O/524/20

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK APPLICATION NO. 3354147
IN THE NAME OF BOURSE SCOT LIMITED FOR
SCOTTISH STOCK EXCHANGE
IN CLASSES 9, 16, 35, 36 AND 41

IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
FROM THE DECISION OF MS. REBECCA THOMAS
DATED 28TH OCTOBER 2019

DECISION

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1. This is an appeal from a decision of Ms Rebecca Thomas, on behalf of the Registrar, BL O/655/19, in which she refused to register the mark SCOTTISH STOCK EXCHANGE for services in Class 36 on absolute grounds. The Applicant appeals her decision.

Background

2. On 16 November 2018, the Applicant applied to register the word mark SCOTTISH STOCK EXCHANGE for quite a wide range of goods and services in Classes 9, 16, 35, 36, and 41. The full specification is annexed to the Hearing Officer's decision and I do not need to repeat it here.

3. On 22 November 2018, an examination report was issued raising objections to the application only insofar as it related to the services in Class 36, under sub-sections 3(1)(b) and (c) of the 1994 Act. The Class 36 services applied for were:

> Financial services; investment services; monetary affairs; stock exchange services; provision of advice, news and information, all relating to finance, investment, savings,

pensions, and insurance; financial risk advice; evaluation of and publishing information on financial service providers; financial transactions, trading in investments, stocks and shares provided by means of a global computer network; trading in securities provided by means of a global computer network; online brokerage services; provision of financial trading information; crowd funding services; crowd funding investment provided by means of a global computer network; financial, management and analysis services; provision of financial information; provision of share price information; stock exchange quotation and listing services; share price information services; provision of a financial market for the trading of securities, shares and options and other derivative products; recording and registering the transfer of stocks, shares and securities; maintaining and recording the ownership of shares, stocks and securities; settlement services; trade matching services; preparation and quotation of stock exchange prices and indices; automated trading of financial instruments, shares, options and other derivative products; electronic financial trading services; financial services, all relating to, or connected with, the trading of financial instruments, securities, shares, options and other derivative products; stocks and bonds brokerage; the provision and dissemination of financial information and indices; computerised information services relating to business appraisals, investments, stocks and shares; information and research services related to or connected with trading of financial instruments, securities, shares, options and other derivative products, company valuations, earnings, financial results and stock prices relevant to the raising of capital and trading on a stock exchange; stock exchange price quotations; information services relating to stock exchange quotations; information, consultancy and advice relating to any of the aforesaid services.

4. A hearing was requested and held on 14 March 2019. The Applicant was represented by Mr Sullivan of Reddie & Grose LLP. The IPO maintained the objection to the sign as descriptive of stock exchange services provided in or originating from Scotland.

5. In the meantime, I was told, the Applicant had applied to register a stylised trade mark including the words 'Scottish Stock Exchange,' which was accepted for registration and that mark was entered on the Register on 19 July 2019.

6. The Hearing Report was sent Reddie & Grose LLP under cover of a letter dated 22 March 2019. The letter requested that any reply should be received by 22 May 2019. On 16 May, an application was made for an extension of time to deal with the outstanding objections, and that extension was granted until 22 July 2019, specifically for the Applicant "to deal with the outstanding objections in respect of the above application." However, on 22 July, instead of responding to the Hearing Report, the Applicant filed a Form TM55 and a statement of Grounds of Appeal.

7. The IPO responded first by telephone and then by a letter of 30 July 2019 explaining that the TM55 was premature and that if the Applicant wished to appeal against the refusal it would need to request a statement of grounds for the decision, by filing a Form TM5. On 14 August 2019 Reddie & Grose LLP duly filed a Form TM5, but at the same time confirmed that the Applicant wished the appeal to go ahead.

8. A formal decision was issued on 28 October 2019, which is the decision now under appeal. A fresh Form TM55 and Statement of Grounds were filed on 22 November 2019. The latter Grounds of Appeal were similar but not identical to those filed in July.

9. In the decision under appeal, the Hearing Officer found:
   a. 'stock exchange' is a term which would easily be understood by the average consumer,
   b. adding 'Scotland' to the sign merely informed consumers that the services are provided there,
   c. historically there had been 4 stock exchanges in Scotland so that the relevant consumer would not necessarily expect there to be only one such provider now, and
   d. while Scotland may not currently have an reputation for stock exchange services, it does have a distinguished history for financial services in general terms and is one of Europe's leading financial centres, which would also lead the relevant consumer to see the sign as designating the characteristics of the services.

10. The Grounds of Appeal challenged the decision broadly on the following bases:

    a. The Hearing Officer had gone wrong because she had failed to consider the mark from the standpoint of the appropriate average consumer of the services, who would have understood the mark to refer to the services of a stock exchange controlled by a single economic undertaking;

    b. The Hearing Officer did not give the Applicant an opportunity to make submissions on the objections included in the decision after the hearing, which was contrary to natural justice and deprived the Applicant of its right to a fair hearing.

11. Although the Grounds of Appeal had been settled by counsel, by the time of the appeal before me Reddie & Grose and counsel were no longer instructed. After various adjournments, the appeal was heard remotely over video link. The Applicant was represented by its director, Mr Carruthers. Ms Bridget Rees appeared on behalf the IPO. I am grateful to both of them.

Standard of appeal

12. The following principles apply to this appeal. The standard of appeal 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. The relevant principles were set out in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC sitting as the Appointed Person at [14]-[52] and his conclusions were approved by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch). Mr Alexander QC said in particular that

> "… In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she

should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF*, *BUD*, *Fine & Country* and others)."

13. Subsequently, the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671 dealt with the role of the appellate court at [78] to [81]. Lord Hodge said:

> "78. … Where inferences from findings of primary fact involve an evaluation of numerous factors, the appropriateness of an intervention by an appellate court will depend on variables including the nature of the evaluation, the standing and experience of the fact-finding judge or tribunal, and the extent to which the judge or tribunal had to assess oral evidence: *South Cone Inc v Bessant* , *In re Reef Trade Mark [*2002] EWCA Civ 763; [2003] RPC 5 , paras 25-28 per Robert Walker LJ.
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> …
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> 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. …
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> 81. Thus, in the absence of a legal error by the trial judge, which might be asking the wrong question, failing to take account of relevant matters, or taking into account irrelevant matters, the Court of Appeal would be justified in differing from a trial judge's assessment of obviousness if the appellate court were to reach the view that the judge's conclusion was outside the bounds

within which reasonable disagreement is possible. It must be satisfied that the trial judge was wrong …"

Merits of the appeal

14. The first Ground of Appeal was based upon the Hearing Officer's assessment of the average consumer, which was said to have been incorrect. At paragraph 9 of her decision, the Hearing Officer had said

> "I believe that the consumers of the services being provided will be both specialist and non-specialist consumers. Services such as financial services and investment services would be directed at both the general public and more specialist consumers, in this respect, consumers are likely to be highly aware in their consideration and selection of such services. Stock exchange services are highly regulated."

15. The Grounds did not disclose in what way the Hearing Officer was said to have erred in that assessment, nor is there any obvious error in the assessment so far as I can see. The Hearing Officer rightly referred to the likely perception of the Mark by the average consumer. In the circumstances, I do not accept this first Ground in these bald terms.

16. The Grounds went on to state that the Hearing Officer should have found that the average consumer would understand the Mark to relate to the services of a stock exchange controlled by a single economic undertaking. The Applicant criticised the Hearing Officer for giving any weight to the fact that there had been several stock exchanges in Scotland up to 1964. In the Hearing Report, the Hearing Officer had said

> "There have previously been four stock exchanges trading in Scotland: Edinburgh Stock Exchange, Glasgow Stock Exchange, Dundee Stock Exchange and Aberdeen Stock Exchange. These were merged into the Scottish Stock Exchange in 1964 and later merged into the London Stock Exchange. As there has previously been more than one provider of stock exchange services in Scotland, I believe the average consumer would not expect there to be only one provider of the services in Scotland."

This was a point criticised in the first TM55, filed in July, in which the Applicant pointed out that it had been very long time since there had been more than one stock exchange in Scotland.

17. Then in paragraph 9 of the Decision, the Hearing Officer said:

> "Previously and as I have already stated, there have been four stock exchanges trading in Scotland: Edinburgh Stock Exchange, Glasgow Stock Exchange, Dundee Stock Exchange and Aberdeen Stock Exchange. I appreciate that this was 55 years ago however, it is not unreasonable to conclude that they could again be more than one provider of stock exchange services in Scotland, as there have been before."

18. The Grounds of Appeal argued in essence that it is so long since there has been a stock exchange in Scotland, let alone more than one stock exchange in Scotland, that the average consumer would not be aware of the original Edinburgh, Glasgow, Dundee, and Aberdeen Stock Exchanges and would be more likely to see the Mark as referring to a single source of the Class 36 services.

19. It seems to me that members of the general public might never have known or have forgotten that there were such stock exchanges in the past, although some older consumers might recall them. On the other hand, in my judgment the specialist consumers who are also to be included within the relevant categories of average consumers are more likely to be familiar with the history of the stock exchanges.

20. Two further points were made in the Grounds of Appeal under this heading. First, some reliance was placed on publicity about the new Scottish Stock Exchange. So far as I am aware there was no evidence of such publicity before the Hearing Officer (it is not mentioned in the decision, and I have seen no such evidence), nor is it clear to me how the existence of such publicity would safeguard against the average consumer reaching the conclusion set out by the Hearing Officer. I do not consider that there is any substance in this point.

21. Next, the Applicant criticised the Hearing Officer's comment in paragraph 13 of the Decision that "Scotland may not currently have a reputation for stock exchange services." The Grounds of Appeal say that there was no evidence of such a reputation, nor evidence that the historical use would have any current bearing on the reputation of those services. It is not clear to me how this shows that the Hearing Officer fell into error, rather the contrary appears to be the case, as it is not said that there was evidence on this point which the Hearing Officer failed to take into account. Moreover, I think that the Grounds of Appeal take the phrase "Scotland may not currently have a reputation for stock exchange services" out of context, as paragraph 13 of the Decision reads:

> "Applying these principles to this Mark, whilst Scotland may not currently have a reputation for stock exchange services, it does have a distinguished history in respect of financial services, in general terms, that dates back over 300 years. It is also one of Europe's leading financial centres and the second financial hub in the UK outside of London. In view of this, it is reasonable to conclude that the relevant consumer would make an immediate link between the word 'Scottish' and a stock exchange and thus perceive the sign as merely designating characteristics of the services. Whilst I appreciate the sign includes the word 'Scottish' rather than 'Scotland' I do not believe this would alter the average consumer's perception of the sign as a whole or add any distinctiveness to the sign. The sign will be perceived upon first impression as designating a characteristic of the services namely, stock exchange services and emanate from war provided in Scotland."

These appear to me to be findings which it was open to the Hearing Officer to make.

22. There was no suggestion of any error in the Hearing Officer's summary of the applicable legal principles, and she cited in particular the '*Windsurfing'* case (Joined Cases C-108/97 and 109/97) in which the CJEU held that even where there is no current association of the geographical name with the services in question, the tribunal must assess whether it is reasonable to assume that such a name would be seen by the average consumer as capable of designating such geographical origin.

23. The Hearing Officer sought to apply the appropriate principles and found that it was reasonable to assume that the Mark would be seen by the average consumer as capable of designating such geographical origin. In the circumstances, it does not seem to me that the Hearing Officer's conclusion on this point discloses any appealable error.

24. For these reasons, I dismiss the appeal in so far as it is based upon issues arising out of the impact of the Mark on the average consumer.

25. The second part of the Grounds of Appeal related to alleged breaches of natural justice, which the Applicant said meant it had not had a fair hearing. The first point made under this heading was to complain that the Hearing Officer had appeared to accept certain points as valid when they were raised at the hearing in March, but had subsequently rejected them. The only such points identified in the Grounds of Appeal were:

    a. the Applicant complained that the Hearing Officer had concluded that Scotland has a reputation for financial services and was one of Europe's leading financial centres without any evidence before her; and
    b. the Applicant submitted that the Hearing Report showed that the Hearing Officer had misunderstood some of the points made on its behalf, by reference to other marks including geographical elements cited as examples in the Trade Marks Examination Manual or found on the Register.

26. As to the first of these points, the Hearing Officer relied upon what she described as Scotland's reputation for financial services in the Hearing Report. That point was picked up in the Grounds of Appeal filed on 22 July 2019, and at that point the Applicant complained only that there had been no evidence on that point at the hearing. No specific issue was taken as to the question of whether Scotland does have such a reputation and, if so, as to the extent of that reputation. As I have explained above, the Applicant was given an opportunity to respond to the Hearing Report which it did not take, instead filing the first version of the Grounds of Appeal. It has never sought to file evidence contradicting the Hearing Officer’s view about Scotland's

reputation for financial services. At the hearing before me, Mr Carruthers submitted that Scotland's reputation is not for financial services in general terms but for life insurance. He told me that it does not have a reputation in relation to capital markets activity, stockbroking, market-making and so on. However, no evidence was ever filed to that effect, nor was an application made for permission to file such evidence out of time before the Hearing Officer or on the appeal, and Mr Carruthers' point was not raised in the original Grounds of Appeal.

27. It does not appear to me that the Applicant has identified any breach of natural justice in relation to this point in the decision under appeal. In the Hearing Report, the Hearing Officer set out her view of Scotland's reputation in relation to financial services on (it seems) taking judicial notice of the point. The Applicant had ample opportunity to seek to disabuse her of that view, if wrong, by responding to the Hearing Report and/or seeking to file evidence to show that she was wrong. This could have been done at any point after the Hearing Report was sent to Reddie & Grose in March 2019, especially as ample time (until July) was given for the Applicant to deal with the outstanding objections. However, the Applicant did not take that opportunity. Instead, it sought to file an appeal, complaining at that stage of a lack of a fair hearing, but not setting out any substantive reasons (such as those suggested by Mr Carruthers) as to why the Hearing Officer was wrong. It does not seem to me that it can now complain of a lack of natural justice because there was no evidence on this point filed either before the hearing or before the Decision was made.

28. The second point raised by the Applicant is a submission that the Hearing Officer misunderstood some points made by Mr Sullivan at the hearing. He had referred to examples of marks including geographical elements given in the Manual: "Taekwondo Federation of Wales" and "Abertillery Blues Festival." The Grounds of Appeal say that the Hearing Officer was wrong to believe that these were used as a "comparator" because the Applicant was referring to them as "evidence of marks including a geographic indication which operate as a function of origin." I should say, first of all, that I do not understand the distinction which is made in the Grounds of Appeal between a comparator and examples of acceptable marks which include a geographic

indication. More importantly, perhaps, the Hearing Officer explained in the Hearing Report why she thought neither of these examples was helpful to the Applicant's case and again, the Applicant had ample opportunity to respond before the decision was handed down in October 2019 if she had misunderstood the point that was being made. Again, it does not seem to me that there was any breach of natural justice in this respect.

29. The Grounds of Appeal then set out the history of the examination of the application for this Mark, and say that it was contrary to natural justice for the Hearing Officer to have had sight of the Applicant's criticisms of the basis of her decision, as set out in the Hearing Report, when drawing up the decision. I do not think that it is right to say that it was contrary to natural justice. As I have said, the Applicant had been given an opportunity to respond to the Hearing Report, and might well have been expected to produce any arguments or evidence necessary to counter any contested points made by the Hearing Officer at that stage. Instead, the Applicant chose to file Grounds of Appeal prematurely. Whilst that gave the Hearing Officer notice of the Applicant's complaints about the Hearing Report, so that she dealt with them as best she could in the decision under appeal, it does not seem to me that the Applicant has been deprived of the opportunity for a fair hearing. Moreover, the Applicant was not restricted to the Grounds of Appeal filed on 22 July, as amended Grounds were filed with the second Form TM55 on 22 November 2019. It has been given ample opportunity to respond to the Hearing Officer's reasoning at all stages.

30. For these reasons the appeal is dismissed.

31. As this is an *ex parte* appeal, I shall make no order as to costs.

Amanda Michaels

The Appointed Person
15 October 2020