

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATIONS Nos. 3233597, 3233598, 3231358, 3231589,  
3231497, 3233600, 3233601 AND 3233599  
IN THE NAME OF 'A1' ARBORISTS LTD**

**AND IN THE MATTER OF OPPOSITIONS Nos. 410049, 410050, 410051, 410052,  
410055, 410056, 410058 AND 410059 THERETO  
BY EUROPEAN FORESTRY AND ENVIRONMENTAL SKILLS COUNCIL**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON  
BY THE APPLICANT  
AGAINST A DECISION OF MR MARK BRYANT  
DATED 11 APRIL 2019**

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**DECISION**

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**Background**

1. This is an appeal by 'A1' Arborists Limited ("the Applicant") against a decision of Mr Mark Bryant, acting for the Registrar, dated 11 April 2019, BL O/195/19.
2. The decision was taken in consolidated oppositions proceedings brought by the European Forestry and Environmental Skills Council ("the Opponent") against 8x trade mark applications filed by the Applicant in May 2017.
3. The applications in suit could be divided into 2x sets. The first set of applications or "Set 1" comprised 2x applications for the words ECS EUROPEAN CHAINSAW STANDARDS and ECC EUROPEAN CHAINSAW CERTIFICATE and 2x applications for corresponding figurative representations of those words. "Set 2" on the other hand, consisted of 2x applications for the words ICS INTERNATIONAL CHAINSAW STANDARDS and ICC INTERNATIONAL CHAINSAW CERTIFICATE and 2x applications for corresponding figurative representations of those words.
4. The applications were filed either on 16 or 26 May 2017. Nothing turned on the 10 days difference between those dates.
5. All the applications were made in respect of the following goods and services:

Class 9

Training manuals in electronic format; Training guides in electronic format

Class 16

Printed certificates; Printed award certificates

Class 41

Awarding of educational certificates; Training; Education services relating to vocational training; Training and education services; Publication of training manuals; Educational examination services; Setting of educational standards; Setting of training standards; Educational assessment services.

6. Representations of each of the marks with their application numbers and filing dates accorded can be found at the tables at paragraphs 11 (“Set 1”) and 12 (“Set 2”) below.
7. In August 2017, the Opponent filed Notices of oppositions against the applications. The grounds of opposition were the same in each case, that the marks should be refused registration because they were:
  - (1) applied for in bad faith contrary to Section 3(6) of the Trade Marks Act 1994 (“the Act”); and/or
  - (2) in conflict with an earlier trade mark belonging to the Opponent in circumstances likely to cause confusion contrary to Section 5(2)(b) of the Act.
8. The earlier trade mark relied on by the Opponent was as follows:

Number	Mark	Filing /registration date	Goods
EU 10109122		08.07.11/ 10.02.12	<u>Class 16</u> Certificates

9. The Applicant defended both grounds in the oppositions including putting the Opponent to proof of use of its earlier trade mark.
10. In the event (and following a first hearing and new timetable for the exchange of evidence) both sides filed evidence and written submissions. At the second hearing on 14 February 2014 (dealing with submissions on bad faith and costs), the Opponent was represented by Mr Robin Webster of Hewlett & Perkins and the Applicant by Mr Chris Aikens of Counsel instructed by Murgitroyd & Company<sup>1</sup>.

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<sup>1</sup> At the first hearing, dealing with late evidence, and submissions on the Opponent’s proof of use and Section 5(2)(b) grounds of opposition, the Applicant had been represented by Ms Denise McFarland of Counsel instructed by Murgitroyd & Company.

**Hearing Officer's decision in brief**

11. The Hearing Officer held that the bad faith ground for refusal under Section 3(6) of the Act succeeded against the "Set 1" marks, that is:

Number	Mark	Date
UK3233597	ECS EUROPEAN CHAINSAW STANDARDS	26.05.17
UK3233598	ECC EUROPEAN CHAINSAW CERTIFICATE	26.05.17
UK3231497		16.05.17
UK3231589		16.05.17

12. However, the bad faith shown in relation to the filing of the "Set 1" marks did not similarly taint the filings for the "Set 2" marks<sup>2</sup>, that is:

Number	Mark	Date
UK3233600	ICS INTERNATIONAL CHAINSAW STANDARDS	26.05.17
UK3233599	ICC INTERNATIONAL CHAINSAW CERTIFICATE	26.05.17
UK3233601		26.05.17
UK3233599		16.05.17

13. As for Section 5(2)(b), the Hearing Officer noted that the Opponent's earlier trade mark was registered in respect of *certificates* in Class 16. Having reviewed the Opponent's evidence the Hearing Officer found that:

<sup>2</sup> The Hearing Officer considered that these marks would be perceived as indicating a qualification/standard that was independent of the ECS/ECC EUROPEAN CHAINSAW STANDARDS/CERTIFICATE services offered by the Opponent, para. 39.

“51) The opponent relies upon the fact that its earlier mark appears upon cards (that were described in Mr Embo’s evidence as “certificates”) as well as certificates presented to individuals who had successfully completed a course regarding the standards for chainsaw use. Therefore, the certificates presented to these individuals record that the opponent has successfully undertaken training and/or provided a certification service to these individuals. These certificates are only available to individuals who access the opponent’s services and the certificate acts as a record of this. Therefore, the opponent does not trade in certificates per se, but rather, it issues them as an official record of successful completion of its training offering. Consequently, the opponent’s earlier mark does not function as an indicator of origin in respect of the certificates themselves, but rather records that the training it (or more accurately, its partners) provides has been successfully completed. A trade in certificates per se would not have to be conditional upon completing the training, as is the case with the use shown by the opponent.”

14. The Hearing Officer therefore concluded that the evidence failed to establish that the Opponent had made genuine use of its earlier trade mark in relation to *certificates* as registered, and the grounds of oppositions under Section 5(2)(b) likewise failed.

### **The appeal**

15. On 9 May 2019, the Applicant filed Notice of appeal to the Appointed Person under Section 76 of the Act against the Hearing Officer’s decision to refuse registration of the “Set 1” marks (Applications nos. 3233597, 3233598, 3231497 and 3231589 for ECS EUROPEAN CHAINSAW STANDARDS and ECC EUROPEAN CHAINSAW CERTIFICATE words + figurative; see para. 11 above) under Section 3(6).
16. There was no cross appeal and no Respondent’s Notice was filed by the Opponent.
17. Accordingly:
  - (1) The Hearing Officer’s decision to permit the “Set 2” marks (Applications nos. 3233600, 3233599, 3233601 and 3231358 for ICS INTERNATIONAL CHAINSAW STANDARDS and ICC INTERNATIONAL CHAINSAW CERTIFICATE words + figurative; see para. 12 above) to proceed to registration stands;
  - (2) The scope of the appeal is limited to the said “Set 1” marks (Applications nos. 3233597, 3233598, 3231497 and 3231589 for ECS EUROPEAN CHAINSAW STANDARDS and ECC EUROPEAN CHAINSAW CERTIFICATE words + figurative; see para. 11 above) and the Hearing Officer’s decision to reject those marks because they were applied for by the Applicant in bad faith contrary to Section 3(6) of the Act.
18. At the appeal hearing, the Applicant was again represented by Mr Chris Aikens of Counsel instructed by Murgitroyd & Company. The Opponent was newly represented by Mr Maxwell Key of Counsel instructed by Stevens, Hewlett & Perkins.

### **Standard of appeal**

19. It was accepted that the appeal is by way of review not rehearing. The applicable principles were summarised by Mr Daniel Alexander QC sitting as the Appointed Person in *TALK FOR LEARNING Trade Mark*, BL O/017/17 at paragraph 52, and recently revisited by the Supreme Court in *Actavis Group PTC EHF v. ICOS Corporation* [2019] UKSC 15, per Lord Hodge at paragraphs 78 – 81 and the Court of Appeal in *The Queen v. London Borough of Hackney* [2019] EWCA Civ 1099, per Lewison LJ at paragraphs 63 – 67. I have taken note of these principles and in particular that I should be reluctant to interfere with the Hearing Officer’s findings in the absence of error including where those findings are based on written rather than oral evidence<sup>3</sup>.

### **Section 3(6) – background facts**

20. These were largely agreed and supported by the evidence of both parties: Witness Statements of Mr Tom Embo, Chairman of the Board of the Opponent dated 23 January 2018, 5 July 2018 and 25 November 2018 for the Opponent; Witness Statement of William Hugh Robb, Managing Director of the Applicant dated 13 September 2018 for the Applicant.
21. The facts were as I understood them, in brief:
- 1) The idea of setting a standard for chainsaw safety in the EU was said by Mr Embo to have been conceived in 2006 when 2x “green” training centres specialising in the training of forestry operatives informally decided to develop a joint forestry certificate. The 2x training centres in question were Inverde, Belgium of which Mr Embo was General Director and IPC Groene Ruimte, Netherlands.
  - 2) This training initiative was officially presented at the first International Congress of Forestry Training Centres held in 2007 at Annecy, France. Representatives from organisations in other EU Member States expressed an interest in establishing an EU-wide qualification.
  - 3) The Applicant’s first involvement came in 2008 when Mr Robb attended the European Conference on Chainsaw Qualification, Brussels, Belgium which

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<sup>3</sup> Lewison LJ in *London Borough of Hackney* citing Lord Kerr in *DB v. Chief Constable of Police Service of Northern Ireland* [2017] UKSC 7, para. 80:

“... On one view, the situation is different where factual findings and the inferences drawn from them are made on the basis of affidavit evidence and consideration of contemporaneous documents. But the vivid expression in *Anderson* that the first instance trial should be seen as the “main event” rather than a “tryout on the road” has resonance even for a case which does not involve oral testimony. A first instance judgment provides a template on which criticisms are focused and the assessment of factual issues by an appellate court can be a very different exercise in the appeal setting than during the trial. Impressions formed by a judge approaching the matter for the first time may be more reliable than a concentration on the inevitable attack on the validity of conclusions that he or she has reached which is a feature of an appeal founded on a challenge to factual findings. The case for reticence on the part of the appellate court, while perhaps not as strong in a case where no oral evidence has been given, remains cogent ...”

was co-hosted by Inverde and IPC and supported by the European Network of Forest Entrepreneurs and Eduforest. Mr Robb was recorded as representing the European Arboricultural Council along with 3x other delegates from the UK on behalf of City & Guilds NPTC, HSE AIAC & AFAG and the Arboricultural Association. A timetable and program/strategy was agreed for driving forward the European standard. I note in particular that a European standard quality control committee was to be set up to oversee the use of the European standard logo. It was also agreed to seek funding for the standard through the EU Leonardo project at first under the helm of Petros Tsiorasis. Members/participants were charged with contacting representative bodies of forestry arboriculture, landscaping and education within their EU Member States.

- 4) In 2008, Mr Robb met with a representative of the UK European Funding Agency ECORYS (formerly ECOTEC) to discuss an outline funding proposal and in around 2009, it appears to have been decided that Mr Robb would take over the lead from Petros Tsiorasis and that the funding application should be made through the UK agency in the name of the Applicant on behalf of the various EU core partners and associates to the project, who were also identified by name and role in the application (the Partners included the UK City & Guilds Proficiency Tests Committee (NPTC)).
- 5) The application for funding listed as objectives *inter alia* the setting up of a recognised chainsaw standard for use throughout Europe and the establishment of a certification body, the European Forestry and Environmental Skills Council (i.e., the Opponent) to develop and manage the qualification in the future.
- 6) In the Contracting Form governing the relationship between the parties it was stated that: “*IPR where relevant will be owned through the formation of the certification body referred to in the WPs [relevant Work Package]*”, and again disseminated and shared by the partners throughout the EU Member States.
- 7) At the Third Meeting on European Chainsaw Certification held at Arnhem, Netherlands in Spring 2009 attended by Mr Robb on behalf of the Applicant, the setting up/organisation of an EU standard/certification body was further discussed. As “homework” from that meeting all attendees were tasked with devising a name/logo for the proposed EU certification body.
- 8) At the Fourth Meeting on European Chainsaw Certification in Gehren, Germany held in June 2009 proposals for the names of the body and certification were discussed and the winners – “European Forestry and Environmental Skills Council (acronym EFESC)” and “European Chainsaw Certificate (ECC)” – were announced. Participants were asked to signify their choice of logo and there was a mock presentation by Mr Robb to a participant from the Netherlands of a certificate bearing a version of an ECC logo.
- 9) In February 2010, EU funding was awarded to ECOTEC, the UK agency, with the Applicant named as the funding beneficiary. The funding agreement was between the UK agency and the Applicant. The Applicant relied heavily on

the fact that the Agreement stated at General Conditions, Article 3.1: “... ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the beneficiary”. However, as Mr Embo pointed out, none of the other project partners/associates were party to this agreement which therefore regulated only the relationship between ECOTEC and the Applicant.

- 10) A contract entered into between Mr Robb of the Applicant (defined as the “Contractor”) and Mr Embo of Inverde (defined as the “Partner”) entered into and signed by both parties in April 2010 noted that the Contractor was obliged: “... to define in conjunction with the Partner the role and obligations of the two parties, including those concerning the attribution of the intellectual property rights” (Art. 3.4).
- 11) In May 2011, the Opponent was formally established as a not for profit organisation under Belgian law. Article 3, section 5 of the Articles of Association stated that: “1. No member can utter or execute a claim on the assets of the INPO [not for profit organisation – EFESC] on the sole basis of his membership. 2. The exclusion of rights on the INPO’s assets is imperative at all times: for the duration of the membership, on the termination of the membership for which reason whatsoever, on dissolving the INPO, etc ...”. The Applicant is listed in the document establishing the Opponent as a not for profit organisation as one who had appeared (“zijn verschenen”) (i.e., was present).
- 12) In June 2011, the first General Assembly of the EFESC, the Opponent, was held in Ossiach, Austria further to particularise the organisation of that body and to admit new member organisations in addition to the 5x founding members (which included the Applicant). Mr Robb was not present at this meeting and although nominated and accepted for membership of the standards committee, Mr Robb appeared to have fallen out with the other partner organisations by this time over the organisation/structure of the standards body.
- 13) On 8 July 2011 an EU trade mark application was filed seeking to register the ECC EUROPEAN CHAINSAW CERTIFICATE logo (the earlier trade mark). The Applicant appeared to accept that the logo was designed by Mr Embo’s company, Inverde, on behalf of the partners, and that he was “generally” aware of the application which had been in the name of Inverde. EU Registration number 10109122 for the ECC EUROPEAN CHAINSAW CERTIFICATE logo was subsequently assigned to EFESC, the Opponent.
- 14) At an additional meeting in August 2011 at City & Guilds, London at which 2x representatives of the Applicant including Mr Robb were present, it was recorded that: “All partners agree to open, transparent communication and sharing of all intellectual property developed as part of the Leonardo project and subsequently on behalf of EFESC”. Moreover a handwritten memo from the meeting transcribing *inter alia* this agreement was personally signed by Mr Robb.

- 15) Mr Robb stated that he felt constrained to sign the proposal because he felt that otherwise the project would crumble, and the funding would need to be repaid.
  - 16) In March 2012 the EFESC General Assembly met in Brussels, Belgium to progress operational matters. Mr Robb attended for the Applicant and presented the ECC standards which were accepted by vote. Mr Robb also presented a Training Week for April 2012 (apparently cancelled).
  - 17) Mr Robb stated that March 2012 marked the end of his/the Applicant's participation in the project, and he/the Applicant went on with new partners to establish a Czech-based awarding body called ABA International. Mr Robb said that he informed the UK National Agency on behalf of the Applicant that: "*ABA International had been set up to develop and take forward the second project and progress the ECC qualification as a product of the first project.*"
  - 18) The Opponent's evidence was that the Applicant has remained a member of the EFESC. Mr Aikens neither denied nor confirmed this on behalf of his client at the hearing before me.
22. It seems clear to me from these commonly accepted facts that the European Chainsaw Standards and Certificate (plus ECC EUROPEAN CHAINSAW CERTIFICATE logo) were set up by the original partners to the project including the Applicant with the intent that IPRs should vest in the governing body, the EFESC, i.e., the Opponent. Indeed, Mr Aikens conceded at the hearing that had the Applicant applied to register the marks in suit in 2011/12 then this would have been bad faith.
  23. Instead the area of dispute between the parties revolved around the situation between 2011/2012 – May 2017 and what effect if any that had on the case of bad faith.

#### **Hearing Officer's findings on bad faith**

24. I pause at this stage to record the specific findings of the Hearing Officer with regard to the Opponent's accusation of bad faith in the Applications contrary to Section 3(6).
25. The Hearing Officer instructed himself by reference to the summary of principles set out by Arnold J in *Red Bull GmbH v Sun Mark Limited* [2012] EWHC 1929 (Ch) at paragraphs 131 – 138. There was no dispute as to those principles which were cited by the Hearing Officer at paragraph 17 of his decision.
26. The parties also drew my attention to the recent bad faith judgment of the CJEU in Case C-104/18P, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v. EUIPO* EU:C:2019:724<sup>4</sup>, with respective reliance on the following passages:

Applicant -

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<sup>4</sup> Decided on 12 September 2019 after the Hearing Officer handed down his decision, but it was not suggested that *Koton* did more than reaffirm existing law.

“46. Consequently, the absolute ground for [refusal] referred to in [Section 3(6)] applies where it is apparent from relevant and consistent indicia that the [applicant] has filed the application for registration of [the contested] mark not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin ...”

Opponent –

“53. In that regard, the absolute ground for [refusal] referred to in [Section 3(6)] is fundamentally different from the relative ground[s] for [refusal] referred to in [Section 5] ...”.

27. The CJEU further reiterated in that case:

“47. The intention of an applicant for a trade mark is a subjective factor which must, however, be determined objectively by the competent administrative or judicial authorities. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case ... It is only in that manner that a claim of bad faith can be assessed objectively.”

28. Mr Aikens relied as he had done below on *Ivey v. Genting Casinos UK Ltd* [2017] UKSC 67 which was cited by Arnold J in *Walton International Ltd v. Verweij Fashion BV* [2018] EWHC 1608 (Ch) (para. 186) as articulating a consistent approach to that promulgated by *Red Bull* principle 7, restated as principle 5 in *Walton*:

“The tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct was dishonest (or otherwise fell short of the standards of acceptable commercial behaviour) judged by the ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry.”

29. In *Ivey*, Lord Hughes stated in relation to the test of dishonesty<sup>5</sup> (not a pre-requisite of bad faith):

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<sup>5</sup> In the context of whether dishonesty was a pre-requisite of cheating at gambling, which the Supreme Court confirmed it was not:

“Therefore in the present case, if, contrary to the conclusions arrived at above, there were in cheating at gambling an additional legal element of dishonesty, it would be satisfied by the application of the test as set out above. The judge did not get to the question of dishonesty and did not need to do so. But it is a fallacy to suggest that his finding that Mr Ivey was truthful when he said that he did not regard what he did as cheating amounted to a finding that his behaviour was honest. It was not. It was a finding that he was, in that respect, truthful. Truthfulness is indeed one characteristic of honesty, and untruthfulness is often a powerful indicator of dishonesty, but a dishonest person may sometimes be truthful about his dishonest opinions ... For the same reasons which show that Mr Ivey's conduct was,

“When dishonesty is in question the fact-finding tribunal must first ascertain (subjectively) the actual state of the individual’s knowledge or belief as to the facts. The reasonableness or otherwise of his belief is a matter of evidence (often in practice determinative) going to whether he held the belief, but it is not an additional requirement that his belief must be reasonable; the question is whether it is genuinely held. When once his actual state of mind as to knowledge or belief as to facts is established, the question whether his conduct was honest or dishonest is to be determined by the fact-finder by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest.”

30. Having reviewed the evidence the Hearing Officer made the following findings:

“34) Mr Robb explains that he signed the meeting outcomes from August 2011 but he asserts that the outputs were never finalised and that there was a lack of intention to do so by himself and the other partners and that there was no legal representation at the meeting. I am unconvinced by these arguments. The fact that the document was signed indicates that the partners agreed to the IP generated as part of the project would be owned by the opponent. Therefore, Mr Robb is very likely to have had knowledge that it was the intention that the opponent would hold the IPR developed during the project. Further, he would have completed the contracting form, that also made reference to IPR generated by the project being owned by the opponent. Therefore, the evidence illustrates that Mr Robb had knowledge that IPR generated by the project was to be owned by the opponent and also had knowledge of Inverde’s application for the opponent’s trade mark.

35) Further, he signed an output from a meeting where such IPR ownership was reconfirmed. Such a factual background is set against one document that states a contrary position, namely the grant agreement states that ownership of the IPR will be vested in the beneficiary, that was the applicant. At the very least, this contradictory statement should have caused Mr Robb to challenge any alternative view expressed during the development of the project and certainly it should have given cause for Mr Robb not to have signed a document confirming a contrary position regarding ownership of the IPR.

36) These actions illustrate a degree of untruthfulness on the part of Mr Robb. This is confirmed by his comment that he signed a document that he believed to be incorrect merely because, he asserts, there was a lack of intention to abide by its content.

37) Nearly six years later, Mr Robb’s company, the applicant, applied for the contested marks. Mr Robb states that he did not believe the project progressed after 2011. Whilst there was clearly disagreement amongst the project partners at that time, there is nothing in the evidence to suggest that the project

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contrary to his own opinion, cheating, the better view would be, if the question arose, that his conduct was, contrary to his own opinion, also dishonest.”

ended once Mr Robb ceased participation or that there was any reason for Mr Robb to believe so (other than there was some disharmony amongst its members at the time). His knowledge of the project's trade mark being in existence since 2011 should have, at the very least, led him to investigate its continued validity as part of any due diligence when filing the applicant's marks. He either did not do this or ignored it once seeing that it was still validly registered.

38) Taking all of this into account, I conclude that insofar as the applicant's marks are such as to be perceived as outputs of the project, then they have been applied for in bad faith. It is my view that its ECC EUROPEAN CHAINSAW CERTIFICATE word mark and word and device marks clearly fall into this category with the letter and word elements mirroring the letter and word elements of the opponent's mark. Further, my finding also extends to the applicant's ECS EUROPEAN CHAINSAW STANDARDS word mark and word and device mark because they are conceptually so close that a person in the field is very likely to assume they relate to the same qualification/standards.

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40) Taking all of the above into account, I find that the applicant knew (and if he did not, he should have) that the IP outputs of the project were to be collectively for the use by the partners in the project and that its application for its two ECC EUROPEAN CHAINSAW CERTIFICATE marks and its two ECS EUROPEAN CHAINSAW STANDARDS marks amounted to bad faith."

31. Earlier the Hearing Officer had rejected the Applicant's contention that the European Chainsaw Standards/Certificate project had ceased in September 2011 with the dispute between the partners remaining unresolved<sup>6</sup>. He continued:

"28) ... However, the opponent provides a number of items of evidence that suggests otherwise, namely:

- A brand identity style guide for use of its mark, dated in 2016;
- An Internet screenshot from a French website referring to an event about the qualification, showing the opponent's mark. The event is shown as taking place on 12 and 13 May 2016;
- A Dutch newspaper article showing the opponent's certificates being awarded and the title refers to the "European Chainsaw Certificate". It is dated 15 February 2017, and;
- An assessor pre-registration form for an event to be held on 2 February 2012. The opponent's mark appears prominently on the form."<sup>7</sup>

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<sup>6</sup> This did not in any event sit well with Mr Robb's attendance at the EFESC General Assembly, Brussels in March 2012 and minutes thereof recording *inter alia* admittance of new members to the project, acceptance of certificate and standards, Board/committee elections, handbook, future proposals.

<sup>7</sup> Mr Robb also stated that he became aware that the project was still continuing under the Opponent's EU trade mark through a confrontation in Germany in February 2017.

## **Grounds of appeal**

32. There were 7x grounds of appeal which Mr Aikens grouped under 4x heads. Mr Keay preferred to deal with the 7x grounds of appeal individually and in the order pleaded. I will endeavour to cover both parties' arguments.

### **Head 1 – grounds 2 and 6**

33. Head 1 was that the Hearing Officer failed to take into account commonly agreed material facts, allegedly that:
- 1) the Opponent had not used any ECC marks in the UK in the 5-year period prior to the filing of the Applications on 16/26 May 2017; and
  - 2) the Applicant had been using the Applicant's marks continuously in the UK in that 5-year period.
34. Head 1 encompassed grounds 2 and 6 in the statement of grounds. The first point to make is that the Opponent denied that any such facts were common ground, which I accepted.
35. As to 1) the Applicant relied on a statement by Mr Embo that whilst in the period 2012 – 2017 the European chainsaw certificate under the Opponent's mark had been awarded on a number of occasions in several EU countries; "*In the United Kingdom: situation on hold*". That statement by Mr Embo was made under the requirement for the purposes of the ground of opposition under Section 5(2)(b) to prove genuine use of the Opponent's earlier trade mark, EU 10109122 for "*certificates*". It was not tantamount to acceptance that there had been no use of the Opponent's mark in the UK in conjunction with the project, even were that relevant (a point dealt with below).
36. Similarly regarding 2), the Applicant's reliance on a statement in the Opponent's skeleton before the Hearing Officer that: "*The Applicant ... is using the marks belonging to the Opponent (i.e., the certified body arising from the Project) in a fully-independent manner and to the exclusion of the Opponent ...*", was not in my view supportive of the Applicant's assertion that 2) was common ground. At that stage in the skeleton the Opponent was arguing its case for bad faith at the time of filing the contested marks, i.e., 16/26 May 2017, and the full text of the point under discussion in the argument was as follows (p. 9):
- "If the Opponent is not successful in these proceedings it would be akin to an authorisation of the Applicant's actions. These actions are tantamount to a subversive diversion of European Union funds that had been awarded in February 2010 to all the Project members as a collective. The Applicant is benefitting from all the work and endeavours of the Project accrued before and after receipt of the EU funding and is using the marks belonging to the Opponent (i.e. the certified body arising from the Project) in a fully-independent manner and to the exclusion of the Opponent."
37. Further, as Mr Keay said, Mr Embo's evidence was that Mr Robb never informed the project partners that he intended to continue using the ECC qualification (presumably

outside the project) and had he done so the partners would have refused him permission to do so.

38. Moving substantively to 1), I queried with Mr Aikens the relevance of his 5-year period to bad faith. In response, Mr Aikens suggested that where 5 years had elapsed from a relevant “bad faith event” (ergo his concession) that time period would serve to exonerate bad faith in a later application<sup>8</sup>, which I rejected as any kind of guideline or general rule since it is trite law that bad faith must be assessed in all the circumstances of any particular case.
39. In this, Mr Aikens seemed to be harping back to the Hearing Officer’s finding in connection with the Section 5(2)(b) ground of opposition that the Opponent’s evidence did not establish genuine use in the EU<sup>9</sup> of the Opponent’s earlier EU trade mark number 10109122 for the registered goods, which were *certificates* in Class 16. As I have already indicated (paras. 13 – 14 above) the Hearing Officer held that this was because the Opponent was not trading in certificates *per se* but rather issued them to candidates who successfully completed the training offered by the Opponent and its partners.
40. I agreed with the Opponent that accordingly the Opponent’s use of its mark in respect of training (or indeed any other goods/services) was not in issue under Section 5(2)(b) so that the Hearing Officer’s decision on proof of use in the EU of EU trade mark 10109122 for *certificates* was irrelevant to his determinations under Section 3(6).
41. What was relevant to those deliberations under Section 3(6) were the Hearing Officer’s findings in brief that the Applicant was one of the project partners who knew that the European standards/certification were to be EU-wide and shared between the project partners again on an EU-wide basis, and that the IP outputs from the project including EU trade mark 10109122 were to vest in the Opponent for the benefit of that EU-wide project. Moreover, after Mr Robb’s disenchantment in 2011/12, the project continued to be active in several EU Member States under the Opponent’s trade mark, EU 10109122 remained on the EU Register, and the Applicant knew or ought to have known those facts. Moreover, as the Hearing Officer had noted, the Applicant’s membership of the project likely continued, and Mr Robb’s own evidence was that he was aware at least of the Opponent’s use in Germany and trade mark registrations including 10109122 on the EU Register before the filing date of the Applications in suit.
42. I do not agree therefore that the Hearing Officer ignored in his determination of the Section 3(6) case, any material facts relating to the Opponent/its partners use of the Opponent’s ECC EUROPEAN CHAINSAW CERTIFICATE figurative mark in the UK.
43. I pause to mention Mr Robb’s stated belief that all IP in the project belonged to him/the Applicant. This was the subject of the Applicant’s Head 3 of the grounds of appeal but suffice it to say here that the Hearing Officer doubted the truthfulness of Mr Robb’s belief in the light of the evidence, and in any event Mr Aikens conceded

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<sup>8</sup> Transcript, p. 6.

<sup>9</sup> Which is the requirement under Section 6A(5).

that around the time when this belief would have been engendered (2010 – 2012) a relevant “bad faith event” on the part of his client would have occurred.

44. Turning substantively to 2), the Hearing Officer recorded in his recitation of facts relevant to the bad faith claim the Applicant’s claim that it had used the Applicant’s marks in the UK throughout the funded project and since 2012. I do not accept therefore that the Hearing Officer ignored the Applicant’s claimed use (even if relevant). For what it is worth, my own impression of the materials Mr Robb adduced in support of the Applicant’s claimed post-2012 use, was that they in the main concerned use of the Applicant’s ABA INTERNATIONAL mark (not the subject of these proceedings or the proceedings below).

45. The above related to ground 2 of the grounds of appeal. Ground 6 represented in my view just another way of arguing ground 2. Ground 6 sought to assert (again seemingly by rule) that it could not amount to bad faith to apply for a mark used abroad where there has been no use in the UK for a 5-year period before the application date. Mr Aikens sought to rely on Case C-320/12, *Malaysia Dairy Industries Pte. Ltd v. Ankenævnet for Patenter og Varemærker* EU:C:2013:435 but the actual ruling in that case was relevantly (para. 36, emphasis provided):

“The fact that the applicant knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the applicant is acting in bad faith within the meaning of that provision.”

46. The CJEU reiterated in *Malaysia* that in order to determine the existence of bad faith the tribunal must make an overall assessment of the facts of the particular case and what was known or ought to have been known by the applicant at the time of filing the application (para. 36). Mr Aikens’s supposed 5-year rule of general application failed to take account of the circumstances of this case as stated in brief above (para. 41) namely,

“... the Applicant was one of the project partners who knew that the European standards/certification were to be EU-wide and shared between the project partners again on an EU-wide basis, and that the IP outputs from the project including EU trade mark 10109122 were to vest in the Opponent for the benefit of that EU-wide project. Moreover, after Mr Robb’s disenchantment in 2011/12, the project continued to be active in several EU Member States under the Opponent’s trade mark, EU 10109122 remained on the EU Register, and the Applicant knew or ought to have known those facts.”

Again, therefore, I rejected ground 6.

**Head 2 – grounds 1 and 3**

47. Ground 1 was that the Hearing Officer failed to assess the state of the Applicant’s knowledge at the relevant date, i.e., the date of the Applications in suit, 16/26 May 2017. I think Mr Aikens appreciated that this argument rested on thin ground because the Hearing Officer quite clearly instructed himself that the time for assessing bad

faith was the date of the application and quite clearly looked at the position after 2011 up until the dates of filing in May 2017. Indeed he recorded:

“29) Mr Robb states that at “no time during the applicant’s partnership with Inverde or afterwards, was a formal agreement executed to allow Inverde the right to apply for registration of the trade marks, in Inverde’s own name, or to assign any such rights or registrations to [the opponent]”. Mr Robb claims that in the absent of such an executed agreement, the rights to the intellectual property created during the project belong to the applicant, and he states that the applicant has used its marks in the UK throughout the time of the funded project since 2012.

30) Mr Robb states that he believes the applicant is the legitimate and legal owner of the marks and when filing to register these marks he was acting to protect the applicant’s rights and the interests of its customers, and he had no motive of bad faith.”

48. The real complaint appeared to be that the Hearing Officer doubted the truthfulness of parts of Mr Robb’s evidence (see Head 3 below) and attributed from the evidence knowledge of facts to Mr Robb/the Applicant that were or ought to have been known to Mr Robb/the Applicant not only in 2011/2012 when Mr Aikens conceded that to apply for the trade marks in suit would have been a “bad faith event” on the part of Mr Robb/the Applicant but also up to the actual filing dates in May 2017. As already mentioned, those facts included in brief that IPR outputs were to vest/had vested in the Opponent on behalf of the EU project, the application for and registration of EU 10109122 first in the name of Inverde and then the Opponent on behalf of the EU project, and the continuance of the EU-wide project under the Opponent’s trade mark as a going concern up to and beyond the filing dates of the Applications in suit.
49. As the case law including *Ivey* makes clear, the tribunal must assess from the evidence what facts were or ought reasonably to have been known (subjectively) to the Applicant. That does not entail applying a Nelsonian standard of knowledge, i.e., allowing the Applicant to shut their eyes to facts that on the evidence it is reasonable to attribute to them.
50. In my judgment the Hearing Officer was entitled to determine on the evidence before him and his assessment of the truthfulness of that evidence, what Mr Robb/the Applicant’s beliefs were at the date of the Applications in suit, and whether on the evidence before him the reasonableness or otherwise of Mr Robb’s asserted beliefs meant that they were those actually held.
51. Accordingly I reject Head 2, i.e., grounds 1 and 3 of the grounds of appeal. The Hearing Officer did not err in deciding what the Applicant knew about the matters in question either in terms of time or approach.

**Head 3 – grounds 4 and 5**

52. The complaint at the heart of Head 3 was that the Hearing Officer was not entitled in the absence of cross examination to find that Mr Robb had exhibited a degree of untruthfulness in giving his evidence (ground 4). Further the Hearing Officer wrongly ignored Mr Robb’s evidence that the Applicant’s intention in filing the

Applications in suit was to protect its own rights and those of its customers (ground 5).

53. Taking the latter first, it is clear that the Hearing Officer did take into account Mr Robb's stated intention in filing the Applications in suit because he recorded this at paragraph 30 of his decision (without references):

“30) Mr Robb states that he believes the applicant is the legitimate and legal owner of the marks and when filing to register these marks he was acting to protect the applicant's rights and the interests of its customers, and he had no motive of bad faith.”

54. However, that is not to say, as Mr Keay remarked, that the Hearing Officer was obliged to accept what Mr Robb said uncritically.

55. The Hearing Officer's finding of untruthfulness complained of by the Applicant related back to the signing by Mr Robb of the handwritten memo arising out of the August 2011 project partnership meeting under which *inter alia*: “*All partners agree to ... sharing of all intellectual property developed as part of Leonardo project and subsequently on behalf of EFESC*”. The Hearing Officer observed that that conflicted with Mr Robb's stated belief that he/the Applicant owned all the IP connected with the project. Earlier the Hearing Officer had found unconvincing Mr Robb's assertions as to why he had signed the memo without challenge (see paras. 14 and 30 above).

56. Mr Aikens argued that was all very well, but it was not open to the Hearing Officer to disbelieve Mr Robb's statement in the absence of cross examination of Mr Robb. I disagree. A Hearing Officer has to decide a case on the basis of the materials before them but that does not mean that they have to accept everything a witness states when the evidence presents obvious contradictions.

57. As to the *sine qua non* of cross examination in bad faith cases, I was referred to the following observations of Mr Richard Arnold QC sitting as the Appointed Person in *BRUTT Trade Marks*, BL O/372/06 (Mr Keay's emphasis):

“23. It is the function of cross-examination to assist the tribunal to resolve conflicts of evidence. I agree with the hearing officer in thinking that cross-examination would have assisted him in the present case. It does not follow, however, that cross-examination is essential in a case where bad faith is alleged or that the tribunal cannot assess evidence or make findings of fact in its absence. Fairness requires that adverse findings should not ordinarily be made against a witness, such as a finding that he has acted in bad faith, without the witness having the charge put to him and being given an opportunity to answer it: see *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607 at 623. It should be borne in mind, however, that in proceedings such as these evidence is served sequentially and that giving a witness a proper opportunity to deal with a point will not necessarily require cross-examination. More importantly, perhaps, if the opportunity for cross-examination is passed up, the consequence is that the tribunal must assess the evidence on that basis rather than refraining from considering the evidence and reaching a conclusion. It is instructive to

remember that OHIM and the courts in most civil law jurisdictions consider themselves perfectly well-equipped to make findings that parties have acted in bad faith without the benefit of cross-examination.”

58. I was also referred to the Registry Manual (again Mr Keay’s emphasis):

**“4.8.9 Challenging evidence**

... However, requesting cross-examination may be disproportionate and unnecessarily costly and burdensome, since in trade mark proceedings the evidence stages are sequential, providing opportunities to deal with points during the proceedings (*BRUTT Trade Marks* (2007) RPC 19). In addition, cross-examination may not be permitted if the truth or otherwise of the challenged statement manifestly has no bearing on the outcome of the case. Written submissions, or evidence which contradicts the witness’s evidence, are therefore likely to be the most satisfactory ways to dispute the factual evidence of the other side in the majority of cases.”

59. I do not accept that the Hearing Officer was barred from his finding of a degree of untruthfulness on the part of Mr Robb in giving his evidence<sup>10</sup>. Nor do I find that the Hearing Officer erred in failing to accept Mr Robb’s evidence as to his intention in filing the Applications in suit. Head 3 of the grounds of appeal (grounds 4 and 5) therefore fails.

**Head 4 – ground 7**

60. The last Head of appeal was that bad faith has no part to play in a relative ground case, which the Applicant contended this was. Head 4 was said to encompass ground 7 of the grounds of appeal although it also impinged on ground 6. Mr Aikens relied in support on the statement by Arnold J in *Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch):

“186. ... I consider that [Section 3(6)] has no application to situations involving a *bona fide* conflict between the trade mark rights, or perceived rights, of different traders.”

61. Central to the Applicant’s argument was that a “bad faith event” cannot survive a 5-year period (i.e., ground 6) which I have already rejected.

62. In any event, this was clearly not a *bona fide* conflict of rights case but involved the Applicant being a partner of an EU-wide funded project to introduce and maintain the ECC EUROPEAN CHAINSAW CERTIFICATE training and award scheme. The Hearing Officer’s findings (which I have confirmed he was entitled to make) included the Applicant’s awareness (actual or constructive) that: (a) IPRs in the project should vest in the Opponent on behalf of the project partners; (b) the Opponent’s EU trade mark ECC EUROPEAN CHAINSAW CERTIFICATE figurative was held by the Opponent on behalf of the project partners; (c) the EU-wide project of which the Applicant apparently remained a member was active at the filing dates of the Applications in suit; and (d) the Opponent’s trade mark remained on the EU Register.

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<sup>10</sup> Indeed it was difficult to see how the contrary could be maintained in view of Mr Aiken’s concession.

63. Such facts in my judgment clearly brought the case within Arnold J's contemplation in *Cipriani* of when bad faith in an application could operate<sup>11</sup>.

**Conclusion and costs**

64. For the reasons I have stated above, the appeal fails. I will order that the Applicant pays to the Opponent the sum of £1,000 as a contribution towards the Opponent's costs of this appeal, such sum to be paid within 14 days of the date of this decision.

Professor Ruth Annand, 5 November 2019

Mr Chris Aikens of Counsel instructed by Murgitroyd & Company appeared on behalf of the Applicant/Appellant

Mr Maxwell Key of Counsel instructed by Stevens Hewlett & Perkins appeared for the Opponent/Respondent

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<sup>11</sup> Paragraph 186 of Arnold J's judgment in *Cipriani* read relevantly in full:

“It is clear that an application can be made in bad faith vis-à-vis a third party in circumstances where the third party cannot maintain a relative ground of objection to the registration .... Generally speaking, bad faith in such a case will involve some breach of a legal or moral obligation on part of the applicant towards the third party. The classic instance of this is where the applicant has been in discussions with a foreign manufacturer about distributing the latter's goods in the Community, and then applies to register the trade mark under which the goods are marketed in the country of origin and under which the manufacturer proposes to market them in the Community. It is not necessary, however, for there to have been contractual or pre-contractual relations between the parties in order for an application to be made in bad faith. Thus bad faith may exist where the applicant has sought or obtained registration of a trade mark for use as an instrument of extortion, as in the *Melly* case. Nevertheless, I consider that Article 51(1)(b) has no application to situations involving a bona fide conflict between the trade mark rights, or perceived rights, of different traders.”