o/1020/22

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003549558 BY BAUER HOLDINGS LIMITED TO REGISTER:

LSA Legal Steriod Alternative

IN CLASS 5

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 422860 BY SWISS RESEARCH LABS LIMITED

DECISION OF THE APPOINTED PERSON

1. In this Appeal I gave Judgment orally at the hearing. The Respondent requested that a formal written version be handed down. I have tidied up the text of the transcript but otherwise it represents what I am recorded as having said at the hearing.

2. In this matter the Appellant, who is the unsuccessful trade mark Applicant Bauer Holdings Limited, raises a number of Grounds of Appeal against the decision of the Hearing Officer Mr. Cooper dated 10 November 2021 to uphold the opposition by Swiss Research Labs Limited to application number 3549558 by Bauer Holdings Limited for the mark

LSA Legal Steriod Alternative

as a trade mark in class 5 for a range of diet and nutrition products.

3. The opposition was raised under a number of grounds. One of these grounds was on that the mark was applied for in bad faith under section 3(6) of the Trade Marks Act 1994. This failed. The other grounds (which succeeded) were under sections 3(1)(b) ('devoid of distinctive character'), 3(1)(c) (descriptiveness) and 3(3)(b) (a fallback

objection based on inherent deceptiveness if the mark was in fact non-descriptive contrary to the Opponent's primary case).

4. The words in the mark LSA Legal Steriod Alternative were alleged by the Opponent to be read and understood by the average consumer as equivalent to the words LSA Legal Steroid Alternative. That suggestion was accepted by the Hearing Officer, who considered that the word 'Steriod' would either be misread by the average consumer or would be simply taken as a misprint or taken as simply another way of presenting the same word. That approach has not been challenged on this appeal so I can consider the mark essentially as if it were the words LSA Legal Steroid Alternative.

5. The Hearing Officer found, under section 3(1)(c), that the mark was descriptive of all the goods in class 5 which were the subject of the application. They were all products which may be considered to be legal alternatives to steroids (steroids being products which are regularly taken for example by bodybuilders and the like, often illegally, in order to build up muscle mass).

6. The LSA part of the mark would be taken as simply the initial letters of the terms Legal Steroid Alternative and thus have effectively no independent distinctive character. On that basis the Hearing Officer decided that the mark was objectionable under section 3(1)(c) and for the same reasons that it was devoid of distinctive character under section 3(1)(b).

7. He then proceeded to consider the fallback objection, that, in so far as the mark was not descriptive because it was being applied to goods which were not legal alternatives to steroids, it was deceptive. The Hearing Officer considered that was a correct submission, but since the primary objection of descriptiveness had been upheld the point did not really arise.

8. The Hearing Officer went on to award £1,000 in costs to the Opponent under the Tribunal Practice Note (2/2016) guidelines: costs awards. Breaking it down he

awarded £200 for filing a notice of opposition and considering the counterstatement; £300 for preparing evidence, which he noted was a reduced award because the evidence which had been filed was of no assistance to the Opponent; £300 preparing submissions in lieu of the hearing; £200 in official fees.

9. The appeal was founded on four grounds. I will take them in turn.

10. The first ground that was argued by Mr. Hannay for the Applicant was that the Hearing Officer ought to have placed at least some weight on the fact that the Examiner had not objected to the trade mark application under section 3(1)(b) or 3(1)(c) and/or if she had considered those objections must have considered that the mark did not offend against them.

11. The Hearing Officer dealt with this point in paragraph 12 where he said as follows: *"The fact that a mark was not objected to at the examination stage by this Office does not mean that it is not subject to scrutiny under an opposition or an application for invalidation for that matter reliant upon section 3(1) grounds".* Mr. Hannay said that was a misunderstanding of his submission, which was merely that some weight should have been given to the determination of the Examiner.

12. In my view the position is clear. A decision by an Examiner, even if it is considered that it did take into account the same potential objection (made under absolute grounds) which is the subject of the Opposition, is not something which should have any weight with a Hearing Officer. The Opponent is entitled to have their objection considered *de novo* and afresh without consideration of the approach which the Examiner took. Therefore, whilst I understand, and it happens in a number of cases, that Applicants for marks find it difficult or surprising that a mark which was waved through by the Examiner is then found to be invalid in an opposition (particularly in cases which do not turn on evidence), none the less it is inherent in the system which we have that this will occur and it is necessary to protect the interests of Opponents. I therefore reject the first ground which seemed in the end to be the only argument that was argued in relation to the section 3(1)(b) or (c) objections.

13. The second ground related to the section 3(3) opposition. It is said that the decision by the Hearing Officer that the mark was potentially deceptive was unrealistic and did not apply the test which the Hearing Officer himself had set out by reference to the Elizabeth Emanuel case (C-259/04) namely that there must be actual deceit or a sufficiently serious risk of deception before a mark would be invalid on this ground. It seems to me that this is a redundant objection given the failure of the appeal under the 3(1)(b) and 3(1)(c) grounds. However, for completeness I do not accept that the Hearing Officer did take the wrong approach. It seems to me that it was a perfectly fair decision to reach. If the goods on which the mark was applied were not in fact legal alternatives to steroids (and certainly the specification covers a very broad range of goods, huge numbers of which not strictly be legal alternatives to steroids), then it would be being used in a deceptive way. There was no attempt to limit the specification to goods on which it could be said that this was unlikely to happen.

14. In fact, of course, Mr. Hannay's primary submission, which was that there was no reasonable chance that this mark would ever be applied to goods that were not legal steroid alternatives simply emphasised the fact that it was bad for descriptiveness.

15. The final grounds of appeal concerned the costs award. There were really two points. The first was that no request for costs had been made by the Opponent in the grounds of opposition contained in form TM7, nor had such a request been made in writing before the Hearing Officer had determined this case, which in fact he did in writing without a hearing.

16. Mr. Zweck, for the Respondent, took a pleading point which was this was not an issue which had been raised in the Grounds of Appeal. I consider this to be correct but nonetheless it seems to me that the issue is worth considering, not least for future reference.

17. So far as I can see there is nothing in the Act or the Rules which requires a party to an opposition to formally request an award of costs. The Rules simply require the grounds of the opposition, that is to say the grounds upon which it is said that the application should be refused, to be filed in form TM7. TM7 does not contain any box which gives the option of asking for costs or not.

18. I do not therefore consider that TM7 equates to a pleading such as a Particulars of Claim in High Court proceedings in which a party is required to put forward all the relief which they are asking for.

19. The costs provisions under Rule 67 are simply that that the Registrar may in any proceedings under the Act or the Rules, by order, award to any party such costs as the registrar may consider reasonable and direct how and by what parties they are to be paid. In my view that gives power to a Hearing Officer on behalf of the Registrar to award costs even when they have not been asked for and even where no submissions as to the level of those costs have formally been made. Obviously in doing so the Hearing Officer should act in accordance with the principles of natural justice, and consider whether submissions should be invited in the particular circumstances of the case. However, given that the ability to award costs is well known and the scale of costs is published, I do not think it would be necessary to do so in an ordinary case

20. The second point that was made on costs was that, given that the Appellant had succeeded in defeating the bad faith objection under section 3(6), a deduction should have been made to reflect that fact, the overall result of which should have been that no order for costs should have been made.

21. As I noted earlier, the Hearing Officer took into account the fact that the evidence which had been filed was of no assistance to the Opponent and therefore did reduce the overall amount which was awarded to £1,000. It is a little unclear, I agree, as to why £300 was awarded for preparing evidence when it was said that it was of no assistance to the Opponent but it is likely that the Hearing Officer considered that at

least some evidence would have been justified simply to introduce the parties and the nature of the objection, and thought that £300 was justified to reflect this. I cannot see anything in the overall figure of £1,000 which seems unreasonable in this case given the extensive success of the Opponent in having the entire mark refused and I do not consider it is the function of the Appointed Person to get involved in the minute details of what is a relatively low costs order in a case of this nature. I therefore will not interfere with the ultimate award of £1,000.

22. For these reasons I reject the appeal.

23. I direct that the Appellant do pay the Respondent £750 towards the costs of this Appeal.

IAIN PURVIS KC
THE APPOINTED PERSON

15 NOVEMBER 2022
(JUDGMENT GIVEN ORALLY ON 16 MAY 2022)