

TRADE MARKS ACT 1994

BLO/791/21

IN THE MATTER OF REGISTRATION NO. 3155070

IN THE NAME OF METEORIC GAMES LTD

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO UNDER NO. 502570

BY METRO-GOLDWYN-MAYER PICTURES INC.

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON

BY METEORIC GAMES LTD

AGAINST A DECISION OF MR MARK BRYANT O/197/21

DATED 25 MARCH 2021

Decision

Introduction

1. This is an appeal from a decision of Mr Mark Bryant, acting for the Registrar, dated 25 March 2021, in which he declared UK trade mark registration number 3155070 (“the Trade Mark”) invalid on the ground of bad faith under section 3(6) of the Trade Marks Act 1994 (“the Act”).

UK Trade Mark registration number 3155070

2. The Trade Mark was registered in the name Meteoric Games Ltd (“the Proprietor” or “the Appellant”) with the following details:
 - ✓ Mark: ringworld
 - ✓ Filing date: 15 March 2016
 - ✓ Registration date: 17 June 2016
 - ✓ Class 9: *Computer games software; Video games software.*

Application for invalidation

3. On 18 April 2019, Metro-Goldwyn-Mayer Studios Inc filed an application for invalidation against the Trade Mark on the basis of section 3(6), section 5(4)(a) and 5(4)(b) of the Act. Metro-Goldwyn-Mayer Pictures Inc (“the Respondent”) is a wholly-owned subsidiary company of Metro-Goldwyn-Mayer Studios Inc and was the correct company to bring the application, and was therefore granted permission to be substituted as the applicant for invalidity.
4. The application under section 3(6) was based on the Respondent’s ownership of certain rights relating to the RINGWORLD series of science fiction books written by Larry Niven, and that the Proprietor had applied to register the Trade Mark in bad faith with the intention of launching a science fiction-themed video game under that name.
5. The application under section 5(4)(a) was based on earlier rights, in particular goodwill in the books, role-playing games and comic books, and rights to produce audio-visual works based on the RINGWORLD series under a pooling of rights agreement. Use of the Trade Mark in respect of computer games was likely to mislead the public into believing that the Proprietor’s goods were those of the Respondent or that they had been authorised by the Respondent, resulting in damage. In addition, the Respondent claimed that the Trade Mark conflicted with contractual rights it had acquired to the RINGWORLD series of books, including the right to develop computer games based on the RINGWORLD series and the right to obtain a trade mark relating to the series for the sign RINGWORLD.
6. The application under section 5(4)(b) was based on copyright infringement in the books.
7. In its counterstatement the Proprietor put the Respondent to proof of all its claims. It asserted that it had registered the Trade Mark 18 months before the Respondent had made public its interest in the mark and that, because the Proprietor’s game was still in development, there could be no passing off. The Proprietor also asserted that copyright could not apply to a title alone.
8. Both parties filed evidence. A hearing took place on 15 March 2021 where the Respondent was represented by Mr David Stone of Allen & Overy LLP and the Proprietor was not represented.

The Hearing Officer’s decision

9. The Hearing Officer issued his written decision on 25 March 2021.
10. Having explained that section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period, the Hearing Officer confirmed that because section 3(6) of the Act was derived from an

EU Directive he would continue to make reference to trade mark cases of the EU courts. He then cited a number of relevant EU and UK judgments and set out a summary of the applicable law. Neither party sought to challenge that summary in the appeal before me.

11. In particular, the Hearing Officer set out at paragraph 22 of the Decision the following extract from *Trump International Ltd v DTTM Operations LLC* [2019] EWHC 769 (Ch):

“In these circumstances, the Registrar seeks guidance from the Court as to how the IPO should deal with such applications in the future. Whilst the decisions discussed in this judgment suggest that the IPO is applying the correct approach, the following may be of some assistance:

i) Where an application is made for a well-known trade mark with which the applicant has no apparent connection, this requires explanation and justification by the applicant;

...

iv) The Alexander questions provide a useful structure for considering allegations of bad faith, as shown by the Decision of the Hearing Officer in the present case. However, like the Pozzoli questions, which provide a structured approach to the issue of inventive step in relation to patents, they are not a substitute for the statute and do not have to be used in every case. Bad faith has numerous manifestations and cannot be classified comprehensively; ...”.

12. The Hearing Officer found it helpful to consider the factual matrix within the framework of the questions set out in *Alexander Trade Mark*, The Appointed Person, BL O/036/18 (the “Alexander questions” referred to in the extract set out in paragraph 11 above).

13. The Respondent’s case was that, at the filing date of the application, the Proprietor knew about the RINGWORLD series of books, had an interest in the development of sci-fi computer games, and planned to create a sci-fi computer game based on the books. To do so without obtaining the necessary permissions would, the Respondent submitted, be an act that fell short of the standards of acceptable commercial behaviour, so that the Proprietor’s application to register RINGWORLD as a trade mark for the computer game would be an extension of that unacceptable behaviour and its filing would be in bad faith.

14. With respect to the Alexander question of whether the application was filed in pursuit of the objective of creating a sci-fi computer game based on the books, the Hearing Officer said that it was highly relevant that, despite having ample opportunity, the Proprietor had not provided any counter-narrative to the Respondent's assertions that the Proprietor filed the application knowing about the RINGWORLD series of books and planning to create a sci-fi computer game based on the books.

15. The Hearing Officer referred to paragraph 36 of the General Court's judgment in *Holzer y Cia, SA de CV v EUIPO* (joined cases T-3/18 and T-4/18) where the Court said:

"where EUIPO finds that the objective circumstances of the particular case relied on by the applicant for a declaration of invalidity may lead to the rebuttal of the presumption of good faith applying to the application for registration of the mark at issue, it is for the proprietor thereof to provide plausible explanations on the objectives and commercial logic pursued by the application for registration of that mark."

16. He also cited paragraph 58 of *Fianna Fail and Fine Gael v Patrick Melly* [2008] ETMR 41, where Mr Geoffrey Hobbs QC sitting as the Appointed Person said:

"None of this was an accident. The applicant targeted the opponent organisations and took their names for the purpose of registering them in furtherance of his objectives. His strategy was leech like in its effort to fasten upon and feed off the distinctive character and repute of the names. I can see from what the applicant has written that he believed their names were open and available for registration in the United Kingdom on a first come, first served basis. ...his subjective perceptions cannot, in my view, excuse or justify his conduct in connection with the disputed applications for registration. I am satisfied that his conduct in that connection should be regarded as improper for having been embarked upon in bad faith within the grasp of that objection as set out above. I therefore uphold the opponents' appeals and objections under Section 3(6) with the result that the disputed applications for registration will be refused in their entirety."

17. The Hearing Officer set out his conclusion in paragraph 37 of the Decision:

"In the current case, the proprietor has failed to provide any plausible explanation of its objectives and commercial logic when applying for its trade mark and there is no rebuttal to the circumstances depicted by the applicant. In the absence of this, the case put forward by the proprietor has greater relevance. In the absence of any credible counter-narrative, I accept that the circumstances, as set out by the applicant, are likely to reflect

the correct position and the motive of the applicant when applying for its registered trade mark was to gain exclusive rights to the name RINGWORLD in the UK as a name of a game based upon or inspired by one or more of the RINGWORLD series of books without obtaining the necessary permissions.”

18. The Respondent therefore succeeded in respect of its claim under section 3(6) of the Act, and the trade mark registration was therefore invalidated in its entirety.

19. The Hearing Officer went on to briefly consider the other grounds relied on by the Respondent and found that it had failed in respect of each of them. However, since those findings were of no consequence to the outcome and were not the subject of the appeal, I need not say anything further about them.

The appeal

20. On 21 April 2021, the Proprietor filed a Notice of Appeal to the Appointed Person under section 76 of the Act.

21. At the hearing, which was held remotely on 8 September 2021, Mr Peter Guest, who had described himself in his witness statement prepared for the hearing before the Hearing Officer as the Appellant’s “authorised representative”, appeared on behalf of the Appellant. The Respondent was represented at the hearing by Mr David Stone of Allen & Overy LLP.

Standard of review

22. It is well established that in order to interfere with the decision of the Hearing Officer it was necessary to satisfy me that there was a distinct and material error of principle in the decision or that the Hearing Officer was wrong. The relevant principles were set out in particular in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and by the Supreme Court in *Actavis Group PTC EHF v ICOS Corporation* [2019] UKSC 15. An appeal is by way of review, not a rehearing. Neither surprise at a Hearing Officer’s conclusion nor a belief that she or he has reached the wrong decision will justify interference.

Grounds of appeal

23. The Appellant’s grounds of appeal were contained in a single sentence in its Notice of Appeal, and consisted of two separate grounds:

- i. That the Respondent “had been acting outside the rules and regulations for a invalidation filing” (*sic*); and

- ii. “The Hearing Officers decision should be set aside and not implemented for lack of due diligence in managing the case” (*sic*).

Acting outside the rules and regulations

24. With respect to the first ground, Mr Guest asserted at the hearing before me that the Hearing Officer had been given incorrect information by the Respondent on which he may have based his decision. When I asked Mr Guest what that incorrect information was, he replied that the Respondent had been wrong to bring an invalidation action. When I explained that an invalidation action was the correct procedure if the Respondent intended to assert that the Trade Mark had been filed in bad faith, Mr Guest replied that the Appellant disagreed that the application had been made in bad faith because the Appellant had been unaware at the date of filing that the Respondent intended to make a television show based on the RINGWORLD books.
25. Evidence relied upon at the original hearing showed that the fact that the Respondent had acquired rights to produce a television series based on the RINGWORLD series of books had been announced publically in 2017. By that stage, the Trade Mark had already been applied for, on 15 March 2016.
26. However, the Hearing Officer specifically dealt with the issue of knowledge of the television series in paragraph 38 of the Decision, where he said the following:

“Finally, in respect of the applicant’s claim that the applicant’s inflated valuation of its trade marks also support its claim of bad faith, I am not persuaded by this. The valuation was communicated to the applicant in 2020 and it does not demonstrate that it had any knowledge of the applicant’s interest in making a television series based on the RINGWORLD series of books or that the application to register its mark was made with the intention to exhort money from the applicant or other rights holder. I refrain from commenting further on the valuation as such comment would not be relevant to the issue before me.”
27. It is therefore clear that the Hearing Officer reached his decision without taking any account of any knowledge by the Appellant of the Respondent’s interest in the television series.
28. In fact, paragraph 31 of the Decision suggests that the Hearing Officer largely reached his decision based on the lack of evidence, as opposed to relying on any particular information which may have been incorrect:

“The applicant’s case is circumstantial in nature. The evidence does illustrate that the proprietor has an interest in sci-fi themed computer games, however, there is no direct evidence that the proprietor has any knowledge of the RINGWORLD series of books. I am being asked to infer this knowledge based upon the proprietor’s interest in sci-fi. It is my view that this alone is not sufficient. However, it is also highly relevant that, despite having ample opportunity, the proprietor has not provided any counter narrative. If one existed, it would have been easy for the proprietor to present it in evidence and to explain its reasons for choosing the trade mark RINGWORLD.”

29. The Appellant had plenty of opportunity to put forward evidence explaining why it applied for the Trade Mark, but it did not do so.
30. I therefore do not agree that the Hearing Officer reached his Decision based on any incorrect information provided by the Respondent.
31. The Appellant also argued at the hearing that the Respondent had acted outside of the rules and regulations because all information came via their legal advisors, Allen & Overy LLP, and that that had caused delays.
32. No criticism can be made of any party instructing lawyers to advise them in proceedings before the Registry, and when I questioned Mr Guest about the periods of delay, he referred to two periods – one of two months and one of six weeks. It appears that the proceedings were stayed in order to allow the parties the opportunity to settle their differences without the need for a hearing. Again, there is nothing improper about that - it is an important part of the process, as it can save both parties incurring unnecessary further legal costs and time if a settlement can be reached without the need for a hearing. Mr Guest was also unable to point to any damage or loss that the Appellant suffered as a result of the proceedings not progressing during these two periods of time, given that the Trade Mark remained registered throughout.
33. I therefore find that there was no evidence that either the Respondent or its advisors acted outside the rules in any way, and I reject that ground of appeal.

Lack of due diligence in managing the case

34. The second ground of appeal set out in the Notice of Appeal was that the Hearing Officer’s decision should be set aside “for lack of due diligence in managing the case”. No further particulars were set out in the Notice of Appeal, and when I asked Mr Guest at the hearing to explain what he was referring to, he was unable to give me any examples.

35. I have not seen anything to suggest that the case was not managed with due diligence and accordingly I reject the appeal based on that ground.

Lack of bad faith

36. Since I have rejected the two grounds of appeal set out in the Appellant's Notice of Appeal, the appeal must be dismissed. However, for the sake of completeness, I will refer to certain submissions made by the Appellant during the course of the hearing before me which may have suggested a potential additional ground of appeal which was not included in the Notice of Appeal, namely that the Hearing Officer's decision was wrong because there was no bad faith. In particular, I referred in paragraph 24 above to the Appellant's disagreement with the Hearing Officer's finding of bad faith.

37. I have explained above that the Hearing Officer took into account the Appellant's failure to give any explanation as to why it had applied for the Trade Mark. The Hearing Officer was entitled to rely on that lack of explanation when it is for the proprietor to provide plausible explanations on the objectives and commercial logic pursued by applying for registration of its trade mark. It was therefore too late for the Appellant to seek to do so for the first time in oral submissions made to me during the hearing of the appeal.

38. Nevertheless, I was given the distinct impression by Mr Guest from his oral submissions to me that, when the Appellant applied to register the Trade Mark, the Appellant was aware of the RINGWORLD series of books (rather than being aware of the Respondent's interest in making a television series based on the books). In particular, he told me that the Appellant was only interested in the word RINGWORLD, which it wanted to use to make a video game, and that it was not interested in the books or the stories "because they were all covered by copyright". Mr Guest also told me that the Appellant had undertaken trade mark searches before applying for the Trade Mark and that it had made sure that "it was not covered by copyright".

39. None of these oral submissions were submitted as formal evidence, and no explanation was given by Mr Guest as to why the Appellant had not submitted evidence to that effect at the appropriate time prior to the original hearing. However, while there is no need for me to make a formal ruling on the admissibility of these submissions as evidence, since it does not relate to the two grounds of appeal set out in the Notice of Appeal, I note that they do in fact support the Hearing Officer's conclusions set out in paragraph 37 of the Decision. I have described in paragraphs 10 to 18 above the process the Hearing Officer went through in reaching his decision. This reflected an accurate

summary of the applicable law relating to applications under section 3(6) of the Act and in my judgement he was entitled to apply that law to the facts of this case in the way that he did.

40. I have not seen or heard anything to suggest that the Hearing Officer made a distinct and material error of principle in finding that the Trade Mark was applied for in bad faith, or that his decision was wrong.
41. The appeal is therefore dismissed. The Hearing Officer's decision stands and the Trade Mark is invalidated in its entirety.

Costs

42. The Respondent is entitled to a contribution to its costs of the appeal. The Respondent sought costs up to the maximum of the published scale. However, the Notice of Appeal was extremely brief, the Respondent's Notice only contained six short paragraphs, and the Respondent's Skeleton Argument described its case as straight forward.
43. I will order the Appellant to pay the Respondent £900 in respect of the appeal, to be added to the £2,100 ordered by the Hearing Officer, to be paid within 21 days of the date of this decision.

Simon Clark

The Appointed Person

20 October 2021

Representation:

Appellant: Mr Peter Guest (representative of the Appellant)

Respondent: Mr David Stone (Allen & Overy LLP)