

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARKS APPLICATION NOS 3380012, 338008 AND 3380010 IN THE NAME OF RECIPCO HOLDINGS LIMITED

AND IN THE OPPOSITION NOS 416636, 416639 AND 416640 THERETO IN THE NAME OF ECO PROJECT LLC

DECISION

Introduction

1. This is an appeal against the decision of Ms Clare Boucher, acting on behalf of the Registrar, dated 2 February 2021 (O-069-21). In her decision the Hearing Officer found that the oppositions succeeded in their entirety under section 5(2)(b) of the Trade Marks Act 1994 (*'the 1994 Act'*) and went on to order that Recipco Holdings Limited (*'the Applicant'*) to pay Eco Project LLC (*'the Opponent'*) £1000 a contribution towards its costs of the proceedings.

Background

2. On 4 March 2019 the Applicant applied to register in the UK the following marks (*'the Applications'*):
 - (1) **ECO** in respect of various goods and services in class 9, 35, 36 and 42.
 - (2) **ECO PAY** in respect of various goods and services in class 9 and 36.
 - (3) **ECO WORLD** in respect of various services in class 36.
3. On 17 June 2019 the Applications were opposed by the Opponent. The oppositions were based on section 5(2)(b) of the 1994 Act and were directed to all the goods and services the subject of the applications. The earlier marks relied upon for the section 5(2)(b) ground were:
 - (1) EUTM application 1784769 **ECOFUNDATION** filed on 3 May 2018 in respect of various goods and services in classes 9, 36 and 42. The application was the subject of opposition proceedings.
 - (2) IR No 1414125 **ECOSCORE** in respect of various goods and services in classes 9, 36 and 42. The date of designating the EU was 18 April 2018; the date protection was granted in the EU was 20 December 2018; and the priority date was 20 October 2017 based on US Trademark No 87654405.

4. The Applicant filed a defence and counterstatement. In summary the Applicant submitted by way of answer that, although the marks were sufficiently similar to the earlier marks for there to be a likelihood of confusion, the Applications should nonetheless continue to registration on the basis that its use of the mark **ECO** predated the application and priority dates of the opponent's earlier marks. The Applicant also noted that it had opposed the registration of the Opponent's EUTM for **ECOFUNDATION** at the European Intellectual Property Office (EUIPO).
5. Following a stay of the proceedings, the Applicant filed evidence on 1 September 2020. That evidence was in the form of witness statement from James Fierro the Chief Executive of the Applicant. As part of the evidence Mr Fierro exhibited the Notice of Opposition with respect to the **ECOFUNDATION** application; and stated that the Applicant had petitioned for cancellation of the Opponent's International Registration for the **ECOSCORE** mark.
6. The matter was heard by the Hearing Officer via video link on 26 January 2021. At the hearing the Opponent was represented by Phillip Harris for Lane IP; and the Applicant by James Fierro.

The Hearing Officer's Decision

7. In her Decision the Hearing Officer having set out the pleaded position; summarised the evidence; and set out the relevant statutory provisions went on to state as follows:

13. The application and designation upon which the opponent relies qualify as earlier trade marks under the above provision. As neither mark completed its registration procedure within the five years before the date of application of the contested marks, they are not subject to proof of use and the opponent is therefore entitled to rely on all the goods and services in the specifications, subject to the outcome of any related proceedings.

14. The applicant has admitted that the marks are similar and that there would be a likelihood of confusion. Mr Fierro confirmed at the hearing that this was its position. However, it seeks to defend its applications by claiming that it is the owner of earlier intellectual property rights. Section 4.5 of the Trade Marks Manual states that:

“The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton & Anor*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

Parties are reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or

having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark."

15. In the case of the opponent's earlier EU Trade Mark application, this is exactly what it has done and those proceedings will take their course through the EUIPO. No action has been taken against the EU designation of the International Registration.

16. As a consequence of the applicant's admission that there is a likelihood of confusion, the oppositions succeed under section 5(2)(b).

Final Remarks

17. In his skeleton argument, Mr Harris referred me to the recent decision of Mr Phillip Johnson, sitting as the Appointed Person, in *SKYCLUB*, BL O/044/21. He submitted that, following this decision, it was not open to the Tribunal to treat the filing of a TM8 as a "blanket denial" of a pleaded section 5(2)(b) case. However, as the applicant had admitted that there was a likelihood of confusion and its defence was wrong in law, the oppositions would succeed, regardless of this point.

8. On the basis of findings in these paragraphs the Hearing Officer proceeded to uphold the Oppositions and made her costs order accordingly.

The appeal

9. On 2 March 2021, the Applicant filed an appeal against the Hearing Officer's Decision pursuant to section 76 of the 1994 Act.
10. In the Grounds of Appeal the Applicant put forward four Grounds of Appeal which can be summarised as follows:
 - (1) That the Applicant, who was not professionally represented below, had made an application at the hearing for a stay of the proceedings (a) in order that professional representation could be obtained; and/or (b) pending the resolution of the Applicant's challenges to the Opponent's earlier rights which the Hearing Officer failed to explicitly deal with.
 - (2) That the Hearing Officer's ruling that the Applicant's answer to the Opposition was wrong in law was incorrect.

- (3) That were the Hearing Officer to be correct as a matter of law that very fact was a reason why the proceedings should have been stayed pending determination of the proceedings with regard to the Opponent's earlier rights.
 - (4) That the finding that neither of the Opponent's earlier rights were subject to proof of use was incorrect given that the US registration upon which the IR registration claimed priority was subject to the Opponent providing proof of use.
11. No Respondent's Notice was served.
12. Under cover of email dated 16 April 2021 two applications were made on behalf of the Applicant:
 - (1) An application to amend the Grounds of Appeal, including *inter alia* an entirely new 'defence' to the Opposition on the basis that the Opponent had no standing to oppose the applications in suit having assigned its interest in the earlier marks relied on to Beam Network, Inc; and
 - (2) An application to rely upon a second witness statement of James Fierro dated 15 April 2021 together with an exhibit JF2. The evidence in the witness statement provided: (a) information with regard to the application for a stay that had been made before the Hearing Officer below; (b) an update as to the current status with regard to the Applicant's challenges to the earlier rights relied upon by the Opponent; and (c) evidence to show that the Opponent has not standing to oppose the applications.
13. By email dated 16 April 2021 it was directed that:
 - (1) Any applications which either party would wish to make with regards to the above appeal should be made at the start of the hearing of the substantive appeal which was listed for 10.30 am on Wednesday 21 April 2021.
 - (2) At the hearing, having heard any submissions on those applications that the parties might wish to make, any further directions as may be necessary (if any) for the further conduct of the appeal would be given.
14. Subsequently, under cover of email dated 19 April 2021 the Opponent filed two documents:
 - (1) An application to join/substitute Eco, Inc (formerly Beam Network, Inc) as Opponent (or Respondent) to the proceedings; and
 - (2) A witness statement of Steven John Lane together with Exhibits SL1 to SL3. The evidence in the witness statement was directed in particular (a) to provide evidence relating to certain proceedings in the US; and (b) to provide evidence

with regard to the assignment of the earlier trade marks to Beam Network, Inc and subsequent name change to Eco, Inc.

15. A hearing took place by video link at 10.30 am on Wednesday 21 April 2021. At that hearing Nicholas Caddick QC instructed by Reed Smith LLP and Philip Harris¹ instructed by Lane IP Ltd appeared on behalf of the Opponent.
16. Following the hearing of the appeal further materials and submissions were filed on behalf of both the Applicant and the Opponent. These were provided pursuant to directions given at the hearing with regard to the current status of the proceedings relating to the earlier marks relied upon.
17. For the purposes of reaching my Decision as set out below I have taken into account all the written materials that are now before me together with the submissions that were made during the course of the hearing of the appeal.

Standard of review

18. 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].
19. 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. These are all decisions either of the House of Lords or of the Supreme Court. The reasons for this approach are many. They include

¹In advance of the hearing the Applicant/Appellant had provided its written consent to Mr Harris, who is an Appointed Person, appearing on behalf of the Opponent/Respondent on the appeal in accordance with the guidance issued by Professor Ruth Annand in BUSINESS INSIDER TM (O-004-18).

- i) The expertise of a trial judge is in determining what facts are relevant to the legal issues to be decided, and what those facts are if they are disputed.
- ii) The trial is not a dress rehearsal. It is the first and last night of the show.
- iii) Duplication of the trial judge's role on appeal is a disproportionate use of the limited resources of an appellate court, and will seldom lead to a different outcome in an individual case.
- iv) In making his decisions the trial judge will have regard to the whole of the sea of evidence presented to him, whereas an appellate court will only be island hopping.
- v) The atmosphere of the courtroom cannot, in any event, be recreated by reference to documents (including transcripts of evidence).
- vi) Thus even if it were possible to duplicate the role of the trial judge, it cannot in practice be done.

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.

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

Decision

- 21. The gravamen of the appeal in the present case as developed at the hearing before me was first the question of the ‘standing’ of the Opponent; and second the issue of the failure of the Hearing Officer to consider the application for a stay.
- 22. In connection with the Grounds of Appeal that were pursued before me it was clarified in the written submissions filed on behalf of the Applicant on the appeal that, notwithstanding the Ground of Appeal noted in paragraph 10(2) above, the Applicant did not seek to argue that the statement of law derived from Ion Associates was wrong

but that the fact that the status of the Opponent's earlier marks could not be questioned in the Opposition proceedings was itself a reason why a stay was (and is) appropriate. I therefore say no more about this Ground of Appeal.

23. For reasons that will become apparent I shall deal with the Ground of Appeal relating to the Hearing Officer's failure to consider the application for a stay first.
24. The Grounds of Appeal filed on behalf of the Applicant state that an application for a stay was made at the hearing below. It is said that the application was made on two bases (1) that the Applicant wished to have time to instruct professional representatives; and (2) on the basis of the ongoing challenge(s) to the earlier rights relied upon. That position is supported by evidence contained (together with other evidence) in the second witness statement of Mr Fierro for which permission is sought to rely for the purposes of this appeal. The position is further reiterated in the submissions filed on behalf of the Applicant on the appeal.
25. The Opponent submits that none of the additional evidence should be admitted. It does so in general terms which are not apposite to the evidence that Mr Fierro gives with regards to the application for a stay before the Hearing Officer.
26. Moreover, with respect to this particular point, in the written submissions filed on behalf of the Opponent on the appeal, it was not disputed that the application for a stay was not made but rather it was said that it '*was not put forward with any particular force*'. In addition, I note that no Respondent's Notice has been filed on behalf of the Opponent; and that it was accepted in the course of the hearing that the Opponent had not sought to file any evidence in answer to this point although an application for the Opponent to be able to rely upon other evidence on this appeal was made.
27. Given the position noted above, although it would seem not to be strictly necessary, to the extent that Mr Fierro gives evidence that confirms the position with regard to the application for a stay before the Hearing Officer as set out in the Ground of Appeal, it seems to me that such evidence should be admitted in the exercise of my discretion pursuant to the guidance summarised by Henry Carr J in Consolidated Developments Ltd v. Cooper [2019] FSR 2 at paragraph [33].
28. In the premises, I take the view that an application for a stay was indeed made by Mr Fierro on behalf of the Applicant at the hearing before the Hearing Officer.
29. However, no reference is made in the Decision to such an application having been made nor does the Decision contain any explicit ruling on the application for a stay. Given the absence of any reference whatsoever to the application in the Decision

there is no way of knowing whether the Hearing Officer forgot or ignored the application for a stay and/or simply failed to give reasons for the refusal.

30. Either way it seems to me that this amounts to an error of principle. Put simply the Hearing Officer failed to perform the function required of her as set out in paragraph [115] of the judgment of Lewison LJ in Fage UK Ltd v. Chobani UK Ltd (above). That is to say, in the context of the present case, the Hearing Officer failed to (1) identify one of the issues before her namely whether or not a stay should be granted; and/or (2) to set out the relevant principles applicable to the question of whether or not she should exercise her discretion to grant a stay; and/or (3) failed to provide reasons for her implicit decision, if any, to refuse the stay.
31. In answer to points (2) and (3) above the Opponent submits that the Hearing Officer did not need to consider the question of a stay as the Hearing Officer was entitled to uphold the Opposition on the basis of (a) the admission by the Applicant that there was a likelihood of confusion between the Applications and the earlier marks; and (b) the EU designation of the International Registration for **ECOSCORE** in respect of which '*[n]o action has been taken*' (paragraph [15] of the Decision) such that there were no relevant proceedings for which a stay could be sought.
32. It seems to me that there are three problems with this.
33. First, in the summary of the evidence at paragraph [9] the Hearing Officer states that Mr Fierro stated in his evidence (i.e., his first witness statement) that '*with respect to the **ECOSCORE** mark, the applicant has petitioned for the cancelation of the International Registration*'.
International Registration'.
34. In fact, paragraph 5 of the witness statement stated as follows:

For completeness, please note that the Opponent's cited European Union Trademark Application No. 017894769 is being challenged by the Applicant. Please see Applicant's Notice of Opposition dated 27 August 2018 attached as EXHIBIT 1. Additionally, with respect to the Opponent's cited International Trademark No. 1414125, the Applicant has notified the USPTO of action by the Applicant to Oppose registration in the US and Petition for Cancellation of the International Registration.

That evidence was unchallenged. However, the Hearing Officer did not at any stage of the Decision explain why the challenge to the International Trade Mark in the USPTO was not relevant to the application for a stay. A point, in effect, also touched on in the Ground of Appeal set out at paragraph 10(4) above. This was an issue that was also not addressed by the Hearing Officer in her Decision; but which it is not necessary for me to consider separately for the purposes of this appeal.

35. Second, it is far from clear on the face of the Decision that this was the basis upon which the Hearing Officer proceeded.
36. Third, the Opponent has provided no answer to the fact that the application was made on two bases and the issue of a stay in order for professional representation to be obtained was not referred to anywhere in the Decision.
37. I therefore consider that the points made on behalf of the Opponent do not provide an answer to error of principle identified by the Applicant with regard to the Ground of Appeal on the issue of the stay.
38. Having reached that conclusion the next question is what course should be adopted. With some reluctance I have come to the view that the proper course in the present case is to allow the appeal and remit the application for a stay and the future conduct of the Opposition proceedings back to the Registrar.
39. I have come to that view because whilst there is no doubt that the Appointed Person has the power to order a stay pursuant to Rules 62(1)(f) and 73(4) of the Trade Mark Rules 2008², it seems to me that it would be wrong for me to make a decision on appeal where as I have found an application was *first* made to the Registrar but where there has been no (or no apparent) exercise of discretion at first instance.
40. Whilst I note that one of the reasons for the request for a stay has fallen away i.e., time to appoint legal representatives the other basis for the application is still ‘live’. In the context of this appeal both parties sought permission to rely upon additional evidence served by way of an update as to the *current* position with regard to the proceedings relating to the earlier rights, together with the associated submissions in support of their respective positions on the application for a stay. I note that neither side raised specific as opposed to general objections to the admission of such evidence on this appeal. However, given that I have decided that the application for a stay is to be remitted to the Registrar, I take the view that it is a matter for him to give directions as to whether or not the additional evidence (or any other further evidence) should be admitted for the purposes of considering the application for a stay and I therefore say no more about it.
41. With regard to the ‘standing’ issue there is before me (1) an application by the Applicant to amend the Grounds of Appeal to include a claim by way of ‘defence’ that the Opponent had no standing at the time when the Hearing Officer made her decision below or indeed at the time of the hearing of the appeal; and (2) what is in effect a cross-application by the Opponent for an order to join/substitute Eco, Inc

² See for example the decision of Professor Ruth Annand sitting as the Appointed Person in KATLUN MADRAN GOGUL KAYNAK SUYU TM (O-124-11) at paragraph [13] and the case law cited therein.

(formerly Beam Network, Inc) as Opponent (or Respondent) to the proceedings. Both parties filed evidence in support of their respective applications.

42. In the course of the hearing, it became apparent that:
- (1) It was common ground that at the time the Opposition was filed the Opponent was the proprietor of the earlier rights relied upon and therefore the requirement set out in Article 2 of The Trade Marks (Relative Grounds) Order 2007 were satisfied.
 - (2) It was also common ground that *before* the Hearing Officer issued her decision the earlier trade marks had been assigned from the Opponent to Eco, Inc (formerly Beam Network, Inc).
 - (3) There did not seem to be any real dispute as between the parties that once the ‘standing’ issue had been raised that it would be appropriate for the Opponent to seek to regularise the position; or that the evidence that related to the issue of ‘title’ or ‘standing’ should be admitted to the proceedings. Whether such an application was necessary as a matter of law in the present proceedings or properly the subject of a Ground of Appeal remained in dispute but for the reasons set out below it is not necessary for me to decide the point on this appeal and I decline to do so. I should add that in the circumstances of the present appeal the ultimate position of the parties seems to me to be the sensible and proportionate approach to the issue.
 - (4) It was accepted on behalf of the Applicant that if there was a valid substitution of Eco, Inc (formerly Beam Network, Inc) for the Opponent then the issue of ‘standing’ would fall away.
 - (5) In the event that the matter was remitted to the Hearing Officer for further consideration of the application for a stay that the Applicant would consent to the application by the Opponent for substitution of the Opponent by Eco, Inc. (formerly Beam Network, Inc) on the basis of the undertakings given in the Opponent’s application for substitution and the first witness statement of Steven Lane filed in support of that application in accordance with the usual practice.
43. Given that I have already decided that the question of the stay should be remitted to the Registrar it seems to me that any application for substitution should likewise be made to the Registrar.

Conclusion

44. For the reasons I have given the above appeal is allowed and the Hearing Officer’s Decision and order as to costs are set aside.

45. The Oppositions are remitted to the Registrar for further consideration and further directions as to how the Oppositions, the Applicant's application for a stay and the Opponent's application for substitution should proceed, by a different Hearing Officer, in accordance with the provisions of the Trade Marks Act 1994 and the Rules.
46. The costs of the proceedings to date (including the costs of this appeal) are reserved to the Registrar upon the basis that the question of how and by whom they are to be borne and paid will be determined at the conclusion of the hearing of the aforementioned applications and/or Oppositions in accordance with the usual practice.

Emma Himsworth Q.C.

Appointed Person

4 June 2021