O-065-09

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 2368347 IN THE NAME OF TOM PARKER LIMITED

AND IN THE MATTER OF THE OPPOSITION UNDER NO. 93383 IN THE NAME OF PARKER INTANGIBLES LLC

AND IN THE MATTER OF AN APPEAL FROM A DECISION OF MR M FOLEY DATED 20 JUNE 2008

DECISION

Introduction

1. This decision arises out of an appeal by Parker Intangibles LLC ("the Opponent") against the rejection by the Hearing Officer, Mr Foley, of its opposition to the application by Tom Parker Limited ("the Respondent") to register the mark PARKAIR.

2. The Opponent elected to bring the appeal before the Appointed Person, but the Respondent requested that it be referred to the High Court. This decision relates only to that issue, and not to the substance of the appeal.

Background

3. On 16 July 2004, the Respondent applied to register the trade mark PARKAIR for various goods in classes 7, 10 and 17 and services in Class 35. On 29 April 2005, the Opponent filed a notice of opposition pursuant to section 5(2)(b) and section 5(3) based upon its own trade mark, PARKER, registered for identical and/or similar goods. The Opposition was heard by

Mr Foley on 15 November 2007. At the hearing, at which it was represented by its trade mark attorney, the Opponent dropped its opposition based upon section 5(3), and proceeded only upon the basis of s 5(2)(b). Mr Foley delivered his written decision on 18 June 2008, in which he rejected the opposition in relation to all of the goods and services in the Respondent's specification. Nearly 4 years had elapsed between the date of the application to register the mark and Mr Foley's decision.

4. By a notice of appeal on Form TM55, lodged on 18 July 2008 by the Opponent's trade mark attorneys, the Opponent appealed to the Appointed Person. The grounds of appeal were short, and the main parts were as follows:

> "1. .... the Hearing Officer arrived at an incorrect conclusion that the two marks were not similar to one another.
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> 2. ... the Hearing Officer placed far too great an emphasis on the importance of the prefixes [*sic*] of the respective marks, namely the terms "ER" and "AIR", and failed to make a proper assessment of the two marks [*sic*] phonetic similarities ....
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> 3. ... the Hearing Officer acknowledged the opponent's reputation in its mark PARKER but failed to fully take the importance of this reputation into account ...
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> 4. ... the Hearing Officer failed to fully take into account the fact that where there is more or less identity of the applicant/opponent goods ... this can have an important bearing on the overall assessment of the similarity of two marks and ... the likelihood of confusion between them ..."

5. The notice of appeal and grounds of appeal were forwarded to the Respondent by the UKIPO under cover of a letter dated 4 August 2008. By letter in response dated 1 September 2008, the Respondent requested that the Appointed Person should refer the appeal to the High Court pursuant to section 76 (3) of the Trade Marks Act 1994. That letter set out in some

detail a number of reasons why the Respondent said that the reference to the High Court was appropriate in this case. In particular, the Respondent argued that the Grounds of Appeal were ambiguous, but they appeared to the Respondent "to depend upon the applicability to the determination of the appeal of a point of legal principle."

6. The Respondent's letter was forwarded to the Opponent, which responded by letter dated 7 October 2008. Not surprisingly, the Opponent did not accept that its Grounds of Appeal were ambiguous or that the legal basis of the appeal was unclear. More significantly, the Opponent did not accept that Mr Foley's decision had involved a point of general legal importance. However, the Opponent nonetheless indicated that it was prepared to agree with the Respondent that the appeal should be referred to Court. Both parties requested a hearing to deal with this preliminary point, if I were not minded to make such a reference.

7. As I was not persuaded by that correspondence to make the reference sought by the Respondent, even in the light of the Opponent's support for it, I requested the parties to attend a hearing before me to deal with this preliminary point. It was unfortunate, given the slow progress of this matter to date, that the hearing did not take place until 13 February 2009, in part because in the meantime the Opponent had instructed Messrs Eversheds to deal with the appeal. At the hearing, the Opponent was represented by Mr Brian Clayton of Eversheds and the Respondent was represented by Mr Tim Ludbrook of counsel.

The 'mechanics' of referring an appeal from the Appointed Person to the High Court

8. The Respondent raised a preliminary issue about the appropriate procedure to be adopted where an appeal has been made to the Appointed Person and a question arises as to whether it should be referred to the Court. Section 76 of the 1994 Act provides, so far as relevant:

"(1) An appeal lies from any decision of the registrar under this Act, except as otherwise expressly provided by rules. For this purpose "decision" includes any act of the registrar in exercise of a discretion vested in him by or under this Act.

(2) Any such appeal may be brought either to an appointed person or to the court.

(3) Where an appeal is made to an appointed person, he may refer the appeal to the court if--

(a) it appears to him that a point of general legal importance is involved,

(b) the registrar requests that it be so referred, or

(c) such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made.

Before doing so the appointed person shall give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to the court.

(4) Where an appeal is made to an appointed person and he does not refer it to the court, he shall hear and determine the appeal and his decision shall be final."

9. The manner of determining whether the appeal should be referred to the Court was dealt with in rule 64 of the Trade Marks Rules 2000 (as amended) which applied at the date of Mr Foley's decision. That rule has since become the substantially identical rule 72 of the Trade Marks Rules 2008. Rule 64 provided:

"**r 64 Determination whether appeal should be referred to court; section 76(3)**

(1) Within 28 days of the date on which the notice of appeal is sent by the registrar under rule 63(3) above;

(a) the registrar; or

(b) any person who was a party to the proceedings in which the decision appealed against was made,

may request that the person appointed refer the appeal to the court.

(2) Where the registrar requests that the appeal be referred to the court, she shall send a copy of the request to each party to the proceedings.

(3) A request under paragraph (1)(b) shall be sent to the registrar: the registrar shall send it to the person appointed and shall send a copy of the request to any other party to the proceedings.

(4) Within 28 days of the date on which a copy of a request is sent by the registrar under paragraph (2) or (3), the person to whom it is sent may make representations as to whether the appeal should be referred to the court.

(5) In any case where it appears to the person appointed that a point of general legal importance is involved in the appeal, he shall send to the registrar and to every party to the proceedings in which the decision appealed against was made, notice thereof.

(6) Within 28 days of the date on which a notice is sent under paragraph (5), the person to whom it was sent may make representations as to whether the appeal should be referred to the court."

10. The Respondent submitted that the last sentence of sub-section 76(3) does not provide for the parties to an appeal to make representations to the Appointed Person as to whether the appeal should be referred to the Court when the Appointed Person is *not* minded to accede to a request to make such reference. Similarly, it was submitted that there is no express provision for the party *making* a request for a transfer to the Court pursuant to rule 64(1)(b) to make representations to the Appointed Person, although the rule makes specific provision for the party *responding* to such a request to make representations under rule 64(4).

11. I see limited force in the submission that sub-section 76(3) requires the Appointed Person to give the parties an opportunity to make representations as to whether the appeal should be referred to the court only when he is minded to make such a reference. This depends upon what is meant by the words "Before doing so..." in the last sentence of sub-section 76(3). In my view, this must mean "Before exercising the discretion conferred upon the appointed person under this sub-section ... " rather than merely "Before referring the appeal to the court ..." I find it hard to envisage a situation in which an Appointed Person would feel it appropriate to exercise this discretion without having taken into account any and all representations for or against such a reference made by all interested parties. Moreover, I think that it is clear that the section has not been implemented in that restrictive way by rule 64 (now rule 72), nor so applied by the Appointed Person. Where, in particular, it is the Appointed Person who considers that the appeal raises a point of general legal importance, sub-rules 64(5) and (6) make it clear that the parties are to be told of his view and given an opportunity to make representations as to whether the appeal should go to the court.

12. In practice, as I understand it, in all cases where there is a question of referring an appeal to the Court, the Appointed Person allows the parties and the registrar to make representations to him, for or against a reference, before exercising the discretion conferred upon him by section 76. Depending upon the circumstances, such representations may be made in writing or may be the subject of a hearing. In *A.J. AND M.A. LEVY's trade mark (No. 2)* [1999] R.P.C. 358, Mr M.G.Clarke QC held "... even if the Appointed Person himself did not consider that a point of general legal importance is involved, he may refer the appeal to the appeal court where a request is made by either the registrar or one of the parties, *after he has heard representations relating thereto*." [emphasis added]. Plainly, he considered that the discretion should be exercised only after hearing (or, in an appropriate case, perhaps, reading) the parties' representations on

the issue. In my judgment, it is difficult to see how there could be a proper exercise of the Appointed Person's discretion unless the parties had been given the opportunity to make such representations. See too the approach taken by the Appointed Person in *Academy trade mark* [2000] R.P.C. 35, *Royal Enfield trade mark* O/273/01, *EBC trade mark* O/132/03, and *Elizabeth Emanuel Trade Mark* [2004] RPC 15.

13. The second point raised by the Respondent, as to the procedure to be applied under rule 64, has rather more force. The problem identified by the Respondent is that whilst rule 64(1)(b) permits a respondent to an appeal made to the Appointed Person to request that it be referred to the Court, the ensuing parts of the rule do not specifically provide for him (the respondent) to make representations supporting that request. Rule 64(4) gives the person to whom a request under rule 64(1)(b) is sent (i.e. the appellant) an opportunity to respond to the request, but there is no sub-rule allowing for submissions from the respondent either before the appellant's rule 64(4) submissions are made or in reply to them.

14. However, in practice, I think that respondents seeking a reference to the Court will do as the Respondent did in this case (and as the respondent to the appeal in *Academy trade mark* did in that case) and will set out their reasons for seeking the reference in their "request" under sub-rule 64(1)(b). The appellant can then provide a reasoned response, under rule 64(4). A hearing may or may not be needed before the Appointed Person can decide how to exercise his discretion under s 76(3).

Applicable principles

15. It appears to be common ground that the Appointed Person has an unfettered discretion under sub-section 76(3). In particular, it was not suggested to me that any consensus reached between the parties about referring the appeal to the court was determinative, although Mr Ludbrook

did seek to rely upon such consensus in the argument discussed at paragraphs 24 ff below.

16. The decisions to which I have already referred give helpful guidance as to the Appointed Persons' now longstanding views as to the criteria relevant to the exercise of the discretion. In *A.J. AND M.A. LEVY's trade mark (No. 2),* Mr Clarke QC said "I am firmly of the view that the power to refer under section 76 should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal would be defeated." That view was echoed by Mr Simon Thorley QC in *Academy trade mark* who added:

> "13. I accept and intend to apply the principles set out by Mr Clarke. Whilst it is not essential for a reference that a point of general legal importance is identified, the power to refer should be used sparingly and I anticipate that it be will be rare in the extreme that a reference is made in circumstances where a point of general legal importance cannot be identified. The attitude of the registrar is important but not decisive. The registrar's officers have considerable day to day experience in matters relating to trade mark registrations and applications for revocation. Their views as to whether a particular point is a point of general legal importance should be given great weight.
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> 14. So also should consideration be given to the views of the party not seeking to refer. The relative importance of cost and expense to that party should be taken into account. Where that party is a large corporate entity, the necessary cost and expense of legal advisers is, perhaps, of less significance than in the case where the party in question is an individual or a small company or partnership which has not gone and does not wish to go to the expense of employing legal advisers.
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> 15. Finally I believe it is proper to have regard to the public interest. There are plainly two conflicting public interests. One is the public

interest in having the uncertainty of a pending application for a trade mark or a pending application for revocation disposed of finally at the earliest possible date, so that not only the parties but rival traders may know the state of the Register, but, equally, there is a public interest that important points of law are decided by the higher courts."

17. In *Royal Enfield* (supra), Mr Thorley reiterated that view, adding that "the primary consideration is whether or not a point of general legal importance can be identified." More recently, in *Elizabeth Emanuel (*supra), Mr David Kitchin QC, sitting as the Appointed Person, summarised the applicable principles to emerge from these cases at paragraph 10 of his decision as follows:

> "(a) the Appointed Person has a discretion whether or not to refer an appeal to the court; he has that discretion even if it appears to him that a point of general legal importance is involved;
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> (b) the power to refer appeals to the court should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal would be defeated;
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> (c) it will be very rare to make a reference in circumstances where a point of general legal importance cannot be identified;
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> (d) the cost and expense to the party not seeking to refer should be taken into account; this is a matter which may be of particular significance in a case where the party in question is an individual or small company or partnership;
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> (e) regard must be had to the public interest generally. There is a public interest in having any uncertainty as to the state of the register resolved as soon as possible. On the other hand there is a public interest in having important points of law decided by the higher courts;
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> (f) the attitude of the registrar is important but not decisive."

18. Following that guidance, it is clear that the primary point to consider is whether or not a point of general legal importance can be identified in this appeal. On first reading the Grounds of Appeal, I thought not. It seemed to me that it was alleged that the Hearing Officer had erred in the application of established principles of law to the particular facts of this case. I considered it significant that the Opponent (which would have an interest in claiming that there is some such point in the appeal, reflecting an error of law by the Hearing Officer) did not accept that any point of general legal importance was raised by its Grounds of Appeal. Equally, I take note that the Registrar did not support the Respondent's request under section 76(3)(c).

19. At the hearing before me, the Respondent complained that the Grounds of Appeal were "complicated, co-related, interdependent, ambiguous and ... misconceived". It identified two points of general legal importance which, it said, arose from the Grounds of Appeal.

20. First, the Respondent argued that paragraph 3 of the Grounds of Appeal challenges the Hearing Officer's decision on the basis that the alleged acquired distinctiveness of the Opponent's mark ought to have been taken into account in assessing the similarity of the parties' respective marks. It was submitted that such an argument is confused and misconceived but, if made, would raise a point of general legal importance.

21. I do not think it appropriate to comment in detail at this stage on the substance of the Grounds of Appeal or upon the criticisms made of them by the Respondent. However, I do not accept the Respondent's reading of paragraph 3 of the Grounds of Appeal. I think that it is tolerably clear that paragraphs 1 and two of the Grounds challenge the Hearing Officer's findings as to the similarity of the marks, whilst paragraphs 3 and 4 challenge his findings as to the likelihood of confusion. In particular,

paragraph 3 complains that Mr Foley did not give sufficient weight to the Opponent's reputation and the (acquired) distinctiveness of its mark, whilst paragraph 4 complains that he did not give sufficient weight to the "more or less identity" of the goods. Mr Clayton's skeleton argument made it perfectly clear that this was, indeed, the point the Opponent wished to make about the reputation of the Opponent's mark. In my judgment, paragraph 3 does not raise the issue identified by the Respondent and so cannot be said to raise a point of general legal importance within the meaning of sub-section 76(3).

22. The Respondent next submitted that a point of general legal importance would rise on this appeal in the *application* of the "interdependency" principle, even though Mr Ludbrook accepted that the principle is well established in the case-law and in particular in the jurisprudence of the ECJ.

23. I do not exclude the possibility that in some future appeal this type of issue might raise a particular point of general legal importance, but it seems to me inherently unlikely that the application of well-known principles to the facts of any particular case would raise a point of general legal importance as that phrase is used in sub-section 76(3). I am fortified in that view by the approach taken by Mr Thorley in *Academy* (supra) and by Professor Annand in *EBC* (supra), both of which decisions show, in my view, that the hurdle set by the sub-section is quite high. In any event, no such particular point was identified by the Respondent, and it does not seem to me that the Grounds of Appeal in this case do any more than raise common issues of the kind identified in paragraph 21 above. I therefore reject the Respondent's submissions and find no point of general legal importance here to justify a reference to the Court.

24. Even if there is no point of general legal importance here, is this one of those rare cases in which it would nonetheless be appropriate to accede to

the Respondent's request to refer the appeal to the Court? Mr Ludbrook submitted that it is such a case. He did not advance any positive reason why that is so, save for the unusual fact that the Opponent, having initially decided to appeal to the Appointed Person, now consents to the appeal being heard by the Court. He submitted that this had a significant impact upon the public policy considerations which I should take into account in exercising my discretion.

25. Section 76 confers a right of appeal exercisable without the need to seek permission.[1] Moreover, the appellant is free to choose whether to appeal to the Court or the Appointed Person, regardless of the nature of the issues raised by the appeal. The attraction of appealing to the Appointed Person is that it leads to a relatively quick and inexpensive appeal, which is balanced against the fact that no appeal lies from the decision of the Appointed Person. There are dual public policy considerations favouring the Appointed Person procedure. First, it facilitates relatively inexpensive, quick resolution of appeals by a specialist tribunal, for those who might not require or be in a position to contemplate an appeal to the Court. Secondly, there is a public policy benefit of achieving (relatively) early finality, which affects not just the parties but also third parties who may have an interest in the state of the Register.

26. The Respondent submitted that the public policy reasons which might justify the refusal of a request to refer an appeal to the Court when contested by the appellant (for instance, on the grounds that the costs of a High Court appeal would be prohibitive) cannot apply when the appellant - for whatever reason – does not contest the respondent's request to transfer the appeal to the High Court but instead consents to and supports that request. As its appeal might always have been filed in the High Court, regardless of whether it raises any points of general legal importance, it

[1] Save now for appeals against interim decisions – see new rule 70(2).

was submitted that once an appellant consents to the respondent's request to transfer the appeal to the Court, there is no public policy reason to refuse that request.

27. It seems that both parties to this appeal are well able to afford the additional costs which may be incurred or awarded against them if the appeal is heard by the Court instead of by me. Neither party would appear to be concerned about additional delay. So, said the Respondent, this appeal should be transferred to the Court, in the absence of some other compelling public policy or other reason to refuse the request.

28. Mr Clayton indicated that the Opponent had changed its mind about which forum it would prefer for this appeal after considering and taking advice upon the Respondent's request under sub-section 76(3). He did not suggest that there was any error made when the appeal was lodged. He repeated that the Opponent saw no point of general legal importance in the appeal. On the other hand, he did not identify *any* reason why the Opponent now preferred to take its appeal to the Court, or why – in the absence of a point of general legal importance - a reference would be justified.

29. The consensus between the parties certainly distinguishes the present case from the general run of decisions under s 76(3), for typically in such cases the appellants stand by their original choice to appeal to the Appointed Person, particularly where they have good reasons (financial or otherwise) to wish to use that procedure. I am not aware of any case where no point of general legal importance arose, yet the appellant changed its mind, as the Opponent has done here, after a request by the respondent to refer the appeal to the court.[2]

[2] The *appellant* in *EBC* changed its mind after lodging its appeal with the Appointed Person. Professor Annand refused its request to refer the appeal to the court where (a) the appeal raised no point of general legal importance, (b) the respondent wished the Appointed Person to hear the

30. It seems to me that neither party to this appeal has any concerns about either the cost implications of transferring the appeal to the Court or the additional delay likely to flow from the change of forum. To that extent, I accept the Respondent's submissions that those elements of the usual public policy considerations fall away here. Equally, whilst it might be considered disproportionate to argue an appeal raising no point of general legal importance in the High Court rather than before the Appointed Person, it is right that the appellant could have chosen that forum at the outset and appeals of this nature are not uncommonly heard by the Court.

31. On the other hand, it is clear that the public policy considerations which I must take into account are not linked solely to the convenience or interests of the parties to the appeal. Indeed, the contrary is the case. For instance, in *Academy trade mark* (supra), Mr Thorley QC identified the "conflicting public interests" as the public interest in having an appeal finally disposed of as early as possible, and the public interest in having points of law decided by the Court. The Respondent's argument ignores the fact that the additional delay likely to be caused in reaching a final decision on the appeal, if it is transferred to the Court, will affect any third parties interested in the state of the Register. There have already been very substantial delays in this case, for reasons which are not known to me, and it is possible that such delays have affected such third parties. I consider it particularly unfortunate that further delay has been caused by this application, when plainly I could now have been writing a judgment on the substance of this appeal, instead of dealing with this preliminary point. If this appeal is referred to the Court, realistically this will substantially delay a final decision being reached.

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appeal, and (c) the appellant's request was an attempt to circumvent the Registrar's previous refusal of an extension of time in which to lodge the appeal.

32. Another factor which I have considered in the exercise of my discretion is the cautious approach taken by the Registry (and the Appointed Person) to applications for extensions of time for lodging an appeal (as explained in TPN 2/2008). The general reluctance to extend the time for lodging an appeal is, again, related to the public policy benefit of early finality. It would be an abuse of the procedure under sub-section 76(3) to use it as a way of extending the time for lodging an appeal (as in *EBC*). In the present case, I have no reason to doubt that the Opponent genuinely intended to bring its appeal to the Appointed Person until the Respondent made its request under sub-section 76(3). I assume that its change of mind was prompted by the advice given to it by its new advisers after that request was communicated to it. On the other hand, the result of referring this appeal to the Court would be the same as extending time for lodging the appeal at the High Court.

33. Another factor which I have considered in relation to delay is that it appears that the Respondent and the Opponent have used their respective marks for many years. In the circumstances, delay in resolving this opposition may be less likely seriously to affect any third parties concerned about use of either mark. However, equally, it seems to me that where a mark is being used, a final decision as to whether it is to be registered should be made sooner rather than later.

34. I have weighed all of the factors mentioned above carefully, and on balance it seems to me that this is not one of those cases in which the appeal should be referred to the Court despite the lack of any real point of general legal importance arising in it, in particular because of the public policy considerations mentioned above. I therefore refuse the application to refer this appeal to the High Court.

35. It was common ground at the hearing before me that any arguments as to the costs occasioned by the preliminary point should be dealt with on the substantive appeal. Those costs are therefore reserved to the appeal.

36. In the light of the comments I have made above as to delay, I trust that a date can be fixed for the appeal to be heard at the earliest possible opportunity.

Amanda Michaels
4 March 2009

Mr Brian Clayton of Messrs Eversheds appeared on behalf of the Opponent/Appellant

Mr Tim Ludbrook of Counsel instructed by Bison River Ltd appeared on behalf of the Applicant/Respondent