BL O/0055/25

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO UK00003908062 AZTEC

IN THE NAME OF SPILSBURY HOLDINGS LIMITED

AND IN THE MATTER OF OPPOSITION NO. 600002963

BY TV AZTECA S.A.B DE C.V

AND IN THE MATTER OF AN APPEAL FROM DECISION NO. O/0384/24

OF Mx N R MORRIS DATED 29 APRIL 2024

Representation

Appellant: Mr. Benjamin Scarfield (of Kilburn & Strode LLP)

Respondent: Not represented and did not appear

DECISION

Introduction

1. This is an appeal by Spilsbury Holdings Ltd ("Spilsbury") against decision BL O/0384/24/1012/23 of Mx N R Morris, sitting as a Hearing Officer on behalf of the Registrar of Trade Marks, dated 29 April 2024.

2. Spilsbury applied to register AZTEC on 4 May 2023 under No. UK00003908062 for goods and services inn classes 9, 36, 41 and 42 (the "Application"). For the purposes of this appeal, the relevant services are the following in class 41:

> *Developing, arranging, and conducting educational and business conferences in the field of blockchain and programming languages; educational services, namely, developing, arranging and conducting classes, seminars, conferences, workshops, retreats, camps and field trips in the field of blockchains and distributed computing platforms, and distribution of training material in connection therewith.*

3. TV Azteca S.A.B. De C.V ("TV") filed a "Fast Track" opposition to the Application on 25 July 2023 under S. 5 (2) (b) of the Trade Marks Act 1994 ("the Act"), relying on its earlier trade mark registration No. UK00003633382 

(the "Registration") having a priority date of 27 July 2020.

4. In its opposition, TV relied on the following class 41 services only:

> *Entertainment services, including News bulletins, news programmes, documentaries, Educational activities; Electronic publishing services; Providing online electronic publications, not downloadable.*

5. The basis of the opposition under S. 5 (2) (b) was that the parties' marks were similar, the services covered were identical/similar and that consequently there is a likelihood of confusion.

6. Spilsbury defended the opposition, denying TV's claims in full.

7. Neither party sought a hearing. Both sides filed written submissions in lieu of a hearing. The decision of the Hearing Officer was therefore made on the papers.

8. The Hearing Officer held (in summary) that:

    a) The parties' respective services were identical/highly similar;
    b) The marks were visually similar to a medium degree, aurally similar to a high degree and conceptually neutral;
    c) There was a likelihood of indirect confusion; and thus
    d) The opposition succeeded in full.

9. Spilsbury filed a Notice of Appeal under S. 76 of the Trade Marks Act 1994 ("the Act") on 28 May 2024. No Respondent's Notice was filed and TV took no part in this appeal.

Standard of Review

10. An appeal is by way of review, not re-hearing. The Court of Appeal has recently summarised the test to be applied to appeals of this kind in *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262, where Arnold LJ stated the position to be as follows at [110]:

> "110. It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: *Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2] (v) (Lewison LJ). Equally, it is common ground that, in so far as the appeals challenge multi-factorial evaluations by the judge, this Court is only entitled to intervene if the judge erred in law or principle: compare *Magmatic Ltd v PMS International Group plc* [2016] UKSC 12, [2016] Bus LR 371 at [24] (Lord Neuberger of Abbotsbury) and *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]- [81] (Lord Hodge), and see *Re Sprintroom Ltd* [2019] EWCA Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJJ) which was cited with approval by the Supreme Court in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 at [49] (Lord Briggs and Lord Kitchin).

11. The judgment of Joanna Smith J. in *Axogen Corporation v Aviv Scientific Limited* [2022] EWHC 95 (Ch) at [24] is an appropriate summation of the detail of the approach to be followed:

> "24. Although I was referred to numerous cases on the subject …. the approach of the appeal court to a statutory appeal under section 76(1) of the TMA is uncontroversial. I bear the following principles, relevant to the issues before me, firmly in mind:
> i) The appeal is by way of a review, not a rehearing;
> ii) The appeal court will allow an appeal where the decision of the lower court was "wrong" (see CPR 52.11). Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffices to justify interference;
> iii) The decision of the lower court will be "wrong" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. Absent an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "outside the bounds within which reasonable disagreement is possible";

iv) The approach required by the appeal court depends on a number of variables including the nature of the evaluation in question. There is a "spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision", with decisions of primary fact at one end of the spectrum and multi- factorial decisions (of the type which the parties agree were made in this case by the Hearing Officer) being further along the spectrum.

v) In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions.

vi) An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. The evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible;

vii) Another variable to be taken into account will be "the standing and experience of the fact-finding judge or tribunal". Expert tribunals are charged with applying the law in the specialised fields and their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts.

viii) The appellate court should not treat a judgment 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". The reasons need not be elaborate. There is no duty on a judge, in giving her reasons, to deal with every argument presented by counsel in support of his case. It is sufficient if what she says shows the basis on which she has acted. The issues the resolution of which were vital to the judge's conclusions should be identified and the manner in which she resolved them explained.

ix) In evaluating the evidence, the appellate court is entitled to assume, absent good reason to the contrary, that the first instance judge has taken all of the evidence into account."

12. I also note BL O/0639/24 *LIFE'S* where at [11] Mr Geoffrey Hobbs KC stated:

" 10. …it is necessary in order to maintain the required distance between the role of decision taker at first instance and the role of decision taker on appeal for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the Opponent relies are by force of what they reveal sufficient to establish — to the standard indicated in para. [8] above — that the Decision is vitiated by error."

13. I bear these principles in mind.

The Appeal

14. There are four grounds of appeal, slightly rephrased for clarity where necessary, as follows:

Ground 1: The Hearing Officer wrongly held that the Opponent's "*Entertainment services, including News bulletins, news programmes, documentaries, Educational activities*" covered educational activities at large rather than entertainment services which feature educational activities or an educational aspect.

Ground 2: In interpreting the term "educational activities" as a standalone term and not one which falls within "entertainment services" the Hearing Officer erred in the application of UKIPO guidance on punctuation.

Ground 3: In deciding that "educational activities" qualified as a standalone term, the Hearing Officer erred by ignoring cited case law, namely the *SkyKick* case[1], and particularly that a term's use should not be interpreted widely but confined to the core of the possible meanings attributable to the terms.

Ground 4: The Hearing Officer erred in finding that the average consumer will be unfamiliar with the meaning of "AZTEC" by incorrectly ignoring the dictionary definition of the term.

[1] *Sky v Skykick* [2020] EWHC 990 (Ch)

Merits

Grounds 1 – 3: Interpretation and Comparison of Services

15. These grounds all relate to or stem from the same issue, namely the Hearing Officer's interpretation of the services of the Registration relied upon by TV. Before me, Mr Scarfield fairly conceded that Grounds 2 and 3 added little to Ground 1. I shall therefore take all 3 together, focussing primarily on Ground 1.

16. Before comparing the services, the question the Hearing Officer had to resolve was, what is meant by the term *"Entertainment services, including …, Educational activities"* (emphasis added). They approached it thus. First, they set out the relevant law and principles at [14-20] and there is no dispute that they did so correctly.

17. Next, the Hearing Officer dealt with the dispute between the parties as to the interpretation of the term in question:

> "21. Before I conduct my comparison, it is appropriate to address a matter of interpretation. The parties disagree on the interpretation of 'Educational activities',
> which forms part of the term 'Entertainment services, including News bulletins, news programmes, documentaries, Educational activities' in the Opponent's specification. The Opponent has submitted that the Applicant's services are identical to the Opponent's 'general category of educational activities', on the basis that they are encompassed by the Opponent's term and, therefore, identical according to the principle in *Meric*. The Applicant has countered that the construction of the Opponent's broad term, of which 'Educational activities' is a part, is such that 'educational activities' is to be read as a sub-set of 'entertainment services'. It argues that 'there is no entertainment value suggested by the terms in the application' and that the respective services cannot, therefore, be *Meric* identical.
>
> 22. It is appropriate to bear in mind the case of *Sky v Skykick* [2020] in which Lord Justice Arnold considered the validity of trade marks registered for, inter alia, the broad term 'computer software'. In his judgment, he set out the following summary of the correct approach to interpreting broad and/or vague terms:
> "…the applicable principles of interpretation are as follows:
> (1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.
(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.
(4) A term which cannot be interpreted is to be disregarded."

23. I also remind myself of the case of *Altecnic Ltd's Trade Mark Application* [2002] RPC 34 (CA) in which the Court of Appeal held that "the Registrar is entitled to treat the Class number in the application as relevant to the interpretation of the scope of the application, for example, in the case of an ambiguity in the list of the specification of goods."

24. As a general observation on the class 41 terms upon which the Opponent relies, I note the presence of both commas and semi-colons. My view is that, when construing the specification literally, the commas separate different items within the same broad term, whereas the semi-colons serve to indicate where that broad term ends. It is my view that the term 'Entertainment services, including News bulletins, news programmes, documentaries, Educational activities;' reads literally as 'entertainment services' which include the items subsequently enumerated. Therefore, the literal interpretation of 'Educational activities' is, in my view, educational activities within 'entertainment services', i.e. the provision of entertainment which has the quality of being educational. My view is that if 'Educational activities' were to be read as covering educational activities at large, there would need to be a semi-colon preceding the word 'Educational'. I therefore agree with the Applicant's argument to the extent that the literal reading of the Opponent's 'Educational activities' is 'entertainment services of an educational variety'. However, for the reasons that follow, it is my view that this interpretation is problematic and unworkable. The Explanatory Note, provided by WIPO, for Class 41 of the NICE Classification system, states as follows:

'Class 41 includes mainly services consisting of all forms of education or training, services having the basic aim of the entertainment, amusement or recreation of people, as well as the presentation of works of visual art or literature to the public for cultural or educational purposes.'

25. My view is that the explanatory note treats 'education or training services' as distinct from services whose aim is to entertain or amuse. If I adopt the literal interpretation of the Opponent's term, the difficulty arises as to how to determine the core purpose of the 'education services' in question; i.e. to provide entertainment or education? If I were to adhere to the literal construction of the Opponent's term and accept 'educational activities' to be an 'entertainment service', this would introduce a distinction between 'educational activities' which, self-evidently, come under 'education' and some other category of 'educational activities' which, purely because they have been prefaced by the wording 'Entertainment services including' will come under 'Entertainment services'. But this distinction would amount to a nonsense; because both are educational activities. Therefore, it is my view that the most common-sense approach is to interpret the term within the spirit of the above-mentioned explanatory note. I consider that the Opponent's Educational activities should be read as educational activities at large whose purpose is to educate, train or impart knowledge. To encompass 'educational activities' within 'entertainment services' is not only at odds with the natural meaning of educational activities and the spirit of the NICE classification system, but, logically speaking, liable to generate an absurdity."

18. In summary, therefore, the Hearing Officer identified at [24] that the literal interpretation of the Registration's specification was "entertainment services of an educational variety" but then in [25] adopted the much broader view that that the Opponent's "Educational activities" should be read as educational activities at large.

19. The inevitable result of this was that at [26] the Hearing Officer determined that the Application's

> *"Developing, arranging, and conducting educational […] conferences in the field of blockchain and programming languages; educational services, namely, developing, arranging and conducting classes, seminars, conferences, workshops, retreats, camps and field trips in the field of blockchains and distributed computing platforms, and distribution of training material in connection therewith."*

Were identical to the Registration's

> *"Educational activities"*

Notwithstanding that term was expressed to be included within the term *"Entertainment Services"*.

20. Using the same reasoning, at [27] the Hearing Officer determined that the Application's

> *Developing, arranging, and conducting […] business conferences in the field of blockchain and programming languages*

Were highly similar to the Registration's *"Educational activities".*

21. The reasoning given by the Hearing Officer for the "wide" interpretation of "Educational activities" was that they considered the "narrow" interpretation to be "problematic and unworkable". This flowed from their reading of the WIPO Explanatory Note for Class 41 and the resulting conclusion that:

> "To encompass 'educational activities' within 'entertainment services' is … liable to generate an absurdity."

22. Mr Scarfield submitted that the Hearing Officer's approach was flawed and there is no reason why the Registration's specification cannot be interpreted, in effect, to read "entertainment services of an educational variety". It is, he submitted, perfectly possible for something to be both primarily an entertainment and secondarily educational. Furthermore, the WIPO explanatory note relied on by the Hearing Officer does not have the effect contended for, namely treating educational services and entertainment services as distinct or mutually exclusive.

23. Furthermore, it was submitted that the Hearing Officer's approach is at odds with the guidance of *SKYKICK* which is that unclear terms should be interpreted narrowly or disregarded, rather than broadly.

24. Mr Scarfield also relied on UKIPO Guidance and practice as to the interpretation of specifications, as applied in a parallel case between the parties, BL O/0499/24 (in that case, *AZTECA v AZTEC NETWORK*). Exactly the same point arose and the Hearing Officer concerned interpreted the disputed term thus at [21]:

> "I note the opponent's comment that "the earlier trade mark covers educational activities and providing of electronic publications in general and thus according to the *Meric* case the Application's services are identical to the Earlier Mark's services as they are encompassed by the more general category of services of the Earlier Mark".

However, I believe the applicant is correct in their submissions when they say that the opponent does not have 'educational activities' at large but rather the term is 'Entertainment services, including News bulletins, news programmes, documentaries, Educational activities'. The difference between the effect of a semicolon and the effect of a comma is important when interpreting a term relied upon. The use of commas serves to separate items within a similar category or expression, whereas a semicolon means a separation between expressions. This is supported by CJEU C-97/12P[2], paragraphs 96 and 97. It therefore follows that the opponent's specification would refer to services which have a main focus on entertainment but that can also be of an educational variety."

25. BL O/0499/24 is not binding on me but it does serve to illustrate a line of reasoning in line with conventional principles and practice (including the Office's own Manual of Trade Mark Practice, Classification information, para. 2.17).

26. Having reviewed the Hearing Officer's approach in this case I find I am in complete agreement with the Appellant. Contrary to the Hearing Officer's apparent view, there is nothing in the WIPO Explanatory Note that stipulates that terms within a class are mutually exclusive. Indeed, the Note is no more than its title suggests, i.e. an "explanatory note", or guidance to those tasked with determining classification.

27. As to the statement that:

"To encompass 'educational activities' within 'entertainment services'… is liable to generate an absurdity"

I confess I find myself completely unable to understand this reasoning. It is entirely possible for something to both entertain and educate simultaneously. Indeed, fashioning something as an entertainment with the underlying aim of educating is a common and well-known practice, as (for example) numerous films, documentaries and TV shows can attest (the well-known television show "Horrible Histories" is just one example of many). Although this may not be widely known, there is even a rather inelegant portmanteau term for such services, "edutainment". Entertainment may be the spoonful of sugar to help the medicine of education go down, as it were.

[2] *Vuitton Malletier v OHIM — Friis Group International (Representation of a locking device)*

28. This does not mean that all entertainment services equate to educational activities or vice versa, merely that a duality of function is possible and that it is perfectly possible, and permissible, to fashion a specification reflecting this. Indeed, the Hearing Officer had already done so in [25], only to subsequently discount it. Whether the bias is more in favour of one function over the other is a question of fact in each case.

29. I also agree with the Appellant that the Hearing Officer's approach is at odds with established practice as regards the effect of commas versus semi-colons, notwithstanding they themselves acknowledged that to achieve their preferred meaning a semi-colon [24] would need to be present. It was not open to the Hearing Office to insert a "virtual" semi-colon so as to broaden the specification as they did.

30. Finally, I agree the Hearing Officer acted contrary to the principles of *SKYKICK* to the effect that unclear terms should be limited or disregarded. If the Hearing Officer had properly concluded that the specification was "an absurdity" or was "problematic and unworkable" the correct course was to limit it or disregard it altogether in line with paras [22 (2)-(4)] of *SKYKICK*.

31. In short, the correct approach to interpreting the Registration's specification is a form of inclusive words in line with the literal meaning ascribed to them by the Hearing Officer at [24] or the form adopted in BL O/0499/24 at [21], treating the opponent's specification as referring to services which have a main focus on entertainment but which can also be of an educational variety.

32. I am satisfied that the Hearing Officer's conclusion is unprincipled and outside the bounds within which reasonable disagreement is possible. I therefore uphold Grounds 1-3 of the Appeal.

Ground 4 – Conceptual Comparison of Marks

33. This ground concerns the Hearing Officer's assessment of the conceptual meaning of the term AZTEC.

34. The Hearing Officer dealt with this at [38]:

> "The Opponent has alluded to the words 'Aztec' and 'Azteca' being Spanish, although it has not provided a suggested meaning for either. The Applicant is silent as to how the word 'Aztec' will be perceived by the average consumer but had argued that the word 'Azteca' 'will not be understood in the English language' and that, consequently, no conceptual comparison can be made. My view is that both the words 'Azteca' and 'Aztec' will, for a significant proportion of average consumers, be perceived as invented words

> with no meaning. I nevertheless recognise that a certain number of average consumers will recognise that 'Aztec' is the name of an indigenous people from Mexico in the Sixteenth Century (or, at least, from several centuries ago) and will therefore likely perceive 'Azteca' to be derived from that word. However, I must be prudent not to ascribe such knowledge to a greater proportion of consumers than is warranted. I consider that a significant number of average consumers will be unfamiliar with these words. The multicoloured device within the Opponent's mark will not, to my mind, contribute anything in terms of concept. I find the marks to be conceptually neutral."

35. Mr Scarfield contended that the Hearing Officer erred by acknowledging that there is a conceptual meaning for the Contested Mark, being the indigenous people from Mexico in the 16th century, and one of the most famous civilizations in history, but then deciding that the average consumer will be unfamiliar with this word and that both the Application and the Registration were invented terms which were conceptually neutral. Instead, Mr Scarfield argued, AZTEC should have been treated as having the meaning mentioned above, whereas AZTECA should have been treated as an invented neologism with no meaning at all. This, Mr Scarfield went on to argue, would have impacted on the assessment of indirect confusion

36. The first thing to note is that, as the Hearing Officer quite correctly points out, nothing was said about the definition/conceptual meaning of AZTEC by Spilsbury below. Indeed, no literal dictionary definition, as such, was or is in evidence.

37. However, whilst the Hearing Officer states otherwise, it was a point raised by TV in its Statement of Grounds of Opposition at [23]:

> "Conceptually, the marks are also identical. AZTEC is the noun or adjective referring to a member of an ancient Mexican civilization. AZTECA is the Spanish translation of AZTEC."

38. In response Spilsbury had pleaded that "the word element "AZTECA" is not a word in the English language. No conceptual comparison can be made".

39. It therefore seems to me that the Hearing Officer relied either on their own or general common knowledge, or the Opponent's pleaded case (notwithstanding their contrary statement) and that they were entitled to do so. I also take the view that whilst the Appellant refers to the Hearing Officer's

reliance on a "dictionary definition" in context this simply means the definition identified by the Hearing Officer in [38], whatever its actual source.

40. It is therefore clear to me that the as far as the decision goes, the Hearing Officer did not ignore this definition, dictionary or otherwise. They were aware of it (even if they failed to recall it was raised by TV), took it into account and assessed the likely knowledge of the average consumer in the light of that. This, within the limits of the pleaded appeal, they were entitled to do. The outcome was the Hearing Officer dismissed the meaning of AZTEC and decided that both marks were invented terms devoid of meaning to the average consumer, such that the conceptual comparison was neutral.

41. Thus, insofar as the pleaded error is that the meaning of AZTEC was ignored, this ground of appeal as pleaded is dismissed. Within the constraints of the appeal as pleaded the Hearing Officer took the meaning of AZTEC into account for what it was worth for both marks and dismissed it as part of their evaluative function.

Disposal

42. I have upheld Grounds 1-3 of the Appeal and it now falls to me to determine the appropriate course of action.

43. At the Hearing Mr Scarfield indicated for Spilsbury that remittal would be the preferred way of dealing with the matter should I find in their favour. I agree. In principle it would be possible for me to determine the matter myself, and I am mindful that it is preferable to do so where possible both to avoid unduly burdening the resources of the Registrar and to avoid a multiplicity of proceedings. However, the error in the approach to the interpretation of the Registration's specification was a precursor to the evaluative exercise and therefore runs through it to a significant degree. I would be putting myself in the position of first-instance decision taker across that evaluative exercise, rather than merely correcting for a subsidiary part of it.

44. I am also conscious that whilst TV has played no part in this appeal, given that re-determination will have to revisit the interpretation of TV's specification, the comparison of services and the consequent impact on the global assessment of the likelihood of confusion, it may well wish to take a role or position in the final determination of the matter.

45. I therefore order that the case be remitted to the Registry for overall determination by a different Hearing Officer based on an interpretation of the specification of the Registration in line with the approach set out in [31] above, leaving the appointed Hearing Officer to settle the interpretation, re-

assess the comparison of services and determine the overall opposition accordingly. It is also for the Registrar to make any further directions necessary.

Costs

46. Since the matter is remitted the costs below are set aside. The costs of the appeal are to be treated as costs incurred in the opposition and dealt with accordingly at the conclusion of the proceedings in the Registry, albeit on the normal scale.

Philip Harris
Appointed Person
21 January 2025