BL O/1136/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NOS 3593082, 3593164 AND 3593122 BY FITTIPALDI IP HOLDINGS, LLC

AND IN THE MATTER OF OPPOSITIONS THERETO UNDER NOS 426198, 426199 AND 426290 BY CORPA SWITZERLAND AG

AND APPLICATIONS FOR DECLARATIONS OF INVALIDITY THERETO UNDER NOS 504976 AND 504977 BY FITTIPALDI IP HOLDINGS LLC

DECISION

Introduction

1. This is an appeal against a decision of James Hopkins, acting on behalf of the Registrar, dated 26 April 2024 (O-0374-24), in which both parties to the proceedings had a measure of success ("***the Decision***").

2. On 9 February 2021, Fittipaldi IP Holdings, LLC ("***FIH***") applied to register 3 trade marks with respect to various goods and services in classes 12, 18, 21, 25, 35, 41 and 42.

3. On 16 August and 20 August 2023, Corpa Switzerland AG ("***Corpa***") opposed the applications under section 5(2)(b) of the Trade Marks Act 1994 ("***the 1994 Act***"). For that purpose Corpa relied upon two trade mark registrations registered in respect of various goods and services in classes 12, 25 and 41 ("***Corpa's marks***").

4. FIH filed counterstatements denying the claims made.

5. On 14 June 2022, FIH made an application to invalidate Corpa's marks, in full pursuant to section 47 of the 1994 Act. The applications were based upon sections 3(6) and 5(6) of the 1994 Act. As set out in paragraph [8] of the Decision for these purposes:

> FIH contends that the parties had a prior business relationship. Corpa is said to have filed/registered the International Registrations from which its UK registrations derive on behalf of Emerson Fittipaldi (a famous racing driver) without his consent. On this basis, FIH submits that Corpa's marks were filed in bad faith and/or constitute an unauthorised act by an agent/representative of Mr Fittipaldi.

6. Corpa filed counterstatements denying the grounds of invalidation. As set out in paragraph [9] of the Decision Corpa adopted the following position:

> Save for admitting that its International Registrations resulted in the creation of the UK registrations at issue, Corpa does not admit any of the claims made by FIH in its statement of grounds and puts it to proof thereof.

7. On 7 October 2022 the invalidity proceedings were consolidated with the opposition proceedings which had previously been consolidated on 23 December 2021.

8. Both parties filed evidence which was identified by the Hearing Officer as follows at paragraphs [13] to [15] of the Decision (footnotes excluded):

> 13. FIH's evidence in chief is given in the witness statement of Ryan Pixton, dated 9 January 2023 and four exhibits (REP1 to REP4). Mr Pixton is a Trade Mark Attorney with Kilburn & Strode LLP, FIH's professional representatives. Mr Pixton provides identification for Mr Fittipaldi, an examination report concerning the mark 'EMERSON FITTIPALDI', a letter from Mr Fittipaldi consenting to the use and registration of the mark by FIH, and correspondence from Corpa's representatives to the EUIPO.
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> 14. Corpa's evidence in chief is given in the witness statements of Andre Werner and Patrick Bosshard, dated 9 January 2023 and 19 January 2023, respectively. Mr Werner is a Swiss and European Patent Attorney and Partner at Troesch Scheidegger Werner AG ("TSW"), a position he has held since 1987. His statement is accompanied by one exhibit (AW1), which consists of a letter from him to Mr Bosshard regarding a meeting with Mr Fittipaldi. Mr Bosshard is a Managing Partner of Corpa, a position he has held since 2016. He provides evidence about the relationship between Corpa and Mr Fittipaldi, and a history of the relevant trade mark filings. His statement is accompanied by thirteen exhibits (PB1 to PB13).
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> 15. FIH filed evidence in reply in the form of a second witness statement from Mr Pixton, dated 20 March 2023, and twelve exhibits (REP1 to REP12). This evidence comprises correspondence between the parties, as well as documents from proceedings in the US.

9. A hearing was requested and took place by video conference before the Hearing Officer on the 27 September 2023. At that hearing FIH was represented by Ryan Pixton of Kilburn & Strode LLP and Corpa was represented by Stephen Lowry of Barker Brettel LLP.

10. As noted by the Hearing Officer in paragraph [17] of the Decision if FIH's applications to invalidate Corpa's marks were to be successful, Corpa would have not rights to rely upon in the oppositions against FIH's marks. The Hearing Officer therefore first considered the applications for invalidity.

11. As the crux of the present appeal is against the findings of the Hearing Officer with respect to the applications for invalidity, I shall likewise address those issues first and then return to deal with the any other matters as may be necessary.

The Hearing Officer's Decision on Invalidity

12. The Hearing Officer identified the applicable law for the purposes of section 3(6) of the 1994 Act at paragraphs [19] to [23] of the Decision; and a recitation of the

relevant points made in the pleadings and evidence was set out in paragraphs [25] to [35] of the Decision. On the basis of these findings the Hearing Officer went on to find as follows (footnotes excluded):

> 36. As the case law above makes clear, bad faith is a serious allegation which must be distinctly proved. The evidence filed in these proceedings is limited. However, it is common ground that Mr Fittipaldi is a Brazilian racing car driver. It is also not in dispute that Corpa and Mr Fittipaldi had business dealings, and that the former was aware that Mr Fittipaldi (whether individually or through one of his companies) wished to register trade marks featuring his name in connection with a sports car business venture. The evidence shows that this was the case before the relevant date (the filing date of Corpa's marks). In my view, filing for trade marks which Corpa knew Mr Fittipaldi was planning on using for a business venture through its commercial relationship with him strikes me as indicative of a departure from accepted standards of honest commercial and business practices. Therefore, I find that FIH has raised a prima facie case of bad faith.
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> 37. Nevertheless, that is not the end of the matter. The burden now shifts to Corpa to rebut that prima facie case. The crux of Corpa's defence is that Mr Fittipaldi consented to the trade marks being filed in its name. Messrs Bosshard and Werner both give narrative evidence that, prior to the relevant date, a meeting was held with Mr Fittipaldi and his business partner. They say that, at the meeting, the parties discussed obtaining protection for 'FITTIPALDI' derived trade marks and that Mr Fittipaldi agreed that these applications would be made in Corpa's name. If their evidence was incorrect or not a true reflection of the matters discussed and agreed in the meeting, this would undoubtedly be a key point for FIH to have challenged, either in its evidence or reply or through cross-examination. However, no such challenge was ever made by FIH. Messrs Bosshard and Werner were both present at the meeting and their narrative evidence on what allegedly transpired is consistent. I have no reason to disbelieve them. In the absence of a direct challenge to this point or any contradictory evidence, I am satisfied, on the balance of probabilities, that the evidence establishes that Mr Fittipaldi authorised Corpa to file the trade marks in its name. As it appears that Mr Fittipaldi consented to Corpa's marks being filed, I find that the prima facie case has been rebutted and that they were not filed in bad faith.
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> 38. I am fortified in this finding by the evidence of the parties' continued dealings. For instance, Corpa contacted Mr Fittipaldi regarding the trade marks on numerous occasions in 2017 and 2018. Moreover, messages were sent from Mr Fittipaldi on WhatsApp to Mr Bosshard in 2018. These messages show Mr

> Fittipaldi making enquiries about the trade marks so that he could pass certain details on. If no authorisation had been given to Corpa, once Mr Fittipaldi had become aware of the situation, one could reasonably have expected action to have been taken sooner. On the balance of the evidence, it appears that no such action was taken until 2021 at the earliest; letters before action broadly relating to this matter were sent from a law firm in Miami in February of that year. Moreover, no action was taken against the marks at issue in these proceedings until June 2022, after the oppositions had already been filed by Corpa.
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> 39. FIH's claims under section 3(6) are dismissed.

13. The Hearing Officer then turned to consider the position with regard to section 5(6) of the 1994 Act. Having identified the relevant law at paragraphs [40] to [42]. The Hearing Officer then expressed his conclusions under section 5(6) as follows:

> 43. As FIH's claim under this ground is made on the same basis as that under section 3(6), I can deal with it swiftly. The case law referred to above establishes that one of the (cumulative) conditions of a successful claim of this kind is that the application must have been filed in the name of the agent or representative without the proprietor's consent and without legitimate reasons to justify the action. I explained at paragraphs 37 and 38 above that, based upon the evidence filed in these proceedings (including the unchallenged narrative evidence of Messrs Bosshard and Werner) I was satisfied that Mr Fittipaldi authorised Corpa to file the marks at issue in its name. For the same reasons, FIH's claim does not satisfy that condition.
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> 44. FIH's claims under section 5(6) are dismissed

The appeal

14. A Form TM55P dated 24 May 2024 was filed on behalf of FIH. It was accompanied by Grounds of Appeal.

15. Four Grounds of Appeal were identified. Those grounds contended in substance that:

    (1) The Hearing Officer erred regarded the testimony of Messrs Bosshard and Werner as being unchallenged, and not challenged through evidence, and therefore accurate and truthful on the balance of probabilities.

    (2) Having found that FIH had established a *prima facie* case of bad faith, the Hearing Officer did not correctly apply the test as to whether Corpa had discharged its burden of refuting the allegation of bad faith.

    (3) FIH had consented to the filing of the applications in issue by Copra could be inferred from (a) the fact that FIH did not challenge the Corpa registrations until Corpa had opposed FIH's own applications; and/or (b) the gap of 3 years

between the filing of the applications and the letters before action concerning the transfer of the relevant rights.

(4) The Hearing Officer failed to rule on the submissions dated 21 March 2024 that had been filed on behalf of FIH which related to the findings by the EUIPO that the EUTMs from which the comparable rights relied upon by Copra in the present proceedings had originated had been invalidated on the grounds of bad faith.

16. At the hearing of the appeal it was, in my view rightly, confirmed on behalf of FIH that so far as the Decision dealt with the oppositions following on from the findings of invalidity there was nothing inherently wrong with the analysis. No grounds of appeal were put forward on behalf of FIH save in respect of the findings on invalidity.

17. No Respondent's Notice was filed.

18. At the hearing of the appeal which took place by video link FIH was represented (as below) by Mr Ryan Pixton of Kilburn & Strode LLP; and Copra by Ms Tracy Arch of Barker Brettell LLP.

The Standard of Review

19. 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) .

20. 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.

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

The Decision

Ground 1

22. The first ground of appeal is concerned with the findings in paragraph [37] of the Decision that on the balance of probabilities that the evidence of Messrs Bosshard and Werner established that at a meeting Mr Fittipaldi authorised Corpa to file the trade marks, the subject of the applications for invalidity, in its name.

23. At the hearing of the appeal before me it was not disputed that the meeting had taken place or that the individuals identified as having been present at the meeting, including Messrs Bosshard and Werner, was not correct. Rather what was said to have been disputed by FIH was what had been discussed and agreed at that meeting; and that the Hearing Officer should not have accepted the evidence of Messrs Bosshard and Werner given that such evidence was challenged by FIH.

24. In particular it is said that the reasoning of the Hearing Officer was flawed on the basis that it was contradicted by the evidence filed by FIH. It was further maintained that FIH should not have been criticised for not challenging the evidence of Messrs Bosshard and Werner filed in the present proceedings either by way of cross-examination or by the filing of evidence in reply.

25. As to the cross-examination point FIH made a decision not to make any application to cross-examine either Messrs Bosshard and Werner. That is a decision that, of course, they were entitled to make. However in circumstances where FIH were and are inviting such evidence to be disbelieved they cannot complain if the Hearing Officer observes, as he did in the Decision, that the evidence was not challenged by way of cross-examination.

26. As to the question of whether there was any evidence filed by FIH to directly challenge the evidence given by either Messrs Bosshard and Werner I note that the evidence filed in these proceedings was limited to two statements filed by Mr Pixton i.e. the representative in these proceedings of FIH. What Mr Pixton relies upon on this appeal, in support of the proposition that the Hearing Officer was wrong to find that the evidence of Messrs Bosshard and Werner was not contradicted, were exhibits to his witness statement in the form of (1) letters sent by US attorneys on behalf of FIH challenge Copra's version of events; and (2) copies of witness statements made by Corpa in the context of US proceedings between the parties.

27. That is to say there was no evidence put before the Hearing Officer that directly challenged the evidence given by Messrs Bosshard and Werner in these proceedings. I further note that no witness was put forward on behalf of FIH who could have been cross-examined on any points of conflict as to the disputed facts as to what was or was not discussed or agreed at the relevant meeting.

28. In the circumstances, and having regard to in particular the guidance from the Court of Appeal in Lidl (above) it cannot be said that the findings of fact made by the Hearing Officer are unsupportable. I am reinforced in that view given the submissions made on the is appeal that '[the witness statements of Messrs Bosshard and Werner] *are genuine statements as to what the people making those statements thought happened but they go no further than that*'. Absent any direct challenge it was open to the Hearing Officer to accept that evidence on the balance of probabilities.

29. I therefore dismiss Ground 1 of this appeal.

Ground 2

30. As rightly submitted on behalf of FIH, Ground 2 is closely linked to Ground 1. The crux of this ground of appeal is that having correctly found that a *prima facie* case of bad faith having been out it was incumbent upon Copra to file distinct evidence to rebut the claim to bad faith. In the present case that required Copra to file distinct evidence that Mr Fittipaldi had consented to the filing of the trade marks the subject of the application for invalidity by Copra.

31. As was accepted on this appeal the evidence relied upon by Copra to support its contention that Mr Fittipaldi had consented to the filing of the trade marks was contained in the witness statements of Messrs Bosshard and Werner. For the reasons that I have already explained under Ground 1 above in my view it was open to the

Hearing Officer to make the findings of fact that he did on the evidence that was before him. I therefore dismiss Ground 2 of this appeal.

Ground 3

32. Again, as rightly submitted on behalf of FIH, Ground 2 is linked to Grounds 1 and 2. What is submitted under Ground 3 is that the Hearing Officer should not have inferred consent based on the timing of events and actions of the parties that occurred after the filing date of the application.

33. FIH are entirely correct that the relevant date for determining whether or not an application was made in bad faith is the filing date. FIH was also correct to accept that evidence about subsequent events may be relevant it they cast light backwards on the position at the relevant date. That that is the correct position was explicitly set out by the Hearing Officer in paragraph [24] of the Decision by reference to Hotel Cipriani SRL and others v. Cipriani (Grosvenor Street) Limited and others [2009] RPC 9 and approved on appeal by the Court of Appeal [2010] RPC 16.

34. Complaint is made under Ground 3 that the Hearing Officer referred to certain matters in paragraph [38] of his Decision that post-dated the filing date. There are two points on this (1) as a matter of principle such matters may, as accepted by FIH, be relevant to the assessment; and (2) whilst the Hearing Officer referred to such matters in paragraph [38], he did so expressly on the basis that such matters confirmed the view that he had already reached on the evidence as of the filing date.

35. In my view the Hearing Officer did what he was required to do. 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 FIH relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error. See the decision of Geoffrey Hobbs KC in LADY LOUISA WATERFORD TM (O-0646-24) at paragraphs [10] and [19].

36. I have reviewed paragraph [38] of the Decision in light of FIH's criticisms of it. Having done so, I am satisfied that the matters referred to by FIH do not reveal any substantive mistakes and that they cannot be taken, individually or together to establish that the Decision under section 3(6) of the 1994 Act is liable to be set aside. I therefore dismiss Ground 3 of the appeal.

Ground 4

37. Ground 4 of the appeal is concerned with submissions that were sent to the Hearing Officer on 21 March 2024. That is to say after the hearing that took place on 27 September 2023 and before the Decision was issued on 26 April 2024.

38. In the letter dated 21 March 2024 FIH's representatives stated *inter alia* as follows:

> To our knowledge, we understand that a decision has not yet been issued in the above matters following the hearing held on 27 September 2023. If that is not correct then please would you let us know.
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> Meanwhile, we bring to the Tribunal's attention the attached decisions issued by the EUIPO in connection with related proceedings involving the parties' EU trade marks, which involve the same issues. Fittipaldi has successfully applied to invalidate Corpa's EU Trade Mark Nos. 1378346 and 1376808. The EUIPO has upheld a finding that these registrations were applied for in bad faith and they are therefore liable to be invalidated. On behalf of Fittipaldi IP Holdings LLC, we submit that these decisions are pertinent to the above present UK opposition proceedings for the following reasons:
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> 1. Although the Tribunals are independent of each other, it is notable that on an assessment of the same facts and evidence as the UK proceedings, the EUIPO found in favour of Fittipaldi IP Holdings LLC that Corpa was not entitled to file applications in its name for these marks.
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> 2. More pertinently, the UK actions above are filed on the basis of Corpa's UK Registration Nos. UK00801378346 and UK00801376808. As will be apparent from the UK008 prefix, these registrations are UK comparable registrations deriving from the EUTM. Although the action against the EUTMs was filed by Fittipaldi post-Brexit and is therefore not subject to the transitional provisions, the effect of the EUIPO decision in the cancellation actions is that those EU trade mark registrations should never have existed and the effect is that they have never existed. That being the case, we submit that Corpa is not entitled to rely on UK registrations derived from the EUTMs for the purposes of its UK oppositions, since if the EUTM should never have existed, nor should the UK comparable registrations.
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> We are available for any further clarification that the Tribunal may require, otherwise we respectfully submit this information for the Tribunal's attention.

39. The letter enclosed a copy decision of the EUIPO in French. I understand that the decision of the EUIPO is not the subject of an appeal. At the hearing (1) it was suggested that the evidence filed in the EUIPO was the same as in the proceedings that are the subject of this appeal but that is not entirely clear to me from the decision of the EUIPO; and (2) it was accepted that the EUIPO proceedings were not referred to in any of the documents that had been filed at the UKIPO prior to the letter of 21 March 2024 and that no application at any point had been made for a stay of the

proceedings in the UKIPO on the basis that the proceedings in the EUIPO were relevant to the findings that the Hearing Officer had to make or at all.

40. By email dated 26 March 2024 a response was sent on behalf of the Registrar which stated *inter alia* as follows:

> The Tribunal acknowledges your correspondence dated 21 March 2024.
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> Please be advised that a decision is currently being prepared in relation to these proceedings and will be issued in due course.
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> Whilst your reference to decisions of the EUIPO is noted, please be advised that they cannot be taken into account by the Hearing Officer. It is noted that no formal request has been made to file additional evidence in these proceedings. Even if such a request were made, the hearing of final submissions in this matter took place several months ago, in September 2023. As such, it would be inappropriate to admit the decisions into the proceedings at such a late stage, with the other side having no opportunity to respond to them.
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> In any event, it is well-established that decisions of the EUIPO are not binding on the Registrar. As such, the relative weight which could be afforded to the decisions (if any) is counterbalanced by the unfairness to the other party, as well as the excessive delays which would be experienced if the decisions were to be admitted into the proceedings.

41. I note that no further correspondence on this issue was sent by either of the parties or the Registrar.

42. In my view, Ground 4 is of no assistance to FIH not least because in the letter sent on behalf of FIH on 21 March it was accepted that (1) the UKIPO was independent of the EUIPO i.e., the decision of the EUIPO was not binding on the UKIPO; and (2) that the invalidity proceedings brought before the EUIPO were not subject to the transitional provisions applicable to UK comparable registrations. Moreover, against that background the Hearing Officer was entitled to proceed on the basis of the evidence and submissions that were before him. I therefore dismiss Ground 4 of this Appeal.

Conclusion

43. For the reasons set out above it does not seem to me that FIH has identified any error or principle or material error in the Hearing Officer's Decision. Moreover, it is not in my view appropriate to interfere with the evaluations that the Hearing Officer made in reaching the conclusions that he did. In the result the appeal fails and is dismissed.

44. As the appeal has been dismissed Copra is entitled to a contribution towards the costs of the appeal. No skeleton argument was prepared for the purposes of this appeal but Copra was represented at the hearing and submissions were made on behalf of Copra. Against that background and in the exercise of my discretion I consider that FIH should pay a contribution of £800 to Copra's costs on appeal.

45. The Hearing Officer ordered Fittipaldi IP Holdings, LLC to pay Corpa Switzerland AG the sum of £2,580 with respect to its costs at first instance. In those circumstances I order Fittipaldi IP Holdings, LLC to pay to Corpa Switzerland AG the total sum of £3,380 on or before 4pm on 18 December 2024.

Emma Himsworth KC

Appointed Person

27 November 2024