

O/308/20

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3279865 IN THE NAME
OF ROBOT ENERGY LIMITED

AND

IN THE MATTER OF OPPOSITION NO. 412216 THERETO BY MONSTER
ENERGY COMPANY

DECISION

Introduction

1. This is an appeal against a decision of Mr Allan James, acting on behalf of the Registrar of Trade Marks, dated 11 July 2019 (O-389-19) in which he upheld Opposition No. 412216 in its entirety on the basis of section 3(6) of the Trade Marks Act 1994; and ordered Robot Energy Limited to pay Monster Energy Company £2,700 as a contribution towards its costs of the proceedings.
2. On 1 January 2018 Robot Energy Limited (“*the Applicant*”) filed an application to register the following trade mark (“*the contested mark*”)



The Applicant sought to register the contested mark in Class 32 in respect of a wide range of soft and non-alcoholic drinks, including energy drinks.

3. The Applicant claimed priority under section 35 of the Trade Marks Act 1994 (“*the 1994 Act*”) on the basis of an earlier filing of the same mark in Germany on 2 July 2017 (“*the priority date*”).
4. On 19 April 2018 Monster Energy Company (“*the Opponent*”) filed an Opposition. There were two grounds of Opposition: (1) under section 5(4)(a) of the 1994 on the

basis of the law of passing off; and (2) under section 3(6) of the 1994 Act. The Applicant filed a Counterstatement in which it denied the Grounds of Opposition.

5. Both sides filed evidence in support of their positions. Neither side requested a hearing. The Opponent filed written submissions in lieu of attendance at a hearing. The Hearing Officer proceeded to make his decision on the basis of the papers before him.

The Hearing Officer's Decision

6. Having set out a summary of the evidence in paragraphs [8] to [39] of his Decision and dealt with the Ground of Opposition under section 5(4)(a) of the 1994 Act (which is not relevant for the purposes of the present appeal) the Hearing Officer turned to consider the section 3(6) Ground of Opposition at paragraph [54] of his Decision.
7. The Hearing Officer first set out the law in relation to the objection on the basis that the applicant was acting in bad faith under section 3(6) of the 1994 Act by reference to the summary set out in the decision of Thomas Mitcheson QC sitting at the Appointed Person in Loch Employment Law Limited v. Philip Adamson Hannay (O-786-18). He then set out the parties' respective cases as follows (footnotes omitted):

56. The opponent's case is essentially that the applicant has (1) systematically applied for registration in the EU of trade marks which imitate to varying degrees the trade marks and trade names registered and/or used by the opponent, (2) no genuine intention to use these marks, and (3) filed the application with the real purpose of blocking or otherwise disrupting the opponent's business.

57. Regarding point (2) above, I do not understand the opponent's claim to mean that it disputes that the applicant filed the application without intending to make any use at all of the contested mark. Rather, the claim appears to be that any use the applicant intends to make of the mark will be token or sham use, to conceal and further the real purpose of the application, as set out in point (3) above.

58. The applicant denies these claims. In support of its position the applicant filed evidence purporting to show that it has used the trade mark ROBOT ENERGY in Spain in relation to energy drinks. According to the applicant, this shows that it is in the drinks business and it can therefore be inferred that the applicant does indeed intend to use the contested mark for the purpose stated in its application, i.e. as its own UK trade mark. Responding to the opponent's suggestion that the timing of the applicant's first filing of an application to register HYBRID ENERGY in Germany shows that such EU applications, including the opposed application, were motivated by the

applicant's knowledge of the opponent's US filing of ENERGY HYBRID in class 32, the applicant's witness – Mr Ferdinand Kronschnabl - denies any knowledge of the US trade mark filing at the time it first applied to register HYBRID ENERGY in Germany.

8. With regard to the evidence of Mr Kronschnabl the Hearing Officer stated as follows:

59. The opponent has not applied to cross examine Mr Kronschnabl on the evidence he has given on behalf of the applicant. Although Mr Kronschnabl does not appear to be registered as a director of the applicant company, he describes himself as its Director of Intellectual Property. Further, I note that according to the translation of the oral examination of Mr Sandro Tietz (the registered director of the applicant) in the unfair competition proceedings in Spain, he said that "*Ferdinand*" was responsible for trade mark filings. I take this to mean Mr Ferdinand Kronschnabl. Accordingly, the absence of a request to cross examine Mr Kronschnabl on his evidence is a factor which I must take into account in deciding how much weight it should be given. For example, in the absence of appropriate questions having been put to him in cross examination, it would be improper for me to draw an adverse inference from my initial surprise that a small business in Southern Spain which appears to have, at most, only a limited local market for one product under one trade mark, requires an Intellectual Property Director with responsibility for "*worldwide*" trade mark filings.

60. The position is different when it comes to Mr Kronschnabl's denial that the applicant had any knowledge of the opponent's US application to register ENERGY HYBRID when it started filing HYBRID marks in the EU. This is not a case like *Extreme Trade Mark* where a party asked for the other side's evidence to be disbelieved without having previously challenged the truth of the witness statement. In this case it was clear from the opponent's evidence in reply to Mr Kronschnabl's evidence that it disputed his evidence that there was no connection between the opponent's US filing for HYBRID ENERGY and the applicant's subsequent application to register ENERGY HYBRID in Germany and, by extension, its subsequent applications to register HYBRID trade marks in the EU. Specifically, by filing a copy of a translation of the oral examination of the applicant's director in the Spanish litigation, and by drawing attention to the applicant's continued practice of filing applications to register marks which imitate the opponent's marks, the opponent made it abundantly clear that it challenged Mr Kronschnabl's evidence. I will therefore determine the applicant's state of knowledge at the time of the application by considering the evidence as a whole.

9. The Hearing Officer then went on to find with regard to point (1) of the Opponent's case that on the basis of the evidence before him was '*sufficient to establish at least a prima facie case that the applicant is engaged in the practice of systematically registering trade mark which imitate to varying degrees, the trade marks and/or trade names registered and/or used by the opponent. This is because the number of applicant's marks exhibiting similarities and/or shared words/features with the opponent's marks or trade names appears to be too great for similarities to be merely coincidental*' (paragraph [62] of the Decision).

10. Having made a finding with regard to the *prima facie* case the Hearing Officer then went on to find at paragraph [63] of his Decision that:

In this case, the applicant's specific interest in the market for energy drinks, coupled with the fact that the opponent is a leading player in the US and EU, makes it harder to accept that the choice of similar words and devices for the applicant's trade marks is just a coincidence. I find that the applicant intentionally imitated the opponent's US HYBRID ENERGY word trade mark and elements of the opponent's get-up when filing the contested mark. I am fortified in this view by the applicant's failure to offer any alternative explanation for its choice of trade mark. In this connection, the opponent's representatives draw my attention to Mr Sandro Tietz's answer to the following final question put to him in the oral stage of the Spanish proceedings.

"More than 40 applications for trade marks have been identified that include some element of a previous Monster trade mark or product, would you like to provide some kind of explanation of how that could happen, whether it is just a coincidence or there is some explanation for that?"

Mr Tietz's answer to this question was simply "No". Mr Kronschnabl's evidence takes that matter no further.

11. The Hearing Officer then went on to consider point (2) of the Opponent's case and found that on the basis that on the basis of '*Mr Sack's evidence that it is not possible to purchase energy drinks from the applicant . . . coupled with my finding that the applicant is systematically filing applications which imitate the opponent's marks, is sufficient to raise a prima facie question as to whether the applicant had a real intention to use the contested mark at the date of filing the opposed application.*' (paragraph [64] of the Decision).

12. Having made the finding with respect to the *prima facie* case the Hearing Officer then went on to:

- (1) Note that the Applicant accepted that it had not yet used the contested mark in the UK (paragraph [65] of the Decision).
- (2) Find that Mr Kronschnabl provided no evidence of use anywhere else and that this was consistent with the evidence of Mr Tietz's evidence in the oral stage of the Spanish litigation about the use of marks other than ROBOT (paragraph [65] of the Decision).
- (3) Note that the only evidence of use of a mark incorporating the contested mark was filed by the Opponent but that such evidence of use was consistent with the Opponent's '*claim that such use was not genuine*' (paragraph [66] of the Decision).
- (4) Found, in the absence of a request to cross examine Mr Kronschnabl on his evidence, that the Applicant has made '*ordinary commercial use of its ROBOT ENERGY mark albeit on a small scale and mostly localised in an area in Southern Spain*' (paragraph [67] of the Decision).

13. The Hearing Officer then concluded in paragraph [68] of the Decision with regard to point (2) of the Opponent's case that:

[The] finding [ordinary commercial use] necessarily requires me to accept that the applicant has the capacity to trade in energy drinks in the UK. And this makes it harder for me to accept that the applicant's application to register the contested mark in the UK for energy drinks was filed without any real intention to use it. However, I do not consider that this excludes the possibility that the applicant is both a small-scale trader in beverages under its ROBOT mark, but also systematically registers trade marks which copy or imitate the marks it knows are registered and/or used elsewhere by market leaders in the beverages market, without any genuine intention to use those marks. In my view, the evidence as a whole supports such a conclusion. I find accordingly.

14. With regard to point (3) of the Opponent's case the Hearing Officer found that '*the real purpose of the opposed application is to block or otherwise disrupt the opponent's business in the UK by, for example, preventing the opponent from registering in the UK the HYBRID trade mark applied-for in the USA and/or compelling the opponent to take a trade mark licence from the applicant to enter the UK market under that mark.*' (paragraph [69] of the Decision).

15. The Hearing Officer then turned to consider whether the findings that he had made would constitute bad faith as a matter of law. In considering the position the Hearing Officer set out the law by reference to the case law of the CJEU, GC and of the Appointed Person at paragraphs [70] to [73] of his Decision. It has not been suggested on this appeal that the Hearing Officer was incorrect in his approach to the law.
16. The 'Finding' made by the Hearing Officer was set out in paragraphs [74] and [75] of his Decision:

74. I find that the applicant's objective of blocking or hindering the opponent's registration and/or use of HYBRID marks in the UK is an illegitimate one. Making such an application falls below the standards of commercial behaviour observed by honest traders. It follows that the application was made in bad faith insofar as energy drinks are concerned.

75. The application covers many more beverages than energy drinks. However, I find that all the goods covered by the application were included for the same purpose as energy drinks. It is likely that they were included simply to obscure the fact that the application was all about energy drinks. Consequently, the application will be refused in total.

The appeal

17. On 8 August 2019, the Applicant filed an appeal against the Hearing Officer's Decision pursuant to section 76 of the 1994 Act.
18. In the Grounds of Appeal the Applicant made it clear that it appealed only in relation to the Hearing Officer's decision to uphold the Opposition pursuant to section 3(6) of the 1994 Act.
19. Within the Grounds of Appeal the Applicant also sought to rely upon further evidence on the appeal, that has not been before the Hearing Officer, in the form of a witness statement of Sandra Santos Rodríguez together with 1 exhibit containing the judgment of the Spanish Court dated 26 April 2019 in an action that was brought by Monster Energy Company against Robot Energy Limited, Mrs Manuela Tietz, Sandro Tietz and Tietz Beverage S.L..
20. On the 3 September 2019 the Opponent filed a Respondent's Notice. The primary position of the Respondent which was put very shortly was that it supported the decision of the Hearing Officer for the reasons that he gave. The main thrust of the Respondent's Notice were the objections raised by the Respondent to the admissibility of the further evidence on appeal. The Respondent's Notice then went on to make clear that in the event that the further evidence was to be admitted on

appeal the Respondent would rely upon two additional grounds in support of the Hearing Officer's Decision.

21. By letter dated 28 November 2019 the parties were given notice in accordance with the Trade Marks Act 1994 that the hearing of the above appeal would take place on Tuesday 11 February 2020.
22. On Tuesday 28 January 2020 the Applicant's solicitors made an application to amend the Statement of the Grounds of Appeal. The Amended Statement of Grounds included additional legal grounds for the appeal as well as narrowing the existing grounds of appeal.
23. Having received submissions in writing from the parties with respect to the application to amend the Statement of Grounds of Appeal I issued a decision in writing dated 3 February 2020 giving the Applicant permission to amend the Notice of Appeal. The question of the costs of the application to amend the Statement of Grounds of Appeal was reserved.
24. In the Amended Statement of Grounds of Appeal the Applicant identified three broad grounds with respect to the Hearing Officer's Decision pursuant to section 3(6) of the 1994 Act:
 - (1) The Hearing Officer erred by making findings of fact against the Applicant's witness, Mr Kronschnabl, in the absence of any formal challenge to his evidence by the Opponent (paragraphs 3 and 4 in the Amended Grounds of Appeal);
 - (2) By rejecting Mr Kronschnabl's evidence, the Hearing Officer erred by failing to taken into material facts and instead finding that the Applicant's real purpose for filing the application for the contested mark was to block or otherwise disrupt the Opponent's business in the UK (paragraphs 5 and 6 of the Statement of Grounds of Appeal); and
 - (3) The Hearing Officer erred by taking into account irrelevant facts by relying on the transcript of evidence in the filed in proceedings in Spain between the Applicant (and other companies) and the Opponent (paragraph 9 in the Amended Grounds of Appeal).

The additional evidence in the form of Sandra Santos Rodríguez was said by the Applicant to be relevant solely to the third of these grounds.

25. On 7 February 2020 the Applicant made an application to adjourn the hearing of the appeal. The application was made on the basis that it was only that morning that the Applicant was made aware that a Respondent's Notice had been filed. Regrettably,

no copy of the Respondent's Notice had been provided to the Applicant by the UKIPO as required by rule 71(6) of the Trade Mark Rules 2008. That that was the case was confirmed by the UKIPO. Later the same day I convened a CMC over the telephone in order to hear Counsel with regard to the future conduct of the appeal. Following that hearing directions were given.

26. In particular it was directed that (1) the application for an adjournment was refused; (2) the application for permission to rely upon additional evidence in support of paragraph 9 of the Amended Grounds of Appeal was to be heard and determined at the time listed for the hearing of the appeal; (3) in the event that the application for additional evidence was refused the hearing of the appeal on the other Grounds in the Amended Grounds of Appeal would proceed; and (4) in the event that the application for additional evidence was allowed the hearing of the appeal was to be adjourned.
27. The hearing of the appeal took place on 11 February 2020. At the hearing of the appeal the Applicant was represented by Mitchell Beebe instructed by Briffa Legal Limited and the Opponent by Andrew Norris instructed by Bird & Bird LLP. Both Counsel provided detailed and helpful written arguments for the purposes of the appeal.

Standard of review

28. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; and Actavis Group PTC v. ICOS Corporation [2019] UKSC 1671 at [78] to [81].
29. Moreover, where the decision below involves the making of a value judgment the decision maker on appeal must be especially cautious about interfering with that judgment on appeal: see most recently Actavis (above) at [80]:

80. What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is

satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible:
Assicurazioni Generali SpA v Arab Insurance Group (Practice Note) [2002] EWCA Civ 1642; [2003] 1 WLR 577, paras 14-17 per Clarke LJ, a statement which the House of Lords approved in *Datec Electronic Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23; [2007] 1 WLR 1325, para 46 per Lord Mance.

30. In Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115] Lewison LJ said:

114 Appellate courts have been repeatedly warned, by recent cases at the highest level, not to interfere with findings of fact by trial judges, unless compelled to do so. This applies not only to findings of primary fact, but also to the evaluation of those facts and to inferences to be drawn from them. The best known of these cases are: *Biogen Inc v Medeva plc* [1977] RPC 1; *Piglowska v Piglowski* [1999] 1 WLR 1360; *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23 [2007] 1 WLR 1325; *Re B (A Child) (Care Proceedings: Threshold Criteria)* [2013] UKSC 33 [2013] 1 WLR 1911 and most recently and comprehensively *McGraddie v McGraddie* [2013] UKSC 58 [2013] 1 WLR 2477 . . .

115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: see *Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

31. It is necessary to bear these principles in mind on this appeal.

Decision

The application by the Applicant to file additional evidence on appeal

32. In the Grounds of Appeal the Applicant sought permission to file additional evidence on appeal. The Opponent objected to the admission of additional evidence. Both parties filed written submissions with respect to this application.
33. By the time of the hearing of the application was only pursued with respect to the first five paragraphs of the witness statement of Sandra Santos Rodríguez together with one exhibit. The paragraphs of the witness statement set out some background and introduces the judgment of the Spanish Court dated 26 April 2019 in proceedings that were brought by Monster Energy Company against Robot Energy Limited, Mrs Manuela Tietz, Sandro Tietz and Tietz Beverage S.L. and an English translation which is contained in the exhibit. English translation of extracts from the transcript of the oral stages of these Spanish proceedings were in the evidence that was before the Hearing Officer who referred to parts of the cross-examination of Sandro Tietz in his decision including paragraph [63].
34. At the hearing of the appeal having considered the written submissions and having heard Counsel for both parties I ruled that for reasons to be given more fully in the written decision on the appeal the application to rely upon the additional evidence on appeal was refused.
35. There was no dispute as between the parties as to the general principles to be applied in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal. These were summarised by Henry Carr J in Consolidated Developments Ltd v. Cooper [2019] FSR 2.
36. Both Counsel made submissions by reference to paragraph [20] of the Judgment of Henry Carr J in Consolidated Developments (supra) which states as follows:
20. However, there may be exceptions to this general principle. In *Ladd v Marshall* [1954] 1 W.L.R. 1489 at p.1491 Denning LJ set out a three-part test for admission of fresh evidence on appeal. In particular:
- (i) it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial;
- (ii) the evidence must be such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive; and

(iii) the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.

37. In reaching my decision I have also had regard to the fuller summary of the position set out in paragraph [33] of the Judgment of Henry Carr J in Consolidated Developments (supra) which states as follows:

33. The cases to which I have referred establish the following principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal:

- (i) the same principles apply in trade mark appeals as in any other appeal under CPR part 52. However, given the nature of such appeals, additional factors may be relevant;
- (ii) the *Ladd v Marshall* factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;
- (iii) it is useful to have regard to the Hunt-Wesson factors;
- (iv) relevant factors will vary, depending on the circumstances of each case. Neither the *Ladd v Marshall* factors nor the *Hunt-Wesson* factors are to be regarded as a straightjacket;
- (v) the admission of fresh evidence on appeal is the exception and not the rule;
- (vi) the *Gucci* decision does not establish that the court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and
- (vii) where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.

38. Taking each of the Ladd v. Marshall points in turn as relied on by the Applicant. First, could the evidence which is now sought to be relied upon have been introduced prior to the decision being made? In the present case the decision below was made on the papers. Although the timetable for the filing of evidence had been completed the decision was not issued until 11 July 2019. That was nearly 3 months after the Judgment of the Spanish Court.

39. It was accepted by the Applicant, quite rightly, that the evidence had been available prior to the date on which the Decision was issued. However, no explanation has at any stage been provided as to why the Applicant could not have and/or made no attempt to put this evidence before the Hearing Officer prior to the Decision being issued. Moreover, there is no suggestion that the Applicant was unaware of the

Judgment of the Spanish Court from the time when it was issued. That this is the position points firmly against the admission of the evidence on appeal.

40. Turning to the second point. The evidence upon which the Applicant now seeks to rely is said to be relevant to the Applicant's criticisms of the findings made by the Hearing Officer in paragraph [63] of the Decision (set out in paragraph 10 above) and in particular the weight the Hearing Officer gave to an answer given by Mr Tietz under cross-examination in the Spanish proceedings. It is said that the finding of the Spanish Court rejecting the allegation of bad faith notwithstanding the cross-examination of Mr Tietz referred to by the Hearing Officer would have impacted upon the finding of bad faith in the Decision.
41. I do not agree with this submission. It does not seem to me that the evidence that the Applicant seeks to have admitted on appeal is such as to have an important influence in the outcome of the case.
42. First, the fact that the Spanish Court did not uphold a finding of bad faith in those proceedings does not assist one way or another. The assessment of bad faith is a multifactorial one that depends upon the evidence that is before the decision taker. The Hearing Officer is not bound by a decision of the Courts or Intellectual Property Office in another Member State or indeed by a decision of the EUIPO. As highlighted by the Hearing Officer himself in paragraph [51] of the Decision, albeit in the context of other proceedings before the Spanish Trade Mark Office, whilst it may be a matter of regret that a different decision has been reached by a particular Court or Tribunal that does not impact on the validity of any such decision.
43. Second, as was made clear by the Hearing Officer in paragraph [63] of his Decision the cross-examination of Mr Tietz was not the basis of his finding in that paragraph '*that the applicant intentionally imitated the opponent's US HYBRID ENERGY word trade mark . . .*', which was based on other evidence that was before him, but '*fortified*' his view on the basis that Mr Tietz could not provide an explanation with regards to the filing of more than 40 trade marks that have been identified as including some element of a previous trade mark or product of the Opponent.
44. Third, as was also made clear by the Hearing Officer in paragraph [63] of his Decision the evidence of Mr Kronschnabl, who did give evidence in the present proceedings, '*[took] that matter no further*' i.e. Mr Kronschnabl did not give any alternative explanation for the Applicant's choice of trade mark being the contested application or indeed any of the other of the marks applied for by the Applicant that were said to be part of the systematic application of marks that imitated or closely resembled those of the Opponent.
45. With regard to the third point there is no suggestion that the translation of the Judgment is inaccurate (save in some minor respects). As is accepted by the Applicant the Judgment is the subject of an appeal that has yet to be decided.

However, given my views on points one and two it seems to me that this point is neutral, at best, in the context of the present application.

46. Given (1) that the admission of fresh evidence on appeal is the exception rather than the rule; and (2) my views on the first two Ladd v. Marshall points expressed above as indicated at the hearing, it seems to me that this was not a case where it would be appropriate for me to exercise my discretion and allow the application by the Applicant to rely on the additional evidence of Sandra Santos Rodríguez on the appeal.

The substantive appeal

47. As noted above there were in substance three Grounds of Appeal. As was made clear on behalf of the Applicant at the hearing:

- (1) It was accepted that the Hearing Officer has properly directed himself as to the law on bad faith;
- (2) That the second Ground of Appeal required the Applicant to succeed on the first Ground of Appeal; and
- (3) That the third Ground of Appeal did not arise if the application to rely upon additional evidence was refused.

48. With regard to the Respondent's Notice the further points relied upon in support of the Hearing Officer's Decision only arose in the event that the application to rely upon additional evidence on this appeal was allowed.

49. Given that the application to rely upon additional evidence was refused the third Ground of Appeal and the points raised in the Respondent's Notice fell away and no longer need to be decided.

50. Turning to the first Ground of Appeal. As set out above, what is submitted on behalf of the Applicant is that the Hearing Officer erred by making findings of fact against the Applicant's witness, Mr Kronschnabl, in the absence of any formal challenge to his evidence.

51. Three main errors were identified in support of this:

- (1) That having noted that no application had been made by the Opponent to cross-examine Mr Kronschnabl the Hearing Officer went on to reject Mr Kronschnabl's evidence in relation to the Applicant's knowledge of the Opponent's US application to register ENERGY HYBRID;
- (2) The Hearing Officer erred in holding that the case before him was not like the one in Pan World Brands v. Tripp (EXTREME) [2008] RPC 2 a decision of Richard Arnold QC (as he then was) sitting as the Appointed Person; and

(3) In light of these errors the Hearing Officer erred by failing to apply the law as summarised in EXTREME and should have found that it was not open to him of his own volition to reject Mr Kronschnabl's evidence of the Applicant's lack of knowledge of the Opponent's US application to register ENERGY HYBRID.

52. As is clear from the Grounds of Appeal, the Applicant relies heavily on the decision in EXTREME. The Applicant relied upon the summary of the law in relation to unchallenged evidence at paragraphs [33] to [37] of that decision and in particular paragraph [36] which states as follows:

Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

It did so in order to support the contention that it was not open to the Hearing Officer to reject Mr Kronschnabl's evidence on lack of knowledge of the Opponent's US application to register ENERGY HYBRID.

53. The Applicant relied upon three reasons in support of this contention. First, that there was no basis for the Hearing Officer to conclude that Mr Kronschnabl's evidence on this specific point was in dispute. Second, that given there had been no direct or indirect criticism of Mr Kronschnabl's evidence on the point (whether by cross-examination, in a subsequent witness statement or in submissions) the Hearing Officer should not have held that the present case was not a case like that in EXTREME. Third, that the Hearing Officer failed to apply the law in EXTREME and that it was not open to him of his own volition to disbelieve the witness's evidence where (a) it was not obviously incredible; and/or (b) the Opponent had not given notice that the evidence was being challenged.

54. With regard to the approach set out in EXTREME it is clear that Richard Arnold QC did not regard a tribunal evaluating the evidence as bound to accept everything said by a witness without analysing what it amounts to (see paragraph [37] of the Decision).

55. In the present appeal it seems to me that the observations of Geoffrey Hobbs QC sitting as the Appointed Person in Williams and Williams v. Canaries Seaschool SLU (CLUB SAIL) [2010] RPC 32 in the context of opposition proceedings under section 3(6) and section 5(4)(a) of the 1994 Act where described the position as follows are apposite:

36. In this case (as in too many other proceedings in the Registry where the conflict between the written evidence of the parties leads unavoidably to the conclusion that they cannot both be giving a truthful account of events) there was, as I have said, no cross-examination of any of the witnesses on their witness statements. Cross-examination might well have provided the hearing officer with the benefit of a better understanding of the reliability of the witness statements. So might a focused order for disclosure of financial records (see para.31 above). Although the parties must be taken to have accepted the consequences of proceeding without cross-examination or disclosure, it remains to be specified what those consequences are for the purposes of the present appeal.

37. Firstly, the contested objections to registration cannot be rejected automatically upon the basis that the witness who sought to refute them was not cross-examined upon his witness statement. It would be unjudicial to adopt such a mechanical approach to the evidence on file. It would also be incongruous to do so in circumstances where the absence of cross-examination is an established or even inescapable feature of proceedings for the determination of objections to registration under the Trade Marks Directive and the Community Trade mark Regulation elsewhere in the European Union.

38. Secondly, it is not obligatory to regard the written evidence of any particular witness as sufficient, in the absence of cross-examination, to establish the fact or matter (s)he was seeking to establish. That is brought out by the following observations of Mann J. in *Matsushita Electric Industrial Co. v Comptroller-General of Patents* [2008] EWHC 2071, [2008] R.P.C. 35 (Pat).

24. As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

39. Thirdly, when assessing the evidence in the witness statements it is appropriate to do so from the perspective identified by Lord Bingham of Cornhill in *Fairchild v Glenhaven Funeral Services Ltd* [2002] UKHL 22; [2003] 1 AC 32 (HL) at para.[13]:

“... And I think it is salutary to bear in mind Lord Mansfield's aphorism in *Blatch v Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v Farrell*:

‘It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted’”

40. Fourthly, by proceeding as they did the parties effectively required the decision taker to consider the plausibility of the positions they had adopted in the context of the evidence as a whole and thus accepted that the evidence of one witness might be found to have been disproved or displaced by the evidence of another, even though neither of the witnesses concerned were cross-examined on their witness statements. As happened in *DAAWAT Trade Mark* [2003] R.P.C. 11 (see paras.30 to 32 and 60 to 69).

41. Fifthly, the veracity of the evidence in the witness statements could not be taken to have been challenged on the basis of any contention which the witness had not had a fair opportunity to consider and address as best (s)he could: *Pan World Brands Ltd v Tripp Ltd (EXTREME Trade Mark)* [2008] R.P.C. 2 at paras.[33] to [37] (Appointed Person, Mr. Richard Arnold Q.C.).

56. The approach was likewise set out by Daniel Alexander QC in *Advanced Perimeter Systems Ltd v. Keycorp Ltd (Multisys Trade Mark)* [2012] RPC 14 at paragraphs [17] to [22].
57. In my view the starting point of the analysis is what was the basis of the case under section 3(6) of the 1994 Act put forward by the Opponent? As has been made clear by Geoffrey Hobbs QC sitting as the Appointed Person in *Alexander Trade Mark* (O-036-18) at paragraph [19] the key questions for determination in such a case are:
- (1) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
 - (2) Was that an objective for the purposes of which the contested application could not be properly filed? and

- (3) Was it established that the contested application was filed in pursuit of that objective?
58. In the present case the Hearing Officer identified the objectives which the applicant was accused of pursuing in paragraph [56] of his Decision (set out above). There is no suggestion that the objectives identified by the Hearing Officer were incorrect. The first of the objectives identified was that the Applicant had *'systematically applied for registration in the EU of trade marks which imitate to varying degrees the trade marks and trade names registered and/or used by the opponent'*.
59. In the TM7 filed on behalf of the Opponent support for the allegation of systematic application for registration of trade marks included a specific allegation that the Applicant has actual knowledge of the Opponent's earlier trade marks including (but not limited to) the Opponent's application for the word mark ENERGY HYBRID.
60. The Applicant's Counterstatement contained a bare denial at paragraph 11. It did not contain a specific denial relating to its knowledge of the US or any other application; nor did it put forward any positive case with regard to the commercial decision to apply for the contested mark.
61. The evidence in support of the Opposition was in the form of the witness statement of Rodney Sacks. At paragraphs 141 to 147 and 153(iii) of his statement Mr Sacks gave evidence of what was said to be the systematic application for registration of trade marks by the Applicant and related entities. In particular paragraph 153(iii) presented in tabular form the instances that were relied upon in support of this contention.
62. With regard to the Applicant's "HYBRID" trade marks Mr Sacks gave evidence that *all* such marks *'post-date the filing date of [the Opponent's] US trade mark application . . . for the mark "ENERGY HYBRID"'* (paragraph 145) and *'A few months after [the Opponent's] application for ENERGY HYBRID was filed, the applicant and its associated companies began filing applications for a portfolio of "HYBRID" trade marks'* (paragraph 146).
63. The evidence in answer was in the form of the witness statement of Ferdinand Kronschnabl who described himself as follows *'I am the Intellectual Property Director of [the Applicant] . . . its affiliates and subsidiaries. I am the (sic) responsible of (sic) the TM applications filed by My Company worldwide. The facts in this statement come from my professional knowledge, sue to my position in the Applicant company.'*
64. The evidence filed by Mr Kronschnabl not address the allegation of systematic applications save for a bare denial that at the time when the Spanish trade mark application was filed (that application being the first of the Hybrid marks filed by the Applicant in the EU) *'My company had no knowledge on (sic) the application filed by the Opponent in the USPTO above-mentioned. [The Applicant] has filed no*

application to register a TM in the United States and, hence is not interested in checking the USPTO public database'. No positive case was put forward regarding the commercial rationale i.e. the choice of name behind the filing of the contested mark. No evidence was filed in response to the more general allegations of systematic filing of the registration of trade marks.

65. Evidence was served in reply in the form of the witness statement of Peter Brownlow. That evidence included an update of the evidence in tabular form set out in paragraph 153(iii) of Mr Sacks' evidence (paragraph 5). This evidence was to support the Opponent's contention that the Applicant was engaged in the systematic filing of trade mark applications (and applications for domain names) that imitated various aspects of the Opponent's trade mark registrations and use. The updated table included specific reference to the details of the US application for HYBRID ENERGY. Mr Brownlow also exhibited English translations of extracts from the transcripts of the cross-examination of Manuela Tietz and Sandro Tietz from the Spanish proceedings (referred to above).
66. In paragraphs 12 to 13 of the written submissions filed on behalf of the Opponent in lieu of attendance at a hearing before the Registrar it was stated:
 12. As the evidence filed on behalf of the Opponent shows, the Applicant has engaged and continues to engage, in a systematic and concerted campaign to register a large number of trade marks which incorporate a variety of elements from the Opponent's large and well-known portfolio of products and earlier and registered and unregistered trade marks. The extent of the campaign is clear from the table at paragraph 5 of the Witness Statement of Peter Brownlow.
 13. The Applicant and its related companies began their campaign of filing applications for marks consisting of or containing HYBRID in various territories after the Opponent filed a US trade mark application for the mark ENERGY HYBRID in class 32 on 17 December 2015. Subsequently, the Applicant and its related company . . . have sought to disrupt the business of the Opponent *inter alia* by using their collection of HYBRID marks to oppose the Opponent's applications
67. In my view it is quite clear from the pleadings, through the rounds of evidence up to and including the written submissions filed on behalf of the Opponent that the Opponent maintained at all times that the Applicant had been engaged in a systematic campaign to apply for registration in the EU of trade marks which imitated to varying degrees the trade marks and trade names registered and/or used by the Opponent. That allegation included allegations that the filing dates of all the Applicant's HYBRID marks in the UK post-dated the Opponent's US application to register ENERGY HYBRID.

68. In the circumstances, it seems to me that there is no basis for saying that in the light of the evidence filed by Mr Kronschnabl that this was no longer a matter of dispute between the parties or that Mr Kronschnabl's evidence was unchallenged. The Opponent did not at any stage deviate from its pleaded position but maintained its position of systematic imitation by the Applicant up to and including in the evidence of Mr Brownlow served in reply to that of Mr Kronschnabl and in its subsequent submissions. In my view that after the filing of the witness statement of Mr Kronschnabl this carried with it a challenge to his evidence as to the Applicant's state of knowledge of the Opponent's US trade mark application. That is to say that there was a challenge to the evidence of the type envisaged both in EXTREME and in the Trade Marks Manual (Tribunal section).
69. In the circumstances, I am of the view that it was open to the Hearing Officer to take the view that EXTREME did not apply as he did in paragraph [60] of his Decision (i.e. that the fifth point identified in paragraph [41] of CLUB SAIL did not apply in the present case); and that therefore he was not bound to accept Mr Kronschnabl's evidence of lack of knowledge of the Opponent's US trade mark application for ENERGY HYBRID prior to the filing of the first Hybrid mark in the EU.
70. However, this is not the end of the matter given that this first ground of appeal includes the submission that the Hearing Officer erred by making findings of fact against the Applicant's witness, Mr Kronschnabl, in the absence of any formal challenge to his evidence by way of cross-examination. That is to say the gravamen of the appeal is that the Hearing Officer should have accepted Mr Kronschnabl's evidence as to the Applicant's lack of knowledge of the US application.
71. As noted by the Hearing Officer in paragraph [60] having found that he was not bound to accept Mr Kronschnabl's evidence it was then necessary for him to consider the question of the Applicant's state of knowledge by considering the evidence as a whole.
72. It is quite clear from the Decision (and in particular paragraph [59]) that the Hearing Officer was fully aware that the absence of a request to cross-examine Mr Kronschnabl on his evidence was a factor that he had to take into account when deciding how much weight to give it. Indeed, the Hearing Officer accepted parts of Mr Kronschnabl's evidence including in one instance despite his own '*initial surprise*' on the basis that such evidence had not been the subject of cross-examination (paragraph [59] of the Decision).
73. As was made clear in the decision in CLUB SAIL grounds of opposition cannot be rejected automatically on the basis that the witness who sought to refute them was not cross-examined. It is necessary to form a view as a matter of judgment whether the evidence is sufficient to establish the relevant fact which requires, as the Hearing Officer correctly said, the decision taker to consider the evidence as a whole. That the Hearing Officer took this view is entirely consistent with the guidance set out in CLUB SAIL (and EXTREME and MULTISYS). This includes weighing up in

particular (1) the power of one side to produce the evidence and the other to contradict it; and (2) the plausibility of the positions that have been adopted in the context of the evidence as a whole which entails where the parties have elected to proceed without cross-examination accepting that the evidence of one witness might be found to have been disproved or displaced by the evidence of another.

74. It seems to me that the Hearing Officer was entirely right to find that, given the evidence put forward by the Opponent, the number of the Applicant's marks exhibiting similarities and/or shared features with the Opponent's marks or trade names appear to be too great to be coincidental (paragraph [62] of the Decision). Nor is there any suggestion on this appeal that the finding that Applicant's specific interest is in energy drinks or that the Opponent is a leading player in that market in the US and the EU is incorrect (paragraph [63] of the Decision) such as to reinforce that finding.
75. In these circumstances, in my view that it was open to the Hearing Officer to find on the evidence filed by the Opponent, despite Mr Kronschnabl's evidence that the Applicant had no knowledge of the Opponent's US trade mark application for ENERGY HYBRID, that the Applicant '*had intentionally imitated the opponent's US HYBRID ENERGY word trade mark and elements of the opponent's get up when filing the contested mark*' (paragraph [63] of the Decision).
76. Moreover, I also agree with the Hearing Officer that the fact that there was no evidence filed on behalf of the Applicant, in answer to the evidence filed by the Applicant, by way of explanation of its conduct reinforces this finding. This includes, in particular, the absence of any explanation in the context of the HYBRID applications made in the EU. See paragraph [63] of the Decision. This is all the more surprising given Mr Kronschnabl's role within the Applicant as set out in paragraph 63 above.
77. In the premises, it seems to me that it was open to the Hearing Officer to make the findings of fact that he did despite the evidence in Mr Kronschnabl's evidence of the Applicant's lack of knowledge of the Opponent's US trade mark application at the time of the filing of the Spanish trade mark. Accordingly, the first Ground of Appeal is dismissed.
78. On the basis that it was accepted, in my view correctly, that if the first ground of appeal was dismissed the second Ground of Appeal fell away I shall say no more about it.

Conclusion on the appeal

79. For the reasons set out above, it does not seem to me that there is any error of principle or material error in the Hearing Officer's decision. It was in my view open to the Hearing Officer to make the decision that he did for the reasons that he gave. In the result the appeal fails.

80. Therefore, the appeal is dismissed.

Costs

81. There are three separate issues on costs in this appeal:

- (1) The costs of the substantive part of the appeal;
- (2) The costs of the application to amend the Notice of Appeal; and
- (3) The costs of the application for further evidence to be admitted into the appeal.

82. With respect to the costs of the appeal there is no dispute but that as is the usual course the successful party is entitled to a contribution towards its costs. Neither side suggested that off-scale costs were appropriate in the context of the substantive part of the appeal.

83. With respect to the costs of the application to amend the Notice of Appeal and the costs of the application for further evidence to be admitted into the appeal the Opponent indicated that it wished to make an application for its costs with respect to those applications and that those costs should not be assessed by reference to the usual scale of costs. In the light of that indication directions were given for the filing of additional materials and submissions on the question of costs by the parties. It was agreed by the parties that my decision with respect to the costs could then be taken on the basis of the written materials before me.

84. There was no dispute as between the parties as to the approach that should be taken to this issue as to the correct approach to costs. The general rule is set out in Rule 67 of the Trade Mark Rules 2008 which provides:

The registrar may, in any proceedings under the Act or these 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.

85. Further guidance with regard to the general principles to be applied to the question of costs in the UKIPO and on appeal before the Appointed Person can be found in the decision of Geoffrey Hobbs QC in AMARO GAYO COFFEE TM (O-257-18) and in particular at paragraphs [13] and [14] which state:

13. The long established practice in Registry proceedings is to require payment of a contribution to the costs of a successful party, with the amount of the contribution being determined by reference to published scale figures. The scale figures are treated as norms to be applied or departed from with greater or lesser willingness according to the nature and circumstances of the case. The use of scale figures in this way makes it possible for the decision taker to assess costs without investigating whether or why there are: (a) disparities between the levels of

costs incurred by the parties to the proceedings in hand; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by the parties to other proceedings of the same or similar nature. The award of costs is required to reflect the effort and expenditure to which it relates without inflation for the purpose of imposing a financial penalty by way of punishment on the paying party.

14. The provisions of Rule 67 noted in paragraph 12 above apply via Rule 73(4) 'to the person appointed and to proceedings before the person appointed as they apply to the registrar and to proceedings before the registrar.' The Appointed Persons usually follow the approach indicated in paragraph 13 above when considering what it would be 'reasonable' to award by way of costs in relation to the appeals which come before them under s.76 of the Act. It is necessary to emphasise in that connection that the scale figures published by the Registry do not have the force of statute. They do not limit – on the contrary they are subject to – the exercise of judgment and discretion which the decision taker should bring to bear in relation to the case at hand when giving effect to the applicable statutory provisions.

86. Guidance with regard to the question of when costs should be awarded off scale are set out in Tribunal Practice Note TPN 2/200 and Tribunal Practice Note TPN 4/2007 which refers back to TPN 2/2000 and states as follows:

5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the publishes scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour.

6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000 Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This "extra costs" principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour.

87. Both parties also referred to the decision of Daniel Alexander QC sitting as the Appointed Person in ALLORO TM (O-116-13) who summarised the approach in paragraphs [16] and [17] of his decision as follows:

16. The decision maker is therefore entitled to take into account a wide range of factors in considering the costs to be awarded and whether they should be off-scale.

17. These include the conduct of the parties, the nature of the case and whether it is self-evidently without merit, whether there have been abuses of procedure, the extent to which offers made to settle the case were unreasonably rejected and could have resulted in costs being avoided. There is no rigid formula, although the paradigm case for off-scale costs will involve breaches of rules, delaying tactics or unreasonable behaviour. Reasonable people can differ as to how unreasonable behavior must be before it is appropriate to depart from the usual scale of costs.

88. The Opponent submits that it should be entitled to off-scale costs with respect to the wasted costs arising out of the application to amend the Notice of Appeal and with respect to the admission of evidence on appeal.

89. The Opponent relied upon two acts of unreasonable behaviour in support of an allegation of unreasonable behaviour:

- (1) The late abandoning of '*hopeless and confused grounds of appeal*' and
- (2) The late abandoning of an application to '*admit hopeless and confused evidence*' on appeal and the application to adjourn the hearing.

90. In support of these submissions the Opponent relies, in summary, upon the following points:

- (1) That the application to amend the Statement of Grounds was very late (10 days prior to the hearing) and after the time when the Opponent had started work preparing for the hearing of the appeal;
- (2) That the unamended Statement of Grounds contained references to the additional evidence that it sought to rely upon (although no formal application had been made) which resulted in the Opponent having to file and serve a Respondent's Notice;
- (3) That the amended Grounds of Appeal as well as containing deletions also contained additional grounds of appeal;

- (4) That the amended Grounds of Appeal maintained its position with regard to the additional evidence which it sought to rely only dropping the main part of the statement in the skeleton of argument filed for the purposes of the hearing of the appeal; and
- (5) A late application for an adjournment of the hearing of the appeal having become aware of the Respondent's Notice.

The Opponent also filed and served a statement of wasted costs.

91. It was rightly accepted by the Applicant that the application to amend was made late and that the Amended Grounds of Appeal contained deletions as well as new Grounds of Appeal. It is said that the decision to amend the Grounds of Appeal was a pragmatic one to narrow the issues in the appeal. It is also submitted that if it had proceeded on the unamended grounds and lost its conduct would not be regarded as unreasonable and therefore it should not be put in a worse position by reason of the amendment. The Applicant further noted that the Respondent's solicitors accepted that paragraphs 1, 2, 4 and 6 of the Amended Grounds of Appeal were a mere narrowing of issues and did not object to those amendments.
92. With regard to the additional evidence on appeal it is said that all references to the statement other than those which were maintained for the purposes of the application to file additional evidence were removed from the Amended Grounds of Appeal and therefore it should have been apparent that the scope of the application for new evidence was likewise restricted.
93. With regard to the issues surrounding the Respondent's Notice it is said, quite correctly, on behalf of the Applicant that through an error of the UKIPO the Applicant was not provided with a copy of the Respondent's Notice until 10 am on 7 February 2020 approximately 7 hours before skeletons were due. Up until that point the Applicant had not been aware that the Opponent had taken a formal objection to the admission of the additional evidence on the appeal and it was on that basis that it asked for an adjournment. The Applicant goes on to make the entirely correct point that this state of affairs '*was due to an administrative error at the IPO. It was due to no fault by either party*'. I entirely accept this submission. It is a matter of concern that the Respondent's Notice was not provided to the Applicant by the UKIPO in accordance with the Trade Mark Rules 2008. This error is not the fault of either party and therefore it seems to me that it would be inappropriate for either party to have to pay to the other any costs (whether scale or otherwise) with respect to the application for an adjournment as a result of an error by the UKIPO and I decline to do so.
94. The Applicant also claimed that the level of costs claimed by the Opponent were excessive.
95. It seems to me that it is appropriate for the Applicant to pay the Opponent a contribution towards its costs of (1) the application to amend the Statement of

Grounds of Appeal as is usual in cases where an application to amend is allowed; and (2) the application to rely upon the additional evidence on appeal which was dismissed and therefore costs should follow the event in the usual way. These are both distinct issues where costs were wasted.

96. With regard to the application to amend the Notice of Appeal, the Amended Grounds did indeed clarify the issues between the parties and will have reduced the scope of the preparation time for the hearing of the appeal. Whilst the application was made very late, I do not consider that the application to amend is properly to be characterised as unreasonable. Having considered the guidance set out above and the submissions of the parties it seems to me that it would not be appropriate to award off scale costs.
97. With regard to the application for the admission of additional evidence on appeal this raises two main issues. First no formal application for permission to file evidence on appeal was made rather the evidence was filed with the Notice of Appeal which was drafted on the basis that the evidence would be admitted which resulted in a confused and relatively lengthy document; second as a result of this approach a Respondent's Notice was required in order to deal with the points raised. In the event a formal application for permission to rely on a significantly truncated witness statement was made in the skeleton of argument filed for the purpose of the hearing. The Opponent's skeleton of argument for the hearing of the appeal set out its position with regard to the application for the totality of the evidence to be admitted on appeal. Again, having considered the guidance set out above and the submissions of the parties and despite the aforesaid issues it seems to me on balance that it would not be appropriate to award off scale costs.
98. Having regard to the guidance set above with regards to costs in the UKIPO and doing the best I can on the material before me it seems to me that the following orders for costs are reasonable. With regard to the application to amend the Notice of Appeal and the application to admit further evidence on appeal I order that the Applicant pay to the Opponent £3,000 as a contribution towards its costs. With regard to the costs of the substantive appeal I order that the Applicant pay to the Opponent £3,000 as a contribution towards its costs.
99. The Hearing Officer below made an order for £2,700 therefore I order that Robot Energy Limited pay to Monster Energy Company £8,700 within 21 days of this decision.

Emma Himsworth QC
Appointed Person
2 June 2020