UK) Ltd v. Warner-Lambert Company LLC* [2015] EWHC 3370 (Pat) at para. 23:

"The traditional English conception [of procedural economy] is that it requires the first instance court to adjudicate upon all essential points in dispute, certainly all points that require findings of fact or evaluation. In that way, if there is an appeal, the Court of Appeal is in a position to deal with any issues of law that may then arise and dispose of the case without either a re-hearing or remitting it to the first instance court."

66. It did however impact on the Hearing Officer’s determination of costs because the parties were further not provided with an opportunity to address the Hearing Officer on the issue of costs on the basis that (unbeknown to the parties) the opposition would only be decided under Section 5(2)(b) of the Act (rr. 62, 63). That aspect of the decision is appealed.
67. I think it is clear that the Hearing Officer’s compartmentalisation of the opposition into Section 5(2)(b) may have led to a failure on her part to determine the costs of the Opponent as the overall successful party taking into account the proceedings as a whole. I should add that it was not at any time suggested by her that the Opponent was somehow at fault in presenting its case.
68. Under Section 68(1) and Rule 67, the Registrar has the power to award to a party such costs as he deems reasonable and make directions as to payment. The Registrar’s normal practice is to award a successful party a contribution to their costs calculated according to a published scale. The current scale is contained in Tribunal Practice Notice 2/2016, referred to by the Hearing Officer. However, the scale does not have the force of statute, and does not absolve the decision taker from exercising judgment and discretion in determining costs in any particular case pursuant to the statutory provisions (*AMARO GARO COFFEE Trade Mark*, BL O/257/18, paras. 13 – 14).
69. In the latter regard, Singh LJ explained in *ZN (Afghanistan) v. Secretary of State for the Home Department* [2018] EWCA Civ 1059 (para. 67):
- “The underlying rationale for the normal rule that costs follow the event is that a party has been compelled by the conduct of the other party to come to court in order to vindicate his legal rights. If those legal rights had been respected in the first place by the other party, it should never have been necessary to come to court. Accordingly, there will normally be a causal link between the fact that costs have been incurred and the underlying merits of the legal claim ...”
70. Leggatt LJ in *ZN (Afghanistan)*, cautioned against *inter alia* (para. 103):
- (a) setting the bar too high in judging what constitutes success it being:
- “sufficient to characterise the claimant as the successful party ... that as a result of the litigation the claimant has achieved any material part of the relief sought ...”; and
- (b) paring down an award of costs:
- “... just because the claimant has not been wholly successful, provided that the claim has been conducted reasonably ...”
71. The Hearing Officer expressly stated that her reason for awarding only half of the Opponent’s opposition fee was that she had decided the opposition solely on the Section 5(2)(b) ground. I can find no explanation for the low level of the other items awarded other than that same reason.

## O/600/18

72. In my judgment, the cross appeal is justified because (in addition to not providing the parties with an opportunity to be heard) the Hearing Officer failed holistically to assess the costs of the Opponent by reference to the case overall.
73. Having not been asked to review the substantive case other than in relation to Section 5(2)(b) I do not consider it would be appropriate for me to make a decision as to the costs below.
74. I propose, therefore, to set aside paragraphs 72 – 73 of the decision and to remit the question of costs to the Hearing Officer to be determined *de novo* in accordance with the Act and the Rules as indicated above after giving the parties an opportunity to be heard on this issue.

### **“Respondent’s notice”**

75. I now turn to the “Respondent’s notice” itself.
76. Rule 71(4) – (5) states:
- “(4) Where any person other than the appellant was a party to the proceedings before the registrar in which the original decision was made (“the respondent”), the registrar shall send to the respondent a copy of the notice and the statement and the respondent may, within the period of 21 days beginning with the date on which the notice and statement was sent, file a notice responding to the notice of appeal.
- (5) The respondent’s notice shall specify any grounds on which the respondent considers the original decision should be maintained where these differ from or are additional to the grounds given by the registrar in the original decision.”
77. There is no provision in the Act or the Rules for the filing of a cross appeal in a Respondent’s notice.
78. Therefore although the Respondent’s notice in this case was filed in due time, it wrongly contained the cross appeal.
79. Instead, Section 76(1) – (2) and Rule 71(1) – (2) provide:
- “s.76. - (1) An appeal lies from any decision of the registrar under this Act, except as otherwise expressly provided by rules.
- For this purpose “decision” includes any act of the registrar in exercise of a discretion vested in him by or under this Act.
- (2) Any such appeal may be brought either to an appointed person or to the court.
- r.71.—(1) Subject to paragraph (1A), notice of appeal to the person appointed under section 76 shall be filed on Form TM55 which shall include the appellant’s grounds of appeal and his case in support of the appeal.

## O/600/18

1(A) Where the appeal arises in proceedings between two or more parties, notice of appeal to the person appointed under section 76 shall be filed on Form TM55P, which shall include the appellant's grounds of appeal and his case in support of the appeal.

(2) Forms TM55 or TM55P shall be filed within the period 28 days beginning immediately after the date of the registrar's decision which is the subject of the appeal ('the original decision')."

80. The date of the Hearing Officer's decision was 10 January 2018. The Respondent's notice was filed on 15 February 2018, that is, outside the 28 day period (or a permitted extension thereof) allowed for filing the cross appeal. Further the cross appeal was not filed using the prescribed Form TM55P nor was it accompanied by the prescribed appeal fee<sup>4</sup>.
81. Nevertheless, all parties concerned have proceeded on the basis that the Respondent's notice was effective for its purposes<sup>5</sup>.
82. The Appointed Person does not have the power to grant an extension of time for filing an appeal which power resides with the Registrar. In order to regularise the procedural irregularities that have occurred I therefore direct: (1) the belated grant by the Registrar to the Opponent of an extension of time within which to file a cross appeal; and (2) the filing by the Opponent of a cross appeal on Form TM55P in the same terms as stated in the Respondent's notice coupled with payment by the Opponent of the appeal fee.

### **Conclusion**

83. In the result:
- 1) The appeal failed.
  - 2) The cross appeal succeeded.
  - 3) Paragraphs 72 – 73 of decision BL O/025/18 to be struck out and the question of costs to be remitted to the Hearing Officer for *de novo* decision on hearing the parties.
  - 4) The Registrar to grant a belated extension of time within which to file the cross appeal, the cross appeal to be filed in the same terms by the Opponent on Form TM55P and the requisite appeal fee paid.

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<sup>4</sup> On the importance of using prescribed forms see *LEATHER MASTER Trade Mark*, BL O/084/04, paras. 8 – 10, *BSA BY R2 Trade Mark*, BL O/144/07, paras. 38 – 40, 45 – 48.

<sup>5</sup> The Registrar in admitting the "Respondent's notice" into the proceedings; the Applicant in responding to the cross appeal in its arguments before me; myself in hearing the cross appeal.

**Costs of the appeal and cross appeal**

84. Finally, I will order the Applicant to pay to the Opponent a contribution towards its costs of the appeal and the cross appeal in the sum of £1, 250<sup>6</sup> such sum to be paid within 28 days of the date of this decision.

Professor Ruth Annand, 24 September 2018

Ms. Victoria Jones of Counsel appeared for the Applicant/Appellant/Respondent

Mr. Aaron Wood of Wood IP Limited appeared for the Opponent/Respondent/Appellant

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<sup>6</sup> Which includes the appeal fee of £250.