BL O/0364/25

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3839652 IN THE NAME OF KINSLEY TECHNOLOGY CO., LIMITED

AND IN THE MATTER OF OPPOSITION NO. 438907 THERETO BY DREAMS LIMITED

DECISION

Introduction

1. This is an appeal by Dreams Limited ("***the opponent***") against a decision of Mrs E Fisher, on behalf of the Registrar of Trade Marks, dated 24 July 2024 (O-0702-24)("***the Decision***") in which the opposition was dismissed and the opponent was ordered to pay £300 to Kinsley Technology Co., Limited ("***the applicant***") by way of a contribution towards its costs.

2. On 17 October 2022 the applicant applied to register the trade mark **Dream Rite** with respect to certain goods in class 20.

3. On 30 January 2023 the opponent opposed the application in full under section 5(2)(b) of the Trade Marks Act 1994 ("***the 1994 Act***"). For that purpose, the opponent relied upon three earlier marks (none of which were the subject of proof of use):

   (i) Trade mark number UK00917963494 ("***the DREAMS mark***")
   Filing date: 1 October 2018
   Registration date: 15 February 2019
   Relying on goods and services in Classes 20, 24 and 35
   Representation: DREAMS

   (ii) Trade mark number UK00003453941 ("***the DREAM BIGGER mark***")
   Filing date: 24 December 2019
   Registration date: 20 March 2020
   Relying on all goods and services, in Classes 20, 24 and 35
   Representation: DREAM BIGGER

   (iii) Trade mark number UK00918169119 ("***the DREAM COACH mark***")
   Filing date: 19 December 2019
   Registration date: 22 May 2020
   Relying on all goods and services, in Classes 20, 24 and 35
   Representation: DREAM COACH

4. Under section 5(2)(b) of the 1994 Act the opponent maintained that its earlier marks are highly similar to the applicant's marks on the basis of the shared element 'dream' and that the parties' respective goods and services are similar, resulting in a likelihood of confusion.

5. The applicant filed a defence and counterstatement denying a likelihood of confusion on the basis that neither the marks not the goods and services are identical or similar.

6. Neither party filed evidence.

7. The opponent is represented by Abion UK Limited and the applicant by Marcin Ociepka. Neither party requested a hearing and only the opponent filed written submissions in lieu of attendance. The Hearing Officer therefore made the Decision on the basis of the papers filed.

8. The Hearing Officer began the Decision by setting out the applicable legal principles to be applied to the assessment of conflict under section 5(2)(b): see paragraph [8] of the Decision. There is no suggestion that the Hearing Officer made any error in that regard.

9. The Hearing Officer approached the assessment that she was required to make on the basis that it was only necessary to conduct the assessment (1) for the purposes of the assessment of distinctive character and the likelihood of confusion in relation to only one of the earlier marks relied upon namely the DREAM BIGGER mark; and (2) on the basis of an assessment of only some of the goods or services relied upon namely the class 20 goods.

10. On the basis of that approach the Hearing Officer found (footnotes deleted):

> 43. I bear in mind that the applicant's mark and the opponent's DREAM BIGGER mark begin with the same word and that the beginning of marks tend to have more visual and aural impact than the ends. However, that is not always the case. The marks at issue here each comprise two words which hang together to create a unitary meaning. As such, the average consumer is unlikely to overlook the second word in either of the marks. Whilst the marks' respective meanings have high conceptual similarity on the basis that they will be understood to mean 'to dream [in a certain way]', the word that qualifies the word 'dream' in each mark is different. 'Bigger' and 'rite' (understood as 'right') are not interchangeable. On that basis, it is unlikely that the average consumer would mistakenly recall either word for the other. I also bear in mind that the purchasing process is predominantly visual and that the marks are visually similar to a medium degree. Nevertheless, the similarity lies in the first word alone. The second words, ones which will not be overlooked, are visually different. Whilst I

> am mindful of the identity or high similarity of the goods and of the interdependency principle, bearing in mind that direct confusion involves no process of reasoning, it is, in my view, unlikely that the average consumer will be directly confused.
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> 44. . . .
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> 45. During the comparison of the marks, I explained that "DREAM BETTER" (sic) hangs together, as does "Dream Rite". As such, the consumer is unlikely to attribute any significance to the 'dream' element solus within either mark. Given that the words 'better' and 'rite' (understood as 'right') are not interchangeable, replacing one word for the other does not seem like a logical brand extension. Neither are they nondistinctive, as one might expect to find in a sub-brand. Further, the word 'dream', whether used in relation to beds and bedding goods, for example, or not, is not so distinctive that the average consumer would assume that only one undertaking would use it in a trade mark. There is no scenario, either falling into one of the categories identified in *L.A. Sugar* or otherwise, in which I consider the average consumer would notice the difference between the marks at issue and determine that they originate from the same or related undertakings. The average consumer would put the presence of the word 'dream' in two different trade marks used in relation to the goods at issue down to mere coincidence. There is no likelihood of indirect confusion.

11. Accordingly, the Hearing Officer dismissed the opposition in its entirety.

The Appeal

12. A Form TM55P was filed on behalf of the opponent dated 21 August 2024. It was accompanied by Grounds of Appeal.

13. Adopting the summary of the errors in the opponent's skeleton of argument it is contended on behalf of the opponent that the Hearing Officer erred:

    (1) In the finding of the average consumer's level of attention.

    (2) By failing to apply the interdependency principle.

    (3) In the assessment of the distinctiveness of the marks.

    (4) By failing to apply the principle that consumers place more weight on the beginning of marks compared to the end.

    (5) By incorrectly applying the principles pertaining to indirect confusion.

    (6) By making the assessment by reference to only one of the three earlier marks relied upon.

14. No Respondent's Notice was filed. Indeed, the applicant played no part in the appeal process.

15. At the hearing of the appeal which took place via Teams the opponent was represented by Mr Matthew McAleer who also filed a skeleton in advance of the hearing.

The Standard of Review

16. The Court of Appeal addressed the question of the standard of review on appeals in Lidl Great Britain Ltd v. Tesco Stores Ltd [2024] EWCA Civ 262 at [110] where Arnold LJ stated the position to be as follows:

> The test on appeal
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> 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) .

17. See further the in the Supreme Court in Lifestyle Equities CV. Amazon UK Services Ltd [2024] UKSC 8 referred to by the Court of Appeal which likewise reaffirmed the approach to appeals of the kind at [46] to [50]. Of particular relevance are paragraphs [49] and [50] of the Judgement of Lord Briggs and Lord Kitchen JJSC which state as follows:

> 49. That does not, however, mean the appeal court is powerless to intervene where the judge has fallen into error in arriving at an evaluative decision such as whether an activity was or was not targeted at a particular territory. It may be possible to establish that the judge was plainly wrong or that there has been a significant error of principle; but the circumstances in which an effective challenge may be mounted to an evaluative decision are not limited to such cases. Many of the important authorities in this area were reviewed by the Court of Appeal in *In re Sprintroom Ltd* [2019] 2 BCLC 617, paras 72–76. There, in a judgment to which all members of the court (McCombe, Leggatt and Rose LJJ) contributed, the court concluded, at para 76, in terms with which we agree, that on a challenge to an

> evaluative decision of a first instance judge, the appeal court does not carry out the balancing exercise afresh but must ask whether the decision of the judge was wrong by reason of an identifiable flaw in the judge's treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account some material factor, which undermines the cogency of the conclusion.
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> 50. On the other hand, it is equally clear that, for the decision to be "wrong" under CPR r 52.21(3), it is not enough to show, without more, that the appellate court might have arrived at a different evaluation.

18. I have kept these principles in mind when considering the present appeal.

Decision

19. In considering the Grounds of Appeal I shall deal with the last point first. That is to say the failure by the Hearing Officer to make a full determination of the opposition under section 5(2)(b) in relation to either the DREAMS mark or the DREAM COACH mark.

20. It seems to me that the opponent is entirely correct that this was an error. A number of Appointed Persons have warned about the potential difficulties taking 'shortcuts' can create. Thomas Mitcheson KC sitting as the Appointed Person discussed the difficulties in CARRY ON Trade Mark Application at paragraphs [2] to [8]:

> PRELIMINARY OBSERVATIONS
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> 2. The circumstances of the present case are somewhat unusual for two main reasons.
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> 3. First, the Hearing Officer did not feel it necessary to determine the other grounds of opposition relied on by the Opponents/Respondents1 under ss. 5(1), 5(2)(a), 5(3) and 5(4)(a) of the Act.
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> 4. From what I understand from the parties at the hearing before me, he did not give any prior notice of this case management decision. Indeed, I was told that although the Opponents contended that bad faith was their strongest objection, they also submitted that it was not appropriate for the Hearing Officer to ignore the other grounds. But that is exactly what he did.
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> 5. The Hearing Officer accordingly decided only the s.3(6) ground for reasons of procedural economy. See in this regard the decisions of Prof Ruth Annand in *airblue TM* (BL O/600/18) at §65 and Geoffrey Hobbs QC in *MUSLIM MATCH TM* (BL O/014/19) at §12. In the former decision Prof Annand

cited §23 of Arnold J's decision in *Generics (UK) Ltd v. Warner Lambert Company LLC* [2015] EWHC 3370 (Pat) [2016] RPC 16 where he explained the English notion of "procedural economy" as follows:

> "…the EPC Contracting States differ not merely in their procedural rules, but also in their procedural philosophies. Thus there are different conceptions of procedural economy. The traditional English conception is that it requires the first instance court to adjudicate upon all essential points in dispute, certainly all points that require findings of fact or evaluation. In that way, if there is an appeal, the Court of Appeal is in a position to deal with any issues of law that may then arise and dispose of the case without either a re-hearing or remitting it to the first instance court. By contrast, there are many civil law jurisdictions where the view is taken that the correct approach to procedural economy is for the first instance court only to decide the issues which are sufficient to enable that court to dispose of the case, and to leave other issues undecided."

6. This paragraph was cited with approval by Lord Briggs SC in the Supreme Court in *Generics (UK) Ltd v. Warner Lambert Company LLC* [2018] UKSC 56 [2019] 3 All E.R. 95 at §§116 & 118.

7. In the light of this, whilst I do not consider that it is compulsory for a Hearing Officer always to determine all grounds arising at a hearing before him or her, under the English approach to procedural economy it is customary to do so. Moreover, if a short-cut is being considered, it would normally be appropriate to raise this with the parties in advance so that submissions can be made in relation to it.

8. I acknowledge that this may place an unwelcome burden on hard-pressed adjudicators to write longer judgments than they might otherwise consider necessary on the basis of their perception of the case before them. However, subsidiary points can normally be dealt with more briefly, especially if the reasoning relies on findings already made in relation to earlier issues. Moreover, I consider that the burden on the parties and the tribunal/court system if cases ping-pong back and forth between first instance and appellate level would normally be greater than if the first instance judge determined all issues at large in one go. I return to this topic below in the context of the present case.

21. See also the remarks made by Philip Harris sitting as the Appointed Person in Quin Trade Mark Application (O-132-21) at paragraphs [93] to [99].

22. In the context of the present proceedings, it seems to me that it was not appropriate for the Hearing Officer to proceed in the manner in which she did. This is all the more the case in circumstances where, it would appear that, the views of the parties with respect to adopting this approach had not been sought and therefore their views had not been duly considered.

23. I therefore take the view that the assessment for conflict for the purposes of the opposition needs to be done by another Hearing Officer with respect to the DREAMS mark and the DREAM COACH mark.

24. That leaves the position with respect to the assessment that was carried out with respect to the DREAM BIGGER mark.

25. Five Grounds of Appeal were directed to the specific findings made by the Hearing Officer with respect to the DREAM BIGGER mark. However, it was also maintained at the hearing before me that the approach that the Hearing Officer had taken with respect to the DREAMS mark and the DREAM COACH mark 'coloured' the approach taken by the Hearing Officer to the assessment with respect to the DREAM BIGGER mark that are the subject of the other Grounds of Appeal.

26. I am very conscious that I should be cautious to set aside the conclusion of an experienced Hearing Officer, reached in the light of a multifactorial assessment. However, in the present case I am satisfied that the Hearing Officer *may* not have approached the assessment of the likelihood of confusion that was made from the correct standpoint. Therefore, in the particular circumstances of this appeal, I consider that the safest course is remit the whole matter back to first instance to be heard by a different Hearing Officer who will determine the section 5(2)(b) objection with respect to each of the earlier marks relied upon.

Conclusion

27. For the reasons set out above it seems to me that the appeal should be allowed and that the Decision and the Hearing Officer's order as to costs should be set aside.

28. I should make it clear that it would not be right for me to say anything about the merits of the Decision that I have ordered to be set aside. To make any observations would only compound the errors that I have identified above and accordingly I have not done so. Accordingly, nothing in this decision should be read as binding the future decision of the Hearing Officer in any way.

29. The opposition is remitted to the Registrar for further consideration by a different Hearing Officer, in accordance with the provisions of the Trade Marks Act 1994 and the Trade Mark Rules 2008.

30. The costs of the proceedings to date (including the costs of this appeal) are reserved to the Registrar upon the basis that the question of how and by whom they are to be

borne and paid will be determined at the conclusion of the opposition in accordance with the usual practice.

EMMA HIMSWOTH KC

16 April 2025