BLO/0448/23

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

DECISION

Introduction

1. This is an appeal against the decision of Ms Clare Boucher, acting on behalf of the Registrar, dated 7 February 2022 (O-098-22)("***the Decision***"). In the Decision the Hearing Officer upheld an objection to registration under section 3(6) of the Trade Marks Act 1994 ("***the 1994 Act***").

2. On 9 June 2020 Five Circles ("***the applicant***") applied to register the mark:

("***the application***").

3. The application was accepted and published on 17 June 2020 in respect of various services in Class 41.

4. On 16 October 2020 the application was opposed by The Lydiard Foundation ("***the opponent***"). The opposition was based on sections 5(4)(a), 5(4)(b), 5(6), 3(6) and 5(1), 5(2) and 5(3) by virtue of section 6(1)(c) of the 1994 Act with respect to all services the subject of the application.

5. Only the section 3(6) ground of opposition is relevant to the appeal. In paragraph [6] of the Decision the objection under sections 3(6) of the Act was described by the Hearing Officer as follows:

> 6. Under section 3(6), the opponent claims that the applicant has acted in bad faith in filing the application, in full knowledge of the rights of the opponent. It asserts that the applicant had previously misappropriated the opponent's trade mark registrations for the name LYDIARD which it has now retrieved. It also claims that the president of the applicant had

> previously been involved in the running of The Lydiard Foundation in the US and so was well aware that the name belonged to the opponent. It asserts that this is an attempt to undermine the opponent, as part of an ongoing wider dispute.

6. The applicant filed a defence and counterstatement denying the claims. At paragraph [10] of the Decision the Hearing Officer described the position as follows:

> The applicant filed a defence and counterstatement denying the claims made. In particular, it asserts that it is a not-for-profit corporation registered in the State of Minnesota, and that it had registered "Lydiard Foundation" as a trading name (a "Doing Business As" name). It claims that it commissioned the original logo from Ms Wildegrube and that it has been using it since 2006. It also asserts that a Lorraine Moller removed the applicant's intellectual property without consent when she incorporated the opponent in Colorado in 2013. The applicant states that, when the board of the Colorado company became aware that the applicant's intellectual property had been wrongfully used, it returned it to the applicant.

7. Both parties filed evidence and the opponent filed written submissions. No application for cross-examination was made by either party.

8. Neither party requested a hearing so the Decision was made on the basis of the papers before the Hearing Officer.

The Hearing Officer's Decision

9. For present purposes there are two parts of the Decision that are relevant. First the section entitled the 'Factual Background' set out at paragraphs [15] to [33] of the Decision and second the findings with respect to section 3(6) of the 1994 Act set out in paragraphs [39] to [48] of the Decision.

10. Quite rightly, there is no dispute that the Hearing Officer identified the applicable principles of law to be applied to the determination of section 3(6) ground of opposition (see paragraphs [36] to [37] of the Decision) or that the relevant date for the purposes of assessing whether the application was filed in bad faith was 9 June 2020 (see paragraph [38] of the Decision).

11. As noted by the Hearing Officer in paragraph [15] of the Decision the '*legal status and history of the organisations involved in [the] proceedings, and the wider disputes between the two parties, are very complex*'. So far as the background to the key individuals are concerned the Hearing Officer founds as follows (footnotes excluded):

> 16. Arthur Lydiard (1917-2004) was a New Zealand running coach who developed his own method of training and whose athletes enjoyed considerable success at the 1960 and 1964

> Olympic Games. Later athletes who followed his method included Lorraine Moller, four-time Olympian, Olympic bronze medallist and winner of international marathons. The method has also been promoted over many years by Mr Hashizume, who formed a non-profit corporation, Five Circles (i.e. the applicant), in Minnesota in 2001 to promote information and training advice about long-distance running. Although the dispute involves a number of different corporate bodies, the key individuals are Mr Hashizume, President of the applicant, and Ms Moller, CEO of the opponent.

12. The Hearing Officer went on to set out the history of events as between the parties (and in particular the key individuals) at paragraphs [17] to [33] of the Decision. In this connection the Hearing Officer found at paragraph [32] that '*The numerous inconsistencies and misinterpretations of evidence have led me to treat the witness statement of Mr Hashizume with a distinct degree of caution in coming to my decision.*'

13. So far as the findings with respect to section 3(6) of the Act were concerned the Hearing Officer found as follows (footnotes omitted):

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

The Appeal

14. On 7 April 2022, the Applicant filed a TM55P and accompanying document together with a number of exhibits.

15. By email dated 11 May 2022, the Opponent raised two preliminary points in relation to the TM55P and the Grounds of Appeal dated 7 April 2022 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. In relation to the materials that had not been

before the Hearing Officer below the Opponent maintained an objection to their admission to the appeal; and

(2) That it wished for an order to continue the confidentiality order of one exhibit that had been made by the Registrar on 19 October 2021.

16. Directions were given for the purposes of putting in place the arrangements for the determination for two preliminary issues namely an application for the admission of further evidence on appeal by the Applicant; and an application for the continuation of the confidentiality order. Those applications were decided on the papers and a Decision on the Preliminary Issues of Appeal was issued on 13 January 2023 (O-0042-23) in which:

(1) The application to adduce additional evidence on appeal was refused;

(2) The order for confidentiality made by the Registrar on 19 October 2021 was continued; and

(3) The question of the costs associated with the determination of the preliminary issues was reserved until the conclusion of the substantive appeal.

17. The Applicant subsequently filed an amended Grounds of Appeal dated 25 January 2023 in which all references to and all exhibits containing material that had not been filed before the Hearing Officer were deleted.

18. The Grounds of Appeal were not conventionally framed and were not easy to follow. The first two paragraphs stated as follows:

> Neither the agenda nor the intent of filing for this trademark was ever to bar or impede anybody's business in the UK, contrary to the decision rendered on this application nor is there any exhibit or evidence presented that would indicate that there was. It was made to register and safeguard the intellectual property to the applicant. There should be no basis for a fee assessed against the Applicant for applying for a trademark.
>
> The decision seems to have been made based on witness statements from the Opposition that were impeached or seriously questioned for validity, versus exhibits provided by documentation and legal records. Further, serious misinterpretation of the law or procedures required by law[1] was drawn from sone of the exhibits by the person(s) reviewing the application, and a number of breaches of the law carried out by the Opposition were ignored as pointed out in reply to the Opposition by the Applicant.

[1] The reference to law or procedures required by law in the Grounds of Appeal is a reference to US law and not the applicable law under section 3(6) of the 1994 Act.

19. There after the Grounds of Appeal contained a series of paragraphs in narrative form which exclusively set out criticisms of the findings of fact made by the Hearing Officer on the basis of the materials before her; together with what in some instances should properly be regarded as factual assertions in answer to the findings.

20. Moreover it is to be noted from the outset that, the specific paragraphs referred to in the Grounds of Appeal only address paragraphs up to and including paragraph [33] of the Decision i.e., do not include any specific criticisms of the paragraphs dealing with the substantive findings under section 3(6) at paragraphs [38] to [47]. In addition it is to be noted that some of the criticisms of the Decision are not of relevance to the present appeal limited as it is to the section 3(6) ground of opposition.

21. The final conclusionary paragraph of the Grounds of Appeal stated as follows:

> No registration or registration attempt was made in bad faith, nor in review of some of the misconstrued facts, would we hope that the same decision would be rendered. The particular attempt to read that Mr. Hashizume's providing tax information to Lorraine Moller provided an authorization to use another corporation's EIN tax identification, contrary to tax law – as stated originally in Mr. Hashizume's witness statement paragraph (7) is totally in error. To claim, in essence, that the transfer of the Colorado board of Lydiard Foundation of asset, in detailed minutes of, provided by the board member Bill Roe, and ratified in a subsequent follow up board meeting, was invalid by Lorraine Moller, in (sic) against all legal procedure. Lorraine Moller has attempted unsuccessfully through attorney Mike Hatch and the USPTO to change the history of events. This should not be allowed to impede Five Circles from making a successful application, and in no way does it prove bad faith.

22. No Respondent's Notice was filed.

23. Following the determination of the preliminary issues the appeal was initially listed for a hearing via video link on 7 February 2023. At the request of the applicant that hearing was adjourned and re-listed for hearing via video link for 2pm on 28 February 2023. Both parties filed written submissions on 24 February 2023.

24. On the morning of 28 February 2023 (UK time) an email was received from Mr Nobuya Hashizume of the applicant. That email stated as follows (text as in the original):

> Dear sirs/madams:
>
> Attached please find the deposition from Mr. Jerry Lee. There have been numerous representations that Mr. Lee has been active and integral part of the board of both the Lydiard

> Foundation CO as well as Five Circles MN in Opposition's exhibits. This is totally false and fabricated, as are other areas that we are prepared to prove.
>
> This only came to our attention very recently from our council who has just returned from an out-of-country trip.
>
> We stand ready to defend our agenda and motive to file trademark of "LYDIARD" in UK.
>
> Nobuya "Nobby" Hashizume

25. The attached email appeared to be from 'Skip Dickel' dated 9 February 2023 and was sent to Daniel Dickel and Nobuya Hashizume. That email forwarded another email (not a deposition) from a 'Jerry Lee' to 'Skip Dickel' dated 7 February 2023 under the subject heading 'Letters received regarding Lydiard Foundation'.

26. At the hearing Mr Nobuya Hashizume assisted by Mr Daniel Dickel appeared on behalf of the applicant and Ms Michelle Ward of Indelible IP represented the opponent.

27. At the start of the hearing, it was established that the applicant was seeking to have the material provided under the cover of the email from Mr Hashizume earlier in the day admitted on appeal and/or an adjournment in order to conduct further investigations of individuals that were referenced in various documents that had previously been filed in evidence that were said to be of relevance to the matters that were before me. Ms Ward resisted the application for the admission of the further material and/or the suggestion that there should be any further adjournment in the context of the appeal.

28. The application made by the applicant at the hearing was refused. It was indicated that the reasons for the refusal would be given in writing at the same time as the substantive decision on the appeal. The reasons for refusing the application(s) are set out under heading 'Reasons for the Decision on the further preliminary issues' below.

The standard of review on appeal from the Registrar

29. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; and Actavis Group PTC v. ICOS Corporation [2019] UKSC 1671 at [78] to [81].

30. Moreover, where the decision below involves the making of a value judgment the decision maker on appeal must be especially cautious about interfering with that judgment on appeal: see Actavis (above) at [80]:

> 80 What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible: *Assicurazioni Generali SpA v Arab Insurance Group (Practice Note)* [2002] EWCA Civ 1642; [2003] 1 WLR 577, paras 14-17 per Clarke LJ, a statement which the House of Lords approved in *Datec Electronic Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23; [2007] 1 WLR 1325, para 46 per Lord Mance.

31. The approach to appeals on what is, in substance a factual determination made from a legally correct perspective have been summarised in the decision of Geoffrey Hobbs KC sitting as the Appointed Person in TEDDYLICIOUS Trade Mark (O-0032-23) at paragraphs [19] and [20]:

> 19. However, the case law is clear as to the way in which this Tribunal should approach an appeal against what was, in substance, a factual determination made from a legally correct perspective. I refer in that regard to paras [2] and [3] of the Judgment of the Court of Appeal in *Volpi v Volpi* [2022] 4 WLR 48; [2022] EWCA Civ 464:
>
> *Appeals on fact*
>
> [2] The appeal is therefore an appeal on a pure question of fact. The approach of an appeal court to that kind of appeal is a well-trodden path. It is unnecessary to refer in detail to the many cases that have discussed it; but the following principles are well-settled:
>
> (i) An appeal court should not interfere with the trial judge's conclusions on primary facts unless it is satisfied that he was plainly wrong.
>
> (ii) The adverb "plainly" does not refer to the degree of confidence felt by the appeal court that it would not have reached the same conclusion as the trial judge. It does not matter, with whatever degree of certainty, that the appeal court considers that it would have reached a different conclusion.

What matters is whether the decision under appeal is one that no reasonable judge could have reached.

(iii) An appeal court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration. The mere fact that a judge does not mention a specific piece of evidence does not mean that he overlooked it.

(iv) The validity of the findings of fact made by a trial judge is not aptly tested by considering whether the judgment presents a balanced account of the evidence. The trial judge must of course consider all the material evidence (although it need not all be discussed in his judgment). The weight which he gives to it is however pre-eminently a matter for him.

(v) An appeal court can therefore set aside a judgment on the basis that the judge failed to give the evidence a balanced consideration only if the judge's conclusion was rationally insupportable.

(vi) Reasons for judgment will always be capable of having been better expressed. An appeal court should not subject a judgment to narrow textual analysis. Nor should it be picked over or construed as though it was a piece of legislation or a contract.

[3] If authority for all these propositions is needed, it may be found in *Piglowska v Piglowski* [1999] 1 WLR 1360; *McGraddie v McGraddie* [2013] UKSC 58; [2013] 1 WLR 2477, *Fage UK Ltd v Chobani UK Ltd* [2014] EWCA Civ 5; [2014] FSR 29, *Henderson v Foxworth Investments Ltd* [2014] UKSC 41; [2014] 1 WLR 2600, *Glencore Services (UK) Ltd v Elliston* [2016] EWCA Civ 407, *JSC BTA Bank v Ablyazov* [2018] EWCA Civ 1176; [2019] BCC 96, *ACLBDD Holdings Ltd v Staechelin* [2019] EWCA Civ 817; [2019] 3 All ER 429 and *Perry v Raleys Solicitors* [2019] UKSC 5; [2020] AC 352.

20. This does not mean that Registry decisions are immune from challenge. Nor does it mean that they will not be carefully reviewed on appeal. It does, however, mean that a decision must stand if it is not shown to be wrong by reason of some identifiable flaw in the Hearing Officer's treatment of the question to be decided (such as a gap in logic, a lack of consistency, or a failure to take account of some material factor) which renders the disputed conclusion rationally insupportable: see, for example, *Ras Al Khaima Investment Authority v Azima* [2021] EWCA Civ 349 at paras [66] to [70]; and *In the matter of Sprintroom Ltd* [2019] EWCA Civ 932 at paras [71] to [78].

32. That this is the correct approach has been more recently confirmed in the judgment of Warby LJ in Riley v. Sivier [2023] EWCA Civ 71 at paragraph [13].

33. I will bear the above principles firmly in mind in considering the issues before me.

Reasons for the Decision on the further preliminary issues

34. As noted above an application was made at the start of the hearing was for the admission of further additional material and, as became apparent in the course of submissions before me at the start of the hearing, for an application for an adjournment for the purpose of obtaining further evidence which was said to support serious allegations including fabrication of evidence contained in certain exhibits to the witness statement of Ms Moller filed on behalf of the opponent.

35. The principles applicable to the admissibility of fresh evidence on appeal in trade mark cases were set out in paragraph [11] of my earlier Decision in these proceedings (Decision on the Preliminary Issues of Appeal issued on 13 January 2023 (O-0042-23)).

36. As noted above the new evidence that is currently before me appears to be related to an individual called Jerry Lee who was described on behalf of the applicant at the hearing before me as one of the '*players of [certain of Ms Moller's] exhibits*'. What was submitted before me was that the applicant wished to have time to investigate certain of the '*players*' referred to in the exhibits with a view to then filing evidence from those individuals, including from Jerry Lee as to their roles or involvement (or lack thereof) with the various parties to the present dispute such as to submit that certain documents were '*false and fabricated*'.

37. However, what the applicant was unable to explain, or properly explain, was:

    (1) Why enquires had not been made upon receipt of the witness statement of Ms Moller together with the materials in the form of exhibits to that witness statement which was dated **7 April 2021**.

    (2) Why the particular points with regard to the '*players of these exhibits*' now raised before me were not specifically raised in the witness statement of Mr Hashizume dated **27 August 2021** filed on behalf of the applicant in answer to the evidence filed on behalf of the opponent. This is all the more the case given that (i) Mr Hashizume himself is, in a number of exhibits for example LM11 and LM13, identified/a participant in an email chain together with Jerry Lee. That is to say Mr Hashizume is one of the '*players*' in at least some of the relevant exhibits; and (ii) Mr Hashizume himself refers to and indeed re-exhibits LM13 to his own witness statement.

(3) Why, if not before enquires had not been made following receipt of the evidence in reply filed on behalf of the opponent in the form of witness statements of Greg McMillan, Rodney Dixon and Lorraine Moller which were filed on **11 October 2021**. Those statements answered the allegations made by Mr Hashizume in his evidence.

(4) Against that background why the application for the admission of late evidence and/or adjournment was only being made at the hearing of the appeal i.e., on **28 February 2023**. This is all the more the case given that as noted above the email containing the 'evidence' appeared to have been provided by 'Skip Dickel' to Daniel Dickel and Nobuya Hashizume in an email dated **9 February 2023** and that email forwarded another email from Jerry Lee to 'Skip Dickel' dated **7 February 2023** under the subject heading 'Letters received regarding Lydiard Foundation'.

(5) Why no context to the email from Jerry Lee dated 7 February 2023 had been given. That is to say what the contents of the 'Letters received regarding Lydiard Foundation' referred to by Jerry Lee in his email contained. In particular there is no information as to what material was provided in the letters sent to Jerry Lee and/or what questions he was asked.

(6) What the particular point or points that any such new material would provide assistance with over and above the material that had been available to the Hearing Officer and upon which she relied in reaching her conclusion. In this connection I note that there is no reference to the specific allegations that it would now appear that the applicant would wish to make in the Grounds of Appeal dated **7 April 2022** (or, for the avoidance of doubt, in the Amended Grounds of Appeal re-filed following a direction from me on **25 January 2023**.). It was only in the document headed Skeleton Arguments dated **23 February 2023** filed on behalf of the applicant that there was a reference for the first time to a general assertion with regard to '*Introduction of fabricated and fraudulent document exhibits made to the UK Trade Mark by the Opposition (sic) recently discovered*'.

38. Against that background the only explanation that was given for the delay in the course of the proceedings was the lack of general resources of the applicant and the difficulty in tracking down certain individuals. However, there was no suggestion that there had been any change with regard to those resources over the pendency of the present proceedings in the UKIPO; and the difficulty in locating individuals, if correct, will only have become more difficult as a result of the applicant's delay. I therefore do not regard these points as providing any or any real explanation for why the evidence to support the new and very serious allegations could not have been obtained earlier.

39. I further note that no application to cross-examine any of the witnesses was made by either side to the present appeal.

40. Moreover, what became apparent at the hearing was that, the applicant was in effect seeking an open-ended opportunity, out of time, to engage in further investigations of unknown scope and thereafter to make an application to file further evidence. Such evidence it seems to me would have required, if admitted, further directions to be given in order to provide the opponent with an opportunity to file evidence in answer and was likely to result in the need for a rehearing of the opposition at first instance. This would lead to a delay and therefore no finality for an uncertain period of time which is wholly unsatisfactory.

41. In these circumstances, in the exercise of my discretion, the application by the applicant to rely on further evidence and/or for an adjournment for the purposes of obtaining further evidence was refused.

Substantive Decision

42. Turning to the substantive appeal itself. It is important to note from the outset what does not appear to be disputed by the applicant on this appeal.

43. First, quite correctly there is no dispute as to the applicable law to be applied to a determination of a ground of objection pursuant to section 3(6) of the 1994 Act was that as set out in paragraph [37] of the Decision.

44. Second, it does not appear to be challenged in the Grounds of Appeal that as of the filing date there was no evidence that the dispute as to which party was the relevant proprietor of the US trade marks for LYDIARD had been resolved as found by the Hearing Officer at paragraph [45] of her Decision.

45. I further note that whilst the Hearing Officer sets out the rival position between the parties in paragraphs [39] to [41] and [43] to [44] of the Decision she does not make any determinations in those paragraphs. In so far as points seem to be taken with regards to the status of the dispute in the context of USPTO as of the filing date this does not seem to be entirely clear but in any event does not seem to be material to the Decision.

46. Further and in any event, as the Hearing Officer correctly made clear in her Decision at paragraph [42], the fact that there was such a dispute ***does not*** in and of itself establish bad faith.

47. Third, there does not appear to be any challenge in the Grounds of Appeal to the findings in paragraph [46] and [47] of the Decision that the application was filed after the opponent had begun using the mark applied for in the United Kingdom including with respect to at least some of the services the subject of the application.

48. Fourth, it does not seem to be in dispute that as of November 2018 the opponent was the registered proprietor of the US trade marks or that Mr Hashizume and Mr Dickel were aware that they had been instructed by the opponent not to transfer any assets

including the relevant US trade marks to the applicant prior to them doing so (albeit that it is maintained by the applicant both before the Hearing Officer and on appeal that they were entitled to do so) as found in paragraph [47] of the Decision.

49. Fifth, it has not been suggested on this appeal that the Hearing Officer was wrong to find as she did in paragraph [47] of the Decision that (emphasis added):

> 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**, . .

50. Against that background I turn to consider what is relied upon by the applicant in support of its appeal. As noted above all the challenges seem to be directed to the findings of fact a found by the Hearing Officer and as set out in paragraphs [17] to [20], [22], [25], [27] to [29], [31] and [33][2].

51. The Grounds of Appeal are not, as correctly pointed out by Ms Ward on behalf of the opponent and as noted above easy to follow. They are in narrative form and in many respects seem to address points that are of no relevance to the basis upon which the Hearing Officer came to the conclusion that she did. Moreover, the Grounds of Appeal contain a number of inconsistencies and misinterpretations of the findings in the Decision and the evidence. Examples of this are set out in more detail below.

52. In some instances, the criticisms made by the applicant do not reflect the findings of the Hearing Officer who either:

    (1) Appreciated the difference stances taken by the parties and considered nothing turned on it. See for example the comment to that effect in footnote 4 of the Decision; or

    (2) Did not make a contrary finding to that relied upon by the applicant on this appeal. See for example the point made by the applicant that '*Lorraine Moller was never an officer nor a member of the board of Five Circles*' in paragraph 7 of the Grounds of Appeal. A point that is touched upon by the Hearing Officer in paragraph [30] of the Decision when considering Mr Hashizume's claim that Ms Moller has misrepresented herself as being a part of the applicant or wrongly claimed to be a board member of the applicant and concluded that on the basis of the materials relied upon by the applicant that *'[Ms Moller does not say that she is a board member of [the applicant]*'. Although I note that paragraph 9 of the Grounds of Appeal that finding is itself challenged.

[2] In so far as the Grounds of Appeal refer to earlier paragraphs in the Decision these are simply the paragraphs which identify the respective parties' positions and the grounds of opposition which the Hearing Officer took from the respective statements of case and therefore, I say no more about them.

53. In other instances, it is entirely unclear what the relevance to the complaints directed to the findings of fact in the Decision had to the determination under section 3(6) of the 1994 Act. An example of this are the Grounds of Appeal and submissions that are directed to various allegations as against Ms Moller relating to US Tax issues arising in the context of the legal status and history of the organisations involved. These Grounds of Appeal seem to seek a determination of points of US tax law. This was and is inappropriate not least on the basis of relevance to this appeal.

54. In that connection I further note that: (1) the opponent maintains that such complaints had previously been raised before the relevant US tax authorities and were deemed closed after an investigation: see paragraph 11 of Ms Moller's first statement and Exhibits LM21, LM22 and LM23 thereto; and (2) it would appear that Mr Hashizume was aware of the US tax arrangements complained about as found by the Hearing Officer in paragraphs [19] and [20] of her Decision and supported by the emails contained in Exhibit LM13. A point that is referred to but does not seem to be relied upon by the Hearing Officer in paragraph [47] of the Decision.

55. Lastly, many other parts of the Grounds of Appeal appear to contain lengthy alternative explanations of the documents some of which appear to be, in essence, in the form of further evidence. Moreover such explanations are in some instances difficult to follow in part because they do not seem to relate or entirely relate to the findings of fact that were actually made by the Hearing Officer; and/or to the conclusions that the Hearing Officer reached.

56. Having considered the Grounds of Appeal with great care, I have come to the conclusion that in so far as the applicant is inviting me to in effect reassess the evidence afresh, then as stated by Geoffrey Hobbs QC sitting as the Appointed Person in NICO LONDON Trade Mark (O-338-20) at paragraph [36]:

> . . . the Decision would end up being re-taken by this Tribunal under the guise of reviewing it for error. However, it is necessary in order to maintain the required distance between the role of decision taker at first instance and the role of decision taker on appeal for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the Opponent relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error.

57. I have reviewed the Decision in the light of the alternatives put forward by the applicant. Having done so I am satisfied that none of the points relied upon reveal any errors on the part of the Hearing Officer which taken either individually or together establish that the conclusion she reached is vitiated by error. Rather it is one that it seems to me that it was open to the Hearing Officer to reach for the reasons that she gave.

58. I am reinforced in my view given the matters identified above as not being in dispute. It seems to me that it was open to the Hearing Officer to go to find that in this

jurisdiction i.e., the United Kingdom that the application was part of a blocking strategy to undermine the opponent.

59. As Geoffrey Hobbs QC in NICO LONDON Trade Mark (above) at paragraph [38] observed:

> In *Butler v Bankside Commercial Ltd* [2020] EWCA Civ 203 Lewison LJ (with whom David Richards and Asplin L.JJ agreed) repeated at paragraph [19] what Mummery LJ (with whom Rimer and Underhill L.JJ agreed) had said in *Neumans LLP v Andronikou* [2013] EWCA Civ 916 at paragraph [38] (in the context of paragraphs [36] to [40] under the heading "Lord Wilberforce and appeals from impeccable judgments"): "*If the judgment in the court below is correct, this court can legitimately adopt and affirm it without any obligation to say the same things over again in different words. The losing party will be told exactly why the appeal was dismissed: there was nothing wrong with the decision appealed or the reasons for it.*"

60. Adopting that approach, in particular having regard to the fact that the Grounds of Appeal do not deal directly with substantive findings in paragraphs [38] *et seq* of the Decision, I dismiss the applicant's appeal against the Hearing Officer's Decision under section 3(6) of the 1994 Act for the reasons that she gave.

Conclusion

61. To conclude, for the reasons set out above, it does not seem to me that the applicant has identified an error of principle or material error in the Hearing Officer's Decision. Moreover, it not in my view appropriate to interfered with the evaluations that the Hearing Officer made in reaching the decision that she did. In the result the appeal fails and is dismissed.

62. There is then the question of the costs of the appeal and of the various preliminary applications. As indicated at the hearing of the appeal the parties were to be provided with an opportunity to make submissions on the question of costs.

63. The opponent has been successful on the appeal and on all the preliminary applications whether brought by the opponent or the applicant. It is therefore entitled to claim a contribution towards its costs. This is in addition to the order for costs made by the Hearing Officer below.

64. In those circumstances I direct as follows:

    (1) On or before 4 pm on Friday 19 May 2023 the opponent must confirm in writing whether or not they are claiming costs other than on the standard scale in respect of the various preliminary applications and the costs of the substantive appeal.

(2) In the event that the opponent confirms that they intend to seek an order for off scale costs then on or before 4 pm on Friday 26 May 2023 they must: (a) provide a bill itemising the actual costs upon which they intend to rely for that purpose; and (b) provide a reasoned statement in support of their request for costs to be awarded on an off scale basis.

49. Thereafter I shall give further directions for submissions in response to any application for costs. Unless either party notifies me that they wish to be heard I will then make a decision on the question of costs on the basis of the papers before me.

EMMA HIMSWORTH KC
Appointed Person

12 May 2023