

BL O/0999/24

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK REGISTRATION No. 918260868
IN THE NAME OF SUBWAY IP LLC
AND
APPLICATION 504355 IN THE NAME OF NVK LTD
TO INVALIDATE THE TRADE MARK

AND

TRADE MARK REGISTRATION No. 3347473 IN THE NAME OF NVK LTD
AND
APPLICATION 504543 IN THE NAME OF SUBWAY IP LLC
TO INVALIDATE THE TRADE MARK

AND




TRADE MARK REGISTRATIONS 3124255, 3125681, 3124473 & 3083646
IN THE NAME OF NVK LTD (Appellant)
AND
APPLICATIONS 504838/839 & 504841/842 IN THE NAME OF SUBWAY IP LLC
(Respondent)
TO REVOKE THE TRADE MARKS FOR NON-USE

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF
MR.. ALLAN JAMES (O/0004/24) DATED 4th JANUARY 2024

*MR.. ANDREW MARSDEN (of Wilson Gunn) appeared for the Appellant.
MS. CHARLOTTE BLYTHE (instructed by Hansel Henson Limited)
appeared for the Respondent.
Hearing: 20th May 2024.*

Introduction

1. This is an appeal by NVK Limited (“NVK”) against decision BL O/0004/24 of Mr. Allan James, sitting as a Hearing Officer on behalf of the Registrar of Trade Marks, dated 4 January 2024. There are no less than six consolidated cancellation proceedings between the parties.
2. Put briefly (full details being set out in the Decision of Mr. James) :
 - a) NVK (originally through its predecessor in title, Mr. Vikas Kunnure) applied to invalidate Subway’s registration No. 91826868 SUBWAY CLICK & EAT (the “868 mark”) in classes 35 and 43 on 17 November 2021. The application relied on two earlier registrations, Nos 3347473 (the “473 mark”) and 3347479 (the “479 mark”) and cited S. 5 (2) (b) of the Trade Marks Act 1994 (“the Act”).

- b) The 473 mark is CLICK EAT. The 479 mark is  and  in series.
- c) Mr. Kunnure/NVK pleaded that the similarities of the parties' marks and services would give rise to a likelihood of confusion with their earlier marks.
- d) On 31 January 2022 Subway applied to partially invalidate the 473 mark on the basis the registration was contrary to S. 3 (1) (b)/(c) of the Act, pleading that the mark was descriptive/non-distinctive.
- e) On 29 April 2022 Subway filed four applications to revoke additional registrations of NVK for CLICK-EAT (variants) for non-use.
3. In broad terms, both parties' specifications cover restaurant/food – related services.
4. Both parties filed evidence, reviewed and summarised by Mr. James. Neither party sought a hearing. Both filed written arguments *in lieu*.
5. The outcome of the proceedings was as follows:
- a) Subway's application to invalidate NVK's registration No. 3347473 CLICK EAT under S. 3 (1) (b)/(c) was partially successful on the basis that the term "designates the intended purpose and simplicity of use of goods/services" and as such was descriptive. Furthermore, the average consumer would perceive CLICK EAT as an origin-neutral term serving only to promote food and drink related goods/services by emphasising the simplicity of use of an online or screen-based food ordering system and the resulting ease with which consumers may obtain a meal, and as such was devoid of distinctive character.
- b) NVK's application to invalidate Subway's registration No. 918260868 SUBWAY CLICK & EAT based on the surviving 479 mark () failed entirely given that "*a coincidence of an element with a low level of distinctiveness will not usually lead to a likelihood of confusion.*"
- c) Subway's applications to revoke NVK's registrations Nos 3124255, 3125681, 3083646 and 3124473¹ were wholly successful, the evidence of NVK being insufficient to show genuine use and there being no proper reasons for non-use.
6. Thus, Subway's 868 mark had survived NVK's attack and remained registered. As for NVK's marks, Subway's counterattacks had led to the partial invalidation of its 473 mark and the revocation of

¹ 3124473 is not to be confused with NVK's registration No. 3347473.

revocation in full of registration nos. 3083646, 3124255, 3125681 & 3124473 from the earliest dates identified by Subway: .

The Appeal

7. NVK appeals under S. 76 of the Trade Marks Act 1994 (“the Act”). The Grounds of Appeal are as follows:
 - i) The Hearing Officer was plainly wrong to conclude that CLICK EAT is devoid of any distinctive character.
 - ii) The Hearing Officer made material errors in the assessment of the mark CLICK EAT in the context of (Subway’s) evidence of variations of this mark “that include additional and or different terms such as '&', 'and', 'collect', 'reserve', 'book', etc.”
 - iii) In respect of Registration Nos 3124473 (CA000504839) and 3083646 (CA000504842) the Hearing Officer was wrong to conclude that the evidence of use filed was not evidence of genuine use of the marks sufficient to maintain the registrations at least in part.
 - iv) The Hearing Officer was wrong to conclude that there were no proper reasons for the non-use of those marks.
8. For NVK, Mr. Marsden abandoned Ground (iv) at the Appeal Hearing.
9. No Respondent’s Notice was filed.

Preliminary Issues – Breadth of Appeal

10. For Subway, in her skeleton Ms Blythe identified that as pleaded, and insofar as they related to the validity of NVK’s Registration No. 3347473, (i.e. Grounds 1 and 2) the grounds of appeal related only to the Hearing Officer’s findings that it was devoid of distinctive character under S. 3 (1) (b) of the Act, making no mention of the additional finding that the mark was descriptive under S. 3 (1) (c). Thus, even if the appeal succeeded as pleaded on the issue of distinctiveness the alternate finding of descriptiveness would stand and the 473 mark would still be cancelled..
11. For NVK, however, Mr. Marsden’s skeleton squarely put the issue of descriptiveness forward as an alternative basis for the appeal.
12. Ahead of the Hearing I referred both parties to the Decision of Dr Brian Whitehead, Appointed Person, in BL O/1211/23 *ONE FOUR* at [12-29] and the case law cited there, as to the approach to sufficiency of pleadings.

13. I heard both parties on this issue. Ms Blythe generously conceded that notwithstanding the insufficiently pleaded appeal, she had prepared for and was able and willing to deal, with no prejudice to her client, with NVK's case on descriptiveness. It was common ground that the issue of descriptiveness would stand or fall with that of distinctiveness in any event. That being so, and since it is in the interests of justice that a case should be heard as fully as possible if there is no countervailing factor beyond a mere shortcoming in the pleading (which is a matter which can be addressed in costs), I allowed Mr. Marsden to amend Ground 1 to read:

The Hearing Officer was plainly wrong to conclude that CLICK EAT is devoid of any distinctive character **and/or descriptive**. (emphasis added).

14. Ms Blythe also took issue with paragraph 19 of NVK's skeleton, which sought for the first time to challenge the Hearing Officer's dismissal of NVK's application to invalidate Subway's 868 mark based on NVK's 479 mark. This, she submitted (entirely correctly,) was not foreshadowed at all in the Grounds of Appeal. Faced with this Mr. Marsden sensibly confirmed this previously undisclosed "ground" was not pursued.

15. Thus, the pleadings issue was resolved in this case without undue difficulty, due in no small extent to the commendably constructive and pragmatic attitude of the parties' representatives, for which I am grateful. Nevertheless, given the sometimes questionable quality of appeal pleadings generally, I consider practitioners should remind themselves to pay close attention to the principles referred to in *ONE FOUR* and the case law cited there. In particular, I drew Mr. Marsden's attention to the fact that a rider to his pleadings:

"Further details regarding the reasons for appeal will be provided in the skeleton arguments prior to the appeal hearing"

was definitely *not* an acceptable substitute for proper pleading and could usually not be relied on to expand the grounds of appeal later.

Standard of Review

16. There was no disagreement between the parties as to the appellate standard. An appeal is by way of review, not re-hearing. The Court of Appeal has recently summarised the test to be applied to appeals of this kind in *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262, where Arnold LJ stated the position to be as follows at [110]:

“110. It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: Volpi v Volpi [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2] (v) (Lewison LJ). Equally, it is common ground that, in so far as the appeals challenge multi-factorial evaluations by the judge, this Court is only entitled to intervene if the judge erred in law or principle: compare Magmatic Ltd v PMS International Group plc [2016] UKSC 12, [2016] Bus LR 371 at [24] (Lord Neuberger of Abbotsbury) and Actavis Group PTC EHF v ICOS Corp [2019] UKSC 15, [2019] Bus LR 1318 at [78]- [81] (Lord Hodge) , and see Re Sprintroom Ltd [2019] EWCA Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJ) , which h 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. The judgment of Joanna Smith J. in *Axogen Corporation v Aviv Scientific Limited* [2022] EWHC 95 (Ch) at [24] is an appropriate summation of the detail of the approach to be followed:

“24. Although I was referred to numerous cases on the subject the approach of the appeal court to a statutory appeal under section 76(1) of the TMA is uncontroversial. I bear the following principles, relevant to the issues before me, firmly in mind:

i) The appeal is by way of a review, not a rehearing;

ii) The appeal court will allow an appeal where the decision of the lower court was "wrong" (see CPR 52.11). Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffices to justify interference;

iii) The decision of the lower court will be "wrong" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. Absent an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "outside the bounds within which reasonable disagreement is possible";

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

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

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

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

viii) The appellate court should not treat a judgment as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed; "The duty to give reasons must not be turned into an intolerable burden". The reasons need not be elaborate. There is no duty on a judge, in giving her reasons, to deal with every argument presented by counsel in support of his case. It is sufficient if what she says shows the basis on which she has acted. The issues the resolution of which were vital to the judge's conclusions should be identified and the manner in which she resolved them explained.

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

18. The Decision required of Mr. James in all the matters before him was predominately of an evaluative, factual nature. As noted by Mr. Geoffrey Hobbs KC in paragraphs [10] and [19] of his Decision in *LADY LOUISA WATERFORD TM* (O-0646-24):

"10. (A)... Decision is not liable to be set aside by this Tribunal on appeal unless it can be regarded as rationally insupportable, whether by reason of an identifiable flaw in the treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account a material factor, which undermines the cogency of the conclusion, or for being contrary to principle or plainly wrong...

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

19. I bear these principles in mind.

Merits

Ground 1 & 2 – Distinctiveness/Descriptiveness of CLICK EAT (Registration No. 3347473)

20. The first ground of appeal contends that Mr. James was simply “plainly wrong” to hold that CLICK EAT was devoid of distinctive character/descriptive. In his skeleton and before me Mr. Marsden developed this challenge to, in summary, the following:

- i) The Hearing Officer had artificially and wrongly dissected CLICK EAT into its constituent elements, discounting NVK’s position that, in effect, the whole was greater than the sum of the parts.
- ii) The Hearing Officer overlooked that CLICK EAT is not an immediate and obvious description, and that it is distinctively allusive.
- iii) The Decision of Mr. Daniel Alexander QC (sitting as Appointed Person) in BL O/485/17), in which he found Mr. Kunnure’s trade mark 3124473 CLICK-EAT to have at least some distinctiveness, should have been given more weight.
- iv) The finding of non-distinctiveness should not stand for all of the services for which the 473 mark was registered.

21. The second ground was that there was a material error in the assessment of the evidence because Mr. James took into account the other marks cited therein when considering the distinctiveness of CLICK EAT, not least because some of the evidence was “non-UK” and/or dated after the relevant date. It was said these other marks were different in their respective contexts. Before me Mr. Marsden accepted that the complaint on appeal was focussed on the weight given by the Hearing Officer to this evidence (rather than to its relevance and admissibility, no challenge to the evidence having been raised at first instance).

22. All of these issues were canvassed at first instance.

23. In response, Ms Blythe submitted that no error of principle had been identified, and that NVK’s submission was no more than an attempt to re-argue the matter and challenge the outcome of the Hearing Officer’s evaluative assessment. As she put it, *“They are therefore left with an allegation that the decision was wrong. That is a very high bar. That is an allegation that the decision is outside the bounds within which reasonable disagreement is possible. When you are talking about evaluative decisions like those in issue here, we say simply it is a very high hurdle and the Appellant really has not overcome it”*.

24. Specifically as regards the Hearing Officer’s approach to the evidence, Ms Blythe stressed that no specific error of assessment had been identified and that in any event, the Hearing Officer placed little weight on it.
25. I have reviewed the relevant parts of the Decision of Mr. James, which are contained in paragraphs [25-53]. Mr. James did what he was required to do. Each and every point raised by NVK on these two grounds of appeal was dealt with by Mr. James in an entirely correct and appropriate evaluative fashion, including, in particular, by finding that BL O/485/17 was not binding after weighing up the parties’ respective submissions.
26. It is not enough simply to assert that a decision is wrong, or that too much or too little weight was given to a particular factor. In particular, as regards issues of weight, these have been consistently rejected as a proper ground of Appeal.
27. Thus, NVK’s appeal amounts to no more than a reiteration of its case and a mere disagreement with the findings of Mr. James. In such a case it is not necessary for me to re-analyse or restate the decision below in depth. In *Butler v Bankside Commercial Ltd* [2020] EWCA Civ. 203 Lewison LJ repeated at para. [19] what Mummery LJ had said in *Neumans LLP v Andronikou* [2013] EWCA Civ. 916 at para. [38] regarding appeals from impeccable judgments: *“If the judgment in the court below is correct, this court can legitimately adopt and affirm it without any obligation to say the same things over again in different words. The losing party will be told exactly why the appeal was dismissed: there was nothing wrong with the decision appealed or the reasons for it.”*
28. Following the same approach, I find that the Decision of Mr. James as regards the validity of the 473 Mark was correct for the reasons that he gave, and I accordingly dismiss grounds 1 and 2 of NVK’s Appeal.

Ground 3– Non-use of Registration Nos 3124473 (CA000504839) and 3083646 (CA000504842)

29. Although the ground of appeal was expressed as a broad assertion that the Decision was “wrong”, in his skeleton Mr. Marsden raised these specific points.
30. The first two submissions related to 3083646 (CA000504842) and were as follows:

- a) The evidence of use for registration No. 3083646² included details of restaurant bookings within the relevant time. The hearing officer had incorrectly and unfairly assessed the evidence. Whilst there were some test bookings, the majority of the bookings were genuine. The fact that some bookings were subsequently cancelled, or that several bookings were made by the same person was not relevant.
- b) The hearing officer was wrong to claim that material at Exhibit VK3 (in fact, VK2) namely the website archive pages, included details that had been added later. The evidence should be taken as filed and as a correct statement of the website as at the date of the internet archive date stamp.

31. Turning first to the matter of the evidence of cancelled/duplicative restaurant bookings, Mr. Marsden submitted to me that these had been “cut out” or alternatively given less weight than they deserved.

32. Of these bookings Mr. James said, at [102-103]:

103. All the bookings are for the same restaurant – Rasassi. The vast majority of the bookings are recorded as having been made via the widget. The records include cancellations as well as bookings. There are many duplicative bookings. For example, a person I shall call ‘SP’ is recorded as having made 4 bookings for 31st January 2020, all at 19.30. The same person made a further 23 bookings for 7th February 2020, again all at 19.30. Some of the bookings post-date the end of the last relevant period and, therefore, do not show any use during the relevant periods. NVK has not attempted to distil the information so as to come up with a figure for the number of non-duplicative, non-test bookings. So neither have I. However, I have gone through the records and I am satisfied they show a commercially significant number of bookings via the widget, albeit all at the same restaurant. (emphasis added).

33. Looking at paragraphs [95-95] and [107-108] of his Decision I can see that Mr. James instructed himself correctly as to the legal principles applicable to an assessment of genuine use.

34. Having reviewed the evidence, Mr. James then set out his reasoned conclusion:

² Although Mr. Marsden did not make the explicit distinction at the time, it is clear from para [102] of Mr.



“109. Applying this guidance, I find that NVK has not shown use of the mark registered under 3124255, 3125681 & 3083646 during the relevant periods. The closest the evidence comes to this is a page from the UK click-eat website dated December 2021 in exhibit VK2. This includes a small, coloured, representations of the ‘479 mark, which as I have already noted, is an acceptable variant of the other figurative marks. As noted above, the use appears to be promoting a downloadable click-EAT app, which is indicated to be available from Google Play and Apple’s App Store. However, Mr. Kunnure’s evidence provides no information about a click-EAT app. This is not surprising. In circumstances where only one restaurant is claimed to have made its services available via the click-EAT booking system, a downloadable restaurant booking app would clearly have limited appeal. In any event, the registrations under consideration do not cover downloadable software, which falls in class 9.

110. There is no evidence that those members of the public using the widget on the Rasassi.com website to make restaurant bookings would have seen the figurative mark at issue, or the ‘479 mark. The historical webpages from the Rasassi website exhibited to Ms Flockhart’s second witness statement show no such use of these marks, or the words click-EAT. NVK had the opportunity to file in reply to this evidence and conspicuously did not do so.”

35. It is clear on the face of [103] that, contrary to Mr. Marsden’s claim, the evidence of cancelled/duplicative bookings was not being “cut out” at all. It was, in fact, being positively taken into account, but only for whatever weight Mr. James thought it was worth. Looking at the evidence in the round, Mr. James’ conclusion was that it was insufficient to show genuine use. Insofar as the weight, or lack of it, of the evidence of cancelled/duplicative bookings fed into that conclusion, that was a matter for the Hearing Officer’s evaluative function, and there is nothing to show that he erred in carrying out that function.

36. Turning now to the second point, namely the reference to the inclusion of added matter in Exhibit VK2, Mr. Marsden appeared to proceed on the basis that Mr. James had wrongly discounted this evidence (of archive web pages) for that reason.

37. On this issue Mr. James had this to say.

“99. The final three webpages (emphasis added) in exhibit VK2 have been obtained from the web archive called the WayBack Machine. They appear to show pages from the eat-click.co.uk website as at 21st December 2021. This is within the last relevant period. However, some of what is shown on the printouts has clearly been added later because it includes references in the body of the pages to the web archive site. The first page shows a launch page from which users can book a table in a restaurant or order a takeaway service. The next steps are indicated to be ‘choose a

restaurant’, ‘book your table’, and ‘enjoy your dine-in’, but there are no copies of these pages in evidence. The next page appears to be promoting a downloadable click-EAT app, which is indicated to be available from Google Play and Apple’s App Store. I note that this page includes small, coloured representations of the ‘479³ mark. The third page shows addresses in India and the UK. I note there is a 2021 copyright claim by a company called Rasassi Hospitality Limited

101. This means that the only contemporaneous documents in evidence showing which services were provided under the ‘479 mark (or, by extension, the 3124255, 3125681 & 3083646 marks) during any of the relevant periods, are the final three pages of exhibit VK2.” (emphasis added)

38. Thus, far from dismissing this evidence, Mr. James took it into account as contemporaneous material, notwithstanding the pages contained later added matter. His acknowledgement of that additional matter was simply a recognition of its factual presence. Mr. Marsden’s submission on this issue was therefore misconceived.

39. Finally, Mr. Marsden submitted that the hearing officer was wrong to conclude that the use of the domain name www.clickeat.co.uk did not constitute genuine use of the ‘4473 registration. However, this point was dropped by Mr. Marsden during the Hearing. This being the only challenge to the Hearing Officer’s findings as regards Registration No 3124473 (CA000504839) the Appeal falls away in that respect.

40. It follows from the above that I dismiss Ground 3.

Overall Outcome

41. The Appeal has failed and is dismissed in full. The consequences set out in paragraphs [132-135] of Decision BL O/0004/24 shall be given full effect.

Costs

42. The Appeal having been dismissed. Subway is entitled to its costs.

43. For NVK Mr. Marsden submitted that the usual scale should apply.

³ Erroneously referred to in the Decision, here and elsewhere, as the ‘473 mark. I have included the correct reference throughout.

44. For Subway, Ms Blythe sought “*costs off the scale on a full compensatory basis, on the basis that the appeal is entirely without merit, especially the appeal as set out in the Grounds of Appeal.*” Failing that she sought the costs arising from the delinquent appeal pleading, again on an indemnity basis.
45. Below, the Hearing Officer awarded Subway £4200.
46. As regards the Appeal, whilst I have a discretion to award off-scale costs where a party has behaved unreasonably or engaged in an abuse of process, and whilst the appeal may have been lacking great merit or sufficiency, this remains, in most respects, a typical appeal and I do not consider the Appellant’s conduct justifies off-scale costs. I shall, however, include an element to reflect Subway’s costs in dealing with the inadequately drafted appeal.
47. I therefore award Subway a further £3000 for its general costs together with the additional sum of £500 in respect of costs incurred by reason of having to deal with the inadequately pleaded Grounds of Appeal.
48. The total sum of £7700 is to be paid by NVK to Subway within 21 days of the date of this Decision.

Philip Harris

Appointed Person

18 October 2024