

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3318152 IN THE NAME OF NAECO LIMITED**

**AND IN THE MATTER OF OPPOSITION NO. 413936 THERETO IN THE NAME OF NAECOWARE LLC**

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**DECISION**

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**Introduction**

1. This is an appeal against a decision of Mr Matthew Williams, acting on behalf of the Registrar of Trade Marks, dated 13 January 2020 (O-016-20). In his decision the Hearing Officer rejected the Opposition brought by Naecoware LLC (*“the Opponent”*) in its entirety and ordered that the Opponent pay to Naeco Limited (*“the Applicant”*) £1,200 as a contribution towards its costs.
2. On 15 June 2018 the Applicant filed an application to register the following mark:



- The application was made with respect to the following goods in Class 25 *‘Clothing for leisure wear; Clothing; Swim shorts; Swimwear; Beach clothing; Beachwear; Beach clothes; Beachwear; Clothing for leisure wear; Clothing for men, women and children; Gymwear; Swim shorts; Swim suits; Swim trunks; Swim wear for children; Swim wear for gentlemen and ladies ;Trunks; Trunks (Bathing -)’*.
3. On 28 September 2018 the Opponent filed a Notice of Opposition. For those purposes the Opponent relied upon the grounds of opposition set out in sections 5(2)(a), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (*“the 1994 Act”*).
  4. For the purposes of the Grounds of Opposition under sections 5(2)(a) and 5(3) the Opponent relied upon International Registration (IR) No. WE00001416046 designating the European Union (based on a trade mark filed in the United States of America) for the word mark **Naeco** registered with respect of the following goods in Class 21 *‘Straws for drinking; compostable and biodegradable plates, bowls, cups and trays; drinking cups sold with lids therefor’*. The international registration date

and the date of designation of the EU was 1 June 2018. The date when protection was granted in the EU was 8 January 2019.

5. For the purposes of the Grounds of Opposition under section 5(4) of the 1994 Act that Opponent relied upon the use of the sign **NAECO** since 19 October 2017 in relation to ‘*luxury stainless steel water bottles, biodegradable coffee cups and lids*’.
6. The Applicant subsequently filed a Counterstatement.
7. Both parties filed materials for the purposes of the Opposition some of which were not admitted into the proceedings.
8. Neither party wished to be heard before the Registrar but both parties filed written submissions in lieu of attendance. The Hearing Officer therefore took the decision on the basis of the materials that were before him.

### **The Hearing Officer’s Decision**

9. For the purposes of the present appeal the relevant findings of the Hearing Officer are set out below.
10. First, with respect to the question of the identity of the marks in issue the Hearing Officer identified the comparison that he was required to make at paragraph [30] of his Decision) as follows:

<b>The Opponent’s Mark</b>	<b>The Applicant’s Mark</b>
Naeco	

11. The Hearing Officer then went on to find as follows (foot notes containing case references excluded; and emphasis as in the original):

31. Fair and notional use would allow the Opponent’s word mark to be presented in another typeface and font. Therefore, that the Applicant’s Mark is in upper case, in a different font and seemingly in bold is not significant in my comparison of the marks. I also note the broad protection for word marks both when comparing for similarity and in relation to variants for establishing genuine use. However, in considering the two marks in the context of whether they are identical I must have in mind the guidance of the Court of Justice of the European Union (“the CJEU”) in *S.A. Société LTJ Diffusion v. Sadas*

*Vertbaudet SA*, where it held that “... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

32. The stand-out point of difference between the parties’ marks is that the Applicant’s Mark has at its centre the shape of



the head of a trident, pointed to the right, thus: . It is clear from the Applicant’s evidence that this is intended to be understood as a capital E. In my view, that figure, with its curved barbs and run-through pointed arrow, is an elaboration that some from the group of average consumers in this case may fail to readily perceive as representing an “E”, and may consequently see the Applicant’s Mark as “NA” “CO”



separated by the intervening trident figure . Nonetheless, it is also my view that there will be many who will perceive it as a capital E, albeit a distinctly fanciful rendering of such. However, these are not the considerations to which I am guided by the case law, and when I do consider the above wording from *Sadas Vertbaudet*, I find that it cannot be said that the Applicant’s Mark reproduces all the elements constituting the trade mark, without any modification or addition. The highly figurative representation of the letter E is clearly a very striking modification and, viewed as a whole, the Applicant’s Mark cannot be said to contain differences so insignificant that they may go unnoticed by an average consumer. **I therefore conclude that the parties’ marks are not identical. Since success under section 5(2)(a) of the Act requires identical marks, my clear primary finding is that the Opponent’s claim under this ground must fail.**

12. In case he was incorrect with his view the Hearing Officer then went on to consider the position as to the likelihood of confusion. First, he considered the question of the similarity of the goods in issue. Having set out the specifications of the respective marks in paragraph [35] of the Decision the Hearing Officer then identified the legal approach to the question of similarity by reference to: Case No 39/97 Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc at [23] (paragraph [35] of the Decision); Case T-325/06 Boston Scientific Ltd v. OHIM and Case C-50/15 P Kurt Hesse v. OHIM (paragraph [36] of the Decision); and British Sugar PLC v James Robertson & Sons Ltd [1996] R.P.C. 281 (“*the Treat case*”).
13. With regard to the Treat case the Hearing Officer stated:

37. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive.

14. Having set out the approach that he had to take in law the Hearing Officer then applied the law to the facts that were before him and found as follows (emphasis as in the original):

38. The Opponent appears to base its claim that the goods are similar on its submissions that they (i) are “fashion” products (ii) share channels of trade (iii) have the same consumers and (iv) are marketed with the same emphasis on reducing plastic pollution. The Opponent states in particular that “re-useable bottles” can function as “fashion accessories”; I note firstly that “reusable bottles” are not designated under the Opponent’s IR and I reject the idea that the goods specified under the Opponent’s Mark could naturally be considered fashion products. It is clear that the respective goods are entirely different in nature, intended purpose, respective uses, methods of use and that they are neither in competition with each other nor complementary in the sense described in *Boston Scientific*. The Applicant submits that the Opponent’s goods “will be distributed to, or sold through, hotels, restaurants, supermarkets and other outlets that offer kitchen and homeware for sale”. It submits that the end-users of those goods would be ordinary members of the public either seeking kitchenware/homeware products or being exposed to the Opponent’s Mark as part of the receipt of restaurant or hotel services. Those submissions strike me as correct. I do not find clothing and kitchenware to be sold through the same trade channels and certainly the respective goods will not be found on the same shelves or racks in outlets.

39. In *Oakley v OHIM* (Case T-116/06) it is made clear that consideration of likelihood of confusion is prospective and not to be restricted to the current marketing or trading patterns of the parties: “...*Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion*

*between two marks, ... cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors ...*” This case law is centrally relevant in situations where one party points to its having a *different* marketing emphasis from the other party (e.g. one party’s clothing targets a high-end luxury market, whereas the other party’s goods targets mass-market users). I recognise that in the present case, both parties have emphasised in their evidence/submissions that they currently in fact both use marketing messages founded on reducing plastic pollution in the seas/oceans. Nonetheless, I do not consider the overlap of that environmental concern sufficient to give rise to actionable similarity between the parties’ specified goods.

40. I note the following observation of Patten J in *Intel Corp*<sup>10</sup>: “It is clear that the flexibility inherent in [the] global approach [to assessment of likelihood of confusion] leaves intact the threshold requirement for a recognisable degree of similarity between the goods and services in question. The distinctiveness and strength of the earlier mark may lessen the degree of similarity required, but it does not eliminate it.” I also note the later observation by Lady Justice Arden in *eSure v Direct Line*<sup>11</sup> that she did “... not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover, I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.” **In light of my findings above, I conclude that the parties’ goods are not at all similar. Since some similarity of goods is essential to a claim under section 5(2)(a) of the Act the Opponent’s claim under this ground must (again) fail.** In the circumstances it is unnecessary for me to address the global assessment of likelihood of confusion, which would have entailed consideration of the interdependency of factors and the distinctiveness of the earlier mark.

15. Having reached his conclusion on the section 5(2)(a) Ground of Opposition the Hearing Officer turned to consider the other Grounds of Opposition.
16. With regard to the Ground of Opposition under section 5(3) of the 1994 Act having set out the law and then the requirements to establish a conflict under section 5(3) (paragraphs [41] to [44] of the Decision) the Hearing Officer went on to find:
  - (1) Similarity: The Hearing Officer found that ‘*the parties’ marks were highly similar*’ (paragraph [45] of the Decision).

- (2) Reputation: The Hearing Officer concluded as follows (footnotes excluded; emphasis as in the original):

48. The evidence of use filed by the Opponent relates to vacuum-insulated reusable bottles, which as I have previously noted are not goods specified under the Opponent's Mark. Perhaps the closest of the goods within the specification would be "*drinking cups sold with lids*", but even proceeding on that basis, as is clear from my summary, the evidence has fallen far short of showing use of the Opponent's Mark in the UK (or anywhere else in the EU) at the Relevant Date sufficient to sustain the claimed reputation. The obvious deficiencies in the evidence include a lack of any information on the size of the UK market and the earlier mark's share of it for the goods claimed, any information on sales volumes (the number of units sold) and on UK turnover (the total value of those sales) for goods bearing the Opponent's Mark, and a lack of any information on promotional expenditure. Case law has made clear that reputation constitutes a knowledge threshold. The evidence categorically fails to show that the mark was known by a significant part of the relevant public (the UK public at large). Since the Opponent's Mark did not benefit from the required reputation at the Relevant Date, **the Opponent's claim under section 5(3) of the Act must fail.**

17. With regard to the Ground of Opposition under section 5(4)(a) of the 1994 Act having set out the relevant law (at paragraphs [49] to [52] of the Decision) the Hearing Officer found as follows (footnotes excluded; emphasis as in the original):

53. To succeed the Opponent must show prima facie evidence that it has goodwill in the form of customers in the UK for the goods in question; reputation alone is not enough to sustain an action in passing off. As is apparent from my evidence summary earlier in this decision, it has not been shown that there had been any sales in the UK under the Opponent's Sign by the Relevant Date. The balance of case law suggests it is doubtful that a business with no sales to UK customers could establish a passing off right based solely on advertising. In the present case, to the extent that Exhibit WL2 may indicate a degree of promotional activity, the evidence of an unspecified level of gifting certainly offers no basis for founding actionable goodwill.

54. The Opponent has therefore not shown that it enjoyed the necessary goodwill and it cannot be considered to be the proprietor of an earlier right. In the circumstances it is not necessary for me to deal with the Applicant's defence argument that the Applicant had goodwill of its own that predated any

claimed by the Opponent -although I would not have accepted that the Applicant's evidence, even at its high point in Exhibit ZJ05, could support any actionable goodwill on its part. **The Opponent's claim under section 5(4)(a) fails.**

18. Having dismissed the Opposition, the Hearing Officer turned to the question of costs. At paragraph [56] of the Decision the Hearing Officer made clear that his approach to the question of costs was as follows '*This opposition has failed in its entirety and the Applicant is entitled to a contribution towards its costs of defending its application, in line with the scale published in the annex to Tribunal practice notice (2/2016)*'. On the basis of this approach the Hearing Officer ordered the Opponent to pay the Applicant the sum of £1,200.

### **The appeal**

19. By Notice of Appeal to the Appointed Person dated 17 February 2020 the Opponent filed an appeal pursuant to section 76 of the 1994 Act.

20. In paragraph 2 of the Grounds of Appeal it was stated that:

We resubmit the finding and evidence previously submitted attached hereto for reconsideration as we believe the Hearing Officer made certain material errors that led to an erroneous decision some of which are highlighted here.

21. However, the Grounds of Appeal went on to state that:

- (1) That the appeal was on the basis of the findings of the Hearing Officer under section 5(2) of the 1994 Act (paragraph 3 of the Grounds of Appeal); and
- (2) The order that the Hearing Officer had made with respect to costs and in particular submitting that even were the main part of the appeal to be unsuccessful the Applicant should not have been awarded any costs by the Hearing Officer (section 8 of the Grounds of Appeal).

22. With regard to the appeal under section 5(2) of the 1994 Act the points that are relied upon may be summarised as follows:

- (1) The Hearing Officer was wrong to find that the marks in issue were not identical for the purposes of the assessment of section 5(2) of the 1994 Act (section 4 of the Grounds of Appeal);
- (2) In considering the similarity of goods the Hearing Officer wrongly dismissed the submission that the goods specified in the Opponent's mark would naturally be considered to be '*fashion products*' and incorrectly considered the

question of the respective channels of trade of the respective goods (section 5 of the Grounds of Appeal);

- (3) With regard to the likelihood of confusion it is contended that in circumstances where the Hearing Officer could and should have found that the marks were identical, that the respective goods would be primarily sold and supplied through identical channels of trade, that the marks carried an identical message to very similar customers with closely related goods he would have gone on to find that there was a likelihood of confusion (section 6 of the Grounds of Appeal). In further support of the submissions with respect to the likelihood of confusion reference was made to (a) the Opponent being allowed to rely upon section 5(2)(b) of the 1994 Act as well as the pleaded section 5(2)(a) ground of opposition; and (b) to evidence in the form of an article from Wired Magazine UK of 16 December 2019 which does not appear to have been before the Hearing Officer or provided at any stage; and
- (4) The Hearing Officer failed to give proper weight to the evidence of actual confusion that was before him (section 7 of the Grounds of Appeal).

23. On 17 March 2020 a Respondent's Notice was filed on behalf of the Applicant. In substance the Applicant contended that:

- (1) The Notice of Appeal was misconceived as it did not raise any proper ground of appeal;
- (2) The Hearing Officer's decision should be upheld for the reasons that he gave; and
- (3) The Hearing Officer's decision should be upheld on two further grounds. First, that with respect to the section 5(4)(a) Ground of Opposition the Hearing Officer should have held that the Applicant was the owner of the goodwill in the mark applied for from a date prior to the use of the sign NAECO by the Opponent such that the Opponent could not succeed on that Ground of Opposition. Second, the Respondent was entitled to rely upon its aforesaid earlier goodwill as a 'defence' to the Grounds of Opposition under section 5(2)(a) and 5(3) of the 1994 Act. In the event these two additional grounds of support for the Hearing Officer's decision were not pursued at the hearing of the appeal and I shall say no more about the substance of the points raised.

24. At the hearing of the appeal the Mr Levey, the Managing Member of the Opponent, made representations on behalf of the Opponent (appellant). Mr Ben Longstaff instructed by Virtuoso Legal Limited represented the Applicant (respondent).

### **Standard of review**

25. 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].

26. 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.

27. I have these principles in mind when considering the present appeal.

### **Decision**

28. As noted above the present appeal was limited to the rejection of the Opposition under section 5(2) of the 1994 Act.

29. It is important to make clear from the outset that the issue before the decision maker when considering whether or not there is a conflict for the purposes of an opposition under section 5(2) of the 1994 Act proceeds on the basis of a comparison of the earlier mark *as registered* with the trade mark *as applied for*.

30. In the present opposition proceedings, the comparison of the respective marks is as set out in paragraph 10 above. It is not a comparison between the earlier mark as registered and some other sign which may or may not have been used in the

course of trade by the Applicant including the sign Naeco in ordinary letter press (i.e. without the figurative element of the trade mark as applied for).

31. In the same way the comparison of the goods or services proceeds on the basis of a comparison between the goods and/or services *specified in the earlier trade mark* with the goods and/or services which have been *specified in the trade mark application*. It is not a comparison between the goods and/or services in respect of which the registered mark may or may not have been used in the course of trade by the Applicant or indeed by the Opponent.
32. In the present case the relevant comparison was correctly set out in paragraph [35] of the Hearing Officer’s decision namely:

Applicant’s Goods	Opponent’s Goods
Class 25	Class 21
Clothing for leisure wear; Clothing; Swim shorts; Swimwear; Beach clothing; Beachwear; Beach clothes; Beachwear; Clothing for leisure wear; Clothing for men, women and children; Gymwear; Swim shorts; Swim suits; Swim trunks; Swim wear for children; Swim wear for gentlemen and ladies; Trunks; Trunks (Bathing -)	Straws for drinking; compostable and biodegradable plates, bowls, cups and trays; drinking cups sold with lids therefor

33. At the hearing before me it was accepted on the part of the Appellant that the marks *in issue* (as opposed to the marks that it was said were used in the course of trade) were *not* identical.
34. It seems to me that the Appellant was entirely right to make that concession. For the reasons explained in the Decision below, which are set out in paragraph 11 above, that seems to me to be the correct view.
35. In this connection, I note that the Hearing Officer did go onto find that the marks in issue were ‘*highly similar*’ in paragraph [45] of his Decision a finding which on the appeal the Opponent in my view rightly supported.
36. In circumstances where the marks in issue are not identical, it follows that, as the Hearing Officer correctly found, the opposition based upon section 5(2)(a) of the 1994 Act cannot succeed.
37. Notwithstanding his finding with regards to the marks in issue not being identical the Hearing Officer went on to consider, ‘*In case I am wrong to conclude that the marks are not identical*’, the question of the similarity of the goods in issue. Given that was the approach of the Hearing Officer and given the content of the Grounds of Appeal I

shall likewise consider the Grounds of Appeal that are directed to the question of the similarity of goods.

38. With regard to the Hearing Officer's approach to the question of similarity there is no suggestion on this appeal that he did not identify the correct approach in law to the issue that was before him. Rather it is said that he misapplied the law to the facts in the present proceedings.
39. As set out above an appeal against the decision of the Registrar is a review and not a re-hearing. It requires the person hearing any appeal from the Registrar to proceed on the basis that the decision below should stand unless the matters relied upon are sufficient to establish that the decision is vitiated by error.
40. The Grounds of Appeal appear to challenge the findings of the Hearing Officer on the basis that:
  - (1) The comparison of goods included a specification for 'water bottles' or 'reusable water bottles' which it does not. Indeed, in the course of the hearing it was specifically accepted on behalf of the Opponent '*vacuum-insulated steel bottles*' were not included within the specification of the earlier trade mark relied upon;
  - (2) The Tribunal should have done an internet search for 'water bottle fashion accessory' to show that '*various brands . . . sell luxury bottles as a fashion accessory*'. In circumstances where the proceedings are adversarial had the Opponent wished to rely on any such evidence it was incumbent on him to put such material before the Tribunal at the appropriate time (which it did not) and thereby provide the Applicant with an opportunity to answer it; and
  - (3) The Hearing Office did not give any or any sufficient weight in his assessment to the fact that the channels of trade were identical in particular in the context of hotels. However, this was an issue that was specifically considered, including by reference to hotels, by the Hearing Officer in paragraph [38] of his Decision and rejected.
41. Further points were also made in the context of the similarity of the goods in issue which are more properly characterised as points directed to the overall assessment of the likelihood of confusion focussing on the use in commerce of '*the exact same name*' in relation to '*[the Opponent's] main product, the reusable water bottle, and [the Applicant's product] swimwear*' and are not relevant to this Ground of Appeal.
42. I have reviewed the Hearing Officer's Decision with regard to the similarity of goods in issue in the light of the criticisms made by the Opponent and for the reasons set out above I am not persuaded that it was not open to the Hearing Officer to reach the conclusion he did on the basis of the materials that were before him and for the reasons that he gave.

43. In circumstances where the goods in issue were found to be dissimilar, it follows that, as the Hearing Officer found, the opposition based upon section 5(2)(a) of the 1994 Act cannot succeed for that additional reason.
44. Given the Hearing Officer's findings on similarity it is unsurprising that he did not consider the question of the likelihood of confusion. As the Hearing Officer correctly stated in paragraph [40] of his Decision given his findings on similarity '*it is unnecessary for me to address the global assessment of the likelihood of confusion . . .*'. That that remains the position is confirmed by my findings on this appeal set out above. In the circumstances it is likewise unnecessary for me to consider the global assessment of the likelihood of confusion on this appeal and I decline to do so.
45. In this connection I should add that there was some suggestion in the Grounds of Appeal that the Opponent had further or other evidence, that had not been before the Hearing Officer, which was relevant to the likelihood of confusion upon which it wished to rely on this appeal. No application was made for such evidence to be admitted on appeal and indeed the evidence which the Opponent wished to rely was, although identified, not provided at any stage.
46. The discretionary power to permit fresh evidence to be filed on appeal from the Registrar is the exception and not the rule. There is no broad discretion to admit fresh evidence for the purpose of enabling an appellant to re-open proceedings in the Registry. See further the principles set out in Consolidated Developments Ltd. v Cooper [2018] EWHC 1727 (Ch) at paragraphs [18] to [33].
47. For the avoidance of any doubt had an application for permission to rely upon the material been made I would have refused it. First, because the evidence itself has not at any stage been provided and secondly because for the reasons set out above it cannot make any material difference to the outcome of the appeal.
48. As noted above, there was a suggestion in the Notice of Appeal that the Opponent should be permitted to amend its Ground of Opposition to include section 5(2)(b) of the 1994 Act on the basis that the Opponent had '*now realised we erroneously and unintentionally may have omitted section 5(2)(b) and had intended that all of 5(2) would be considered*'.
49. Prior to the indication in the Notice of Appeal there had been no suggestion that the Opponent wished to raise a ground of opposition under section 5(2)(b) of the 1994 Act. No formal application was made at any stage for such an amendment. However even if such an application had been made, I would have refused it.
50. Firstly, the application was made far too late. The Notice of Opposition and Statement of Grounds made it clear both in terms of the relevant boxes that had been ticked and by repeated references in the statement of grounds that the opposition was being brought in the basis of the Applicant's use of the identical mark.

51. Secondly, the Applicant made clear in its Counterstatement that it maintained that the marks were not identical referring in particular to the figurative trident element of the Applicant's mark.
52. Thirdly, it would appear that the application was only made in the light of the finding that the marks were not identical in the decision below.
53. Finally, given the Hearing Officer's findings with regard to the lack of similarity between the goods in issue and my view that it was open to the Hearing Officer to make such findings permitting such an amendment would make no difference to the outcome to the present appeal.
54. The second limb of the appeal related to the order for costs below. The appeal was largely based on a misunderstanding of the rules of procedure relating to costs. In particular there was a misunderstanding with respect to the different procedure adopted where a party is professionally represented as opposed to where it is not – namely the need for an unrepresented party to file a statement of costs should it wish to claim them.
55. 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.
56. 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.

57. The Opponent also sought to say that even though the Applicant had been successful it should not have received a cost order in its favour. However, no proper basis was put forward to show why the Hearing Officer should not have exercised his discretion in the way that he did.
58. The Opponent chose to bring the opposition proceedings and the Applicant quite properly defended them. The decision below was made on the papers and in line with the usual practice of the Registrar the Hearing Officer awarded the Applicant, being the successful party, a contribution towards its costs of the Opposition. As the Applicant had professional representatives the Hearing Officer quantified the costs by reference to the standard scale. It seems to me that that it was open to the Hearing Officer to take that course.
59. I therefore dismiss the appeal on costs.

### **Conclusion**

60. 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.
61. Therefore, the appeal is dismissed.

### **Costs**

62. At the end of the hearing below I invited the parties to make any submissions that they might have with regard to the costs of the present appeal.
63. The position of the Opponent was that it wished to have an order for costs in its favour should it succeed but that in the event that the appeal was dismissed it should not have to pay the Applicant's costs. The general thrust of the reason why no costs

order should be made against it appeared to be that the Opponent had at all times acted in good faith and was impecunious. The position of the Applicant was that costs should follow the event. It did not pursue an application for off scale costs but submitted that the costs should be at the higher end of the scale given the nature of the appeal.

64. As noted by Geoffrey Hobbs QC in his decision in AMARO GAYO COFFEE TM (above) when considering the question of costs, the same principles are applicable to the Appointed Person as they are to the Registrar.
65. It seems to me that in the exercise of my discretion that the Applicant being the successful party is entitled to a contribution to its costs of the appeal. The Opponent in good faith chose to bring the appeal and the Applicant quite properly sought to uphold the Hearing Officer's decision. Having regard to the guidance as to the approach to the question of costs set out above, I have come to the view that the appropriate order is that the Opponent should pay to the Applicant £1,500 as a contribution towards its costs of the appeal.
66. The Hearing Officer below made an order for payment of £1,200 I therefore order that that Naecoware LLC pay Naeco Limited the total sum of £2,700 within 21 days of this decision.

Emma Himsworth QC  
Appointed Person

28 July 2020