BL O/0468/24

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF UK TRADE MARK APPLICATION NO. 3473404 FOR FORTITUDE (DEVICE) IN THE NAME OF FORTITUDE SPORT LIMITED

AND IN THE MATTER OF OPPOSITION THERETO NO. 600001423 BY FORTITUDE VENTURES LIMITED

AND IN THE MATTER OF UK TRADE MARK APPLICATION NO. 3524238 FOR FORTITUDE SPORTS (DEVICE) IN THE NAME OF FORTITUDE VENTURES LIMITED

AND IN THE MATTER OF OPPOSITION THERETO NO. 422708 BY FORTITUDE SPORTS LIMITED

IN THE MATTER OF TRADE MARK NO. UK00003379347 FOR FORTITUDE FIGHTWEAR (DEVICE) IN THE NAME OF FORTITUDE VENTURES LTD

AND THE APPLICATION FOR A DECLARATION OF INVALIDITY UNDER NO. 503354 BY FORTITUDE SPORT LIMIT

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MR A COOPER DATED 19 JUNE 2023

DECISION

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1. This is an appeal from the decision of Mr A Cooper, the Hearing Officer for the Registrar, BL O/0565/23, dated 19 June 2023, relating to two consolidated trade mark oppositions, and an application for invalidity. Both parties' names include the word Fortitude, and I will, as the Hearing Officer did, refer to Fortitude Sport Ltd as "Sport" and to Fortitude Ventures Ltd as "Venture."

2. The Hearing Officer rejected Sports' application to invalidate Venture's registered mark, and held that Venture's opposition to Sports' trade mark application succeeded in its entirety. As a result, Sport's opposition to Venture's trade mark application failed. Sport now appeals.

Background

3. On 28 February 2019, Venture applied to register the mark shown below:

4. The mark was registered under No. 3379347 on 17 May 2019 for "clothing for martial arts" in Class 25 and "martial arts training equipment" in Class 28. I shall refer to this as "the 347 Mark."

5. On 9 March 2020, Sport applied to register the mark shown below:

6. Sport's application covered a range of goods in Class 25 which, it is relevant to note, goes far wider than clothing for martial arts or "fightwear." The specification covers "Boxing shorts; Men's clothing; Menswear; Ladies' clothing; Ladies wear; Children's clothing; Sweaters; T-shirts; Rash guards; Karate suits; Karate uniforms; Kimonos; Spats; Sports bras; Sports caps; Sports caps and hats; Sports clothing; Sports clothing [other than golf gloves];Sports garments; Sports pants; Sports wear; Sportswear; Baseball caps and hats; Baseball hats; Belts [clothing];Belts made out of cloth."

7. On 9 July 2020, that application was opposed by Venture on the basis of s 5(2)(b) of the Act and its earlier registration of the 347 Mark.

8. Then, on 19 August 2020, Venture applied to register another mark:

9. The specification Venture applied for was limited to Class 25 but for a wider range of goods than protected by the 347 Mark: "Anti-sweat underclothing; Athletic clothing; Athletic footwear; Baseball caps and hats; Baselayer tops; Caps; Casual clothing; Clothes for sport; Clothing for cycling; Clothing for cyclists; Clothing for leisure wear; Clothing for martial arts; Cycling caps; Cycling Gloves; Cycling pants; Cycling shorts; Cycling tops; Footwear for sport; Gloves for cyclists; Golf caps; Golf clothing, other than gloves; Golf shirts; Gym shorts; Gymwear; Head sweatbands; Hooded tops; Hoodies; Jogging outfits; Martial arts uniforms; Men's clothing; Rash guards; Running Suits; Running vests; Sport shirts; Sports clothing; Sports socks; Sportswear; Tank tops; Tennis wear; Triathlon clothing; T-shirts; Yoga bottoms; Yoga pants; Yoga shirts."

10. On 28 September 2020, Sport applied to invalidate the 347 Mark, claiming to have an earlier unregistered right in the word FORTITUDE used for a range of goods virtually identical to those covered by its own trade mark application.

11. On 11 January 2021, Sport opposed Venture's trade mark application, pursuant to sections 5(2)(b) and 5(4)(a) of the Act, based on its own trade mark application and the same claimed earlier rights.

12. The two oppositions and the invalidity application were consolidated. Both sides filed evidence and submissions. Although Sport had been professionally represented at the time of filing its applications and its opposition, at later stages of the proceedings it acted without the benefit of professional help. The Hearing Officer explains at

paragraphs 21-22 of the Decision that Sport had some problems distinguishing evidence and submissions, and as to the date for filing evidence; broadly, Sport sought to add to its evidence after the initial closure of the evidence rounds. Mrs Butcher of Sport filed two witness statements to which she attached over 100 exhibits, though many of them are single page exhibits.

13. No hearing was requested, and the Hearing Officer decided the case on the papers. As I have said, he found in favour of Venture on all three consolidated cases. His reasons for doing so can in my view be summarised as follows:

    a. Sport had not satisfactorily proved that it had a protectable level of goodwill in the fields either of general clothing or of clothing for martial arts/combat sports at the relevant date (February 2019, when Venture applied for the 347 Mark);
    b. On that basis, the invalidity application failed;
    c. Sport had admitted the similarity of the goods in its trade mark application to those covered by Venture's 347 Mark, and the similarity of the parties' trade marks;
    d. There was a likelihood of both direct and indirect confusion, so Venture's section 5(2)(b) objection to Sport's application succeeded across the board;
    e. As a result, Sport's opposition to Venture's trade mark application (based upon its own trade mark application) failed under s 5(2)(b);
    f. Considering Sport's evidence of goodwill at the relevant date (October 2020) for Venture's trade mark application, again, Sport had not proved a protectable goodwill, so that the s 5(4)(a) ground of opposition also failed.

    In the excerpts I cite from the Decision below, I have removed the footnotes.

14. It seems that Sport's Grounds of Appeal were drafted by its director Mrs Butcher, who had provided witness statements below and had provided written submissions for the Hearing Officer. The Grounds in essence complain that the Hearing Officer had misunderstood Sport's evidence of goodwill and was wrong not to find that Sport had a protectable goodwill at least amongst those involved in Brazilian Jujitsu ("BJJ") or more generally in the sphere of martial arts at the relevant dates in February 2019 and October 2020.

15. The Grounds make various complaints about Venture and its choice of its brand, these formed no part of the proceedings, for the reasons set out by the Hearing Officer in paragraphs 45-47 of the Decision, and these points are irrelevant to the appeal.

16. The Grounds also contain quite a number of new factual points. More new facts were raised in the written submissions filed by Mrs Butcher for the hearing of the appeal (originally listed for December 2023 but adjourned until February 2024), and some additional documents were filed with those submissions.

17. At the adjourned hearing of the appeal, Mr Luke Butcher, a director of Sport, who is the husband of Samantha Butcher, addressed me on behalf of Sport. Written submissions were filed on behalf of Venture. Ms Lucy Walker of Barker Brettell attended the online appeal on behalf of Venture. Whilst she had indicated that she was there as a mere observer, she was able to help us to identify some of the documents on which Mr Butcher wished to rely, and I was grateful for her help. Nevertheless, Mr Butcher was unable to give me all of the bundle references he wished to rely on. I invited him to do that in writing after the hearing. He (or Mrs Butcher) did so, and some further new documents were attached.

Standard of appeal

18. This appeal is by way of review, it is not a rehearing. An appeal against a decision taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for the appellate tribunal to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See *Reef Trade Mark* [2003] RPC 5; and *Actavis Group PTC v. ICOS Corporation* [2019] UKSC [2019] UKSC 15, [2019] RPC 9 at [78] to [81].

19. The principles have been summarised in numerous cases. For instance, in *Stitch Editing Limited v. TikTok Information Technologies Ltd* [2023] EWHC 1167 (Ch), [2023] ECC 17 Sir Anthony Mann said at [6] to [8]:

“6. The correct approach to appeals such as this has recently been confirmed in the decision of Richards J in *Instagram LLC v Meta 404 Ltd* [2023] EWHC 436 (Ch). In that case (which was another trade marks appeal case) the judge followed the guidance to be applied in appeals generally and set out in *Volpi v Volpi* [2022] EWCA Civ 464.

> “i) An appeal court should not interfere with the trial judge's conclusions on primary facts unless it is satisfied that he was plainly wrong.
>
> ii) The adverb "plainly" does not refer to the degree of confidence felt by the appeal court that it would not have reached the same conclusion as the trial judge. It does not matter, with whatever degree of certainty, that the appeal court considers that it would have reached a different conclusion. What matters is whether the decision under appeal is one that no reasonable judge could have reached.
>
> iii) An appeal court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration. The mere fact that a judge does not mention a specific piece of evidence does not mean that he overlooked it.
>
> iv) The validity of the findings of fact made by a trial judge is not aptly tested by considering whether the judgment presents a balanced account of the evidence. The trial judge must of course consider all the material evidence (although it need not all be discussed in his judgment). The weight which he gives to it is however pre-eminently a matter for him.
>
> v) An appeal court can therefore set aside a judgment on the basis that the judge failed to give the evidence a balanced consideration only if the judge's conclusion was rationally insupportable.
>
> vi) Reasons for judgment will always be capable of having been better expressed. An appeal court should not subject a judgment to narrow textual analysis. Nor should it be picked over or construed as though it was a piece of legislation or a contract.”

7. So far as the decision below is evaluative, an appellate court should also approach the appeal with caution:

> "76. So, on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out a balancing task afresh but must ask whether the decision of the judge was wrong by reason of some 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 account of some material factor, which undermines the cogency of the conclusion". (*Re Sprintroom Ltd* [2019] EWCA Civ 932) …"

20. The principles summarised above must now be read in light of the summary by Arnold LJ in *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262, [2024] ETMR 25, where he said:

> "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 W.L.R. 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 …"

21. In terms of evaluative decisions, in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8, the Supreme Court said that:

> "49 …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."

At [48] the Court repeated Lewison LJ's pithy summary in *Fage:* "The trial is not a dress rehearsal. It is the first and last night of the show."

22. When considering this appeal, and applying these principles, it is important to remember the high bar set. I have kept these principles in mind when considering the present appeal.

Fresh evidence for the appeal

23. As I have already said, at various stages during the appeal process Sport sought to file additional evidence which was not before the Hearing Officer. As I explained to Mr Butcher at the hearing, the circumstances in which fresh evidence may be admitted and

taken into account on an appeal are limited. Fresh evidence is the exception rather than the rule.

24. The principles governing the admission of fresh evidence on appeal were summarised by Henry Carr J in *Consolidated Developments Ltd v. Cooper* [2018] EWHC 1727; [2019] F.S.R. 2. as follows:

> "33. The cases to which I have referred establish the following principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal:
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> i) the same principles apply in trade mark appeals as in any other appeal under CPR part 52. However, given the nature of such appeals, additional factors may be relevant;
>
> ii) the *Ladd v Marshall* factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;
>
> iii) it is useful to have regard to the *Hunt-Wesson* factors;
>
> iv) relevant factors will vary, depending on the circumstances of each case. Neither the *Ladd v Marshall* factors nor the *Hunt-Wesson* factors are to be regarded as a straightjacket;
>
> v) the admission of fresh evidence on appeal is the exception and not the rule;
>
> vi) the *Gucci* decision does not establish that the Court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and
>
> vii) where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence."
>
> 19. The 3 conditions in *Ladd v. Marshall* [1954] EWCA Civ 1 that are central to the appeal tribunal's discretion to allow new evidence are (Denning LJ at p. 4):
>
> > "In order to justify the reception of fresh evidence or a new trial, three conditions mast be fulfilled: first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial: second, the evidence most be such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive: thirdly, the evidence must be

such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible."

20. The additional factors in *Hunt-Wesson Inc's Trade Mark Application* [1996] 1 RPC 233 at 242 that may be relevant include: (a) the nature of the mark; (b) the nature of the objection to it; (c) whether or not the other side will be significantly prejudiced by the admission of the new evidence in a way which cannot be compensated, for example, by an order for costs; (d) the desirability of avoiding multiplicity of proceedings; and (e) the public interest in not admitting onto the Register invalid marks."

25. The additional evidence Sport sought to introduce before me contained a number of assertions by Mrs Butcher. Most of her points were about the size and scope of the relevant market, and a number of additional exhibits were provided to seek to support them. The information provided by Sport after the appeal hearing included some new undated photographs, possibly taken from Sport's Facebook page, of BJJ fighters who possibly (not clearly) were wearing Sport's clothing.

26. In my judgment, none of the fresh evidence passes the first of the *Ladd v Marshall* tests. Plainly, it could all have been adduced before the Hearing Officer. In addition, it seems to me that none of this evidence would have had an influence, let alone an important influence, on the result of the case, so that it does not pass the second *Ladd v Marshall* tests. The documents filed with the Grounds of Appeal do not advance Sport's central point about the strength of its goodwill at the relevant dates; some of them have nothing whatsoever to do with Sport's own business, others date from well after the relevant dates. I do not consider that the additional factors identified in *Hunt-Wesson* advance Sports' position, quite the contrary, as admitting the evidence would lead potentially to further evidence rounds, and very possibly to the case being remitted to the Registry.

27. For these reasons, I do not give permission to adduce any of the additional evidence, and I have not taken any of it into account in this judgment.

Merits of the appeal

28. The thrust of much of Sport's evidence and arguments below and on the appeal was that FORTITUDE was known as its mark to the BJJ community, which is made up

largely of members of the UKBJJA. It argued that the relevant public is therefore made up of a narrow and limited class of persons – the 20,000 odd members of the Association - who knew the FORTITUDE brand and associated it with Sport by February 2019. Those points did not carry weight with the Hearing Officer.

29. The Hearing Officer first dealt with Sport's submissions about the appropriate public at paragraphs 48-51 of the Decision:

> "48. In total, Sport's submissions total approximately 23 pages of comments. It is not possible to address each and every point raised but I wish to discuss some of the comments raised as it appears to me that Sport is somewhat misguided in what is at issue under the present ground. For example, in response to Venture's arguments that the level of sales evidenced by Sport are low, Sport responds by stating that:
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> > "There is no minimum amount of sales needed to establish good will, if only 10 people in the BJJ community buy top quality clothing and wear it to their gym, where 50 other BJJ practitioners are training, people will see and feel the quality and discuss the brand. That is before they take to social media and see top level athletes using it and endorsing it in the 20,000 strong UKBJJ community. Party B could not prove great sales figures in their first few years – I'll be surprised if they have sold more than 50 units in total – yet THEY expect greater figures from us?"
>
> 49. While I agree that there is no minimum amount of sales needed to establish goodwill, I have a number of issues with these comments. It appears to me that Sport is relying on the fact that the relevant public at issue is made up solely of those in the UK BJJ (Brazilian Jujitsu) community which it states is made up of 20,000 people. These figures are consistent with the followership figures for a Facebook group referred to in the evidence, being 'UK BJJ UNDERGROUND' which shows 19,200 members. This evidence is accompanied by a claim that "basically everyone who trains BJJ is a member." First off, I have no basis for accepting Ms Butcher's narrative claim that basically all those who train in BJJ are members of a private Facebook group. There is nothing in evidence that supports such a sweeping statement. Secondly, and perhaps more importantly, the relevant

public is not restricted to just BJJ practitioners. This is on the basis that the goods at issue are either general clothing goods or goods that can be said to be used in a wide range of physical/combat activities. In respect of this point, there is nothing by way of evidence that suggests the goods at issue are exclusively reserved for use in BJJ. The relevant public for the majority of the goods at issue is, therefore, made up of the general public at large. That being said, I do appreciate that the relevant public for some goods will be those with an interest in martial arts or combat sports, but this is not restricted to BJJ.

50. In addition, there is no basis for the claim (and no evidence to support it) that 10 people who buy 'FORTITUDE' clothing would, upon attendance at a gym, each be approached by 50 people who would see the goods being worn, feel the quality and then proceed discuss the brand with the wearer. As for the claim regarding sponsored fighters endorsing the brand, insofar as this is supported by evidence of sponsored fighters (which I will discuss in further detail below) there is nothing to suggest that all those in the UK BJJ community would be aware of such fighters or their endorsement of the brand. Lastly, the comments regarding Venture's figures are of no relevance as Venture are not seeking to rely on the existence of goodwill or reputation and neither is it necessary for them to do so.

51. While Sport's submissions do include some comments that are acceptable and potentially of assistance to the 5(4)(a) claim, the above issues are just an example of the problems throughout the majority of the submissions. As I have said above, it is not possible to address each and every issue throughout this decision but, having reviewed the submissions, the issues discussed above are consistent throughout, namely that the broad statements made are not supported by evidence of fact or that they include allegations against Venture which are not at issue here (such as Venture having no social media presence, for example).

52. Unless I consider it necessary to do so, I will not mention any of the aforementioned issues again throughout my assessment. For the avoidance of doubt, I confirm that I have given the arguments and evidence of the parties' full consideration and have taken them into account in conducting my following assessment."

30. In my judgment, the Hearing Officer was right to identify the two areas of difficulty with Sport's submissions on these points. As for the relevant demographic, the goods

in relation to which Sport had claimed a reputation in the FORTITUDE brand included goods specific to martial arts (e.g. karate suits) but also included men's and women's clothing in general. The Hearing Officer noted the various difficulties with the evidence as to the extent of Sport's goodwill, which I discuss further below. In paragraph 49 he dealt specifically with a point about the UKBJJ Facebook group which Mr Butcher relied upon again at the hearing of the appeal. I do not consider that Sport has identified any error in the Hearing Officer's consideration of this Facebook group. Indeed, I have identified no appealable error in the Hearing Officer's analysis in any of paragraphs 48-52.

31. The Hearing Officer then went on to analyse Sport's evidence of goodwill. Sport's Grounds of Appeal and submissions assert that the Hearing Officer simply had not understood the evidence before the IPO because of ignorance of the BJJ or martial arts spheres. However, as Mrs Butcher acknowledged at the end of the Grounds of Appeal, this may have been because the evidence presented was not sufficiently clear. She said "I believe the evidence for all of this was presented, but the lack of understanding, and perhaps my description, of the evidence has caused an error in the decision-making." Where a party is claiming to have goodwill, it is for that party to prove it. It is not uncommon for proceedings before the UKIPO to involve specialist areas of commercial activity, and it is for the party wishing to rely upon the specialist nature of its activities to explain them properly to the Registrar, and to provide whatever supporting documentation is necessary to make good its points. The question on this appeal is, in essence, whether the Hearing Officer misunderstood the evidence which was presented to him and so reached the wrong decision.

32. The Hearing Officer considered the evidence in some detail in paragraphs 53 to 64 of the Decision. I do not think it necessary for me to set these out in full, but I will comment upon a few points which were specifically raised by Sport on the appeal.

33. First, at paragraph 54 the Hearing Officer referred to the evidence about Sport's early activities:

> "54. Goodwill arises as a result of trading activities. Sport's evidence sets out that it began using the mark 'Fortitude Fightwear' in 2014. In support of this, an undated print-out of Sport's Facebook account 'page information' screen is

provided. While it is undated, it shows that the 'Fortitude' page was created on 29 October 2014 and that the name has not changed since then. The evidence goes on to state that it began the process of having its logo, t-shirt and rash guards designed. An invoice dated 12 December 2014 shows that there was an order for the design of a logo and various items of fight wear and apparel. Another invoice is provided, this time a customs invoice dated 28 April 2015, which shows the order of 50 'Fortitude' long rash guards and 50 'Fortitude' short rash guards. Both of these invoices are noted and while they point to the beginning of operations, they are not evidence of actual trading activities to the relevant public."

34. Sport suggested that the Hearing Officer had failed to consider the fact that Sport had also registered its domain name for its website in 2014. The Hearing Officer did not, so far as I can see, refer to the date of creation of the website. Certainly, he did not mention it in paragraph 54 when considering the date when Sport started to trade. However, it does not seem to me that this shows he fell into error. At paragraph 43 of the Decision he had noted that there was no evidence that goods were sold online from the Sport website. Hence, the mere fact that the domain name was registered in 2014 does not prove that trading started in 2014, and any such suggestion would in my view be contrary to Mrs Butcher's first witness statement which showed that in 2014 there was not trading activity. This is clear from the findings in paragraph 54, and the details of sales which the Hearing Officer set out in tabular form at paragraph 55:

"55. As for evidence of actual trading activities undertaken by Sport, I note that this is provided by way of separate printouts confirming its yearly incomings and outgoings between January 2014 to December 2019.8 I have prepared the following table in order to accurately demonstrate the figures provided:

Year	**Goods**	**Income (£)**	**Activity**	**Outgoings (£)**
2014	N/A	N/A	Rash guards	1,450.00
			Logo Design	150.00
2015	509 Rash guards	1,249.50	N/A	N/A
2016	36 Rash guards	899.64	100 Rash guards	1,450
2017	N/A	N/A	Sponsorships	£26,100
2018	10 T-shirts	540.00	10 T-shirts	£225.00
	10 Hoodies		10 Hoodies	
2019	300 Rash guards	7,497.00	Sponsorships	24,380.00

			500 Rash guards	6,250
Total	406 goods sold	10,186.14		60,005

56. Given that the relevant date is 28 February 2019, it is likely that the majority of sales from 2019 fall after this. However, they are included in the above table for the sake of completeness."

35. Mrs. Butcher said in her submissions dated 7 December 2023 that the Hearing Officer had erred in concluding that the sales shown for 2019 were for the whole year, rather than for the period up to the February 2019. She said that Sport had been advised that only the sales up to that time were relevant, and that was what they covered. However, her exhibit SB54 stated on its face that the sales were from Jan-Dec 2019. The Hearing Officer cannot be criticised for having accepted what the document said, nor did Sport provide any corrective evidence to show the full year's sales and outgoings.

36. In the circumstances, I do not consider that there is any force in Sport's complaints about the Hearing Officer's failure to consider the domain name registration, and as to the relevance of the sales figure given for 2019. There was no other criticism of the figures collated by the Hearing Officer in paragraph 55.

37. Sport also complained that the Hearing Officer had not given sufficient weight to its evidence about promotion of its brand by connection with Jimmy Johnstone who is a well-known figure in UKBJJ including being (at some point) a regional director of the association. I have carefully considered the Hearing Officer's analysis of this point in paragraph 58 of the Decision in the light of the exhibits and Sport's submissions, and in my view there is no appealable error in that analysis. The evidence about Mr Johnstone and his involvement with Fortitude was too vague and incomplete, as the Hearing Officer said. The Hearing Officer made similar points at paragraphs 60-63 of the Decision about publicity relating to a fighter sponsored by Sport, called Nathan Johnstone. Mr Butcher suggested that the Hearing Officer had failed to give sufficient weight to the fact that one of Nathan Johnstone's fights in 2018 was broadcast on BT Sports. That was indeed stated in Mrs Butcher's witness statement, but there was no evidence showing whether or how the Fortitude brand was publicised by the broadcast and the supporting documents consisted of posts with modest numbers of views. Having

carefully considered the witness statement and exhibits and the Hearing Officer's analysis, again I consider that there is no basis on which I could interfere with his analysis on this appeal.

38. Sport complained that in paragraph 64 the Hearing Officer referred to a personal trainer called James Smith, and discounted the evidence that he had promoted its Fortitude fightwear, in part because he lives in Australia. That, according to Sport, was incorrect. However, Mrs Butcher had described Mr Smith as living in Australia in paragraph 27 of her first witness statement. There was no error by the Hearing Officer in relying on her evidence to that effect.

39. Sport also complained that the Hearing Officer referred to Mrs Butcher's exhibit SB27 but not SB28. That is true, but SB28 does not, in my judgment, advance Sport's case on invalidity. SB28 consists of a photograph which Mrs Butcher described as of "Fortitude sponsored competitor winning gold at a competition and posing with a Fortitude Rashguard in Feb 2020." She does not say where the photograph may have been shown publicly, though I think it possible it is on a Facebook page. SB28 post-dates the first relevant date for the invalidity proceedings. I would add that the Hearing Officer did note, when dealing with the s 5(4)(a) objection to Venture's trade mark application, the impact of the later relevant date, and stated at paragraph 121 that later posts (which would include SB28) added nothing to the claim to goodwill, due to the issues he had identified with reach and engagement. It seems to me that this view of the impact of SB28 was perfectly reasonable and does not indicate that the Hearing Officer made an appealable (or any) error.

40. Mr Butcher made some generalised points to me on the appeal about the impact of Sport's sponsorship or involvement in contests of fight shows, but the points he made about the dissemination and impact of publicity at such shows were not supported by the evidence. Such evidence as there was (e.g. a flyer for a boxing and MMA event in October 2018) seem to me to have been taken into account by the Hearing Officer in paragraph 68 of the Decision.

41. Over and above those specific points, Sport's major complaint was that the Hearing Officer had considered its goodwill insufficient to have generated a protectable goodwill. He held:

> "65. As I have set out above, goodwill accrues as a result of trading activities. The evidence of such in the present case is that Sport sold 406 goods for a total turnover of £10,186.14 between 2015 (being the first year for which figures are provided) and December 2019. I remind myself that these figures are made up of 300 goods that were sold in 2019 for a total of £7,497.00. This makes up a majority of the sales figures provided and is a significant issue for Sport on the basis that the relevant date is 28 February 2019. Unfortunately, I have no accurate way of determining what the position regarding the sales was at 28 February 2019. …
> 66 Without the 2019 figures, the total turnover stands at £2,689.14 from the sale of just 106 goods. Even taking these figures into account, I remind myself that Ms Butcher's evidence claims that Sport has sold goods all over the world. As a result, I have further difficulty in determining the accuracy of the sales figures …
> 67. When considering turnover figures in a goodwill assessment, it is necessary to compare these with the UK market within which the party claiming goodwill operates. I have discussed above that the goods at issue are general clothing goods and those worn in martial arts/combat sports. I have no evidence before me in respect of either the general clothing market or the martial art/combat sport market. In respect of general clothing goods, I consider it reasonable to infer that it is an enormous market with an annual turnover in the region of billions of pounds. While I am content to make such an inference for such a broad and popular market, I have some difficulty in making a finding in respect of the martial arts/combat sport market. As above, I have disregarded Sport's claims that the market is just 20,000 people, being BJJ practitioners who are signed up to the UK BJJ Underground Facebook group and, instead, find that the market covers all those who participate in martial arts/combat sports. Without any evidence to guide me, I have no alternative but to reach a conclusion based on my own understanding. While such a market is more limited than the general clothing market, I consider that it is still large with a turnover in the multiple millions of pounds per annum. In the context of these markets, I consider that a total turnover of £2,689.14 over a period of four years is very low, especially factoring in that the turnover provided covers

international sales. Further, I note that the use is not particularly long standing on the basis that it covers just four years of trading activities.

68. I appreciate that, when compared to its incomings, Sport's evidence includes a significant level of outgoings that can be considered as evidence of marketing, namely the sponsorship of fighters and events. While that may be the case, the expenditure is still very low when considering the size of the markets at issue. In addition, I repeat the issues discussed above in that the evidence only discusses one sponsored fighter and the evidence surrounding his reach is very limited. The same can also be said to apply to the evidence regarding the events sponsored in that it covers only one event from prior to the relevant date and there is nothing before me to suggest the presence of the 'FORTITUDE' branding at that event. As such, I am not satisfied that there is anything sufficiently solid before me upon which I can hang a finding that the sponsorship expenditure contributed to the generation of any goodwill in Sport's business.

69. Taking all of the evidence of actual trading activities into account, it is my view that Sport operated a very small business as at the relevant date that enjoyed only very limited level of sales and sponsorship exposure. As per the case of *Hart* (cited above), the law of passing off does not protect a goodwill of trivial extent. Instead, the level of goodwill must be 'more than trivial' for it to be protectable. Such a determination is to be made on a case by case basis …

70 I appreciate that there are instances wherein a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. However, it is not simply the case that a small business will always succeed in relying on a claim of passing off. As above, each case must be determined on its own merits. …

71 Taking all of the above into account and upon consideration of the evidence as a whole, I find that Sport's limited level of sales and turnover, lack of evidence regarding repeat custom and limited reach of the sponsorship evidence is not sufficient to warrant a finding that it enjoys a protectable level of goodwill in its business. I appreciate that Sport has operated a business and a brand in the name of 'FORTITUDE' for a number of years prior to the relevant date but, even if I were willing to find the existence of *any* goodwill associated with Sport's business, it would be at a trivial level and not at a level to sustain a claim for passing off. As

such, I am unable to proceed in considering the existence of a misrepresentation or any subsequent damage."

42. In support of its argument that the Hearing Officer was wrong in his analysis of the adequacy of its trade to support the claim to goodwill, Sport referred me to my own decision sitting as a Deputy Judge of the IPEC in *Alyssa Smith Jewellery Ltd v Goodstone (t/a Alyssa Jewellery Design)* [2021] EWHC 1482 (IPEC). That case, it said, showed that relatively modest sales coupled with higher levels of publicity could generate sufficient goodwill. That was indeed my finding on the facts of that case. However, the assessment of goodwill is a very fact-dependant process so that findings in one case generally do not assist in assessing goodwill in other cases. In my view, nothing in *Alyssa Smith* indicates that the Hearing Officer erred in his approach to this question in light of the evidence before him.

43. Sport also invited me to find that the Hearing Officer fell into error because he should have equated its goodwill amongst the small demographic of BJJ enthusiasts to a localised goodwill arising from activities in a particular geographical area, as in *Caspian Pizza Ltd v Shah* [2017] EWCA Civ 1874 [2018] F.S.R. 12. The main reasoning in that case was stated as follows by Patten LJ

"23. It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS* , the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all: see *Knight v Beyond Properties Pty Ltd* [2007] EWHC 1251 (Ch); [2007] F.S.R. 34. But goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark."

44. I do not consider that there is anything in *Caspian Pizza* which shows that the Hearing Officer erred here. As Patten LJ said, reputation may be enjoyed on such a small scale that it does not generate goodwill at all, and that is what the Hearing Officer found here. Patten LJ distinguished that from a case in which there was sufficient goodwill, albeit only in a limited geographical area, in which case it could provide grounds to object to the registration of a mark which would include that area in its protection. It does not seem to me that this shows that there was any appealable error in the Hearing Officer's conclusions at paragraph 71.

45. The Grounds also appeared to complain that the Hearing Officer had not taken into account Mrs Butcher's evidence that there had been instances of actual confusion brought to Sport's attention. Her first witness statement from June 2022 did refer to "recent" instances of a few people asking for a refund from Sport for Venture's products, but if there had been any confusion in 2022 this could not prove the existence of Sport's goodwill at or before the relevant dates. There is no merit in this element of the appeal.

46. For all these reasons, it is clear that the Decision under appeal is not rationally insupportable. On the contrary, it was well within the range of possible reasonable outcomes. In my judgment there is nothing which undermines the cogency of the Decision. The appeal is dismissed.

47. In the circumstances, Sport should make a contribution towards Venture's costs of the appeal, which I assess at £400. That sum is to be paid by Sport together with the £1300 costs awarded by the Hearing Officer by 5 pm on 14 June 2024.

Amanda Michaels
The Appointed Person
23 May 2024