BL O/1160/23

TRADE MARKS ACT 1994
IN THE MATTER OF TRADE MARK APPLICATION 03746875
PILLOW TALK
IN THE NAME OF ISLESTARR HOLDINGS LIMITED
AND OPPOSITION THERETO 600002348
BY SCOBIE (LLARN) T/A BOXER

DECISION

INTRODUCTION

1. This is an appeal brought against the dismissal of an opposition to registration of the mark PILLOW TALK in classes 9, 28, 35, 36, 41 & 42 in the name of Islestarr Holdings Limited (the Applicant/Respondent).

2. The Opponent/Appellant, SCOBIE (LLARN) LTD T/A BOXER is the registered proprietor of UK registration PILLOW TALK in Class 28, filed on 1 May 2014 and registered on 8 August 2014 for the follow goods:

> **Class 28:** Electronic hand-held game units; Game cards; Playing card cases; Computer game apparatus; Toy card games; Trading cards [card game]; Playing cards and card games.

3. The opposition was filed as a fast track opposition. It was not in dispute that the Opponent's mark qualified as an earlier mark under s.6(1) Trade Marks Act 1994. However, proof of use of the Opponent's mark was required in the period 25 January 2017 to 24 January 2022.

4. By decision dated 30 August 2023 made on the papers, Hearing Officer Dr Stylianos Alexandridis rejected the opposition based on the failure by the Opponent to demonstrate use in the relevant period. It is this element of the decision which is appealed.

5. Before me the Appellant/Opponent was represented by James O'Brien acting in person on behalf of the company. The Respondent/Applicant was represented by Phillip Harris instructed by Lane IP Ltd. Mr Harris also sits as an Appointed Person and in accordance with *Business Insider* Case O-004-18 the Appellant was asked

in advance and at the hearing if it had any objection to Mr Harris appearing before me. Mr O'Brien did not object and the hearing took place on 27 November 2023. I am grateful to both representatives for their submissions and for the provision of a hearing bundle by the Respondent/Applicant.

STANDARD OF APPEAL

6. There was no dispute before me as to the standard of appeal and I was referred to the decision of Mrs Justice Joanna Smith in *Axogen Corp -v- Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at §§24-25.

7. To paraphrase, an appeal should only be allowed where the decision of the lower court was "wrong". Absent 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*". In the case of a multifactorial assessment and in the absence of a distinct error of principle, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere.

THE DECISION

8. In his decision the Hearing Officer summarised the law on proof of use by reference to *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) per Arnold J. There was no dispute as to the correctness of this approach.

9. As the Hearing Officer correctly pointed out, the onus is on the proprietor of the earlier mark to show use (see s.100 Trade Marks Act 1994). However, use does not always need to be quantitatively significant to be genuine. What is required is real commercial exploitation of the mark which can be regarded as "*warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark*".

10. He also noted the decisions of Daniel Alexander QC sitting as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/230/13 and Geoffrey Hobbs QC sitting as the Appointed Person in *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13. These decisions make the point that although there is no absolute requirement for particular documentation to be provided to prove use, given that the power to do so lies peculiarly in the hands of the proprietor, a tribunal is entitled to be sceptical and to reject evidence as insufficiently solid if material that is likely to exist is not provided.

11. The Hearing Officer turned to the evidence of use, which he summarised as follows at §§26-28:

> 26. The opponent's evidence consists of two Exhibits. The opponent claims within its form TM7F that the average annual turnover of the goods in Class 28, using the 'Pillow Talk' mark, during the relevant period, was £45,000.
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> 27. **Exhibit 1** is an undated screenshot taken from the online store, Ann Summers, demonstrating images and the retail price in GBP of the 'Pillow Talk Card Game'. However, I note that the original web address is not visible in the Exhibit. The lack of a web address and a date on this Exhibit limits its evidential value.
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> 28. **Exhibit 2**, which shows images and the retail price in GBP of the 'Pillow Talk Intimate Card Game', is an undated screenshot from the opponent's website, *boxergifts.com*. However, the lack of a date on this Exhibit, again, limits its evidential value.

12. In accepting the submissions of the applicant and rejecting the evidence of use as sufficient, the Hearing Officer explained at §§30-33:

> 30. ... I concur with the majority of the applicant's submissions and note that the body of evidence adduced is very thin and minimal, consisting of only two undated Exhibits. Their evidential value is limited due to the shortcomings I explained above, and, thus, it is not possible to deduce from the evidence whether the exhibited goods were available online and sold during the relevant period. Additionally, the opponent's claim that the annual turnover from the sales of the goods amounted to £45,000 is not sufficient to establish genuine use as this alone does not allow me to discern the scale, frequency, and territorial extent of the use of the registered mark in the UK, which are all vital factors in establishing genuine use. The sales figures would have been of more probative value if they had been broken down by month and refined according to the product type or term within the opponent's specification.
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> 31. In addition, I note that it is typical to see evidence, such as invoices under the mark, particularised in relation to the goods relied upon. Such information should have been available to the opponent, and relatively easy to provide. Despite having full access to its company records and despite disclosing that the turnover under the registered mark during the relevant period was £45,000 per annum, the evidential picture is silent in crucial aspects, and the Exhibits are of limited, if any, evidential value.

32. Further, there is no clear evidence of how the goods under the mark are promoted or offered for sale with no marketing expenditure or promotional activities being provided or detailed in the evidence. Again, this is evidence which would have been readily available and easy for the opponent to provide.

33. The opponent, in its submissions, puts forward reasons of competition and client and data confidentiality for not filing extensive evidence. Nevertheless, it mentions that it has ample evidence to support genuine use of the mark "which is available to this tribunal immediately upon request". I reiterate here that the burden is on the opponent to prove its case and show use of the mark in the relevant period without the prior request of the Tribunal. Thus, it is evident from the opponent's submissions that it chose to file limited evidence to support its case.

THE APPEAL

13. Mr O'Brien very fairly accepted on behalf of the Appellant/Opponent that it had been naïve. He stated that the understanding was that an opponent in such a situation only needed to provide evidence of minimal genuine use and that it had done so. Further he explained that there were confidentiality concerns about some of the material which could have been provided.

14. There is a difference between the requirement to prove minimal use and the provision of minimal evidence (as here) to establish that standard. I consider that the Hearing Officer was entitled to find that the evidence submitted on behalf of the Opponent had been insufficient. The absence of any dated material amounted to a fundamental inadequacy and the Hearing Officer was entitled to be sceptical and to reject evidence as insufficiently solid where material that was likely to exist was not provided.

15. Further, the Registry has issued guidance (§4.3 Manual of Trade Marks Practice, Tribunal Section) and has procedures for dealing with material alleged to be confidential. The Opponent could have inquired with the Registry if it had concerns about some of the material which it wished to file. In any event, the failure to provide e.g. the dates of the transactions in the evidence filed cannot be attributed to confidentiality issues.

16. Indeed, apart from one aspect to which I shall return, Mr O'Brien did not really challenge the findings of the Hearing Officer. Instead, he attempted to rely on additional evidence of use which was submitted at the same time as the written

submissions to the Hearing Officer. The same evidence has been filed on this appeal. I therefore need to determine whether the Hearing Officer should have given weight to that evidence, and whether I should admit it on appeal (albeit that no formal application to admit fresh evidence was made).

Additional Evidence Below

17. As to the former, the Appellant/Opponent received notification from the Registry in response to the submissions dated 24 May 2023 stating "… *it is noted that you have attached evidence in the form of invoices. You are asked to remove these as they cannot be considered as part of the submissions. Please can you file the amended submissions on or before 31 May 2023*."

18. Although the Appellant/Opponent did not in fact refile the submissions, it is apparent from the Decision that the Hearing Officer did not consider the evidence attached.

19. The Applicant/Respondent reminded me of the strict conditions accompanying an application for a fast track opposition. TPN 2/2013 reads as follows:

> Further evidence under Rule 20(4)
>
> 5. In choosing to file a fast track opposition the opponent has elected to use a procedure which does not include the routine filing of evidence (other than evidence of use of the earlier registered or protected mark(s) where that earlier mark was registered/protected 5 years or more before the date of publication of the opposed mark). Therefore opponents should not expect to be permitted to file (further) evidence in a fast track opposition.

20. The parties were also reminded of this in correspondence from the Registry dated 1 April 2023 inviting final submissions.

21. This is reiterated in the Fast Track Opposition Guidance updated on 14 January 2019 which explains:

> What must my proof of use show?
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> The evidence must show that the earlier mark has been put to genuine use in relation to the goods/services for which it is registered, during the five years leading up to the filing date of the opposed mark (or its priority date, if applicable).
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> The evidence should demonstrate:
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> - that the trade mark has been used in relation to the goods/services relied upon for the purposes of the opposition
> - the volume of sales of those goods/services under the trade mark during that five year period

- if possible, examples of the mark in use in relation to the goods/services for which use is claimed e.g. copies of sales invoices or similar sales records or advertisements/brochures etc
- the period of time during which the mark has been used and the geographical area that the use covered
- how the mark is used in relation to the goods/services e.g. on labels, signs, invoices, advertising materials etc

22. It goes on:

> I want to file additional evidence, is this permitted?
> Either party may make a request to file further evidence. However, it will be at the Hearing Officer's discretion as to whether further evidence is allowed. Only in exceptional circumstances will further evidence be permitted within the fast track opposition procedure. For disputes that require factual evidence (beyond evidence of use of the earlier mark(s),) the standard opposition procedure should be used.

23. The Guidance points out the benefits of obtaining professional legal advice before proceeding. It also points out that parties should attempt to resolve their differences amicably if possible prior to the filing of the opposition.

24. Mr Harris drew my attention to the observations of Appointed Person Geoffrey Hobbs QC in Decision O/399/15 *BOSCO* at §§18-19:

> 18. It continues to be the position in civil proceedings in the High Court that: '... if proceedings are not to become a free-for-all, the court must insist on litigants of all kinds following the rules. In my view, therefore, being a litigant in person with no previous experience of legal proceedings is not a good reason for failing to comply with the rules': R (Hysaj) v Secretary of State for the Home Department [2014] EWCA Civ. 1633 at paragraph [46] per Moore-Bick LJ, Vice-President of the Court of Appeal, with whom Tomlinson LJ and King LJ agreed. In the same vein, it was observed in Nata Lee Ltd v Abid [2014] EWCA Civ. 1652 at paragraph [53] per Briggs LJ with whom Moore-Bick LJ, Vice-President of the Court of Appeal, and Underhill LJ agreed, that: '... the fact that a party (whether an individual or a corporate body) is not professionally represented is not of itself a reason for the disapplication of rules, orders and directions, or for the disapplication of the overriding objective which now places great value on the requirement that they be obeyed by litigants. In short, the CPR do not, at least at present, make specific or separate provision for litigants in person. There may be cases in which the fact that a party is a litigant in person has some consequence in the determination of applications for relief from sanctions, but this is likely to operate at the margins'.

> 19. The same approach should, in my view, be adopted in relation to the need for compliance with rules, orders and directions in Registry proceedings under the 1994 Act and the 2008 Rules….

25. I agree with this. Although the fast track procedure is intended to allow litigants in person and businesses to engage in oppositions with minimal expense, the guidance is clear and there can be no excuse for not following it. I do not think the Hearing Officer fell into error in not considering the additional material put forward as evidence which accompanied the Opponent's submissions below. The fact that the Opponent was not professionally represented is insufficient excuse for not understanding the law and/or following the guidance. The Opponent was sufficiently sophisticated to have chosen the fast track opposition procedure and should have been able to follow the guidance that accompanied it.

Additional Evidence on Appeal

26. Nevertheless, I recognise the desire to do justice in these proceedings. I also recognise that it might be pointless requiring the parties to relitigate matters which could be capable of resolution in this opposition. That is why I asked the parties to address me on whether I should admit the additional material for the first time on this appeal. In particular, in advance of the hearing I asked them to comment on whether two cases on this topic, *Weber v Gucci* (Daniel Alexander QC [2015] RPC 9, where additional evidence was admitted on strict terms as to costs) and *Consolidated Developments v Cooper "Tin Pan Alley"* (Henry Carr J. [2018] EWHC 1727 (Ch) where additional evidence was refused) had any relevance to the issues arising on this appeal.

27. This has led me to consider the well-known eight principles which apply to the admission of fresh evidence on appeal in trade mark cases, as set out in *Hunt Wesson's Application* [1996] RPC 233 at 242. Dealing with them in turn below:

1. Whether the evidence could have been filed earlier and, if so, how much earlier.

28. As noted above, Mr O'Brien fairly accepted that the evidence could have been filed earlier, at the outset of the opposition.

2. If it could have been, what explanation for the late filing has been offered to explain the delay.

29. As also noted above, it was only a failure to understand the law/rules which explained why the evidence was not filed earlier. The authorities demonstrate that this is not a legitimate excuse.

3. The nature of the mark.

30. The mark PILLOW TALK is sought to be registered in, amongst other things, class 28.

4. The nature of the objections to it.

31. The objection relies on an earlier mark, also for PILLOW TALK, also registered in class 28.

5. The potential significance of the new evidence.

32. As Mr Harris rightly conceded, the evidence which the Appellant/Opponent has sought to adduce on appeal discloses that it has at the very least a real prospect of success of establishing use in the relevant period. If that is the case, then the Appellant/Opponent also has a real prospect of success of opposing at least some of the class 28 goods for which the Applicant's mark is proposed to be registered.

33. However, at the same time it seems likely that if the Appellant/Opponent had traded as it submits throughout the relevant period, then there would be rather more evidence that it could adduce in support of this (see the guidance quoted above). Although the additional material may be enough to establish genuine use (as to which I make no findings whatsoever), the nature of such evidence is still extremely thin and there may be even better evidence which the Appellant/Opponent could file as part of an invalidation application, if it so chose.

6. Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, *e.g.* by an order for costs.

34. Mr Harris pointed out that the Applicant was prejudiced by the Appellant/Opponent's failure to adduce the evidence in time. If I were to allow the evidence to be adduced then it is agreed that the matter will have to return to the Registry to be determined at first instance, and perhaps again on appeal. This further delays the grant of the Applicant's mark, even for classes far removed from class 28, potentially putting it at risk of adverse activities in the meantime by third parties. I consider that this is a real prejudice which cannot be compensated in costs.

7. The desirability of avoiding multiplicity of proceedings.

35. As I have referred to above, there is already the danger of multiple proceedings. Subject to the precise application of *Special Effects v L'Oreal* [2007] RPC 15, it remains open to the Appellant/Opponent to file a s.47 Trade Marks Act application for invalidation of the Applicant's mark once it is registered, this time filing proper

and full evidence of use which potentially goes beyond the documents sought to be adduced on appeal. Whether this is an opportunity which the Appellant/Opponent seeks to take (or whether there are other possibilities, such as a negotiated compromise between the parties) is not for me.

36. As against this, if I were to allow the additional evidence to be adduced, there would have to be a repeat of the proceedings below and potentially on appeal. If this failed, it would still be open to the Appellant/Opponent to commence invalidation proceedings.

37. There is really no practical procedural difference between a remittal of the current proceedings and any fresh proceedings that the Appellant/Opponent might elect to bring. However, it is relevant that there is an alternative pathway (of invalidation proceedings) to the remittal of the opposition and its resolution using perhaps still imperfect evidence, which is no more burdensome on the parties or the trade mark system than the path open to me on this appeal. Accordingly, refusing the application to adduce fresh evidence may reduce the number of hearings without affecting the overall outcome of the dispute.

8. The public interest in not admitting onto the register invalid marks.

38. This is the factor that has troubled me the most. As noted above, the evidence may make a real difference to the registrability of the Applicant's mark, at least in class 28. If the interests of justice are paramount, there is reason to allow an application to adduce the evidence late.

39. The caselaw on relief from sanctions under the CPR makes clear that the interests of justice as between the individual parties is no longer the overriding factor in determining whether permission to remedy a failure to comply with an order or timetable should be allowed. It is equally important to maintain the efficiency of the overall litigation system and the interests of other litigants in it. See e.g. *Mitchell v News Group Newspapers Ltd (CA)* [2014] 1 WLR 795 at §§38-39 citing the speech of Lord Dyson MR at the 18th implementation lecture on the Jackson reforms.

40. It is right that the interests of justice in trade mark matters can extend beyond the interests of the parties. There is a public interest in not allowing invalid marks onto the register. However, in the present case there is already a registration for PILLOW TALK in class 28 in the name of the Appellant/Opponent. The question is whether the Applicant should be allowed an additional registration in the same class for the same mark. This is inherently a dispute between the parties, and although there is

also a public interest, on the particular facts of this case it is subsidiary or at most overlaps with the interest of the parties.

41. Further, there are other public interests at large, including the desire to promote efficient fast track proceedings. The public interest in not allowing invalid marks to be registered cannot trump every other interest, otherwise it would always be the case that additional evidence could be adduced in trade mark proceedings where it is arguable that it will make a difference. But that is not the case.

42. The Appellant elected to follow the fast track opposition procedure, no doubt partly to save costs, which is to be encouraged. But if a commercial entity takes a business decision to follow a particular course of action, then it should be taken to understand the guidance and limits inherent in that system. As to this, Mr O'Brien acknowledged that with hindsight the Appellant/Opponent could have provided more evidence. In its opposition dispute with the Applicant it failed to adduce proper evidence on time, and the consequence is that the opposition failed before the Hearing Officer. As noted above, that is not necessarily the end of the matter as the Appellant/Opponent has the opportunity to bring an application for invalidation if it so wishes.

43. Accordingly, I conclude that the interests of justice are not so overwhelmingly in favour of admitting the new evidence as to overcome the other factors against it, in particular the desirability of maintaining an efficient opposition system where parties comply with the procedural rules.

44. Even if I had let in the evidence, it still thin and it cannot be said that the opposition would definitely succeed. I would have to remit the matter back to the Hearing Officer, with the prospect of a punitive costs award against the Appellant following *Weber v Gucci*. This is to be compared with the alternative invalidation route that will exist in any event, with the prospect of better evidence being adduced and justice being done in full.

Turnover

45. The only remaining point which needs to be addressed is Mr O'Brien's criticism of the Hearing Officer's rejection of the evidence on turnover. The evidence was as follows, filed in response to Q7 in the TM7: "Average annual turnover of the card game 'PILLOW TALK". £45,000. CLASS 28". The Hearing Officer dealt with it in paragraph 31, quoted above, in particular stating: "*Despite having full access to its company records and despite disclosing that the turnover under the registered mark during the relevant period was £45,000 per annum, the evidential picture is silent in crucial aspects, and the Exhibits are of limited, if any, evidential value*."

46. The Hearing Officer concluded as follows:

> 34. The evidential picture as a whole is not sufficiently consistent, and what relevant evidence there is, is of limited value. It is my view that the evidence is not sufficiently "solid or specific to enable proper and fair evaluation of the scope of protection to which the opponent is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the [applicant], the opponent and, it should be said, the public."[2] Consequently, the above evidence fails to show real commercial exploitation of the mark to create and maintain a share of the UK market for the given goods.
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> [2] See *Awareness Limited v Plymouth City Council*, Case BL O/230/13

47. Although there are circumstances in which an annual turnover of £45,000 might be enough to prove use, I am not persuaded that the Hearing Officer was wrong to reject the evidence of turnover in the circumstances of the present case, where the additional material in support was non-existent. Instead, he was entitled to "*be sceptical and to reject evidence as insufficiently solid if material that is likely to exist is not provided*". The Appellant/Opponent had simply not done enough by way of providing actual evidence of use.

CONCLUSION

48. For the reasons given above, I reject the appeal.

49. I direct that the opposition should be rejected, and the application should proceed to grant.

50. However, in the very unusual circumstances of this case I direct that the Applicant should have a period of 28 days from the publication date of this decision in which to file a narrower specification at the Registry for registration, if it so chooses. This is to give a brief period of reflection and/or a chance for the parties to correspond in case it assists in reducing the risk of further proceedings between them. If the Applicant does not contact the Registry before the end of the 28 day period i.e. by 3 January 2024, the application should proceed to registration as applied for.

51. As for costs, under the fast track procedure these were capped below and an award of £400 was made. There is no fast track cap before the Appointed Person and I should use the scale set out in TPN 2/2016 in the usual way (these proceedings having been commenced before 1 February 2023). I award the additional sum of £800 in relation to the steps taken by the Applicant on this appeal. I order that the

Appellant/Opponent should pay the total of £1200 to the Applicant, also within 28 days of the date of this decision i.e. by 3 January 2024.

Thomas Mitcheson KC
The Appointed Person
6 December 2023