

**TRADE MARKS ACT 1994  
IN THE MATTER OF CONSOLIDATED PROCEEDINGS  
OPPOSITION No. 000408660  
IN THE NAME OF LOCH EMPLOYMENT LAW LIMITED  
TO TRADE MARK APPLICATION No. 00003198785  
IN THE NAME OF PHILIP ADAMSON HANNAY  
AND OPPOSITION Nos. 000408758, 000408842-6, 600000600-1, 600000604  
IN THE NAME OF PHILIP ADAMSON HANNAY  
TO TRADE MARK APPLICATIONS No. 3199497, 3199489, 3199495, 3199496,  
3199500, 3199502, 3199490, 3199494, 3199501  
IN THE NAME OF LOCH ASSOCIATES GROUP LIMITED**

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**DECISION**

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1. This is an appeal from the decision of the Hearing Officer, Oliver Morris, dated 16 July 2018, in related and consolidated proceedings. It arises out of a dispute between two firms of solicitors, Cloch Solicitors Limited (“Cloch”) and Loch Associates Group Limited/Loch Employment Law Limited (“Loch”) over applications by the latter for the trade mark LOCH in, amongst other classes, Class 45 for, amongst other things, legal services. Although some of the oppositions were brought by Philip Hannay, Cloch’s Managing Director, Mr Hannay confirmed at the original hearing that Cloch stood by the oppositions brought in his name and would be jointly liable for costs with him, so there is no need to distinguish between them.
2. One of the marks relied on by Cloch as part of its oppositions is an earlier registration for LOCH in class 45. This was opposed by Loch on the grounds that it was applied for in the context of these proceedings in bad faith contrary to s.3(6) Trade Marks Act 1994 and also contrary to s.5(4)(a).
3. The Hearing Officer allowed the opposition to Cloch’s LOCH registration under s.3(6). He then went on to dismiss the oppositions to Loch’s LOCH marks in classes 16, 35, 41, 44, 45 under s.5(2)(b) based on Cloch’s CLOCH marks registered in

classes 9, 16, 35, 36, 38, 41, 42 and 45, and under s.5(4)(a). Cloch appeal these decisions, and Loch says they should be upheld for the reasons given by the Hearing Officer and for the additional reasons set out in its Respondent's Notice.

4. At a hearing which took place on 26 November 2018, Cloch was represented by Mr Hannay and Loch by Victoria Jones of Counsel.

#### **STANDARD OF APPEAL**

5. There was no dispute as to this and I refer to the principles set out in the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52].

#### **THE OPPOSITION TO CLOCH'S MARK FOR BAD FAITH**

6. There was no dispute as to the relevant law which was summarised by the Hearing Officer by reference to the decision of Arnold J. in *Red Bull GmbH v Sun Mark Ltd & Anr* [2013] ETMR 53 at §§130-138. The eight principles discussed in that passage can be summarized as follows:
  - 1) The relevant date for assessing bad faith is the application date;
  - 2) Later evidence may be relevant if it casts light backwards on the position as at the application date;
  - 3) A person is presumed to have acted in good faith unless the contrary is proved – given that an allegation of bad faith is a serious allegation, it must be distinctly proved;
  - 4) Bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined";
  - 5) The provisions against bad faith are intended to prevent abuse of the trade mark system, either via the relevant office or via third parties;
  - 6) The tribunal must make an overall assessment, taking into account all the factors relevant to the particular case;
  - 7) 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 is dishonest (or otherwise falls short of the standards of

acceptable commercial behaviour) judged by ordinary standards of honest people i.e. objectively.

- 8) Consideration must be given to the applicant's intention.
7. The basis for the complaint in the present case is that when Mr Hannay filed the application for LOCH in class 45, he had no intention to use the mark himself and that it was only filed as a spoiling mechanism against any later applications that Loch might make.
8. Having considered the evidence contained in the witness statements filed on behalf of the parties (in relation to which no application for cross-examination was made), the Hearing Officer concluded in §16 that:
  16. The facts clearly show that when Mr Hannay filed the application for the "loch" mark he knew about LL's expansion under the LOCH name to Scotland. He had already communicated with Ms Loch (via her solicitors) in relation to this, from which it is clear that he wanted to stop such expansion or to at least only permit it via some form of paid-for co-existence. There is no evidence whatsoever that Mr Hannay had, or has, any legitimate interest in the loch trade mark. His mark/name (or at least that of his firm) is CLOCH. The fact that LOCH is subsumed within CLOCH does not matter. The fact that he did not reveal his actual intentions is one thing, but it is not as though he has filed any evidence to show that he had a pre-existing plan to use loch. Whilst I note that in one post-relevant-date letter reference is made to preparations for the use of the mark having begun, this strikes me, absent any supporting evidence, as nothing more than bravado.
  17. I come to the clear view that when Mr Hannay filed the mark he had no intention of using it in trade and that it was filed to give him the upper hand in the dispute, acting as a spoiling mechanism against LL. The trade mark system is there to protect the legitimate business interests of traders. In my view, the registering of a competitor's primary trading name, in circumstances where you are already in dispute with that competitor, to provide some form of tactical advantage, would be viewed by experienced members of the trade as a form of conduct that falls short of the standard of acceptable commercial behaviour. The claim under section 3(6) succeeds. I should add that even if Mr Hannay considered that the mark was free to register, this does not matter. I agree with Ms Jones' submission that it is the conduct against the factual matrix that must be considered.
9. In §18 the Hearing Officer went on to consider the specification of services applied for by Cloch and determined that all of them were applied for in bad faith. The question of partial invalidation recently referred to the Court of Justice of the

European Union by Arnold J. in *Sky v SkyKick* [2018] EWHC 943 (Ch) as question 4 in that case is therefore not engaged in this case. Nor, for the avoidance of doubt, is question 3 given the findings of the Hearing Officer in his §17 quoted above.

10. Mr Hannay's appeal against this decision was brought under a number of headings, as follows.

**Inadmissible material**

11. First, he submitted that the material relied on by the Hearing Officer was inadmissible. This was his main attack against the findings below. In short, he submitted that the material referred to by the Hearing Officer in §§13-14 of the Decision (specifically exhibits PAL15-18 of the witness statement of Pamela Loch) amounted to without prejudice communications and should have been excluded from consideration.
12. There are a number of problems with this submission.
13. First, this was not a submission made before the Hearing Officer, and on this basis I consider that it is not open to Mr Hannay to advance it on appeal.
14. Prior to the hearing there had been a dispute about the admissibility of various exhibits referred to by Ms Loch, and this was addressed by the parties in correspondence and dealt with in a letter from the Registry dated 26 January 2018. In this letter the Registry indicated that it considered originally numbered exhibits PAL17, 19 and 21 did contain without prejudice content and should be excluded. As a result Ms Loch's evidence was re-served without the excluded material and the exhibits renumbered accordingly.
15. Upon receipt of this letter Cloch took no steps to indicate that it wished to challenge the written conclusions of the Registry, despite the letter pointing out that such a challenge could be dealt with by way of preliminary point at the main hearing or in written submissions.
16. On the contrary, Cloch's skeleton for the main hearing made no mention at all of any remaining dispute about admissibility, and I am told Mr Hannay proceeded to deal with exhibits PAL15-18 in detail at the hearing. Therefore it is now too late to raise the objection for the first time since the Registry letter of 26 January 2018 on the substantive appeal.
17. Nevertheless I shall go on to consider whether the objections to admissibility have any basis. The four communications relied on by the Hearing Officer are all part of

the chain of correspondence passing between the parties which culminated in the present set of proceedings. Mr Hannay referred me to the principles set out by Sir Robert Megarry V-C in *Chocoladefabriken Lindt & Sprungli AG v Nestlé Co Ltd* [1978] RPC 287 , 288, approved by the House of Lords in *Bradford & Bingley plc v Rashid* [2006] UKHL 37 [2006] 1 W.L.R. 2066, namely that communications may be without prejudice where “*there is an attempt to compromise actual or impending litigation*”. Even this, however, is not sufficient, as Lord Mance pointed out at §84 of the latter case - “*Even where there is a dispute, not every offer of compromise is necessarily intended to be without prejudice*”. An open offer is a prime example of this.

18. Taking each of the exhibits in turn, the first in time, PAL15, is a communication from Mr Hannay to Loch’s solicitors, MBM Commercial, dated 23 November 2016. This arose following the sending of an open letter by Mr Hannay on behalf of Cloch to Loch dated 5 November 2016 in which Cloch notified Loch of its registered Cloch CTM. This was apparently prompted by an announcement in Scottish Legal News that Loch was expanding into Scotland. A conversation then took place between Mr Hannay and MBM Commercial after which Mr Hannay sent a follow up email, at PAL15, which stated:

“Further to your call, I reflected on matters. Firstly, I am not being baited into an action prematurely. That does not mean I in any way accept or am any nearer to agreeing with your/your client’s position — which I do not/am not. Likewise, I know my rights, I know my position. I am not prepared to school your client further on why its position is wrong in law and in fact. Leaving aside the consequences of unchecked activity on my rights, the commercial reality here is that I have spent significant time and effort over a number of years now protecting the Cloch brand and I am not prepared to suffer your client a free ride on that investment. I would enter a co-existence agreement for an ex-gratia payment of £5K+VAT.”

19. The email is not marked “Without Prejudice” although I accept that this is not determinative of the matter. The telephone conversation which preceded it was not said to have been conducted on “Without Prejudice” terms. Given that the email was written by a qualified solicitor who must be assumed to be aware of the relevant rules about open and without prejudice offers, I find that it amounted to an open offer and does not fall under the “without prejudice” umbrella. Further, it is difficult to characterise it as an attempt to compromise impending litigation when the only litigation impliedly threatened in the letter dated 5 November 2016 was the bringing of a trade mark action by Cloch against Loch under Cloch’s CLOCH CTM. In such circumstances the last sentence amounts to a withdrawal of the threat to bring such

litigation with an acknowledgement that parties could co-exist, subject to the payment of an ex-gratia fee.

20. For these reasons, even if objection had been raised at the hearing, I consider that the Hearing Officer was entitled to rely upon PAL15 in reaching his decision.
21. My conclusions in relation to PAL16-18, all further emails from Mr Hannay to MBM Commercial, are the same and can be dealt with more briefly. In PAL16, dated 23 November 2016, Mr Hannay proposes that a LOCH trade mark be applied for by Loch and surrendered with payment of a fee to Cloch if the examination report cited any of Cloch's marks. Cloch's LOCH mark in issue was applied for two days later. The email continues "*Should the alternate method of dispute resolution outlined above remain unaccepted or be refused then this email will be placed before the Court in due course in the event that matters of necessity and/or expenses become relevant*". This statement is inconsistent with the notion that the communication is protected by "without prejudice" privilege between the parties that neither party can waive without the permission of the other.
22. In PAL17, dated 2 December 2016, Mr Hannay informed Loch that he had applied for an application and states:

I shall shortly be preparing a writ against your client. My colleague my [sic] raise this action in the IPEC. Please confirm if you are instructed to act there.
23. Again, this last request is inconsistent with an assertion of privilege.
24. Finally PAL18 dated 7 December states that the opposition to the LOCH mark will be defended and contains nothing resembling an offer or compromise. It too is not protected by the without prejudice cloak and this first ground of appeal fails.

#### **Inadequate Review of the Evidence**

25. This criticism focussed on the Hearing Officer's failure to take account of the incorporation by Cloch of a company Loch Limited on 29 March 2019. This was evidenced by exhibit PAH-25R provided by Mr Hannay.
26. I fail to see how this can possibly help Cloch's appeal. This was after the application date and after the date that Loch had opposed registration of the LOCH mark for bad faith. Moreover, the company is and remains dormant. Given that the relevant date is the date of application, it is too little and too late to assist Cloch.

**The finding of bad faith was perverse**

27. I will take Mr Hannay's third and fourth grounds together – that the finding of the Hearing Officer was perverse/impossible/illogical and made in ignorance of the law.
28. I reject these submissions too. In my judgment the Hearing Officer was both entitled and correct to find that Cloch's LOCH mark had been applied for in bad faith.
29. The Hearing Officer found, and I agree, that the application was made by Mr Hannay without any intention to use the LOCH mark in the course of trade, but with the sole aim of weaponising the mark to use in opposition against any applications that might be made by Loch. Mr Hannay accepted at the hearing before me that the registration of the LOCH mark by Cloch put Cloch in a better position in relation to its dispute with Loch. Further, neither Mr Hannay nor Cloch had any prior rights in the mark LOCH (as opposed to CLOCH), so its attempted registration could not be said to be an attempt to formalise an unregistered right.
30. Turning to the *Red Bull* factors, I consider that the Hearing Officer was correct to make a finding of bad faith. He set out the relevant state of mind at the date of application and I consider that it was distinctly proven on the evidence. The dealings in the LOCH mark by Cloch represent dealings which, objectively viewed, fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced practitioners in this field. Were they allowed to stand, they would amount to an abuse of the trade mark system. Taking into account all the factors relevant to this case. The applicant's intention was to use the mark as a blocking mechanism, and illegitimately so.
31. In relation to the suggestion that the finding was illogical and reached in ignorance of the law, Mr Hannay referred me to §§34-37 of *Och-Ziff Management Europe Ltd v Och Capital LLP*, [2011] F.S.R. 11 and in particular to the principles derived from §§189-190 of *Cipriani* that if the applicant believes he is entitled to register the mark, or a distinctive part thereof, a finding of bad faith should not follow:
  37. Counsel for Och-Ziff submitted that neither the judgment of the Court of Justice in *Lindt* nor that of the Court of Appeal in *Cipriani* had affected the validity of what I had said in *Cipriani* in the following paragraphs, in particular in the passages emphasised:
    - "189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in

relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. *The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position.* Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.

190. *Nor in my judgment does it amount to bad faith if what the applicant seeks to register is not the actual trade mark he himself uses but merely the distinctive part of his trade mark, the other part of which is descriptive or otherwise non-distinctive, and third parties are also using the distinctive part with different non-distinctive elements. It is commonplace for applicants to apply to register the distinctive elements of their trade marks, and with good reason. Moreover, in such a case the applicant would be unlikely to have an Article 9(1)(a) claim against the third parties, yet as noted above counsel for the defendants accepted that the ability to make an Article 9(1)(b) claim was not enough to constitute bad faith."*

Counsel for the defendants did not argue to the contrary.

32. I do not consider that the Hearing Officer departed from the approach set out in *Och-Ziff/Cipriani*. He considered the intention of the applicant and his subjective state of mind, and then went on to consider whether this was objectively justified. In his view, it was not. I agree. Cloch did not consider that it had a superior right to registration and use of the mark LOCH, either on its own or as an allegedly distinct part of the word CLOCH, nor did it believe that it was entitled to registration. The registration was only made as a spoiling mechanism or as a negotiating tool and there was no evidence that the applicant had any legitimate interest in LOCH. This was not merely an attempt to strengthen the position based on a legitimate (but possibly incorrect) view. It amounted to an attempted abuse of the trade mark system.

33. For all these reasons I dismiss Cloch's appeal against the finding of bad faith in respect of its LOCH mark. The Hearing Officer was correct to refuse the mark.

#### **THE OPPOSITION TO LOCH'S MARKS UNDER S.5(2)**

34. Following his dismissal of reliance upon Cloch's LOCH mark, the Hearing Officer went on to consider Cloch's 5(2)(b) opposition brought using its prior CLOCH registrations, and dismissed the opposition.

#### **The Hearing Officer's Reasoning**

35. The Hearing Officer dealt with the comparison based on the identical specifications for legal services first. He defined the average consumer in §26 as being a member of the public or a person in business. Mr Hannay criticised the Hearing Officer for finding that there were two categories of average consumer. I cannot see any error of principle in so doing if that reflects the reality of the goods or services in issue, as it would appear to do in the present case.
36. The Hearing Officer continued by assessing the degree of care and attention which would be exercised by the average consumer in the present case – also in §26. He rejected the respective extremes put forward by the parties – Loch's high degree and Cloch's low degree – and held that the average consumer would exercise “*a reasonable degree of consideration when selecting an appropriate service provider*” but not “*materially above the norm*”. In doing so he noted that the marks will be likely to be encountered via advertisements, websites and signage where their visual impact would be important, but also aurally over the telephone and via word of mouth. I can find no fault in that.
37. The Hearing Officer then turned to a comparison of the marks, concluding that there was a reasonable level of visual and aural similarity (§30) but a conceptual difference because LOCH has a known meaning but CLOCH does not (§31). He rejected the submission that the average consumer would approximate CLOCH to the meaning of LOCH. Again I think he was correct to do so.
38. As for the degree of distinctiveness of the earlier mark, he concluded in §33 that CLOCH had a high level of inherent distinctiveness because it was an invented word. He then went on to apply the concept of the interdependency of the relevant factors, first by reference to direct confusion in §35 and then by reference to indirect confusion in §36. In terms of direct confusion, he held that the conceptual difference between the marks overcame the visual and aural similarities, taking into account the reasonable level of care which would be applied to selection of the services. He

also considered and rejected arguments based upon imperfect recollection. As for indirect confusion, he held again that the differences between the marks were sufficient for consumers not to think that the services offered came from the same stable.

### **The Alleged Errors**

39. There was no dispute as to the applicable legal principles which had been set out by the Hearing Officer at §24 of the Decision. Instead Mr Hannay submitted that the Hearing Officer erred in misapplying principles (g) and (h), namely:

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

40. He also made a number of further criticisms of the Hearing Officer's approach. He submitted that the Hearing Officer got the conceptual comparison of the marks wrong, and that he wrongly applied the counteraction principle to the present case. Thus he suggested that the conceptual meaning of the mark applied for was not clear and specific, referring to a variety of uses of the word loch, including as a surname. He further submitted that the principle of counteraction should not apply at all in the case of conceptual similarity.

41. As for distinctiveness, Mr Hannay submitted that LOCH would be recognised as being part of CLOCH, and that the C- prefix would suggest a C- or Chief level organisation, especially in the recruitment or employment law field. He further criticised the Hearing Officer for noting that both marks ended with the work LOCH when in fact LOCH is the entirety of the mark applied for. He also sought to criticise correspondence from the Registry which referred to the mark as LOCK, not LOCH, as evidence of confusion.

42. I do not think that there is anything in any of these criticisms amounting to an error of principle which justifies me interfering with the multi-factorial approach of the Hearing Officer. Indeed I consider that the Hearing Officer was correct in the approach he adopted.

43. The Hearing Officer assessed the marks based on the identity of goods and services but concluded that in spite of this there was no likelihood of confusion. He also concluded that CLOCH had a high degree of distinctiveness, but again this was

not sufficient to justify a likelihood of confusion. I can see no error in his application of principles (g) and (h).

44. In relation to distinctiveness, there was no evidence or basis to think that the average consumer would perceive the C prefix as denoting a special meaning ahead of the word LOCH. The facts of the PEPEQUILLO case cited by Mr Hannay (*PJ Hungary v OHIM*, Case T-580/08) are far removed from those of the present case and so it is of no application. In that case both PEPE and QUILLO had distinct meanings to Spanish speakers equivalent to “Pepe the kid” and this was held to be conceptually similar to the earlier registration for PEPE. There is no parallel with the present case. The points about LOCH being the entirety of the mark applied for and the misspelling for LOCK are trivial and do not affect the Hearing Officer’s overall decision.
45. As for his assessment of the conceptual comparison, I reject any criticism of his approach. The fact that the word LOCH may be the same as some surnames or may be used as part of other words (e.g. Lochnagar) does not take away from its normal dictionary meaning which would be the overriding meaning conveyed to users. Further, there is no basis to hold that the counteraction principle should not apply at all in cases of conceptual similarity. Instead, each case must be assessed on its own facts, as the Hearing Officer did. As he observed in §34, there is no scientific formula to apply other than seeking to consider the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. I consider that the Hearing Officer approached this task correctly in the present case and there is no basis to interfere with his conclusion.
46. Finally Mr Hannay criticised the Hearing Officer for not dealing adequately with the goods and services in the classes other than class 45 – for both the earlier CLOCH mark and the LOCH mark applied for.
47. It is correct that the Hearing Officer dealt with the other classes of goods and services only very briefly in paragraph 37 of the Decision. I set this out in full below:
  37. I extend this finding, for similar reasons, to all of the goods and services covered by the application. If there is no reason for confusion to arise in respect of the identical legal services, there is no reason why a different finding would apply to the other goods/services. The opposition fails under section 5(2)(b).
48. This was perhaps understandable when the focus of the dispute between the parties was their core business – in legal services. Further, it has frequently been observed by appellate courts that an appeal does not lie merely because a judgment could

have been better expressed. See Robert Walker LJ in *Reef Trade Mark* [2003] R.P.C. 5 at §29:

29 The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in *English v Emery Reimbold & Strick Ltd (and two other appeals heard with it)* [2002] EWCA Civ 605, April 30, 2002 , para.19:

“... the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge’s conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require the judge to identify and record those matters which were critical to his decision.”

49. In the present case the Hearing Officer had already compared the marks on the basis of identical services. So the only basis for a difference in outcome for other identical goods/services could be if that altered the nature of the average consumer and/or the care that would be applied to the choice of goods such that confusion might occur where it otherwise would not have done.

50. Mr Hannay focussed in particular at the hearing on the registrations in classes 16, paper, printed matter etc., and 41, Education and training services etc. I set out a comparison of the relevant goods and services below taken from the Appendix to Cloch’s skeleton before the Hearing Officer, with the goods/services for the earlier mark on the left and those applied for on the right:

16	Paper; printed matter; legal pads; notebooks; printed publications; journals; manuals; documentation (including bibles); pamphlets; brochures; articles; leaflets; forms; books; newsletters; newspapers; reports; periodicals; magazines; commentaries; stationery; office requisites; writing instruments; instructional and teaching materials; instructional and teaching materials (other than apparatus) relating to law, finance, business, intellectual property, consultancy, management, employment, education, history, economics, trade, the provision of legal services and other commercial matters, all included in Class 16.	16	Printed matter and instructional and teaching materials, all relating to business, human resources and/or the provision of legal services.
41	Education and training services; arranging and conducting of conferences, colloquiums, seminars, symposiums, workshops and exhibitions; preparation of reports and briefings; publishing;	41	Arranging and conducting of conferences and seminars; preparation of reports;

<p>provision of on-line electronic publications; all of the foregoing relating to law, business, finance, insurance, property, management, banking, securities, media and communications, shipping, pensions, tax, energy and environment; translation services; provision of information and advisory services all relating to the aforesaid services, including such services provided online from a computer network and/or via the Internet and/or extranets; Entertainment services; running of competitions, running of quizzes, education and entertainment services including those related to sports; arranging, organising, presentation and provision of dinners and events, sporting competitions, sporting and cultural activities, live performances, exhibitions, seminars, conferences and shows; Event organisation and management; Charity event organisation and management; Running of sports quizzes; library services; providing on-line electronic publications; event registration services for attendance at conferences, meetings, dinners, social events and composition of written and digital communications; Translation of programs; translation services; information, consultancy and advisory services relating to the aforesaid, including such services provided online from a computer network and/or via the Internet and/or extranets.</p>	<p>education and training services; provision of information and advisory services; all the aforementioned, in relation to legal services.</p>
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51. Given the limitations in the goods and services applied for (in class 16 “...all relating to business, human resources and/or the provision of legal services” and in Class 41 “...in relation to legal services”) I do not consider that there is a material difference in either the relevant average consumer nor in the level of attention which will be applied to the purchase of the respective goods and services such as to undermine the conclusions of the Hearing Officer in §37. He had already concluded in §26 that the average consumer included members of the public, that they would apply a reasonable degree of consideration when selecting the goods and services but not materially above the norm and that the marks would be likely to be encountered via advertisements, websites and signage and also aurally over the telephone and via word of mouth. He was entitled to apply the same standards to the other goods and services applied for and reach the same conclusion.
52. No doubt he could have expressed himself more fully, but his failure to do so does not mean that I should interfere with his conclusion, particularly where his reasoning is apparent.
53. For these reasons I dismiss the appeals under s.5(2)(b).

**The Opposition to Loch’s Marks under s.5(4)**

54. The Hearing Officer dealt with this issue briefly too, concluding that in the absence of any likelihood of confusion Cloch could not succeed in passing off either.

55. Although s5(4)(a) was not the subject of any written submissions from Cloch before me, at the hearing Mr Hannay submitted that the definition of goodwill was different in Scotland compared to that in England and Wales, and so different considerations might apply. He also submitted that the counteraction principle could not apply to passing off.
56. I reject both these criticisms. The law of passing off as summarised by the House of Lords in e.g. *Reckitt & Colman v. Borden* [1990] RPC 341 applies equally to Scotland as well as to England and Wales. Moreover, there was no evidence to suggest that Cloch's goodwill should be treated any differently as a matter of Scottish law than under English law. As for the counteraction principle, this is as bound up in the test for misrepresentation as it is in the consideration of likelihood of confusion, and so there is no reason to disregard it when assessing the tort of passing off.
57. This limb of the appeal also fails. As a result the conclusions of the Hearing Officer should be upheld and Loch's marks should proceed to grant.

## **COSTS**

58. Cloch was ordered to pay £4400 below made up as follows:
- Official fee for opposing CS's application - £200
  - Filing 1 notice of opposition and 9 counterstatements (and considering the other side's notices) - £2000
  - Filing and considering evidence - £1000
  - Preparing for and attending the CMC - £400
  - Preparing for and attending the main hearing - £800
59. This is higher than the usual award of costs before the Registry made in a single opposition, albeit that it is recognised that the scale costs do not reflect the actual costs incurred by parties instructing professional representatives and so no doubt Loch spent more than £4400. The principle reason for this is the award of £2000 for the 10 sets of pleadings.
60. Mr Hannay challenged this part of the award and submitted that it was unfair to penalise Cloch for 9 effectively identical counterstatements. Ms Jones responded by pointing out that the range for such a filing in Tribunal Practice Note 2/2016 is £200-650 and it made little difference whether a larger amount was awarded for the first one and then smaller amounts for the duplicates, or the same (minimum) amount was awarded for each. I am also reminded that Cloch sought to strike out

Loch's counterstatements and that this resulted in additional costs being incurred. At the case-management conference which took place to deal with this application, amongst other things, the Hearing Officer determined that it was not necessary or proportionate to require Loch to supplement its counter-statements in the manner sought by Cloch.

61. It is well established that an appellate tribunal should be reluctant to interfere with an award of costs made below. I am satisfied that in all the circumstances the Hearing Officer was entitled to make an award of £2000 in respect of the 10 sets of pleadings prepared by Loch.
62. To this I shall add an award of £1500 to represent the costs of the appeal.
63. Cloch should therefore pay Loch the sum of £5900 within 21 days of the date of this decision.

Thomas Mitcheson QC  
The Appointed Person  
7 December 2018