BL O/0620/25

TRADE MARKS ACT 1994

ON APPEAL TO THE APPOINTED PERSON

IN THE MATTER of
UK Trade Mark Application No.
UK3958833 in the name of Ellie Farrer
(the "**Appellants**")

AND IN THE MATTER of
Opposition thereto by Thomson & Scott Ltd
(the "**Respondents**")

DECISION

INTRODUCTION

1. This is an appeal from the decision of Mrs. E Fisher the Hearing Officer, dated 6 June 2024.

2. The Appellant applied for the word mark **NAUGHTEA** for *"alcoholic iced tea"* in class 33 ("**the Application"**).

3. The Respondent opposed the Application under section 5(2)(b) of the Trade Marks Act 1994 ("**TMA**"). It relied upon the earlier UK Mark No 3783143 for the word mark **NOUGHTY**. This is registered for *"alcoholic beverages, except beers; alcoholic preparations for making beverages; wines; sparkling wines"* in Class 33.

4. The Opposition succeeded based on a finding of direct confusion.

GROUNDS OF APPEAL

5. The grounds of appeal can be summarised as follows:

   (a) the Hearing Officer made an error of principle or of fact in the visual comparison of the marks ("**Ground 1**"). It is submitted by the Appellant that if she had directed herself properly, she would have found that the marks were visually similar to medium degree rather than, as she found, to a medium to high degree;

   (b) the Hearing Officer was either wrong on the facts or came to a decision that no reasonable tribunal could have come to in concluding the marks were conceptually highly similar ("**Ground 2**"). Instead, the Appellant submits, she should have found that they were conceptually distinct.

6. In addition, the Appellant applied to adduce new evidence on this appeal.

APPLICATION TO ADDUCE EVIDENCE ON APPEAL

7. This is a fast-track opposition. Parties to such oppositions are required to seek leave to file evidence (Fast Track Opposition (Amendment) Rules 2013, Rule 6).

8. The Appellant sought permission to file evidence. A preliminary review by the Registry dated 16 February 2024 refused that request. Thereafter the Appellant had 7 days to request a Case Management Conference if it wished to challenge that refusal. It did not do so and therefore did not file any evidence.

9. The Appellant now seeks to put in evidence on appeal. This consists of a witness statement of Ms Monica Ezsias, Trade Mark Attorney at Stobbs (IP) Limited, and four associated exhibits, running to some 31 pages. The statement itself is simply a vehicle to adduce the exhibits which are, in summary:

   a. definitions for NOUGHT and NOUGHTIES from the online Cambridge English Dictionary;

b. a screenshot from the Respondent's website of an alcohol-free sparkling wine product which is described as being organic and vegan and as having a lower sugar and calorie content than other non-alcoholic sparkling wines and which is also gluten free;
c. screenshots from UK based beer, wine, and alcohol brand and supermarket websites which show various products for sale that are variously low in sugar, sulphites, gluten or are vegan, and
d. screenshots from the website of UK cosmetics brand NOUGHTY.

It is common ground that all this evidence could have been put before the Hearing Officer if permission to do so had been obtained. There was no dispute that the documents were genuine and therefore *prima facie* credible as to the publication of their content.

10. The evidence is said to establish that the fact that zero or the absence of characteristics or content such as zero or low-calorie content, gluten free, vegan, organic, no sulphites, or even cruelty free is relevant to and a factor that alcoholic beverage consumers are alive to and look for. It is submitted by the Appellant that these propositions are ones the Hearing Officer should, in any event, have taken judicial notice of.

11. The Appellant's sought to rely on the evidence in support of its contention on appeal that the Hearing Officer ought to have found that conceptual meaning of the earlier mark (NOUGHTY) was that of zero or nothing, rather than, as the Hearing Officer found, a misspelling of the common English word naughty (i.e. a word meaning misbehaved or disobedient).

12. There was no dispute that the principles I have to apply when considering whether to admit the evidence on appeal. These are as set out in the judgment of Henry Carr J *Consolidated Developments v Cooper* [2018] EWHC 1727 (Ch) at paragraph 33. This states:

> 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:

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 s*ignificant and may tip the balance against the admission of such evidence.*

13. The starting point is therefore CPR 52.21(2) which provides that:

> […]
>
> (2) Unless it orders otherwise, the appeal court will not receive—
>
> [..]
>
> (b) evidence which was not before the lower court.

14. The *Ladd v Marshall* factors referred to by Henry Carr J are as follows:

i) it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial;
ii) the evidence must be such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive; and
iii) 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.

18. The Hunt-Wesson factors referred to by Henry Carr J provide that the following factors are relevant to the exercise of the Court's discretion in the context of a trade mark opposition:

i) whether the evidence could have been filed earlier and, if so, how much earlier;
ii) if it could have been, what explanation for the late filing had been offered to explain the delay;
iii) the nature of the mark;
iv) the nature of the objections to it;
v) the potential significance of the new evidence;
vi) whether or not the other side would be significantly prejudiced by the admission of the evidence in a way which could not be compensated, e.g. by an order for costs;
vii) the desirability of avoiding multiplicity of proceedings; and
viii) the public interest in not admitting onto the register invalid marks.

First & Second Hunt-Wesson, First Ladd v Marshall Factors

15. The Appellant submitted that there were two reasons explaining why this had not filed this evidence in time for it to be before the Hearing Officer:

(a) this was a fast-track appeal where there would normally be a minimum of evidence and evidence was difficult to get in.
(b) the underlying point the evidence sought to prove was a proposition that the Hearing Officer should in any event have taken judicial notice of.

16. The essential difficulty with both these submissions is that the Appellant decided not to take the opportunity to challenge the Registry's decision that there should be no evidence. The primary reason why the evidence was not before the Hearing Officer was therefore because of a decision taken by the Appellant. In my view, this is an extremely powerful reason to exclude admitting evidence on appeal. Of course, if the Appellant had applied at a CMC to admit the evidence its application might have failed. However, in that case the correct recourse would have been to challenge that decision on appeal.

17. The Appellant's case on admitting the evidence is not assisted by the two explanations it relies upon. They may both be legitimate reasons for a party to decide not to submit evidence, but neither are good reasons to allow that evidence in later if the party regrets its decision not to file it in the first place.

Third – Sixth Hunt-Wesson and Second Ladd v Marshall Factors

18. The Appellant submits that the evidence if admitted is significant and would have an important outcome on the result of this appeal.

19. As I have stated above, the evidence is said to establish that the fact that zero or the absence of characteristics or content such as zero or low-calorie content, gluten free, vegan, organic, no sulphites, or even cruelty free is relevant to and a factor that alcoholic beverage consumers are alive to and look for.

20. For the purposes of this appeal that proposition is primarily relied upon to support a submission that the average consumer presented with the mark NOUGHTY used in relation to alcoholic beverages would immediately grasp the concept of there being something zero in respect of those products.

21. I note first that this was a submission that was not made, or at least not made with any clarity, to the Hearing Officer. The Respondent submits therefore that the evidence that is relied upon by the Appellant is in support of a case not run below. I agree with that submission.

22. More importantly however, the evidence is in my view of very limited probative value. In particular:

    (a) the dictionary definition of Nought was not in dispute before the Hearing Officer. The definition of Noughties does not assist the Appellant's case.

    (b) the screenshots of beverages advertised by reference to the absence of various products (including alcohol) evidence that there is a market for such products. It does not greatly assist in determining the extent to which the absence of such factors affects the purchasing process of the average

consumer or, in particular, his/her conceptual understanding of the word NOUGHTY.

(c) the screenshots of cosmetics have limited, if any relevance, to the facts and matters in this case.

23. Consideration of the remaining *Ladd v Marshall* or *Hunt-Wesson* factors cannot assist the Appellant. Furthermore, it seems to me that if the evidence were admitted then, on the basis it is assumed to be of important probative value, the case ought to be remitted and, in so doing, the Respondent ought to be allowed a change to submit its own evidence. That is a further factor against admitting it on appeal.

24. For all these reasons I will not admit the evidence.

STANDARD OF APPEAL

25. The standard I must apply on this appeal was explained by Mr. Daniel Alexander KC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* [2017] RPC (17) 655 (AP), at [14]-[56] and subsequently approved and applied by Joanna Smith J in *Axogen v Aviv* [2022] EWHC 95 (Ch) as follows:

> "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:
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> i) The appeal is by way of a review, not a rehearing (see *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) at [52(i)]);
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> 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 (*NINEPLUS* O/039/21 at [14]);
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> 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" (*Actavis Group* at [81]);
>
> iv) The approach required by the appeal court depends on a number of variables including the nature of the evaluation in question (*REEF Trade Mark* [2003] RPC per at [26]). There is a "spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision" (*TT Education* at [52(ii)]), 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 (*TT Education* at [52(iv)], REEF at [28] and Fine & Country at [50]-[51]).
> 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 (*Actavis Group* at [80]).
> vii) Another variable to be taken into account will be "the standing and experience of the fact-finding judge or tribunal" (*REEF* at [26], Actavis Group at [78]). 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 (Shanks at [28] citing the warning given by Baroness Hale in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49).
> 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" (see *REEF* at [29]). 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 (*English* at [17], Fage at [115]). 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 (*English* at [19]).
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> 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 (*TT Education* at [52(vi)]).

26. This appeal includes considerations of criticisms of the Hearing Officer's evaluative decisions. I therefore also bear in mind the guidance given by the Supreme Court in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 (albeit I understand this guidance to be consistent with the decision in *Axogen*) where Lords Briggs and Kitchin explained at [49]-[50]:

> "… 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.
>
> On the other hand, it is equally clear that, for the decision to be "wrong" under CPR 52.21(3), it is not enough to show, without more, that the appellate court might have arrived at a different evaluation."

27. Finally, I note that disagreements about the precise "weight" to be given to a factor has been consistently rejected as a proper ground of appeal (see Ian Purvis

KC, sitting as the Appointed Person in BL-0-106-20 *GREYBOX).*

First Ground of Appeal: Visual Comparison of the Marks

28. Having directed herself to the applicable law, the Hearing Officer found that:

> 23. Visually, the marks coincide in the consecutive letters N-UGHT- and differ in their second letters: O versus A, and their endings: Y versus EA. Overall, the marks are visually similar to a medium to high degree.

29. The Appellant submitted that the Hearing Officer's finding amounts to an artificial dissection of the marks. In my view there is no basis for that criticism. At paragraph 20 the Hearing Officer directed herself as follows:

> 20. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

It is therefore plain that the Hearing Officer had the question of artificial dissection well in mind. Furthermore, to carry out the analysis she was required to carry out she needed to address the similarities and differences in the marks. That is what she has done.

30. Furthermore, the Appellant submitted that the Hearing Officer erred by not taking sufficiently into account the visual dominance of the "naught + tea" element in the mark applied for and the "nought +y" dominance of the earlier mark. This is an attack on the Hearing Officer's overall evaluation of the visual comparison. The argument made by the Appellant on appeal was made before the Hearing Officer and there is in my view no compelling basis for finding that she ignored it. Given that the only remaining question is whether her conclusion on visual comparison was an unreasonable one. In my view it was not. I therefore reject this ground of appeal.

Second Ground: Conceptual Comparison of the Marks

31. There was no dispute as to the appropriate legal test. This was set out at paragraph 25 of the Decision as follows:

> Turning to the conceptual comparison. I bear in mind that for a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted by numerous judgments of the GC and CJEU including Ruiz Picasso v OHIM. The assessment must be made from the point of view of the average consumer.

32. The Hearing Officer's substantive finding is set out at [26] – [28] of the Decision as follows:

> 26. The opponent's mark is likely to be seen as a misspelling of the word NAUGHTY, with the word NOUGHT being visible. The applicant suggests that NOUGHT within the opponent's mark refers to there being no alcohol in the opponent's goods; this is not a relevant consideration to my decision given that the opponent relies only upon alcoholic drinks for this opposition. The word NOUGHT is unlikely to create a strong conceptual hook for consumers; the message that will be 'immediately grasped' from the mark as a whole is that of the word NAUGHTY, even though it is misspelled.
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> 27. With regards to the applicant's mark, the applicant submits:
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> > "In English, "naughty" typically refers to a person who is misbehaving or disobedient. In colloquial English, it can also refer to something that goes against the grain. The invented and coined term "naughtea" is a play on the words "tea" and "naughty", since the tea product – applied for in the Application and to be sold under the name – contains alcohol."
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> 28. I agree to some extent. The concept grasped by the average consumer will be the ordinary meaning of the word NAUGHTY with a reference to 'tea'. With both marks exhibiting a play on the word NAUGHTY, albeit merged with different words, I find them conceptually highly similar.

33. The Applicant submitted that the Hearing Officer made an error of principle by failing to refer to its submissions that "NOUGHTY" may allude to zero additives, zero animal produce or zero GMO.

34. In support of that submission the Appellant sought to rely on the new evidence which I have referred to above and, if that is not admitted, to the submission that that the Hearing Officer should have taken judicial notice of the proposition that zero or low-calorie content, gluten free, vegan, organic, no sulphites, or even cruelty free is relevant to and a factor that alcoholic beverage consumers are alive

to and look for.

35. The difficulty with this submission is that the Hearing Officer was not asked to take judicial notice of this specific issue. Nor was the argument made in this form before the Hearing Officer. For these reasons I reject this aspect of this ground of appeal.

36. The heart of the Appellant's submission under this ground is that the Hearing Officer should have concluded that the concept that would immediately be grasped by the consumer of the earlier mark, NOUGHTY, is that of zero or nothing. It submits that such a finding necessarily also leads to a finding that the marks have conceptually distinct concepts.

37. In my view there is no basis to interfere with the Hearing Officer's finding. It is common ground that she directed herself to the correct legal test. Furthermore, on the face of the material before her there is no basis in my view for concluding that she reached a finding that was unreasonable. At its highest the Appellant's alternative conclusion is no more than that – an alternative.

38. For these reasons I also dismiss this Ground of Appeal.

CONCLUSION

39. For all these reasons I dismiss this Appeal. The Respondent is entitled to a contribution to its costs of this appeal, which I will award in the sum of £1500. In addition, it is entitled now to payment of the £500 in costs awarded by the Hearing Officer. The total sum, i.e. £2000, shall be paid within 28 days of the date of this decision.

GEOFFREY PRITCHARD KC

THE APPOINTED PERSON

30 June 2025