

**BL O/0835/26**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS. UK00003868717, UK00003868712**

**AND UK00003868724**

**IN THE NAME OF NICKEY GOWER**

**TO REGISTER THE FOLLOWING TRADE MARKS:**



**("the First Application")**

**POP DIGITAL**

**("the Second Application")**

**POP FIGURES**

**("the Third Application")**

**IN CLASSES 9, 28 AND 35**

**AND CONSOLIDATED OPPOSITIONS THERETO UNDER NOS. 442592, 442593 AND 442594**

**BY**

**FUNKO, LLC**

**AND**

**IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON**

**BY NICKEY GOWER**

**AGAINST A DECISION OF S WILSON (O/1194/25)**

**DATED 22 DECEMBER 2025**

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## DECISION

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### Introduction

1. This is an appeal from a decision of S Wilson acting for the Registrar dated 22 December 2025 (**“the Decision”**) in relation to consolidated opposition proceedings brought by Funko, LLC (**“the Respondent”**) regarding UK trade mark application nos. 3868717, 3868712 and 3868724 for the marks shown above (**“the Appellant’s Marks”**). The Appellant’s Marks were applied for in respect of various goods and services in classes 9, 28 and 35.
2. The Respondent opposed the applications based on sections 5(2)(b), 5(3), 5(4)(a), 5(4)(b) (in respect of just the First Application), and 3(6) of the Trade Marks Act 1994 (**“the Act”**).
3. Under s.5(2)(b) and 5(3), the Respondent relied on the following two earlier trade mark registrations (**“the Earlier Marks”**):



UK TM no. 801262216 (**“the First Earlier Mark”**)

Filed on 13 July 2015 and registered on 29 June 2016

Priority date: 29 June 2015 (USA)

**Class 28:**      *Collectable toy figures*

# POP!

IR designating the UK no. 1260907 (“**the Second Earlier Mark**”)

International registration date: 13 July 2015

Designation date: 13 July 2015

Date protection granted in the UK: 19 February 2016

**Class 28:**      *Dolls and toy figures*

4. Under s.5(2)(b), the Respondent relied on all the goods for which the Earlier Marks were registered, but only directed the oppositions at some of the goods and services covered by the Appellant’s Marks. However, under s.5(3) the Respondent opposed all of the goods and services covered by the Appellant’s Marks.
5. Under s.5(4)(a) the Respondent relied on use of two signs equivalent to the Earlier Marks throughout the UK since 2015 in relation to *“games, toys and playthings; toy figures; collectible toy figures; dolls; cases for collectible toy figures”* and online retail services relating to those goods.
6. In relation to the oppositions against the First and Second Applications under s.5(4)(a), the Respondent also relied on use of the following mark throughout the UK since 2021 in relation to *“games, toys and playthings; toy figures; collectible toy figures; dolls; cases for collectible toy figures”, “digital collectables and NFTs; downloadable digital artwork and images; digital trading cards; downloadable virtual goods”* and *“online retail services relating to toys, collectible figures, digital collectables and NFTs”*:



7. Under the section 5(4)(b) claim, the Respondent claimed to be the owner of the copyright in the sign shown in the previous paragraph.

8. Under the section 3(6) claim, the Respondent claimed that the Appellant worked for one of its retail partners, and was instrumental in building the website of the retail partner that was used for retailing the Respondent's branded goods. The Respondent alleged that the Appellant intentionally filed the applications for the Appellant's Marks in bad faith with knowledge of the Respondent's use to 1) benefit from the Respondent's reputation or 2) block the Respondent's ability to secure registered trade mark rights for its signs.
9. The Appellant put the Respondent to proof of the Earlier Marks, and both parties filed evidence, but in its skeleton for the hearing before the Hearing Officer, the Appellant accepted that the Respondent had shown genuine use for the goods in respect of which the Earlier Marks were registered. At that hearing, the Appellant was represented by Nicholas Caddick KC of Counsel instructed by Trade Mark Wizards LLP, and the Respondent was represented by Victoria Jones of Counsel instructed by Burges Salmon LLP.

#### The Hearing Officer's Decision

10. It was accepted that the Respondent had a reputation and benefited from enhanced distinctive character in respect of collectible figures/dolls. The Respondent's evidence also showed that it sold NFTs, which were effectively digital trading card collectables created in representations of its characters, and that the Respondent had used the sign shown in paragraph 6 above in relation to the NFTs since August 2021.
11. The Appellant gave evidence that he launched his own brand called Pop Digitals in 2020 in order to sell NFTs of collectible figures.
12. With respect to the s.5(3) claim, the Hearing Officer found that all of the marks were similar, the Respondent had a strong reputation for the goods relied on, and that, given the similarity of the marks and the reputation, the public would make a link between the marks in respect of all of the goods and services covered by the Appellant's Marks except for those listed at the end of this paragraph. The Hearing Officer then found that there was a likelihood that the Appellant would gain an unfair advantage where the public believed that the Appellant's goods were the Respondent's goods, and that there was potential for the Appellant to gain an unfair advantage by benefiting from the investment made by the Respondent in promoting its marks in the UK. The opposition under s.5(3) therefore succeeded in respect of all of the goods and services covered by the Appellant's Marks, with the exception of the following goods and services, in respect of which the Hearing

Officer found that the public would not make any mental link between the marks (“**the No Link Goods and Services**”):

**Class 9:** *Blank digital or analogue recording and storage media; computers and computer peripheral devices; computer hardware.*

**Class 35:** *Retail services, online retail services and wholesale services in relation to blank digital or analogue recording and storage media, computers and computer peripheral devices, computer hardware.*

13. With respect to the claim under s.5(4)(a), the Hearing Officer found that the Respondent owned goodwill in respect of toy figures/collectables, and also in digital trading cards and/or digital collectables and NFTs. The Hearing Officer concluded that a significant number of customers or potential customers would be likely to be deceived, which would lead to damage, in respect of all of the goods and services covered by the Appellant’s Marks with the exception of the No Link Goods and Services.
14. The Hearing Officer declined to deal with the ground under s.5(2)(b) since it could only succeed to a lesser extent than the grounds under s.5(3) and (5)(4)(a), since those grounds had also succeeded in respect of some dissimilar goods and services.
15. The ground under s.5(4)(b) succeeded in respect of the First Application on the basis that it was identical to the sign shown in paragraph 6 above, in which the Respondent owned the copyright, and the Appellant had not given any explanation as to how he came to apply for an identical mark. This will be relevant when considering the appeal under s.3(6).
16. With respect to the bad faith ground under s.3(6), the Hearing Officer found that the Appellant knew of the Respondent and its UK business activities from 2020, and would have known about the Respondent’s expansion into digital offerings in 2021. The fact that the First Application was identical to the sign shown in paragraph 6 above was “*a very clear prima facie case of bad faith (most likely through an intention to benefit from the [Respondent’s] reputation)*”. Since the Second and Third Applications were part of the same pattern of behaviour, the Hearing Officer found bad faith for all three applications. This finding applied in respect of all of the goods and services covered by the Appellant’s Marks, including the No Link Goods and Services.

## The Appeal

17. The Appellant filed a Notice of Appeal to the Appointed Person under s.76 of the Act. At the hearing before me, the Appellant was represented by Charlotte Blythe of Counsel instructed by Trade Mark Wizards LLP, and the Respondent was again represented by Victoria Jones of Counsel instructed by Burges Salmon LLP.

18. I am grateful to both counsel for their clear and careful submissions.

## Standard of Review

19. It is well established that, in order to interfere with the decision of the Hearing Officer, I must be satisfied that there was a distinct and material error of principle in the decision or that the Hearing Officer was wrong. The relevant principles were set out in *Axogen Corporation v Aviv Scientific Limited* [2022] EWHC 95 (Ch) at [24]. An appeal is by way of review, not a rehearing. Neither surprise at a Hearing Officer's conclusion nor a belief that she or he has reached the wrong decision will justify interference. The decision of the lower court will be "*wrong*" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. In the absence of an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "*outside the bounds within which reasonable disagreement is possible*" (*Actavis Group PTC v ICOS Corporation* [2019] UKSC 1671 at [80]). In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions (*TT Education v Pie Corbett Consultancy* [2017] RPC 17 at [52(iv)], *REEF Trade Mark* [2003] RPC 5 at [28] and *Fine & Country Ltd v Okotoks Ltd* [2014] FSR 11 at [50]-[51]).

20. In the judgment of the Court of Appeal in *Lidl Great Britain Ltd v. Tesco Stores Ltd* [2024] EWCA Civ 262, Arnold LJ said at [110]:

*"It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2](v) (Lewison LJ)."

21. The Supreme Court recently restated the approach to appeals of this kind in its judgment in *Iconix Luxembourg Holdings SARL v. Dream Paris Europe Inc* [2025] UKSC 25 at [94] to [95] as follows:

*“94. It is perhaps obvious, and certainly an inevitable conclusion drawn from experience, that reasonable minds, and in particular reasonable judicially trained minds, each faithfully applying the relevant law and principles, will come to different conclusions about the answer to these multifactorial questions. While of course the decision of an appellate court trumps that of the court below, the law has imposed structured constraints designed to prevent a free for all in a higher court whenever a party (with the necessary resources) wishes to challenge the first instance decision of the trial judge. The reasons for these constraints are set out in a string of well-known authorities including, in the intellectual property context, Fage UK Ltd v Chobani UK Ltd [2014] EWCA Civ 5; [2014] FSR 29, per Lewison LJ at para 114. The reasons there set out relevantly include the following:*

- (i) The trial is not a dress rehearsal. It is the first and last night of the show.*
- (ii) Duplication of the trial judge's role on appeal is a disproportionate use of the limited resources of an appellate court.*
- (iii) In making his decisions the trial judge will have regard to the whole of the sea of evidence presented to him, whereas an appellate court will only be island hopping.*

*95. In Lifestyle Equities CV v Amazon UK Services Ltd [2024] UKSC 8; [2024] Bus LR 532 this court reviewed those constraints in a trade mark context. After citing from the Fage case this court in a joint judgment said, at paras 49- 50:*

*"49. That does not, however, mean the appeal court is powerless to intervene where the judge has fallen into error in arriving at an evaluative decision such as whether an activity was or was not targeted at a particular territory. It may be possible to establish that the judge was plainly wrong or that there has been a significant error of principle; but the circumstances in which an effective challenge may be mounted to an evaluative decision are not limited to such cases. Many of the important authorities in this area were reviewed by the Court of Appeal in *In re Sprintroom Ltd* [2019] 2 BCLC 617, paras 72–76. There, in a judgment to which all members of the court (McCombe, Leggatt and Rose LJJ) contributed, the court concluded, at para 76, in terms with which we agree, that on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out the balancing exercise afresh but must ask whether the decision of the judge was wrong by reason of an 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 into account some material factor, which undermines the cogency of the conclusion.*

*50. On the other hand, it is equally clear that, for the decision to be 'wrong' under CPR r 52.21(3), it is not enough to show, without more, that the appellate court might have arrived at a different evaluation."*

22. I have borne those principles firmly in mind.

#### Grounds of Appeal

23. The Appellant's Grounds of Appeal set out four grounds, but only three were pursued at the hearing before me. The first related to the ground under s.5(3), the second to s.5(4)(a) and the third to s.3(6), but only to the extent that the Decision related to the Second and Third Applications. Accordingly, no appeal was brought against the partially successful opposition to the First Application under ss.5(3) and 5(4)(a), or to the wholly successful opposition in respect of all of the goods and services covered by the First Application under ss. 5(4)(b) and 3(6).

24. I will consider each of the grounds of appeal in turn.

#### **Ground 1: Failure to properly assess whether there would be a link**

25. The Appellant's Grounds of Appeal stated the following in respect of this ground:

*"The Hearing Officer erred when she considered whether there would be a link in the mind of the relevant public for the purposes of section 5(3) of the Trade Marks Act 1994 between the First Earlier Mark and/or the Second Earlier Mark and the Second Application and/or the Third Application, in that she made no distinction between goods and services which were found to be similar to some degree and those which were dissimilar. A separate assessment of whether a link exists should have been undertaken based on the relative similarity of the goods and services (Decision, [93])".*

26. Paragraph 93 of the Decision was merely the Hearing Officer's conclusion that she found a likelihood of confusion in respect of the goods and services that she had found to be similar.

27. The goods and services which the Hearing Officer found to be dissimilar are set out below, with those which represent the No Link Goods and Services shown underlined:

#### **Class 9:**

*Downloadable electronic publications; downloadable newsletters; blank digital or analogue recording and storage media; computers and computer peripheral devices; computer hardware; CDs, DVDs, and other physical media containing software, artwork, and entertainment content.*

#### **Class 28:**

*Decorations for Christmas trees*

**Class 35:**

*Retail services, online retail services and wholesale services in relation to blockchain software, computer software for managing and validating cryptocurrency and nonfungible tokens (NFTs) transactions using blockchain-based smart contracts; Retail services, online retail services and wholesale services in relation to downloadable electronic publications, downloadable newsletters; Retail services, online retail services and wholesale services in relation to decorations for Christmas trees; Retail services, online retail services and wholesale services in relation to blank digital or analogue recording and storage media, computers and computer peripheral devices, computer hardware; Auctioneering services; Provision of an online marketplace for buyers and sellers of goods and services.*

28. I will refer to the goods and services not underlined in the previous paragraph as the **“Link Goods and Services”**.

29. The Appellant’s skeleton for the hearing before me stated that the Hearing Officer erred by *“failing to consistently consider the likelihood of a link where the goods are dissimilar”*. The Appellant argued that the inconsistency arose between the Hearing Officer’s findings in paragraph 86 of the Decision and her conclusion on the likelihood of a link which she set out in paragraph 94 of the Decision.

30. In paragraph 86, the Hearing Officer said the following:

*“Whilst in some instances, I have found the goods/services to be dissimilar, I do not consider them to be completely distant in all cases. For example, auction sites or market places might specialise in the type of goods sold by the opponent or goods in class 9 which carry content and Christmas tree decorations, whilst dissimilar, might be themed around the opponent’s goods and so they are not completely unrelated. The exception to this is the class 9 goods which are hardware or blank physical media storage goods as discussed in paragraph 63 above and the related retail services. To my mind, there does not appear to be any connection between these goods and those for which the opponent has a reputation.”*

31. She set out her conclusions on the issue of a link in paragraph 94 as follows:

*“However, whilst I have found some of the goods and services to be dissimilar, I have also found that in most cases they are not completely distant; there remains a connection between them (with the limited exception of the goods specified in paragraph 63 above and the related services). As such, I find that the relevant public would make a link between the marks, given the similarity of the signs and the strength of the opponent’s reputation in the UK.”*

32. Ms Jones submitted that the Appellant was advancing a different argument at the hearing before me from that set out in the Grounds of Appeal. I agree with Ms Jones. The argument in the Grounds of Appeal identifies the alleged error as failing to make a distinction between goods and services that were found to be similar, and those that

were found to be dissimilar. However, the submissions in the Appellant's skeleton and at the hearing before me related solely to the goods and services that had been found to be dissimilar (namely the Hearing Officer's different treatment of the Link Goods and Services and the No Link Goods and Services).

33. I therefore find that the Appellant is not entitled to rely on Ms Blythe's submissions before me in respect of this new argument unless I give leave to the Appellant to do so.

34. There is no question that the application for leave to include a new argument not raised in the Grounds of Appeal came very late in the day, since it was made at the hearing before me and only in response to the objections raised by Ms Jones to the new argument. The Respondent did not address it in its skeleton, which supports my conclusion that it was a new argument not included in the Grounds of Appeal. However, I am prepared to grant leave to the Appellant to run the new argument because I heard submissions from both parties on the issue, and in particular because Ms Jones was able to respond to it in her submissions at the hearing before me in such a way that I did not feel that the Respondent's position at the hearing had been prejudiced by its late admission. The Respondent had, of course, incurred the wasted costs of addressing the first ground of appeal in the form that it was set out in the Grounds of Appeal, which was not in fact pursued at the hearing, but those costs can be addressed in the costs order on the appeal.

35. I comment on the importance of ensuring that the contents of Grounds of Appeal are accurate at the end of this decision.

36. The thrust of the Appellant's new argument was that in paragraph 86 of the Decision, the Hearing Officer sought to distinguish some of the dissimilar goods and services from others when finding that some of them would give rise to the requisite link, but that finding contradicted her findings in relation to the dissimilarity of the respective goods and services. For example, in paragraph 63 of the Decision, the Hearing Officer said the following in respect of "*Blank digital or analogue recording and storage media; computers and computer peripheral devices; computer hardware*":

*"These are blank storage devices/media or computer hardware. I can see no basis for finding any similarity in **nature, method of use, purpose or trade channels** with the opponent's goods. There is **no competition or complementarity**. **The user may overlap at a very general level**, but that is not enough on its own for a finding of similarity. Consequently, I find the goods to be dissimilar."* [emphasis added]

37. The findings the Hearing Officer made in respect of “Downloadable electronic publications; downloadable newsletters” was identical in paragraph 60 of the Decision:

*“I am not satisfied that there is any overlap in **nature, method of use, purpose or trade channels, nor is there any complementarity or competition** with the opponent’s goods. **Whilst the users may overlap at a very general level**, that is not sufficient on its own for a finding of similarity. I find the goods to be dissimilar.”* [emphasis added]

38. For the same reasons, the Hearing Officer found no similarity in respect of “Retail services, online retail services and wholesale services in relation to downloadable electronic publications, downloadable newsletters” [79].

39. Very similar findings were made in respect of “CDs, DVDs, and other physical media containing software, artwork and entertainment content” in paragraph 64 of the Decision:

*“I can see no basis for finding an overlap in **trade channels, nature, method of use or purpose** with the opponent’s goods. There is **no competition or complementarity. The user may overlap at a general level**, but that is not enough on its own for a finding of similarity. I find the goods to be dissimilar.”* [emphasis added]

40. Similar wording was used to find no similarity in respect of “Decorations for Christmas Trees” ([68]), “Retail services, online retail services and wholesale services in relation to decorations for Christmas trees” [81], “auctioneering services” [84] and “provision of an online marketplace for buyers and sellers of goods and services” [85] – in each case, the only overlap was in the users.

41. Accordingly, the Appellant argued that the Hearing Officer erred when she found a link for some of the goods and services but not others, when she had found that those goods and services were dissimilar to the same level, in that only their users would overlap.

42. Furthermore, the Appellant submitted that this was even more so in respect of the Hearing Officer’s findings relating to “Retail services, online retail services and wholesale services in relation to blockchain software, computer software for managing and validating cryptocurrency and nonfungible tokens (NFTs) transactions using blockchain-based smart contracts” (“**the NFT Services**”), in respect of which she said the following:

*“78. Whilst I bear in mind that these services also involve retail which relates to NFTs, this appears to me to be retail of software which supports the transactions themselves (rather than retailing of NFTs per se). Consequently, I can see no point of similarity with the opponent’s specification and I find them to be dissimilar.”*

43. The Appellant pointed out that this finding did not even include an overlap in users, so that those services were even more dissimilar than the goods referred to in paragraph 36 above.
44. The Appellant therefore submitted that the Hearing Officer erred by finding that there would be a link in respect of the Link Goods and Services, when she had found no link in respect of the No Link Goods and Services, without giving an explanation, or an adequate explanation, for reaching those different conclusions. I was therefore asked to reassess whether there would be a link in respect of the Link Goods and Services.
45. I do not consider that the Hearing Officer did err in her conclusions on the issue of a link. In paragraph 86 of the Decision, she explained that some of the goods and services which she had found to be dissimilar still had some degree of connectivity with the goods covered by the Earlier Marks. She explained this by saying: *“For example, auction sites or market places might specialise in the type of goods sold by the opponent or goods in class 9 which carry content and Christmas tree decorations, whilst dissimilar, might be themed around the opponent’s goods and so they are not completely unrelated.”* I consider this to be a finding that a reasonable tribunal could have reached, namely that the goods and services would have a degree of connectivity when the content may relate to the same or similar goods as those of the Earlier Marks, such as a Christmas decoration in the shape of a toy figure.
46. The Hearing Officer expressly used the words *“For example”*, so it was not necessary for her to comment on each of the goods and services that she had found to be dissimilar. She had explained her reasoning regarding the potential for a degree of connectivity where the content could be similar, so that reasoning can be applied to all of the Link Goods and Services, with one exception.
47. That one exception is her treatment of the NFT Services (see paragraph 42 above). She explained that these services related to the retail of software which supports cryptocurrency and NFT transactions, rather than relating to NFTs per se. It is difficult to apply her same logic relating to the similarity of content to these services when the software supporting an NFT transaction, for example, would have no similarity to the content of the NFT itself. She therefore does not explain why the relevant public would make a link between the NFT Services and the goods covered by the Earlier Marks. This represents an error which requires me to consider afresh the issue of whether the relevant public would make a link between them. The uses would be different, the users

would be different, the nature of the goods and the services would be different, the trade channels would be different, and they would not be competitive. Ms Jones suggested that it was possible that a person may need these services if they were buying and selling their own NFTs, such that the same consumer user could use the NFT Services as well as being a purchaser of the NFTs. However, Ms Jones accepted that there was no evidence before the Hearing Officer on the issue so I cannot assume that such a person represents the relevant public. Furthermore, the Hearing Officer had decided that there was no overlap in users for the NFT Services, which would rule out that possibility. The Hearing Officer had concluded that there did not appear to be any connection between, on the one hand, blank digital or analogue recording and storage media on which a consumer may store their digital collectables and their related services, and on the other hand the goods covered by the Earlier Marks. I consider that the same applies to the NFT Services and the goods covered by the Earlier Marks.

48. I have therefore concluded that the average consumer would not make a mental link with these niche services, taking into account all of the *Intel* factors and applying the findings of the Hearing Officer in respect of those factors that were not appealed.
49. Accordingly, the appeal fails under the new first ground except in relation to the following services in respect of which the Hearing Officer should have found no link and therefore rejected the opposition under s.5(3) of the Act:

**Class 35**

*Retail services, online retail services and wholesale services in relation to blockchain software, computer software for managing and validating cryptocurrency and nonfungible tokens (NFTs) transactions using blockchain-based smart contracts.*

50. However, as will become clear from my decision under s.3(6), my decision in respect of the NFT Services is of no consequence to the overall outcome of the appeal.

**Ground 2: Failure to properly consider the dissimilarity of goods in relation to s.5(4)(a)**

51. Although this ground falls away since I have rejected the Appellant's appeal under the first ground, I will nevertheless proceed to give my decision on Ground 2 since both counsel addressed me on it.

52. The Appellant's Grounds of Appeal said as follows in respect of this ground<sup>1</sup>:

*"The Hearing Officer erred in her assessment of whether there would be the necessary misrepresentation to make out any opposition to the Second Applications [sic] and/or the Third Application under section 5(4)(a) of the Trade Marks Act 1994 in that she did not properly consider or apply her earlier findings as to the similarity and dissimilarity of goods or services (Decision, [118])."*

53. The Hearing Officer set out her reasoning for finding misrepresentation in relation to the Link Goods and Services<sup>2</sup> in paragraph 118 of the Decision as follows:

*"As I have discussed above, the parties are, for the most part, operating within the same field of activity or ones that are not completely distant from each other. The exception to this is the goods and services listed at paragraph 84<sup>3</sup> above. I also bear in mind that, whilst the opponent cannot rely upon the digital goods for the purposes of its opposition against the Third Application, there remains a nexus between the physical goods and the digital equivalents (and related services). The First Application is identical to one of the signs relied upon and at least reasonably similar to the others. The Second Application is also reasonably similar to the signs relied upon. I bear in mind that only the sign shown in paragraph 7 is relied upon in relation to the Third Application, and there is a reasonable degree of similarity between those. Bearing in mind these similarities, even where the opponent only has a moderate degree of goodwill, there will be a significant number of customers, or potential customers who would be likely to be deceived. Damage through diversion of sales would plainly follow."*

54. In its skeleton for the hearing before me, the Appellant stated that they make the same points as to the consistency of the Hearing Officer's findings in paragraph 118 of the Decision as those made in relation to s.5(3).

55. Again, Ms Jones objected to the arguments set out in the Appellant's skeleton on the basis that the Appellant had mis-characterised this ground of appeal by suggesting that it was essentially the same argument as under Ground 1 when it was not. Ground 1 as argued in the skeleton and before me had been about the consistency in the assessment of a connection in relation to the dissimilar goods and services, which was a different argument from the ground relating to the Hearing Officer's findings in relation to the similarity and dissimilarity of the goods and services, as set out in the Grounds of Appeal.

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<sup>1</sup> This was listed as Ground 3 in the Grounds of Appeal, with Ground 2 in the Grounds of Appeal being the ground that was not pursued at the hearing before me.

<sup>2</sup> The Hearing Officer does not expressly refer to the Link Goods and Services in [118] or [119], but both parties proceeded on the basis that those were the goods and services under consideration regarding this ground of appeal.

<sup>3</sup> The reference to [84] was clearly a typographical error and it was agreed before me that the Hearing Officer probably intended to have referred to either [86] or [99].

56. Again, I am in agreement with Ms Jones that this was a different argument from the one set out in the Grounds of Appeal, so that I find that the Appellant was not entitled to rely on the new argument set out in the skeleton and made in its submissions before me unless I grant leave to the Appellant to rely on that new argument.
57. For the same reasons that I gave in paragraph 34 above, I have decided to allow the Appellant to rely on this new argument.
58. The Respondent repeated all of the arguments that were made in respect of the new arguments under Ground 1.
59. For the same reasons set out above in respect of Ground 1, I find that the Hearing Officer did not err in her conclusions in respect of the ground under s.5(4)(a) of the Act, save in respect of the NFT Services. The legal test under s.5(3) regarding the need for a link is a different test from that under s.5(4)(a) regarding the need for a misrepresentation, but since both parties were prepared to accept that the same arguments applied in this case by repeating their arguments under Ground 1, I will take the same approach. As I have found that the Hearing Officer should have found no link between the NFT Services and the goods covered by the Earlier Marks by applying the Hearing Officer's conclusions of no link regarding the No Link Goods and Services, she should have concluded that use of the Appellant's Marks in relation to the NFT Services would not have resulted in a likelihood that a significant number of customers or potential customers would have been deceived.
60. Accordingly, the appeal fails under the new second ground except in relation to the following services:

**Class 35**

*Retail services, online retail services and wholesale services in relation to blockchain software, computer software for managing and validating cryptocurrency and nonfungible tokens (NFTs) transactions using blockchain-based smart contracts.*

61. However, as with Ground 1, my decision in respect of the NFT Services under this ground is of no consequence to the overall outcome of the appeal.

**Ground 3: Failure to properly apply the law of bad faith**

62. The Appellant's Grounds of Appeal said the following in respect of this ground:

*“The Hearing Officer erred in her assessment of whether the Second Application and/or Third Application were made in bad faith contrary to section 3(6) of the Trade Marks Act 1994 in that it is established law that an allegation of an intention to block the legitimate business activities can only be made out where the application could give effect to that intention and this cannot be established in relation to goods and services where an objection under section 5(2), (3) or (4)(a) of the Trade Marks Act 1994 has not been made out (Decision, [141]).”*

63. The Hearing Officer found that the First Application had been filed in bad faith, relying on:

- a. her findings that the Appellant knew of the Respondent and its business activities in the UK by 2020;
- b. the fact that the First Application was identical to the complex mark that the Respondent used for its digital offering;
- c. a reasonable inference to draw that the Appellant would have been aware by the relevant date of the Respondent’s expansion into digital offerings in 2021; and
- d. the similarities between the First Application and the First Earlier Mark which gave rise to *“a very clear prima facie case of bad faith (most likely through an intention to benefit from the [Respondent’s] reputation)”*.

64. The finding of bad faith with respect to the First Application was not appealed by the Appellant.

65. With respect to the Second and Third Applications, the Hearing Officer said the following in paragraph 143 of the Decision:

*“I have given a great deal of consideration as to whether there is also a prima facie case of bad faith in respect of the Second and Third Applications which do not carry the same “get up” as the marks used by the opponent, being word only marks. However, it seems to me that the applications for the Second and Third Applications were part of the same pattern of behaviour when viewed in the context of the applicant’s behaviour as a whole. Consequently, I find that there is a prima facie case of bad faith for all three applications.”*

66. The Hearing Officer then considered the evidence filed by the Appellant to rebut this prima facie case. The Appellant accepted that they knew of the Respondent and its physical toy products, and the Hearing Officer repeated the fact that there was a complete lack of explanation from the Appellant as to how they came to apply for a mark which was so similar to the First Earlier Mark. There was some evidence relating to domain names corresponding to the Second and Third Applications which predated the Respondent entering the UK market, although the evidence was ambiguous as to whether the Appellant had applied for those domain names themselves or whether they

had simply acquired them later. In any event, the Hearing Officer concluded in paragraph 146 of the Decision:

*“However, even proceeding on the basis that he has owned those domain names for the duration of that period, I do not consider that it is sufficient to rebut the prima facie case of bad faith. This is because, whether or not the applicant had those domain names registered, by the time of filing the applications in question, he had direct knowledge of the opponent and its business activities. Applying for national trade marks is to seek protection of those signs to the exclusion of all others; to my mind, it would not be considered commercially acceptable practice to apply for the marks in question given the prior relationship between the parties. The complete lack of explanation from the applicant regarding the identity of the First Application and the work owned by the opponent is, in my view, telling. Taking all of this into account, I find that the applications were filed in bad faith.”*

67. The Hearing Officer then went on to consider whether this conclusion should apply to all of the goods and services covered by the Appellant’s Marks, including the No Link Goods and Services, finding as follows:

*“147. In this regard, I have considered whether that finding extends to the applications in their entirety or whether it should only apply to those goods/services that I have found to be similar or not completely unrelated to the opponent’s business. However, even in relation to those goods and services for which there is no apparent connection with the opponent’s business, given that there was, in my view, an intention on the part of the applicant to take unfair advantage of the opponent’s reputation/to pre-empt its business expansion into the digital field, there must have been a reason why the applicant thought he should apply for the goods/services that he did and, as a result, would benefit from a connection with the opponent. Consequently, I find that the finding of bad faith extends to the applications in their entirety.”*

68. No criticism was made of the Hearing Officer’s summary of the applicable law relating to s.3(6) of the Act which she set out in paragraphs 136 to 139 of the Decision.
69. This time there was a dispute between the parties as to whether this was a new ground of appeal which should have been raised before the Hearing Officer, as well as whether the arguments advanced at the hearing before me fell within the Grounds of Appeal.
70. With respect to the first issue, Ms Blythe submitted that this ground could not have been anticipated at first instance, because it only arose as a result of the Hearing Officer finding that the ss.5(3) and 5(4)(a) grounds only succeeded with respect to some, but not all, of the goods and services. I do not see why that outcome could not have been anticipated as a possibility, given the range of goods and services covered by the Appellant’s Marks.

71. The parties were in agreement as to the applicable law regarding the introduction of a new point not raised before a hearing officer, drawing my attention to Phillip Johnson's decision sitting as the Appointed Person in Decision *O/1119/22 FEMME LUXE* at [23] to [26]. As the new issue under this ground would be a new pure point of law, the three issues laid down by the case law summarised by Mr Johnson in the *FEMME LUXE* decision which must be shown are:

- a. the other party has had adequate time to deal with the point;
- b. the other party has not acted to his detriment on the faith of the earlier omission to raise it; and
- c. the other party can be adequately protected in costs.

72. Mr Johnson also referred to *Notting Hill Finance Ltd v Sheikh* [2019] EWCA Civ 1337, where the Court of Appeal emphasised in [28] that:

*“where the point sought to be taken on appeal is a pure point of law which can be run on the basis of the facts as found by the judge in the lower court...it is far more likely that the appeal court will permit the point to be taken, provided that the other party has time to meet the new argument and has not suffered any irremediable prejudice in the meantime”.*

73. There was some discussion as to whether the Respondent would have filed evidence had it been raised at first instance, and whether or not the onus was on the Respondent to file evidence in support of its allegation of bad faith. However, I do not need to consider that as I have reached my decision in the Respondent's favour based on the evidence that was before the Hearing Officer.

74. For the same reasons I gave in paragraph 34 above, applying the factors summarised in paragraphs 71 and 72 above, I have decided to allow this ground of appeal. Ms Jones demonstrated at the hearing before me from her submissions that she had had time to consider the arguments and was able to address me on them fully. As a result, the Respondent does not appear to have suffered any detriment from their inclusion in the appeal, and I can deal with the costs of doing so in my costs order on the appeal.

75. The Respondent's second submission was that the Grounds of Appeal did not reflect the arguments set out in the Appellant's skeleton and argued before me under this ground. In particular, Ms Jones pointed out that the Grounds of Appeal only refer to “*an allegation of an intention to block the legitimate business activities*” and not to the Respondent's

alternative ground relied on before the Hearing Officer that the Appellant intended to benefit from the Respondent's reputation. As such, the Respondent argued that the Hearing Officer's finding of bad faith had not been appealed based on that alternative ground. Ms Blythe disputed this, arguing that the Hearing Officer's decision under s.3(6) was clearly based on both an intention to block and an intention to benefit from the reputation, and the Hearing Officer deals with both of them as one in paragraph 147 of the Decision (set out in paragraph 67 above).

76. The Grounds of Appeal only expressly refer to an intention to block, and only refer to paragraph 141 of the Decision, and not to paragraph 147, although paragraph 141 does also refer to both intention to block and intention to benefit from reputation. While they could certainly have been more clearly drafted, I accept Ms Blythe's argument that the Hearing Officer dealt with both grounds as one, and it was therefore in respect of that part of the decision that the Appellant was appealing in its Grounds of Appeal. However, even if I am wrong on this point, I would still have allowed the Appellant to rely on the grounds set out in their skeleton and as argued before me by Ms Blythe for all the same reasons given above.
77. Ms Blythe's argument under this ground was effectively as follows. As the Hearing Officer recognised in paragraph 141 of the Decision, mere knowledge that someone else is using a mark which is liable to be confused with the mark applied for is not in itself evidence of bad faith (see the Court of Justice of the EU's judgment in *C:320/12 Malaysia Dairy* EU:C:2013:435 at [37]). Where bad faith is claimed on the basis either of an intention to block or an intention to benefit from reputation, there can be no finding of bad faith where an objection under ss.5(2), 5(3) and 5(4)(a) has failed. This is because there can have been no benefit from the Respondent's reputation if there has been an express finding of no link in the minds of the relevant public, and no market blocking where there was no likelihood of confusion under s.5(2) and no passing off under s.5(4)(a). That was the finding here in respect of the No Link Goods and Services, which are the subject of this ground of appeal. Ms Blythe submitted that it didn't matter that the Appellant had been found to have applied for the First Application in bad faith, or that the Hearing Officer had found that the Appellant had intended to block or take advantage of the Respondent's reputation. In support of this assertion, Ms Blythe referenced the Supreme Court's decision in *SkyKick UK Ltd & Anor v Sky Ltd & Ors* [2024] UKSC 36 where it upheld the principle of partial validity so that where there was a general intention to file marks which extended beyond the area in which a party had intended to use its marks, those

marks would only be invalidated in respect of the specific goods and services that it did not intend to use. There was no tainting of the whole application because of that intention.

78. Accordingly, Ms Blythe submitted that if the Appellant failed to achieve his bad faith intention (because the grounds under ss.5(3) and 5(4)(a) had not been made out in respect of the No Link Goods and Services), then there could be no finding of bad faith. The Hearing Officer had therefore misapplied the law when she found bad faith in respect of the No Link Goods and Services because she had not found that the Second and Third Applications fell foul of ss.5(3) or 5(4)(a) for those goods and services.
79. In support of this submission, Ms Blythe referred me to two authorities where she relied on the statements of principle rather than the factual circumstances, which were different in both cases from the situation here. This was important to note because Lord Kitchin said in *SkyKick* that “any assessment of bad faith must depend very much on the particular facts and circumstances of each individual case” (at [151]).
80. The first authority was a decision of Geoffrey Hobbs KC sitting as the Appointed Person in *C. A. Sheimer (M.) SDN BHD’s Trade Mark Application* [2000] RPC 484. In that case, the allegation of bad faith under s.3(6) was brought on the basis that the mark was filed “with the deliberate intention of exploiting the reputation enjoyed by [Visa International] in [the trade mark VISA]”. Mr Hobbs said the following at 501:

*“That is an allegation which could just as easily have been made if the United Kingdom had not opted to provide for objections to registration in the terms of section 3(6). It serves to reinforce the objections under section 5(3) and section 5(4)(a). I doubt that the alleged intention would be sufficient to sustain an objection under section 3(6) if it was insufficient to sustain an objection under section 5(3) or section 5(4)(a) in a case such as the present. I say that because the present case is one in which freedom from objection under section 5(3) and section 5(4)(a) would imply that the application actually lacked the capacity to give effect to the alleged intention.”*

81. The second authority was Daniel Alexander KC’s decision, sitting as the Appointed Person, in *Beko Plc v Socks World International Ltd* (O/307/10), which was another case where the allegation of bad faith was that the application was made specifically to trade off the reputation of the earlier brand. Ms Blythe referred me to the following two paragraphs:

*“55. Knowledge on the part of the applicant of an opponent’s mark is an important factor but there is nothing in the ECJ’s judgment to suggest that if all that is present is knowledge of an opponent’s mark of an identical or similar sign for an identical or similar product capable of being confused with the sign for*

*which registration is sought, that would suffice to make out a case of bad faith. The applicant's intention to prevent the opponent from using its mark is also relevant. But there is no real guidance as to the position where the applicant intends to use a third party's mark and deliberately adopts it intending to benefit the applicant albeit without affecting the opponent's business in any way."*

And having referred to Mr Hobbs' comments in VISA referred to above:

*"59. Although not purporting to establish a rigid rule, Mr Hobbs there drew attention to the fact that section 3(6) was (if anything) harder to satisfy than sections 5(3) or 5(4). I agree and consider that it is likely to be rare for an objection based on an intention to exploit an earlier mark's reputation to succeed under section 3(6) in circumstances where it had been held that the mark was unobjectionable under sections 5(3) or 5(4)."*

82. Drawing these authorities together, Ms Blythe concluded in her skeleton:

*"Put simply, bad faith **cannot** be made out even with knowledge of the earlier mark on the grounds of market blocking or unfair advantage (as opposed to intent to use) if market blocking cannot happen and if no link is in fact made between the marks."*[emphasis added]

83. I do not consider that the authorities referred to above set out such an absolute rule. Mr Hobbs' doubt that the alleged intention would be sufficient to make out a case of bad faith if it was insufficient to sustain an objection under s.5(3) or s.5(4)(a) was expressly limited by the words *"in a case such as the present"*. In that case the alleged intention only related to taking advantage of reputation, and there was only one mark applied for. In this case, the Hearing Officer found bad faith both on an intention to take advantage of reputation but also an intention to block, and there were three related marks applied for, one of which had been found to have been applied for in bad faith (with that finding not appealed). Mr Alexander recognised that there was *"no real guidance"* and that Mr Hobbs was *"not purporting to establish a rigid rule"*. Moreover, his use of the phrase *"it is likely to be rare"* acknowledged that there could be cases where bad faith may be found under s.3(6) where a mark had been found unobjectionable under s.5(3) or s.5(4).

84. As Ms Jones pointed out, if the Appellant's submission was correct then an applicant could have a dishonest intention that was an abuse of the trade mark system but could get away with it just because they over-estimated their pre-emption by applying for goods and services which went beyond the business expansion of the owner of the earlier mark because they had no connection to dissimilar goods and services that would give rise to a link.

85. In this case, it is important to remember in particular the following general principles on assessing bad faith which formed part of the summary given by Lord Kitchin in [240] of *SkyKick*:

*“(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (Koton, para 46; Sky CJEU, para 75).*

*(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case (Hasbro, paras 39 and 40; Koton, para 47).*

*(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (Hasbro, paras 42 and 43).*

*(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (Lindt, para 37).”*

86. It is clear from paragraphs 134, 143, 144 and 146 of the Decision that the Hearing Officer was clearly influenced in her finding of bad faith in respect of the First Application by the lack of any explanation (plausible or otherwise) from the Appellant of how he came to apply for a mark which was so similar to the Respondent’s own complex mark, in circumstances where the Hearing Officer found “a clear *prima facie* case of copying”.

87. The Hearing Officer was entitled to take the lack of explanation into account as Lord Kitchin said in *SkyKick* at [235] and [252]:

*“235. I recognise that an inference that an application to register a trade mark was made in bad faith may be displaced by an explanation of an appropriate commercial rationale for making it. In my opinion, however, a failure to provide any satisfactory explanation may reinforce the inference and provide further support for a finding of bad faith.”*

...

*252. I recognise that such an applicant, when given an appropriate opportunity, may provide a reasonable explanation and justification for its actions and in that way answer and dispel any inference that it made the application in bad faith. If, however, it fails to do so, it is in my view open to the tribunal to find that the*

*application was indeed made in bad faith in respect of those goods and services.”*

88. Mr Alexander also summarised the relevant authorities on this issue in paragraph 48 of his decision sitting as the Appointed Person in Decision O/0534/25 CNRVG CNRVG.IO at [48] as follows:

*“In the light of these authorities, where there is evidence from which it is proper to infer that an application for registration has been made in bad faith (on the basis that it was not applied for to protect one or more of the legitimate functions of a trade mark) an applicant can reasonably be expected to provide a sufficiently coherent explanation for the application specifically in the UK including as to its scope. An applicant may be able to justify the application (including its scope) on the basis of credible evidence as to its purposes in making it, for example by reference to the width of the underlying business, actual or reasonably contemplated, which the trade mark is intended to protect. If no adequate or sufficiently credible explanation is provided or one which justifies the UK application, there may be a proper basis for a finding of bad faith in whole or in part.”*

89. I consider that the Hearing Officer’s reasoning set out in paragraphs 140 to 147 of the Decision demonstrates that she did take into account all of the factors relevant to the case as part of her overall assessment of the allegation of bad faith in respect of the Second and Third Applications. In particular, she acknowledged in paragraph 147 of the Decision that she had given “*a great deal of consideration*” to the allegations of bad faith in respect of the Second and Third Applications, due to the fact that they were only word marks, and did not therefore share the same “*get up*” as the Respondent’s marks. However, she reached her conclusion on the basis that the Second and Third Applications “*were part of the same pattern of behaviour when viewed in the context of the [Appellant’s] behaviour as a whole*”. That is a finding she was entitled to make and justified her conclusion that there was a proper basis for a finding of bad faith in respect of the whole of the Second and Third Applications.

90. In a case where:

- a. a finding of bad faith by the Appellant in respect of one trade mark has not been appealed;
- b. there was a finding that the Appellant’s filing of the two related trade marks subject to the appeal was part of the same pattern of behaviour, which was not appealed;
- c. the Appellant was found to have knowledge of the Respondent’s Earlier Marks;

- d. there was a finding that the Appellant intended to take unfair advantage of the Respondent's reputation or to pre-empt its business expansion into the digital field, which was not appealed; and
- e. there was a lack of any explanation as to how the Appellant came to file an application for a mark which was identical to the earlier work of the Respondent;

I consider that the Hearing Officer was entitled to have considered that this was one of those "rare" cases where she was justified in finding bad faith under s.3(6) in respect of two marks related to a mark which she had found to have been filed in bad faith, even though she had found those two marks to be unobjectionable under ss.5(3) or 5(4) in respect of certain dissimilar goods and services.

91. In my view, this falls within Lord Kitchin's explanation of the bad faith objection in paragraph 153 of *SkyKick*:

*"153. Against this background, the essence of the objection that an application to register a mark was made in bad faith may be understood: it is that the motive or intention of the applicant was to engage in conduct that departed from accepted principles of ethical behaviour or honest commercial practices having regard to the purposes of the trade mark system which I have described. Whether the conduct was undertaken with that motive or intention and did indeed depart from such ethical behaviour or honest commercial practices must be assessed having regard to all the objective circumstances of the case: see, for example, Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO) (C-104/18) EU:C:2019:724 ("Koton"), paras 46 and 47, to which I will come in a moment."*

92. I also note that Mr Alexander said the following in paragraph 62 of *BEKO* which reinforces my decision not to interfere with the Hearing Officer's findings of bad faith in this case:

*"62. In an evaluation of bad faith, there is an element of "you know it when you sees it", much though a test of that kind risks difference of perspective. Application of the REEF Trade Mark principles in this area should, in my judgment, lead to particular caution in reversing a decision of a hearing officer on an issue of this kind..."*

93. I therefore reject the appeal under Ground 3.

### Conclusion

94. The appeal has failed for the reasons set out above.

### Grounds of Appeal

95. My decision to allow the Appellant to rely on arguments not contained in its Grounds of Appeal should in no way be seen as undermining the importance of ensuring that Grounds of Appeal are drafted correctly. In this case, the inclusion of the new arguments not contained in the Grounds of Appeal made no difference to the outcome of the appeal, so there was no prejudice to the Respondent.
96. Ms Blythe indicated to me at the hearing that the Grounds of Appeal had not been drafted by her, and that they could have been expressed more clearly. Grounds of Appeal should set out clearly the errors which an appellant alleges have been made by a hearing officer so that the court and the parties have a clear and concise statement of the issues that will arise on the appeal and to which argument will be directed (see *Municipio De Mariana and others v BHP Group Plc (formerly BHP Billiton Plc) and another* [2021] EWCA Civ 1156 at [113]-[114]). I would encourage parties to bear that in mind when drafting Grounds of Appeal, and for those instructing counsel to liaise with counsel on the wording of the Grounds of Appeal before they are filed. This should help remove the need for last minute amendments or the risk of a ground of appeal being found to be inadmissible.

### Costs

97. Since the Appellant has been unsuccessful, the Respondent is entitled to a payment towards its costs of successfully defending the appeal. My findings above regarding the new arguments that were not included in the Grounds of Appeal mean that the Respondent incurred wasted costs of having to address in its skeleton the original arguments contained in the Grounds of Appeal which were amended on appeal. On the other hand, it did not incur the costs of dealing with the new arguments in its skeleton, since at that time it was unaware of them, and I suspect that its costs of the appeal hearing would have been unaffected. The Respondent did have to incur the costs of addressing in its skeleton the original Ground Two that was dropped entirely at the hearing before me. I also need to consider that the Appellant was successful on appeal in relation to the NFT Services, but that that had no overall effect on the final outcome. Having taken all of these factors into consideration, I order the Appellant to pay to the Respondent the sum of £2,000 in respect of the appeal. This sum is in addition to the £4,200 that the Appellant was ordered to pay to the Respondent by the Hearing Officer,

so that the Appellant is ordered to pay the total sum of £6,200 to the Respondent within 21 days of the date of this decision.

Simon Clark  
The Appointed Person  
15 September 2026