

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NOS 3383039, 3412728 AND 3383112 IN THE NAME OF HILIFE MUSIC LIMITED

AND IN THE MATTER OF APPLICATIONS FOR DECLARATIONS OF INVALIDITY THERETO BY HILIFE MUSIC ENTERTAINMENT LIMITED

AND

IN THE MATTER OF TRADE MARK REGISTRATION NOS 91623858 AND 916238966 IN THE NAME OF HILIFE MUSIC ENTERTAINMENT LIMITED

AND IN THE MATTER OF APPLICATIONS FOR DELCARATIONS OF INVALIDITY THERETO BY HILIFE MUSIC LIMITED

DECISION

Introduction

1. This is an appeal against the decision of Heather Harrison acting on behalf of the Registrar, dated 5 December 2022 (O/1066/22)(“*the Decision*”). In the Decision the Hearing Officer partially upheld the applications for invalidity in respect of each of the 5 marks in issue in the proceedings.
2. Although both parties had a measure of success the Hearing Officer took the view that Hilife Music Entertainment Limited (“*London*”) had had greater success in both defending its own trade mark registrations and invalidating the trade mark registrations in the name of Hilife Music Limited (“*Peterborough*”). Accordingly the Hearing Officer ordered Peterborough to pay London a contribution of £2000 with respect to its costs.
3. On 1 September 2020 London filed cancellation proceedings (“*the 2020 cancellation proceedings*”) against 3 trade mark registrations in the name of Peterborough identified in the heading above (“*the Peterborough trade marks*”). The 2020 cancellation proceedings were directed against all the goods and services covered by the registrations in suit. For the purposes of those cancellation proceedings London relied upon section 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“*the 1994 Act*”). For these purposes London relied upon its trade mark registrations identified in the heading above (“*the London trade marks*”).
4. On 14 January 2021 Peterborough filed cancellation proceedings (“*the 2021 cancellation proceedings*”) against the London trade marks. The 2021 cancellation proceedings were based upon section 5(4)(a) and section 47(2)(b) of the 1994 Act.

The basis of the claim for cancellation against both the London trade marks was the same.

5. Peterborough claimed that it had used three signs, namely ‘HILIFE’, ‘HILIFE MUSIC’ and ‘HILIFE MUSIC GROUP’ in the UK since 2007 in relation to a variety of goods and services in classes 9, 25, 35 and 41. Peterborough claimed that it had generated a substantial goodwill and that the use of the London trade marks would give rise to misrepresentation and damage. Peterborough therefore claimed that the registration of the London trade marks was contrary to section 5(4)(a) of the 1994 Act.
6. Both parties filed (1) counterstatements; (2) evidence; and (3) written submissions with respect to the 2020 cancellation proceedings and the 2021 cancellation proceedings.
7. A hearing took place before the Hearing Officer via video link on 14 September 2022. At that hearing London was represented by Edward Boateng-Addo instructed by Hasonwoods Solicitors and Peterborough was represented by Jamie Muir Wood instructed by Trade Mark Wizards Limited.

The Hearing Officer’s Decision

8. For the purposes of this appeal the only part of the Hearing Officer’s Decision that is relevant are the findings in relation to the claim under section 5(4)(a) of the 1994 Act in the 2021 cancellation proceedings.
9. Having identified the relevant principles applicable to establishing a claim for passing off by reference to Reckitt & Colman Products Limited v. Borden Inc & Ors [1990] RPC 341 HL the Hearing Officer first considered the question of the relevant date for the purposes of the assessment she was required to make and found as follows at paragraph [22] of her Decision (footnotes excluded):

The prima facie relevant date is the filing date, i.e. 10 January 2017. However, use before the filing date is relevant because under the law of passing off the relevant date for determining whether the claimant had established the necessary goodwill is the date of commencement of the conduct complained of. It is therefore necessary to assess the position at the date on which the objectionable use began and then to consider whether the position is any different at the filing date. In this case, although there is no claim in London’s counterstatements to use before the filing date, Ms Atiemo’s evidence refers to use of “HILIFE” and “HILIFE MUSIC” in December 2016. London was incorporated on 5 December 2016. Mr Muir Wood’s submissions were made on the basis that the relevant date is

December 2016; I did not detect any dispute about this from Mr Boateng-Addo. I will bear both dates in mind.

10. The Hearing Officer then summarised the evidence filed by Peterborough in support of the claim to goodwill in paragraphs [24] to [54] of the Decision. She went on to identify the relevant authorities, as she saw them, which set out the principles relating to what was required to establish a protectable goodwill for the purposes of a passing off claim in paragraphs [55] to [58] of the Decision; before turning to consider the approach to be taken to the assessment of evidence in cases such as the present at paragraphs [59] to [62] of the Decision.
11. Having found in paragraph [63] of the Decision that the absence of cross-examination did not mean that she had to accept the evidence of Mr Fife, on behalf of Peterborough, she went on to find as follows (footnotes omitted):

64. As the case law above indicates, in order to be protectable, goodwill must be “substantial”: mere use is not enough. The stated annual turnover is between £100,000 and £233,000 each year from 2007 to 2016, totalling over £1.7 million. That level of turnover is not so small that it is insufficient, in principle, to support the claim to goodwill. However, the rest of the evidence should be sufficient to substantiate the figures. In this case, the remainder of the evidence is such that it causes me to doubt the stated turnover figures. In particular, the invoices which show use of “HILIFE” in any form amount to only £16,850 spread over eight years. In his statement, Mr Fife does not say that the invoices are examples but says that they and the accounts show “the income I have generated through the brand, along with that generated by the Applicant”. The accounts show no income at all and very limited assets. Even if the invoices are only samples from a wider range, they amount to a tiny fraction of the total turnover claimed. There are additional difficulties with the stated turnover figures. The first is that they are not broken down as between the various goods and services relied upon, or indeed the three signs. It is impossible for me to know exactly how much of the claimed turnover is in relation to the differing goods and services. The second is that Peterborough does not specify that the turnover figures are in relation to goods/services offered to customers in the UK. That is of particular concern when other parts of the evidence relate to customers or potential customers who are obviously not in the UK. I consider it appropriate to approach the bare turnover figures with caution and to attach more weight to the documentary evidence of trade. I have similar concerns about the advertising figures, which are supported by next to no evidence which shows how the sums were spent.

65. Peterborough’s evidence shows that between 2013 and 2015 it entered into seven contracts with artists for the

production of music, specifically songs. It appears that at least one of those contracts, with Shanice Ashley, resulted in the release of two songs in 2013/2014. There is also evidence that Peterborough released songs for three other artists during 2013-2014. All of these either show “HILIFE MUSIC GROUP” as the copyright owner or are made available on the “HILIFE MUSIC GROUP” Soundcloud page, with some associated tweets from HILIFE MUSIC GROUP Twitter accounts. Mr Fife also says that two singles were released in 2007/2008, for Xclusive and Anton. The only documentary evidence relating to these singles is not dated and does not show “HILIFE”. The invoices show “Hilife Music”/“Hilife Music Group” but only from 2008 onwards and the evidence relating to the video games either does not show “HILIFE” or credits Mr Fife personally. In these circumstances, I am not prepared to conclude that the services in relation to the 2007 single for Xclusive were provided under the name “HILIFE” or a variation thereof. Apart from the Xclusive single, all of the above production contracts and songs appear to have been entered into or released under the “HILIFE” or “HILIFE MUSIC GROUP” brand

66. Only a small number of the music submissions to info@hilifemusicgroup.com clearly relate to parties in the UK. However, the invoices are mainly to UK addresses. Given the handwritten nature of the invoices and that they are for relatively small sums, it seems likely that even where the address is not included, they too are for customers in the UK. The services are various types of music production services, from composition to editing and, in one case, production of an album, to different customers. Overall, it is sufficiently clear from the evidence that the word “HILIFE” or, more commonly, “HILIFE MUSIC GROUP” had been used in the UK to distinguish music production services offered by Peterborough by late 2016. As to whether the evidence establishes that the goodwill is significant enough to be protectable for music production, there is clearly a very significant difference between the turnover claimed and the actual sales shown. It is not possible to determine the exact amount which has been generated by music production services. However, it is apparent that Peterborough had offered music production services over a number of years prior to 2016. Although the number of clients is very limited, it includes artists in addition to those in the production contracts and invoices. There had also been some online presence in the form of Twitter accounts. I consider that, on balance, there was a protectable but small goodwill in music production by December 2016/January 2017.

67. In terms of the distinctiveness of the word “HILIFE”, London has filed some evidence that “HILIFE” is a genre of

music in Ghana. However, the evidence is lacking detail on how the word “HILIFE” has been used in the UK. In my view, it does not establish that the relevant UK public would perceive the word as descriptive. I accept that there may be some consumers, most likely those with a personal connection to Ghana or those with a private or professional interest in world music, who have heard of the genre but that will not be the case for a substantial part of the relevant public. “HILIFE” may be perceived in various ways, as a variant spelling and juxtaposing of the words “high life” or potentially “hi life”, or as a word which has no concrete meaning but which is made up of at least one recognisable English word. I think it most likely that no precise meaning will be attributed to the term but in any of these scenarios it strikes me as inherently distinctive to at least a medium degree. There is no dispute that “HILIFE” is by far the most distinctive part of the composite word signs relied upon. “MUSIC” and “MUSIC GROUP” describe the services or the entity. That being the case, I see no reason why the use of “HILIFE MUSIC GROUP” would not also constitute use of “HILIFE” solus (in relation to which there is also independent use) or of “HILIFE MUSIC”. I find that there was a small but protectable goodwill for music production services by December 2016 (which had not dissipated by January 2017) of which all three signs were distinctive

12. The Hearing Officer found that the claim by Peterborough to a protectable goodwill had not been established on the evidence in relation to any of the other goods or services relied upon by Peterborough in support of its ground of invalidity under section 5(4)(a) of the Act (paragraphs [68] to [76] of the Decision) before concluding at paragraph [77] as follows:

77. My overall finding regarding Peterborough’s goodwill is therefore that at the relevant date there was a small but not trivial goodwill in relation to music production services only. The signs “HILIFE”, “HILIFE MUSIC” and “HILIFE MUSIC GROUP” were distinctive of that goodwill.

13. Having found that Peterborough had established goodwill in relation to music product services the Hearing Officer proceeded to make findings with respect to misrepresentation. Having set out the relevant principles the Hearing Officer concluded by finding as follows in paragraph [84]:

84. Peterborough’s goodwill is in music production services but it is small. However, given the level of similarity between the marks and the earlier signs, in particular the identity of the only or most distinctive element “HILIFE”, there will be a misrepresentation where the goods and services are in the same field or where the fields are sufficiently connected that the goods/services represent a plausible expansion of the services

of a music production company. I do not think, however, that the goodwill is sufficient to sustain an objection to goods and services which are normally traded in a discrete commercial sector and/or would not typically be provided by the same entity alongside music production services. I consider that misrepresentation will occur for the following goods and services in UK958 (classes 9, 35, 41) and UK966 (classes 35 and 41):

[The goods and services are set out in Annex A to this Decision]

14. Finally with respect to damage the Hearing Officer found at paragraph [92] of the Decision that:

92. For those services which are the same as Peterborough's, a loss of sales is likely to occur as a result of the misrepresentation. For all of the goods and services for which there is a misrepresentation, there is a non-hypothetical risk of damage in the form of loss of control of Peterborough's reputation and diminution of the attractive force of the signs. Damage is made out for the goods at paragraph 84 above, but not otherwise

The Appeal

15. On 30 December 2022, London filed a TM55P together with a statement of grounds of appeal. The gravamen of London's appeal was the finding by the Hearing Officer that Peterborough had a small but protectable goodwill for music production services. It is said on behalf of London that this finding was wrong and unsupported by the evidence filed by Peterborough.
16. It was further submitted that the Hearing Officer had failed to properly analyse the likelihood of misrepresentation and/or failed to properly analyse if damage would be caused to Peterborough.
17. As a result it is maintained the Hearing Officer should not have made the findings that she did in relation to London's trade marks as set out in paragraph [144] of the Decision.
18. No Respondent's Notice was filed.
19. At the hearing of the appeal which took place by video link Mr Edward Boateng-Addo instructed by Hansonwoods Solicitors appeared for London and Ms Kendal Watkinson instructed by Trade Mark Wizards Limited appeared for Peterborough.

The standard of review on appeal from the Registrar

20. 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].

21. Sir Anthony Mann in Stitch Editing Limited v. TikTok Information Technologies Ltd [2023] EWHC 1167 (Ch) conveniently summarised the approach in cases such as the present at paragraphs [6] to [8]:

6. The correct approach to appeals such as this has recently been confirmed in the decision of Richards J in *Instagram LLC v Meta 404 Ltd* [2023] EWHC 436 (Ch) . In that case (which was another trade marks appeal case) the judge followed the guidance to be applied in appeals generally and set out in *Volpi v Volpi* [2022] EWCA Civ 464

- “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.”

7. So far as the decision below is evaluative, an appellate court should also approach the appeal with caution:

"76. So, on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out a balancing task afresh but must ask whether the decision of the judge was wrong by reason of some identifiable flaw in the judge'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 undermines the cogency of the conclusion". (*Re Sprintroom Ltd* [2019] EWCA Civ 932)

8. And last, as Richards J observed in *Instagram* , proper respect should be paid to the decision of an expert tribunal in the field in question:

"26. Finally, it is relevant to observe that this is an appeal from a tribunal with particular expertise. As Lady Hale observed in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49 at paragraph 30 , the court should approach the appeal on the basis that it is probable that an expert tribunal, charged with applying the law in their specialist field, has probably got it right."

I shall approach this appeal with those principles in mind.

22. There was no dispute before me as to the correct approach to appeals from the Registrar and I will bear the above principles firmly in mind in considering the issues before me.

Decision

23. As noted above the crux of this appeal is the finding that the Peterborough had a protectable goodwill upon which is could rely to support a claim under section 5(4)(a) of the 1994 Act.

24. The basis of the attack against the Decision appears to be that nominal or trivial goodwill is not sufficient to found a claim for passing off and that the evidence before the Hearing Officer was not sufficient to support a finding of a protectable goodwill.

25. It was not suggested that the Hearing Officer failed to identify the relevant case law. In particular London placed reliance on this appeal upon the decision of Mr Thomas Mitcheson KC sitting as the Appointed Person in RECUP Trade Mark (O-304-20)

which the Hearing Officer herself referred to in paragraphs [57] and [58] of the Decision. In that connection the Hearing Officer also referred to Lumos Skincare Limited v. Sweet Squared Limited and others [2013] EWCA Civ 590 and Stannard v. Reay [1967] FSR 140 in paragraph [58] of the Decision and to which my attention was drawn on behalf of London.

26. To the extent that it was suggested that a small goodwill is not protectable, that is not supported by the authorities referred to above and to which my attention was drawn at the hearing. Goodwill that is nominal or trivial is not protected by way of an action for passing off but it is clear that a small goodwill can be protected by way of an action for passing off as the Hearing Officer correctly pointed out in paragraph [58] of her Decision.
27. It seems to me that: (1) the Hearing Officer was fully aware of the correct legal principles that she needed to apply when considering the question of goodwill, in particular the case law relied upon by London, as she set it out with some care in her Decision; and (2) as the Hearing Officer would also seem to have correctly appreciated the issue is highly fact sensitive.
28. In the circumstances in my view the real question on this appeal is whether the Hearing Officer was correct to conclude on the basis of the evidence before her that there was any protectable goodwill.
29. In this connection, I note that the Hearing Officer made clear at paragraph [63] of her Decision that she appreciated that even in the absence of cross-examination she did not have to accept the evidence filed by Peterborough at face value. She then proceeded to carefully analyse the evidence filed on behalf of Peterborough in paragraphs [64] to [76] of her Decision. In doing so the Hearing Officer did not simply accept the evidence but carefully looked at it and assessed its probity. Having done so she took the view that although Peterborough claimed in these proceedings to have used the marks 'HILIFE', 'HILIFE MUSIC' and 'HILIFE MUSIC GROUP' in respect of a range of goods and services in classes 9, 25, 35 and 41 that it had only established on the evidence there was '*a small but not trivial goodwill in relation to music production services only*': see paragraph [77] of the Decision.
30. It seems to me that against this background that if the points raised by London were to be considered afresh by me 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.

31. I have reviewed the Decision in the light of the alternatives put forward by London. 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 one that 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.
32. In the circumstances the appeal against the finding that there was a protectable goodwill for the purposes of a section 5(4)(a) ground of invalidity is rejected. For the avoidance of any doubt to the extent that it was suggested that other cancellation disputes as between the parties are relevant to the matters which I have to decide that point is misconceived.
33. Given that I have rejected the first ground of appeal it is necessary for me to go on to consider London's further grounds of appeal. It was accepted on behalf of London at the hearing of the appeal that although these were subsidiary points, they were none the less maintained. I therefore address them quite shortly below.
34. The first is against the finding of misrepresentation. The basis of complaint with respect to the Hearing Officer's Decision on this appeal appeared to be that in the 'real world' London's commercial activities were focussed on Ghanaian artists where as Peterborough's commercial activities were focused on a wider genre of music and artist.
35. However, this is not a relevant complaint in the context of the present appeal against a finding of conflict under section 5(4)(a) of the 1994 Act. In that context it is necessary for the decision taker to consider the position with respect to the goods and services specified in the relevant trade mark application or registration on the one hand with the goods and services for which a claim to a goodwill was maintained on the other.
36. In the present case the specification of London's trade marks the subject of London's trade marks did not, as correctly accepted on behalf of London at the hearing, contain any such limitation or restriction to Ghanaian artists or music (even if such were to be permissible which is not an issue that is before me).
37. What the Hearing Officer did in her Decision was to correctly make her assessment by reference to the trade mark specifications of London's trade marks and music production services: see paragraphs [84] to [90] of the Decision. Moreover, it is clear on the basis of the Hearing Officer's consideration of different goods and services in a number of different classes and her findings as set out in those paragraphs of her Decision that the Hearing Officer was clear as to the approach that she needed to take.
38. In the premises it seems to me that it was open to the Hearing Officer to make the findings that she did with respect to the misrepresentation issue that was before her.

39. Lastly, there is the question of the appeal against the finding of damage. The basis for this appeal seems to be the finding of only a '*small goodwill*' coupled with the fact that in the 'real world' the parties focused '*on different genres of music and artist*'. In my view neither of these points can negate the Hearing Officer's finding of damage. First, the fact that the goodwill was small does not detract from the finding that there was a protectable goodwill which could suffer damage. Second for the reasons set out above the assessment is not by reference to the actual activities of London but by reference to the goods and services within the specifications of London's trade marks.
40. In the circumstances it seems to me that it was open to the Hearing Officer to reach the conclusion that she did on the question of damage in paragraphs [92] and [93] of the Decision.

Conclusion

41. For the reasons set out above it does not seem to me that London has identified any error of principle or material error in the Hearing Officer's Decision. Moreover, it is not in my view appropriate to interfere with the evaluations that the Hearing Officer made in reaching the decision that she did. In the result the appeal fails and is dismissed.
42. Since the appeal has been dismissed Peterborough is entitled to a contribution towards its costs. I will therefore make an order that London pay to Peterborough a contribution of £1000 towards its costs of the appeal.
43. The Hearing Officer ordered Peterborough to pay London a contribution of £2000 with respect to its costs at first instance. Peterborough has not appealed this costs order. It seems to me that the appropriate approach in these circumstances is to set the order of the costs of the appeal (£1000) off against the costs order of the Hearing Officer (£2000).
44. In those circumstances I order Hilife Music Limited to pay £1000 to Hilife Music Entertainment Limited on or before 4 pm on 15 June 2023.

Emma Himsworth KC

Appointed Person

25 May 2023

ANNEX A

Class 9: Magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; CD ROMs; digital video discs; audio tapes and cassettes; video tapes and cassettes; records; pre-recorded sound storage media, image storage media and data storage media; audio recordings; video recordings; audiovisual recordings featuring music and musical-based entertainment; musical sound recordings; musical video recordings; motion picture films; downloadable and streamable audio and video recordings; downloadable and streamable sound recordings and audio-visual recordings featuring music and musical-based entertainment; downloadable and streamable music and music video recordings; downloadable music files; downloadable and streamable digital music provided from the internet or from a computer database; digital music downloadable provided from MP3 internet web sites; downloadable and streamable MP3 files, images and video images; downloadable electronic publications; downloadable and streamable podcasts in the field of music; electronic storage media.

Class 35: Advertising; business management; business administration; management services to musicians and recording artists; management and promotion of performing artists; public relations and publicity services; marketing services; promotional services; preparation, publication and distribution of promotional material; production of promotional audio and video recordings; production of video recordings for advertising, marketing and publicity purposes; advertising via the Internet; information, advisory and consultancy services in relation to all of the aforesaid; promotion of entertainment and events; entertainment promotion services; none of the aforementioned services in relation to articles for smokers and (cannabis) cafes.

Class 41: Entertainment; cultural activities; musical entertainment; music performance services; provision of live music; musical concert services; organisation and production of entertainment and events; organisation, production and presentation of shows, staged events, concerts, live performances, musical performances; music festival services; entertainment services provided via the Internet and other computer and communications networks; entertainment services provided from a web site featuring music, musical performances, musical videos and other multimedia materials; providing on-line electronic publications (not downloadable); providing on-line music and video recordings (not downloadable); providing digital music from the internet and other computer and communications networks; provision of digital music (not downloadable) from MP3 web sites; information services relating to music; publishing services; music publishing services; sound recording and video entertainment services; television and radio entertainment services; provision of music studios; provision of recording studio services and facilities; audio and video recording services; music recording services; music production services; film and video production, publication and distribution; production, presentation and distribution of audio and video recordings; information, advisory and consultancy services relating to all of the aforesaid; except services with respect to (cannabis) cafes.