

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NO UK00003498689 IN THE  
NAME OF FIVE CIRCLES**

**AND IN THE MATTER OF OPPOSITION NO 421774 BY THE LYDIARD  
FOUNDATION**

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**DECISION ON THE PRELIMINARY ISSUES ON APPEAL  
NAMELY AN APPLICATION FOR THE ADMISSION OF  
FURTHER EVIDENCE ON APPEAL**

**AND**

**AN APPLICATION FOR CONTINUATION OF A CONFIDENTIALITY ORDER**

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**Introduction**

1. This is an application made in the context of an appeal against the decision of Ms Clare Boucher, acting on behalf of the Registrar, dated 7 February 2022 (O-098-22). In her decision the Hearing Officer upheld the objection under section 3(6) of the Trade Marks Act 1994 (“*the 1994 Act*”).
2. On 7 April 2022, Five Circles, (*‘the Applicant’*) filed a TM55P and accompanying document together with a number of exhibits.
3. By email dated 11 May 2022, The Lydiard Foundation (“*the Opponent*”) raised two preliminary points in relation to the TM55P namely:
  - (1) That the appeal papers contained a number of documents in the form of Exhibits which included exhibits containing materials that had not been before the Hearing Officer below. The Opponent went on to maintain an objection to the admission of such materials on the basis that no justification for the admission of such material had been provided, that the information was not properly submitted as evidence and that the Opponent had had no opportunity to respond to such materials. In addition, the Opponent did not wish to have to file further evidence so as to make the proceedings more protracted than they already were.
  - (2) Amongst the papers submitted on the appeal there was one exhibit that was the subject of a confidentiality order that had been made by the Registrar on 19 October 2021. The Opponent therefore wished for an order to be made to preserve the confidentiality of the document for the purposes of the appeal.

4. I was provided with the email of the 11 May 2022 sent by the Opponent and a subsequent email sent by them on 27 September 2022. By email dated 3 October 2022 I directed as follows (emphasis as in the original):
  1. The Grounds of Appeal and Exhibits (a), (b), (e), (f), (h) and (l) thereto filed on behalf of the Applicant are said by the Opponent (sic) email dated 11 May 2022 to contain evidence that was not before the Hearing Officer below and has not been properly submitted as evidence. The Opponent objects on that basis to the inclusion of such materials on appeal (“*the Preliminary Issue*”).
  2. To date the Applicant has not responded to the submissions by the Opponent that certain parts of the Grounds of Appeal are inadmissible and have not been properly submitted as evidence.
  3. Absent either an application being made for the admission of the additional evidence on appeal or the identification of where such material was made available to the Hearing Officer below such material is inadmissible on appeal and is liable to be struck out.
  4. The Applicant is required on or before **4 pm on 31 October 2022** to make any application for permission to rely upon any additional material in accordance with the Trade Marks Act 1994 and the Trade Mark Rules 2008; and/or identify where such material was made available to the Hearing Officer below **failing which all such material and references to such material will be struck out from the Grounds of Appeal and the exhibits thereto.**
  5. In the event that the Applicant files an application for permission to rely upon additional material or submits that the material was already before the Hearing Officer the Opponent is to file any evidence in answer to such an application and/or submission on before **4pm on 28 November 2022.**
  6. The Applicant has permission to file evidence in reply (if so advised) on or before **4 pm on 12 December 2022.**
  7. Unless the parties request a hearing by **4 pm 19 December 2022** any determination of the Preliminary Issue will be made on the basis of the papers before Miss Himsworth.
  8. Following the determination of the Preliminary Issue any further consequential directions will be given by Miss Himsworth and the substantive hearing of the appeal will be fixed in accordance with the Trade Marks Act 1994.

9. The Confidentiality Order dated the 19<sup>th</sup> October 2021 made pursuant to Rule 59 of the Trade Mark Rules with respect to the Applicant's Exhibit J is to be continued and a further order made in the same terms to cover the same document that has been included as Exhibit K in the papers lodged by the Applicant in the above appeal.
  10. If the Applicant objects to the Confidentiality Orders being continued and/or made as aforesaid any such objections are to be clearly identified in writing on or before **4pm on 31 October 2022**.
  11. In the event of an objection being maintained by the Applicant further directions will be given with regard to the determination of the confidentiality issue as appropriate.
5. On 27 October 2022, the Applicant made the following request:
- Please advise which Form, or what format, we are required to fill in order to add additional exhibits as evidence or as direction to previously submitted exhibits for UK Trade Mark Application UK00003498689.  
Ms. Goodwill:
- Please advise which Form, or what format, we are required to fill in order to add additional exhibits as evidence or as direction to previously submitted exhibits for UK Trade Mark Application UK00003498689.
6. In response to this email on 27 October 2022 a further email was sent which stated as follows:
- Further to the email of 27 October 2022 sent on behalf of the Appellant Miss Himsworth KC has asked me to inform you that it is not the role of the Tribunal to provide advice to parties with regards to their conduct of their appeal.
- The applicable rules and practice with regards to proceedings in the UKIPO including guidance with respect to requests for additional evidence can be found at Manual of trade marks practice - Tribunal section - Guidance - GOV.UK ([www.gov.uk](http://www.gov.uk)). Miss Himsworth has also asked me to draw to your attention to the judgment of Henry Carr J in Consolidated Developments Ltd v. Cooper [2019] FSR 2 at paragraph [33] a copy of which is attached which provides guidance as to the position on appeal.
7. Subsequently, pursuant to the directions as to the admission of the Exhibits both parties filed materials in accordance with the timings set out in the directions. Neither

party requested a hearing and therefore the application for determination of the preliminary issue with respect to the admission of Exhibits (a), (b), (e), (f), (h) and (l) to the Notice of Appeal and associated paragraphs in the Notice of Appeal has been made by me on the basis of the written materials before me.

8. So far as the request for continuation of the Confidentiality Order is concerned, on the basis that no objection has been raised by the Applicant to the approach as set out in paragraph 9 of the directions set out above that Confidentiality Order is continued and I will say no more about it.

### **The Hearing Officer's Decision**

9. As noted above the Hearing Officer upheld the Opposition solely on the basis of the section 3(6) of the 1994 Act objection. As this part of the Decision is relevant to the application for the additional evidence to be admitted on appeal, I set it out below (footnotes omitted).

38. The relevant date for assessing whether the application was filed in bad faith is 9 June 2020.

39. The opponent claims that the applicant knew that the rights in the Lydiard name belonged to the opponent and that it had previously misappropriated two US trademarks for LYDIARD. It also claimed that this action was part of wider attempts to undermine the opponent.

40. At the relevant date, Lydiard Minnesota II was registered as the proprietor of the US trade marks. Ms Moller had not yet filed her Declaration of Ownership. However, her attorney had written to the applicant's attorney on 21 January 2020 in response to their letter requiring that Ms Moller cease and desist the use of certain items of intellectual property. He said:

“You further ask that Ms. Moller consider your letter an ‘official notice of Five Circles’ revocation of any and all authority for ‘Lydiard Colorado’ to make use of the LYDIARD Mark and any of the Intellectual Property’. However, you and your clients fail to realize that the LYDIARD mark and Lydiard Intellectual Property were always, and remain, the lawful property of The Lydiard Foundation, of which Ms. Moller was and remains President and Messrs. Peter Snell, Greg McMillan and Bill Roe were and remain the members of the Board of Directors.”

41. The Lydiard Foundation referred to here is Lydiard Colorado, i.e. the opponent.

42. At the very least, the applicant would have known that ownership of the LYDIARD marks were disputed. This does not, in itself, establish bad faith. An applicant may reasonably believe that it is entitled to apply to register the mark, for instance where there has been honest concurrent use of the marks: see *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2009] RPC 9 (approved by the COA in [2010] RPC 16).

43. The thrust of the applicant's defence is that it is the rightful owner of the LYDIARD mark and logo. In his witness statement, Mr Hashizume states his belief that it is Lydiard Minnesota II that is the owner, and it will be recalled that he also said that the board members of Lydiard Minnesota II voted to share assets with Five Circles. The evidence adduced by both parties supports the view that, as of the board meeting on 14 November 2018, Lydiard Colorado owned a number of assets, including two US trade marks. At this meeting, the board voted to transfer the assets of Lydiard Colorado to Lydiard Minnesota II and authorised Mr Dickel, the retired grant writer that Mr Hashizume had brought in, to handle the procedure. The next day, Mr Dickel signed the following declaration, which Mr Hashizume describes as a Power of Attorney:

“Be it hereby resolved by and with a unanimous vote of the board of the Lydiard Foundation, a Colorado Corporation, that on this date forward to transfer all assets including, but not limited to, trademarks, software and programs, web sites, and intellectual property to the Lydiard Foundation of Minnesota in a step towards the dissolution of the Colorado corporation based in Boulder, Colorado. This resolution authorizes Daniel Dickel to proceed with the process of transferring those assets and acting as the legal administrator to facilitate this transfer.”

44. In her second witness statement, Ms Moller states that, whatever this document might be, it is not a Power of Attorney. The resolution has not been signed by the board or any officer of the corporation, as might have been expected. I note that Mr Dickel had no position as an officer or on the board of Lydiard Colorado or Five Circles. Earlier in my decision, I set out the evidence from board member Greg McMillan, who had instructed Mr Hashizume not to take any action to transfer assets. In spite of this, Mr Hashizume and Mr Dickel signed the trademark assignment agreement without board approval.

45. There is no evidence that the dispute had been resolved by the relevant date

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45. There is no evidence that the dispute had been resolved by the relevant date.

46. In support of the claim that the application is part of an attempt to undermine it, the opponent submits that it is significant that the application was filed after work that had been undertaken to build the UK side of the business was becoming more accessible online as a result of the Coronavirus pandemic. During May 2020, the first online course was held and Ms Moller and Mr Colin Lancaster (who is in charge of the UK Lydiard operations) took part in a discussion on Zoom, during which the Lydiard logo was visible.

47. It is my view that *prima facie* the conduct described above falls short of the accepted standards of ethical behaviour or honest commercial and business practices. Mr Hashizume, who was President of the applicant Five Circles and was also involved with Lydiard Colorado (the opponent) as Director of Education, knew that the LYDIARD trade marks were owned by Lydiard Colorado as of November 2018 and that the logo was used by Lydiard Colorado. The board asked him to cease any activities involved with transferring assets to a new organisation until they had spoken. He and Mr Dickel ignored this instruction. The evidence shows that since then he has attempted to disrupt the activities of the opponent. For instance, contemporaneous evidence shows that he knew and acquiesced in the use of the tax status of Five Circles by Lydiard Minnesota I and then Lydiard Colorado. He then proceeded to apply for a trade mark in the UK using the same logo that Lydiard Colorado had used in its promotional material, shortly after the activities that Lydiard Colorado was undertaking in the UK were becoming more accessible. The applicant has provided no explanation of the commercial logic of applying for a trade mark in the UK. I see no evidence that it has any intention of providing the applied-for services in this jurisdiction, and it appears to me that the application is part of a blocking strategy to undermine the opponent. I find that the application was filed in bad faith and the opposition succeeds under section 3(6).

## **Decision on the preliminary applications**

10. The document that accompanied the TM55P filed by the Applicant in the present case, and which is referred to in this Decision as the Grounds of Appeal, is not conventionally framed. It is in narrative form and includes exhibits. Some of those exhibits namely Exhibits (a), (b), (e), (f), (h) and (l) are ones to which objection has been taken on the basis that this is new material i.e., consists of material that was not before the Hearing Officer.
11. The general principles to be applied in respect of the admissibility of fresh evidence in trade mark appeals were summarised by Henry Carr J in Consolidated Developments Ltd v. Cooper [2019] FSR 2 at paragraph [33]:

33. The cases to which I have referred establish the following principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal:

- (i) the same principles apply in trade mark appeals as in any other appeal under CPR part 52. However, given the nature of such appeals, additional factors may be relevant;
- (ii) the *Ladd v Marshall* factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;
- (iii) it is useful to have regard to the *Hunt-Wesson* factors;
- (iv) relevant factors will vary, depending on the circumstances of each case. Neither the *Ladd v Marshall* factors nor the *Hunt-Wesson* factors are to be regarded as a straightjacket;
- (v) the admission of fresh evidence on appeal is the exception and not the rule;
- (vi) the *Gucci* decision does not establish that the court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and
- (vii) where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.

12. Applying these principles, I am not prepared in the exercise of my discretion to give permission for the Exhibits (a), (b), (e), (f), (h) and (l) to the Grounds of Appeal to be admitted at this late stage for the following reasons.
13. In this connection I note that none of these Exhibits are produced by way of evidence i.e., as exhibits to a witness statement but rather are simply appended to the Grounds of Appeal and therefore I have sympathy with the submission on the part of the

Opponent that the information contained within the Exhibits should not properly be treated as evidence. However, for the purposes of this application I have treated the materials in the Exhibits as though they are properly to be regarded as evidence.

14. Exhibit (a) consists of a Certificate of Incorporation of the Applicant dating from 2001. There is no explanation of why this evidence was not filed earlier. More relevantly the significance of this evidence is not identified by the Applicant. From the Decision below, and as is accepted by the Opponent in paragraph 5 of its Written Submissions dated 28 November 2022, the incorporation of the Applicant is not a matter in dispute in these proceedings. Put simply Exhibit (a) has no relevance to the determination of the present appeal. In the circumstances permission for the admission of Exhibit (a) is refused.
15. Exhibit (b) consists of general information relating to Employer Identification Number or EIN which is a US tax identification code. The material appears to have been downloaded from the internet and is dated 11 March 2022. The source of the material is not clear. It appears to be accepted by the Applicant that this material repeats the position maintained by the Applicant before the Hearing Officer. No explanation has been given as to why this material could not have been filed during the evidence rounds below. Nor is there any real explanation as to the significance of this material to the determination of the present appeal. In the circumstances permission for the admission of Exhibit (b) is refused.
16. Exhibit (e) consists of an email from Scott W. Johnstone to Merchant & Gould P.C. dated 28 March 2022 and appears to set out a number of steps that have been taken with regard to the ownership of US Trade Mark Registrations 5368246 and 5368247. It appears to me that the email, sets out procedurally what Mr Johnstone has done and what action if any the USPTO has done in response. It does not, as suggested by the Applicant in its Grounds of Appeal, consist of ‘*a legal explanation by an attorney*’ nor does it provide ‘*An explanation as to how to determine ownership*’. The context in which the email was sent is not explained. There is no witness statement confirming the points set out in the email.
17. Exhibit (f) consists of a print out of the details of US Trade Mark Registrations 5368246 and 5368247 from the United States Patent and Trade Mark Office dated 4 April 2022.
18. In so far as Exhibits (e) and (f) are referred to in the context of objections under sections 5(1), 5(2)(a), 5(2)(b) and 5(3) by virtue of the provisions of section 6(1)(c) they are on any view irrelevant to the present appeal which is solely concerned with an appeal against the Decision under section 3(6) of the 1994 Act. See paragraph 6 of the Grounds of Appeal.
19. However, reference is also made to Exhibits (e) and (f) in paragraph 16 of the Grounds of Appeal which cross refers to paragraph [29] of the Decision. Paragraph [29] of the Decision below contains a summary of the evidence that was before her

with regard to a dispute as to the ownership of US Trade Mark Registrations 5368246 and 5368247. There is no suggestion that the summary provided by the Hearing Officer in that paragraph is inaccurate on the basis of the materials that were available to her.

20. The additional material put forward by the Applicant in Exhibits (e) and (f) appear to be largely directed to an update with regards to the dispute as to the ownership of US Trade Mark Registrations 5368246 and 5368247. That is confirmed by the Written Submissions by the Opponent dated 28 November 2022 together with the witness statement of Lorraine Moller dated 25 November 2022 and accompanying exhibit LM59 which likewise provide an update.
21. In this connection attached to the material served in reply dated 11 December 2022 by the Applicant was a further Exhibit (n) which contained a print out from the United States Patent and Trade Mark Office dated 5 December 2022. This is said to provide a yet further update on the position.
22. It seems to me that the admission of Exhibits (e), (f) and for the avoidance of any doubt (n) should be refused. First, it is to be noted that the relevant date for the assessment of bad faith is the 9 June 2020. Second, it is clear, from the Decision of the Hearing Officer as set out above, that the Hearing Officer was fully aware that there was an ongoing dispute between the parties as of the relevant date. There is nothing in the further materials that seems to change that position. It therefore seems to me that no useful purpose in the context of determining the present appeal would be served by the admission of Exhibits (e), (f) and (n).
23. Moreover, it seems to me that there is some force in the submission by the Opponent that admission of these Exhibits would necessitate directions being given for the filing of further evidence rounds which would result in further delay to the resolution of these proceedings. Given that the material before me suggests that there is still a dispute as between the parties as to the ownership of US Trade Mark Registrations 5368246 and 5368247 this reinforces my view taken in the preceding paragraph.
24. Exhibit (h) consists of a download of information relating to ‘*Dissolving a Nonprofit Corporation*’ in the US. It is said by the Applicant to be relevant to the issue of whether or not the Appellant was ‘*dissolved*’ and reference is made to an email between the Opponent’s representatives and the UKIPO. In paragraph 8 of the Written Submissions dated 28 November 2022 filed on behalf of the Opponent it is made clear that the query as to the status of the Applicant having been raised by the Opponent was resolved and that being the case Exhibit (h) had no relevance to the determination of the present appeal. It was not subsequently suggested by the Applicant that this was not correct and accordingly I refuse the application to admit the material in Exhibit (h) into the proceedings.
25. Exhibit (l) consists of a number of emails which are said to be ‘*introduced only as a verification*’ of Mike Hatch’s knowledge ‘*of the website belonging to Lorraine*

*Moller*’ being evidence already given in the proceedings. No reference to Exhibit (l) is made in the application that was made by the Applicant dated 30 October 2022 or in the material filed by the Applicant in Reply on 12 December 2022.

26. In the circumstances in accordance with paragraph 4 of the directions the material in Exhibit (l) and references to such material in the Grounds of Appeal are to be struck out. For the avoidance of doubt had an application been made for permission to rely on Exhibit (l) it would nonetheless not have been given as no explanation has been given as to why this material could not have been filed during the evidence rounds below; and on the Applicant’s own admission the material was of no significance to the determination of the present appeal being merely confirmatory.

### **Conclusion**

27. For the reasons set out above the application for the admission of late evidence in the form of Exhibits (a), (b), (e), (f), (h), (l) and (n) is dismissed in its entirety.
28. In the premises, I direct that all such material being the material contained in Exhibits (a), (b), (e), (f), (h) and (l) and all references to such material is to be struck out from the Grounds of Appeal dated 7 April 2022 and the exhibits thereto.
29. The Applicant is therefore directed to refile on or before Friday 27<sup>th</sup> January 2023 the document dated 7 April 2022 that was filed with its TM55P with all references to Exhibits (a), (b), (e), (f), (h) and (l) and all points made by reference to Exhibits (a), (b), (e), (f), (h) and (l) struck through to show their deletion.
30. The Applicant is not required to refile the Exhibits but Exhibits (a), (b), (e), (f), (h), (l) and (n) will not be taken into account in the determination of the appeal.
31. A date will now be fixed for the hearing of the substantive appeal and will in due course be notified to the parties in accordance with Section 76 of the Trade Marks Act 1994.
32. The question of the costs associated with the determination of the preliminary issues will be reserved until the conclusion of the substantive appeal.

Emma Himsworth KC

Appointed Person

13 January 2023