

BL O/0147/25

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3978032 BY LUMI GLO LIMITED TO REGISTER



AS A TRADE MARK IN CLASSES 3 & 35

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. OP600003167 BY KAREN WOOD

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF A COOPER DATED 13 NOVEMBER 2024.

DECISION

Introduction

1. I am dealing with an application by Lumi Glo Limited ("**Appellant**") to stay its appeal pending the outcome of a separate invalidity action, and a cross-application by Karen Wood ("**Respondent**") for security for costs. The underlying appeal is in respect of decision O/1071/24 of Arran Cooper dated 13 November 2024 ("**Decision**") which held that the Respondent's opposition to the Appellant's application No. 3978032 for the trade mark shown below for goods and services in classes 3 and 35 ("**Application**") was successful in full.



2. On 2 January 2025 the Appellant filed a Notice to Appeal to the Appointed Person against the Decision under Section 76 of the Trade Marks Act 1994. On the same day, the Appellant filed Form TM26(I) to declare the mark relied upon by the Respondent in the opposition (Registration No. 3815929) invalid under ss. 3(6), 5(3) and 5(4)(a) of the 1994 Act. That application is

proceeding under No. 508267 (“**Invalidity Proceedings**”). The Form TM55 Notice to Appeal requested a stay of the appeal pending the outcome of the Invalidity Proceedings, but did not set out the grounds of the appeal itself. Following a request by the Appointed Persons Secretariat on 7 January 2025, the Appellant filed its Grounds of Appeal on 31 January 2025.

3. The Appellant was notified on 16 January 2025 that its Form TM26(I) did not contain all the required information. An amended TM26(I) was filed by the Appellant on 6 February 2025.

Stay of an appeal

4. Rule 62(1) of the Trade Marks Rules 2008 provides:

“Except where the Act or these Rules otherwise provide, the registrar may give such directions as to the management of any proceedings as the registrar thinks fit, and in particular ... (f) stay the whole, or any part, of the proceedings either generally or until a specified date or event”.

5. Rule 73(4) states:

“Rules 62, 65, 67 and 68 shall apply to the person appointed and to proceedings before the person appointed as they apply to the registrar and to proceedings before the registrar”.

6. In deciding whether to grant a stay, I should be mindful of the overriding objective in the Civil Procedure Rules (which apply equally to proceedings in the Registry and before the Appointed Person), namely to ensure that the case is dealt with justly and at proportionate cost. In particular, as stated in the Trade Marks Manual, “the Tribunal has an overriding objective to ensure that all proceedings are completed within a reasonable time and avoiding unnecessary expense. There is a clear public interest that third parties should have certainty as to the outcome of proceedings”.

Security for costs

7. Rule 68 of the Trade Marks Rules 2008 states:

"(1) The registrar may require any person who is a party in any proceedings under the Act or these Rules to give security for costs in relation to those proceedings; and may also require security for the costs of any appeal from the registrar’s decision.

(2) In default of such security being given, the registrar, in the case of the proceedings before the registrar, or in the case of an appeal, the person appointed under section 76 may treat the party in default as having withdrawn their application, opposition, objection or intervention, as the case may be."

8. Rule 76(5) states:

“The provisions of sections 68 and 69 (costs and security for costs; evidence) apply in relation to proceedings before an appointed person as in relation to proceedings before the registrar.”

9. The rules do not state the test which is applicable in determining whether an order for security for costs should be made. I shall adopt as guidance the conditions set forth in Part 25 of the Civil Procedure Rules, which include circumstances where there is reason to believe a company will be unable to meet a costs order made against it. I bear in mind also that the court must be

satisfied, having regard to all the circumstances in the case, that it is just to make such an order (CPR 25.13).

10. From the case law relating to CPR 25, “all the circumstances of the case” may require consideration of the amount of security for costs claimed, the prospects of success in the main proceedings, any delay in applying for security and access to justice considerations.

Discussion – stay of appeal

11. The Appellant’s application for a stay is made on the following basis:

“The Applicant has filed an invalidation action (TM26(I)) against the Opponent’s mark, challenging its validity based on bad faith and other grounds. Since the outcome of the invalidation directly affects the appeal, the Applicant requests that the appeal be suspended pending resolution of the invalidation proceedings.

This suspension is necessary to ensure procedural efficiency and to prevent prejudicing the Applicant’s rights while the invalidation case is being decided”.

12. The Respondent opposes the application for a stay on the following grounds:

1. No prospects of invalidity success: the Appellant requests suspension until a purported invalidity action is concluded. However, there is no such live action. As addressed in [the Respondent’s solicitor’s] email of Fri 17/01/2025 (09:32) the TM26(I) has been rejected by the Registry. The application is clearly materially inadequate. There is no prospect of success for the Appellant as matters stand. It would prejudice the Respondent to speculate on any future form of an amended action. Accordingly, in the circumstances, the request for suspension must be denied.

2. No prospects of appeal success: suspending the Appeal implies that the Appeal has prima facie prospects of success. However, the Respondent’s position is that no suspension is necessary as the Appeal can be dismissed on a preliminary basis. For example, the grounds for appeal include (para 2.2) bad faith, which was not a ground in Decision O-1071-24. The grounds for appeal include (para 2.3) ‘honest concurrent use’, but no evidence was filed in Decision O-1071-24. The appeal has no reasonable prospects of success.

For completeness, in terms of the ground at para. 2.1 (purported error in the likelihood of confusion assessment), there is no competent reason for appeal stated (for example, wrong law applied, or wild or failure in assessment of evidence (which there was none)). The reason stated errs because it falls within the proper exercise of judicial discretion of the Hearing Officer when considering the processing of factors by the average consumer.

3. Delay: the Appellant cites “procedural efficiency” (para. 3) as reason for suspending. However, the truth of the matter is that the purported invalidity action could have been raised at any and at a much earlier stage prior to the appeal. The (inadequate) TM26(I) contains no fresh evidence recently unearthed (of which there is none) which would justify the filing of the invalidity action so late in the day. Genuine procedural efficiency necessitates the rejection of the request for suspension.

4. Prejudice to the Respondent: the Appellant claims (para. 3) that suspending the Appeal is necessary to prevent prejudicing the Respondent’s rights. However, the Respondent has requested security for costs. To suspend the Appeal would – unless the Appointed

Person is otherwise minded – be to suspend that issue to the great detriment of the Respondent. The Appellant has not offered to add security of costs for the purported invalidity action to those already requested, and that, the Respondent submits, ought to be a pre-condition to any suspension.

13. Considering the objections in turn, the Respondent contends that the Invalidity Proceedings have no prospect of success, given that the Form TM26(I) was rejected by the Registry. That is true, however as I explain at paragraph 3 above, the Appellant has since filed an amended Form TM26(I). To the best of my knowledge the Registry has not yet responded to state whether the amended form is acceptable. However, I shall proceed on the basis that the Invalidity Proceedings, as set out in the amended Form TM26(I), are *prima facie* admissible. Should the Registry again reject the amended Form TM26(I), either the application will be dismissed, in which case any stay granted would be lifted, or Appellant would be afforded a further opportunity to file an acceptable Form 26(I).
14. Secondly, the Respondent contends that the appeal itself has no prospect of success. It is true that the Appellant's Statement of Grounds do rely, in part, on arguments relating to bad faith and honest concurrent use, neither of which were pursued before the Hearing Officer. However, the Grounds do also raise issues in relation to the Hearing Officer's assessment of likelihood of confusion. Whereas the Respondent contends that these challenges, being in relation to "the proper exercise of judicial discretion of the Hearing Officer", have no reasonable prospect of success, it seems to me that I am being asked to pre-judge the appeal, which is contrary to principle.
15. Thirdly, whereas the Respondent may be right to say that the Appellant ought to have raised in the action below the invalidity issues it now relies upon, I consider that any delays caused by a stay of this appeal will be relatively minor in the context of the overall dispute. Once the Invalidity Proceedings are decided, the stay would be lifted and a hearing could be listed before me within 2 months or less. A decision would be provided within a couple of weeks. Therefore, any delay is unlikely to be longer than around 2-3 months. In the meantime, given that the Respondent succeeded in its opposition, as things stand the Application will not proceed to grant. Subject to the fourth point, the Respondent will therefore suffer no prejudice caused by any delay if the appeal is stayed pending the outcome of the Invalidity Proceedings.
16. Fourthly, the Respondent contends that it will be disadvantaged if the appeal is stayed, given that it is seeking security for its costs of the appeal. I do not believe that this follows as a matter of logic. If the appeal is stayed, the Respondent will not incur any costs in relation to the appeal during the period of the stay. In any case, I shall address, now, the application for security, and if it is successful, the Appellant shall provide security within 14 days of any stay being lifted. Finally, the Respondent argues that it should receive security for the costs of the Invalidity Proceedings as a pre-condition to a stay. There is no reason why the Respondent cannot apply for security within the Invalidity Proceedings, and it is inappropriate for me to order such security in this action.
17. Turning now to the overriding objective factors listed in paragraph 6 above, my analysis is:
 - Ensuring all proceedings are completed within a reasonable time – I have dealt with this at paragraph 15 above;

- Avoiding unnecessary expense – a stay would achieve this aim, whereas allowing the appeal to proceed could result in unnecessary costs in the event that the Invalidity Proceedings are successful;
 - Public interest that third parties should have certainty as to the outcome of proceedings – there will be some further uncertainty if a stay is granted, but only for a relatively short period of time.
18. Taking all the above into account, I am of the view that, although it is not entirely clear cut, I should exercise my discretion to stay the appeal. Accordingly, I order that:
- a) This appeal is stayed pending the outcome of the Invalidity Proceedings;
 - b) The period for filing of the Respondent’s notice be extended to 21 days after the stay is lifted; and
 - c) Each party has permission to apply to lift the stay.

Discussion – security for costs

19. The Respondent seeks security for costs in the sum of £3,000 on the following basis:

“The appeal concerns the decision of case OP600003167 over application UK00003978032 (LUMI GLO figurative). In tandem with that case, the hearing officer also decided case OP600003168 over application UK00003978026 (LUMI GLO SKIN – word only). That case involved the exact same parties (O-1072-24). At para. 60 the Hearing Officer (A. Cooper) decided that the opposition succeeds in full and, subject to any successful appeal, the applicant’s mark is refused registration for all goods and services for which protection on was sought. At paras. 61-62 the Hearing Officer ordered “LUMI GLO LIMITED to pay Karen Wood the sum of £700. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.” There was no appeal. The date for payment was 01 January 2025 (21 days after 11.12.24). The cost award was not paid.

On 31.01.25 Lumi Glo Ltd lodged its accounts to 31.05.24. The company claims to have £20K of current assets (it is unknown what they are), but creditors due within a year of £60K. The company is therefore loss making. The company also confirms it has no employees. It is understood that the company is operated from abroad.

In addition, it is understood the owner/controlling mind of Lumi Glo Ltd is related to or connected to a Ms Afareen Assi. Ms Assi has also tried to register the mark LUMI SKIN. Under opposition action OP600003263 against application UK00004020684 (LUMI SKIN), the respondent was successful against Afareen Assi and a cost award was issued. That cost award is also unpaid”.

20. The breakdown of the sum sought is £700 for each unpaid costs order below, plus £1,600 for the costs of the appeal.
21. With regard to the factors relied upon by the Respondent, set out at paragraph 19 above, I do not agree that the third – an outstanding costs award in the name of the owner of the Appellant – is relevant. To take that into account would be to ignore the distinction between a corporate entity and its shareholders/directors. However, in my view the other factors cumulatively give rise to a reasonable inference that the Appellant would be unable to pay the Respondent’s costs

if ordered to do so. The Appellant has not submitted any evidence or observations which serve to rebut this inference. I am therefore persuaded that the gateway condition for an order for security for costs to be made is satisfied.

22. Before making any such order, however, I must be satisfied that, having regard to all the circumstances in this case, it is just and proportionate to give such an order.
23. Addressing each of the factors listed in paragraph 10 above, my observations are as follows.
 - Costs of hearings before the Appointed Person are usually awarded on a contributory, rather than actual, basis, in accordance with a scale, published as Tribunal Practice Notice 1/2023. Whereas costs can, in appropriate circumstances, be ordered off the scale, the Respondent has not suggested that any such off-scale award might be requested, and nothing in the documents I have seen gives any obvious indication that an off-scale award might be appropriate. TPN 1/2023 envisages an award of up to £1,900 for preparation and attendance at a one-day hearing. Given that, I agree that the £1,600 sought for this appeal is an appropriate figure. As for the costs of the hearings below, I agree that it is appropriate for the Appellant to provide security for the sums ordered, which total £1,400.
 - With relation to prospects of success, it would be inappropriate and contrary to principle to carry out a detailed investigation of the merits at this stage. Having reviewed the hearing officer's decision and the documents in this appeal, in my view it can neither be said that the hearing officer's decision was obviously wrong, nor that the appeal (particularly the challenges to the assessment of likelihood of confusion) will inevitably fail. Accordingly, I regard this factor is neutral in relation to the security for costs issue.
 - The Notice to Appeal was filed on 2 January 2025. The Respondent made its request for security for costs on 4 February 2025. It cannot be said, in my view, that there has been any undue delay in the request.
 - The Appellant is professionally represented. I believe it is likely that the Appellant's costs of the appeal will be of a similar order of magnitude to the amount I mention above – £3,000 – as being an appropriate amount for security. Accordingly, it is unlikely that if the Appellant is ordered to provide security of £3,000, such an order would render it financially unable to proceed with this appeal.
24. Taking into account everything I refer to above, I consider it would be proportionate and reasonable to require the Appellant to provide security for the costs of the appeal in the sum of £3,000. That sum should be paid into the Registry account no later than 4.30 pm on the day 21 days after the stay is lifted

Conclusion

25. I make the following orders:
 - a) This appeal is stayed pending the outcome of the Invalidity Proceedings;
 - b) The period for filing of the Respondent's notice be extended to 21 days after the stay is lifted;
 - c) Each party has permission to apply to lift the stay;

- d) The Appellant shall provide security for the costs of the appeal in the sum of £3,000. That sum should be paid into the Registry account no later than 4.30 pm on the day 21 days after the stay is lifted; and
- e) In the event of failure by the Appellant to comply with the above order for security for costs, the appeal shall, without further order, be treated as having been withdrawn.

Costs

26. The costs of these preliminary issues are reserved to the appeal.

Dr. Brian Whitehead

18 February 2025

Representation

GCS Europe Limited for the Appellant

Cloch Solicitors Limited for the Respondent