

**IN THE MATTER OF THE TRADE MARKS ACT 1994**

**AND IN THE MATTER OF UK TRADE MARK REGISTRATION NO. 2223630  
MEDIAGILITY IN THE NAME OF PALMERWHEELER LTD**

**AND IN THE MATTER OF AN APPLICATION FOR REVOCATION  
NO. 83760 BY PRNNET**

**APPEAL BY THE PROPRIETOR AGAINST THE DECISIONS OF  
MR GEORGE SALTHOUSE DATED 25 SEPTEMBER 2012 and 22 JANUARY 2013**

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**DECISION**

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1. This is an appeal by the registered proprietor of trade mark No 2223630 MEDIAGILITY ("the Mark"), from two decisions of Mr George Salthouse on behalf of the Registrar. In BL O/356/12, he indicated his intention to revoke the mark in large part for non-use, and in his supplementary decision (BL O/031/13) he finalised the revised specification of the Mark and made an order for costs against the proprietor which included some 'off-the-scale' costs.

**The background**

2. The proprietor ("PL") applied on 25 February 2000 to register the Mark. Registration was completed on the 30 November 2001. The specification included a very wide range of goods and services in Classes 9, 16, 35, 36, 38 and 41.
3. On 30 April 2010, PRNnet ("PRN") applied to revoke the Mark across the board for non-use, either during the five-year period post-registration (1 December 2001 to 30 November 2006) or for the five years prior to the application (30 April 2005 to 29 April 2010). In its counterstatement, PL described itself as a "computer systems and development company, which provide unique web-spaces for projects or events for a number of well established international professionals, in particular in the media and entertainment industry" and claimed to have been using the Mark continuously in relation to "software, design, programming, on-line services and related goods and services including a range of entertainment, communication and education services."

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4. PL filed witness statements from its director Mr Dean Wheeler and a client, a Mr Wear. A hearing was arranged for 21 March 2012.
5. By a letter dated 12 March 2012, PL proposed a limited specification for consideration by the Hearing Officer. Whilst it did not put the matter in those terms, plainly it accepted that it could not show use of its Mark across the whole specification. The proposed amended specification in particular narrowed the Class 9 specification, although it still included (for instance) the unqualified term computer software, and narrowed the Class 35, 38, 41 and 42 services. All of the Class 16 goods and Class 36 services were deleted.
6. Both parties were represented at the hearing on 21 March 2012. In its skeleton argument dated 19 March 2012, PL gave a description of the goods and services which had been provided under the Mark, and referred to a number of documents which it had put in evidence. But, with one exception I think, as to Exhibit DW1, it did not give any indication of which of its exhibits it wished to rely upon in support of which parts of the remaining lengthy specification. That appears to have caused some difficulty at the hearing and the Hearing Officer required PL to provide a schedule identifying which of its exhibits related to which of its goods/services. By letter dated 4 April 2012, PL informed the Hearing Officer that it wished further to restrict its specification. Nevertheless, it still sought to retain large parts of Classes 9, 35, 38, 41 and 42. It enclosed the schedule requested by the Hearing Officer. This was 69 pages long and did seek to identify which elements of the evidence proved use of particular goods/services. PRN responded on 1 May 2012 also (understandably) at length. It also made specific submissions in relation to the breadth of the specification relating to computer software, and as to costs: it requested an award of compensatory costs on the basis of PL's unreasonable behaviour.
7. The Hearing Officer produced his main decision on 25 September 2012. He concluded that use had been shown for some but far from all of the goods and services in the specification, even as amended by PL, and he proposed that a fair specification would be:

Class 9: computer software relating to award ceremonies; computer software to enable connection to databases and the Internet; computer software to enable searching of data; computer software for use in providing financial services and carrying out financial transactions.

Class 42: design, development, maintenance and updating of computer software.

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8. As the proposed specification was not the result of "blue lining," Mr Salthouse gave both parties an opportunity to comment upon it. He also invited them to make submissions in relation to costs, in particular in the light of PRN's request for costs off-the-scale.
9. Both parties provided written submissions dated 25 October 2012 and the Hearing Officer produced his supplemental decision dated 22 January 2013. PL had not quibbled with the proposed specification, but PRN had objected to it. The Hearing Officer accepted some of the points made by PRN and decided to limit the specification further as follows:

Class 9: computer software relating to award ceremonies and digital villages; computer software to enable connection to databases and the Internet in respect of award ceremonies and digital villages; computer software to enable searching of data in respect of award ceremonies and digital villages; computer software for use in providing financial services and carrying out financial transactions in respect of digital villages.

Class 42: design, development, maintenance and updating of computer software in respect of award ceremonies and digital villages.
10. Mr Salthouse also accepted that some of PRN's costs should be paid off-the-scale, and awarded it a total of £13,484.
11. PL now appeals both as to the specification and as to the costs award.

### **Standard of review**

12. It was common ground between the parties that this appeal is by way of a review not a rehearing. *Reef Trade Mark* [2003] RPC 5 ("*Reef*") and *BUD Trade Mark* [2003] RPC 25 ("*BUD*") show that neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision, suffice to justify interference in this sort of appeal. Instead, I need to be satisfied that there is a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (*Reef*). As Robert Walker LJ (as he then was) said:

*"...an appellate court should in my view 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"* (*Reef*, para. 28).
13. Those principles have since been affirmed by the House of Lords in *Datec Electronics Holdings Ltd & Ors v. United Parcels Services Ltd* [2007] UKHL 23, [2007] 1 WLR 1325. Mr Daniel Alexander QC

sitting as the Appointed Person in case BL O/471/11, *Petmeds*, 14 December 2011, summarised the position:

“*Datec* and other cases since *REEF* and *BUD* all reinforce the need for caution before overturning a finding of the tribunal below of the kind in issue in this case. Difference of view is plainly not enough and, to that extent, the applicant’s submissions are correct. However, those cases and the practice of appellate tribunals specifically to trade mark registration disputes show that the degree of caution should not be so great as to permit decisions based on genuine errors of approach to go uncorrected.”

### **The Grounds of Appeal**

14. In its submissions of 25 October 2012, PL indicated that it did not intend to appeal Mr Salthouse’s decision; in effect, it accepted the amended specification he then proposed. However, following the supplemental decision it decided to appeal both decisions.
15. The Grounds of Appeal were summarised by Mr Hill on behalf of PL as follows:
  - a. the Hearing Officer erred in his approach to the assessment of the evidence;
  - b. the Hearing Officer went clearly wrong in his conclusions on what the evidence proved in terms of the nature of the goods and services in respect of which PL had used the Mark;
  - c. the Hearing Officer erred in principle in his approach to limitation of the specification, by not limiting it to a fair specification;
  - d. the Hearing Officer erred in principle by adopting a specification which is not sufficiently clear or precise; and
  - e. The Hearing Officer erred in awarding off-the-scale costs.

#### **a) The Hearing Officer erred in his approach to the assessment of the evidence**

16. The criticism of the Hearing Officer’s approach to the evidence arose, I think, from his reference to the judgment of Jacob J in *Laboratoire de la Mer* [2002] FSR 51 about the need for a proprietor to consider its own evidence of use critically – crossing the Ts and dotting the Is – to ensure that use is proved. It seems to me that the Hearing Officer referred to that comment not because he was applying overall a higher standard of proof than is appropriate, but (as he went on to explain at paragraph 15 of the main decision) because PL had failed to identify with any clarity which parts of its lengthy specification it said were proved to have been used by which parts of its evidence. Given the breadth of the specification, that does not seem to me to indicate any error of approach on the part of the Hearing Officer. The position might have been different had Mr

Wheeler's witness statements been rather more specific than they were as to what use had been made of the Mark, but (as I discuss below) he made broad claims to use which it seems were not supported across the board by the evidence. In other words, the generality of the narrative in Mr Wheeler's witness statement when read with the exhibits did not provide cogent proof of use across the range of goods and services claimed by PL.

17. In my judgment, the complaint about the Hearing Officer's approach to the evidence is not made out. The transcript of the hearing below certainly indicates that the Hearing Officer complained at the hearing of his difficulty in reading some of the proprietor's exhibits, because relevant parts of the exhibits had been marked by highlighting, and as a result when photocopied those parts had been obscured. Nevertheless, he went on to describe the exhibits and no specific complaint was made as to his analysis of the documents. I do not think that his approach was unduly 'coloured' by the failure of PL's advisers to produce completely legible copies. PL has not, in my view, made good this rather vague concern with the decision.

**b) The Hearing Officer went wrong in his conclusions on what the evidence proved**

18. Pl submitted that the Hearing Officer took an overly critical view of the evidence that was provided and that there was, in the evidence, material from which he could and should have found use beyond the goods and services as finally defined. However, this case is of the kind identified by Mr Alexander QC in BL O/236/13, *Plymouth Life Centre* at [17] who commented that whilst "wide specifications give rise to problems, so does generalized and non-specific evidence seeking to support wide specifications once challenged for non-use." Mr Alexander QC went on in that case to review the case-law on proof of use in the context of revocation and commented at [22] that:

"it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more, so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

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19. At the hearing before me, PL first submitted that the Hearing Officer had erred in failing to take into account some of the evidence showing use of the Mark prior to the relevant dates, not because he went wrong as to the relevant dates, but because the earlier documents explained the nature of use which had been made of the Mark in the ensuing relevant period. For example, reliance was placed upon a three-year contract with PROMAX&BDA, which commenced in November 2002, and continued into the relevant period.
20. On that basis, I was shown a number of the exhibits to the witness statements of Mr Wheeler. I note that Mr Wheeler in paragraph 3 of his witness statement dated 20 July 2011 described PL as "a computer systems and development company, which provides unique web-spaces the project or events for a number of well established international professionals, in particular in the media and entertainment industry" and said that it had been using the Mark "in relation to software, design, programming, on-line services and related goods and services including a range of entertainment, communication and education services." It may be seen that the first part of that description appears to cover a range of services which is very much narrower than the second part of that description (although it does refer to clients in the media industry, whilst 'media' is not mentioned in the second part of the description).
21. Mr Wheeler then produced a number of documents and a number of similar documents were exhibited to his second witness statement of 14 September 2011. In each case Mr Wheeler described the documents briefly and in some cases described the nature of the clients, but he did not identify the particular goods or services supplied to that client by PL. In paragraph 4 of his second witness statement he stated that the evidence showed genuine use during the period 30 April 2005 to 29 April 2010 in particular through (a) a 3 year contract with PROMAX&BDA, (b) the 'Babolesh' project in 2008 and (c) software for voting at the Mobile User Experience Conference awards in 2008.
22. Ms Clark, for the respondent, complained with some justification of the opacity of the terms used by Mr Wheeler throughout his evidence, and the general lack of any of the sorts of documents normally produced to prove use, such as invoices or turnover figures.
23. Nevertheless, it does seem clear from the evidence that the PROMAX&BDA contract continued until November 2005. However, it does not seem to me that the documents establish that the contract related to goods or services other than the computer software relating to award ceremonies which the Hearing Officer maintained in Class 9, and the related services which he maintained in Class 42.

24. Similarly, PL submitted that the Hearing Officer erred in failing to give weight to the evidence of services provided in relation to the Golden Trailer Awards. In paragraph 19 of the main decision, the Hearing Officer described the software supplied by PL in terms which PL accepts were appropriate, but he concluded that the services were provided to a company in the USA and so did not prove use in the UK. I was taken to a number of documents which showed the submission of entries to the awards ceremony from the UK. It does not seem to me to matter whether or not the Hearing Officer was right to conclude that all the services were provided outside the UK, since he maintained a specification covering computer software relating to award ceremonies, etc as set out above, and nothing in the documents which I have seen suggest to me that the software goods and services provided in relation to the Golden Trailer Awards are not sufficiently reflected in that specification.
25. PL made no submissions to me about the third contract identified specifically by Mr Wheeler, that is, the software for voting at the Mobile User Experience Conference awards in 2008. That too would seem likely to have been covered by the award ceremony elements of the specification.
26. None of those points therefore suggests to me that the Hearing Officer failed to give proper weight to any of the evidence or applied the wrong test in assessing it.
27. Next, PL submitted that the Hearing Officer had erred in ignoring some work done for Bruce Dunlop & Associates, which Mr Wheeler described as a "creative agency that provides promotion and design services to broadcasters and advertisers worldwide including within the UK." Mr Wheeler exhibited a document which appears to be a proposal made by PL to Bruce Dunlop & Associates in May 2004 offering to supply software which would help with the management of media materials, production management resource management and production finance. This was fairly summarised by the Hearing Officer at page 7 of the main decision. Mr Wheeler also exhibited a document which consisted of a very poor copy of a screenshot apparently dated 2006, listing certain work items which were then pending. One of those was for Bruce Dunlop, but it is not possible to tell from the screenshot what, if any, work items were then current. The Hearing Officer dismissed the screenshot (at page 16 of the main decision) as having 'no merit.'
28. PL submitted that the Hearing Officer had erred in missing out the evidence relating to Bruce Dunlop & Associates and so omitted the provision of certain services from the specification. However, it does not seem to me that it is possible to tell from Mr Wheeler's evidence or from

his exhibits *what* software or services may actually have been provided to this client in 2006 (and counsel accepted that there was no such evidence '*per se*'). In my judgment, there is no evidence or document which shows whether all or only part of the 2004 proposal was accepted by the client and nothing to show what work or service provision continued into 2006. The lengthy schedule from April 2012 took this no further, largely referring to the screen shot as showing use of the Mark in relation to Class 9 software. Moreover, Mr Wheeler did not expressly rely upon this client in paragraph 4 of his second witness statement.

29. In the circumstances, I do not consider that PL proved use of the Mark in relation to any goods or services supplied in the relevant period to the Bruce Dunlop & Associates, and the Hearing Officer was not wrong to conclude that this evidence did not justify a wider specification than that which he upheld.

**c) and d)The Hearing Officer erred in principle in his approach to limitation of the specification, by not limiting it to a fair/precise specification**

30. PL's arguments on this point overlapped, to some extent, with those made above, but its general point was that the Hearing Officer had taken far too narrow a view of the use which it had made of its Mark during the relevant period. I was referred to the judgment of Arnold J in *Stichting BDO v BDO Unibank* [2013] EWHC 418, in which the correct approach was summarised, as indeed it was in *Plymouth Life Centre* in which Mr Alexander QC set out the position as follows:

"17. Just as wide specifications give rise to problems, so does generalized and non-specific evidence seeking to support wide specifications once challenged for non-use. That is particularly so given the approach that tribunals must take to the issue of proof of use in the case of such specifications. Tribunals considering the issue of what use has been proven and what specification is appropriate in the light of such use apply the principles summarized in NIRVANA O/262/06. In that case, the Appointed Person (Mr Richard Arnold QC) set them out as follows at [58]-[59]:

"I derive the following propositions from the case law reviewed above:

- (1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].
- (2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

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(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

59. I would add a point which in my judgment is implicit in most of the decisions, although not explicit, which is that it is for the tribunal to frame a fair specification and not the parties.”

18. Arnold J returned to this topic recently in *Stichting BDO & Ors v BDO Unibank, Inc & Ors* [2013] EWHC 418 (Ch) and considered the extent to which the NIRVANA approach might be said to differ from that adopted by the CFI. Having set out the NIRVANA approach, he said at [56]-[58]:

“56. In *EXTREME Trade Mark* [2008] RPC 2, again sitting as the Appointed Person, I considered the decision of the CFI in Case T-256/04 *Mundipharma AG v OHIM* [2007] ECR II-449 and continued as follows:

"54 Although at first blush this suggests an approach which is somewhat different to that laid down by the English authorities considered in *NIRVANA*, I consider that the difference is smaller than might appear. The essence of the domestic approach is to consider how the average consumer would fairly describe the goods in relation to which the trade mark has been used. Likewise, paragraph [29] of

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*Mundipharma* indicates that the matter is to be approached from the consumer's perspective.

55 To the extent that there is a difference between them, I remain of the view expressed in *NIRVANA* that I am bound by the English authorities interpreting section 46(5) of the 1994 Act and Article 13 of the Directive and not by the CFI's interpretation of Article 46(2) of the CTM Regulation since, as already noted above, there are differences between the two legislative contexts. Nevertheless I consider that English tribunals should endeavour to follow the latter so far as it is open to them to do so. *Mundipharma* suggests that, within the spectrum of domestic case law, the slightly more generous approach of Jacob J. in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch), [2004] FSR 19 is to be preferred to the slightly less generous approach of Pumfrey J. in *DaimlerChrysler AG v Alavi* [2001] RPC 42."

57. In *Daimler AG v Sany Group Co Ltd* [2009] EWHC 1003 (Ch), [2009] ETMR 58 Geoffrey Hobbs QC sitting as a Deputy High Court Judge summarised the correct approach at [10] as follows:

"... the aim should be to arrive at a fair specification by identifying and defining not the particular examples of goods for which there has been genuine use, but the particular categories of goods they should realistically be taken to exemplify. ..."

58. As Mr Hobbs added when sitting as the Appointed Person in *Euro Gida Sanayi Ve Ticaret Ltd v Gima (UK) Ltd* (BL O/345/10) at 11:

"For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. Use should be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (to use the words of *Anheuser-Busch* – see above)."

31. PL submitted that the Hearing Officer had (at least in his supplemental decision) chosen categories of goods and services which would be completely alien to the average consumer. Its

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primary position was that the specification should have been maintained for the categories of goods and services identified in its post-hearing schedule, albeit limited to such goods and services for the entertainment, media, communications and advertising industries. Its fall-back position was that the Hearing Officer should at least have maintained the specification proposed in the main decision.

32. In my judgment, PL's complaint that the Hearing Officer should have maintained a specification for goods in Class 9 and services in Class 42 based upon the schedule of 4 April 2012 is unjustified. In that schedule, PL had sought to retain large parts of Classes 9, 35, 38, 41 and 42. So, for instance, it sought to maintain 'business services; advertising and promotion services' in Class 35, 'telecommunications,' 'electronic mail services' and 'providing user access to the Internet (service providers) and the World Wide Web in Class 38 and 'teaching and tuition services' in Class 41. The Hearing Officer had commented at [23] of the main decision that PL had 'confused its role in providing, broadly speaking, computer software to the use made of it by its clients.' That seems to me to have been a fair comment, in the light of the evidence. In particular, it seems to me significant to bear in mind the description of PL's business given by Mr Wheeler in his witness statements, which I have set out above. PL is plainly essentially a software company.
33. PL also sought to persuade me that the Hearing Officer was wrong to revoke its registration for services in Class 35, because such services were provided to Bruce Dunlop & Associates. However, for the reasons given at [28] above, and because I consider that it confuses the business run by PL's client with its own business, I reject that submission – the Hearing Officer was not wrong to reject any claimed use based upon good or services supplied to Bruce Dunlop & Associates.
34. Mr Hill was unable to identify any material error in the Hearing Officer's decision in terms of missing any evidence as to use of the Mark in relation to telecommunications services of any kind within Class 38. Similarly, to the limited extent that there is some suggestion in the evidence that PL has provided any tuition to its clients falling within Class 41, that appears to have been no more than instruction in how to use its software - not a separate tuition business.
35. For these reasons, none of the points made to me on PL's behalf suggests to me that the Hearing Officer erred in any respect in finding that no use had been made during the relevant period of any of the services for which the Mark was registered in Classes 35, 38, or 41. The appeal on that basis fails.

36. PL submitted that it should at least be permitted to maintain a wider registration for software in Class 9 and services in Class 42 than that permitted by the Hearing Officer. Mr Hill submitted that, for example, use had been proved in relation to computer software for the entertainment, media, communications and advertising industries. Taking those last two categories first, it does not seem to me that there was any evidence which showed that PL provided software to anyone within the communications sector. Similarly, the claim to have made use of the Mark for software for the advertising industry relied upon the supply of goods/services to Bruce Dunlop & Associates. For the reasons given above it does not seem to me that PL can rely upon such use to maintain its Mark for such goods or services.
37. Mr Wheeler's description of the business indicated that its goods and services were supplied to clients in the media and entertainment industry and it seems to me that the real issue on this appeal is whether the Hearing Officer was right to delimit the specification in the more specific way that he did in his supplemental decision, or whether he should have maintained a somewhat broader specification for goods in Class 9 and services in Class 42, whether in the terms set out in his main decision or otherwise. The different specifications were:

Main decision	Supplemental decision
<p>Class 9: computer software relating to award ceremonies; computer software to enable connection to databases and the Internet; computer software to enable searching of data; computer software for use in providing financial services and carrying out financial transactions.</p> <p>Class 42: design, development, maintenance and updating of computer software.</p>	<p>Class 9: computer software relating to award ceremonies and digital villages; computer software to enable connection to databases and the Internet in respect of award ceremonies and digital villages; computer software to enable searching of data in respect of award ceremonies and digital villages;</p> <p>Class 42: design, development, maintenance and updating of computer software in respect of award ceremonies and digital villages.</p>

38. PL's main complaint, apart from saying that both specifications were too narrow, was that defining the goods and services by reference to 'awards ceremonies' or, especially, 'digital villages' was an inappropriate choice of 'sub-category' which did not (as it should have done)

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accord with the perceptions of the average consumer of the goods or services but, especially in using the term 'digital villages,' was meaningless to the average consumer.

39. I do not accept that the Hearing Officer was wrong to narrow down the specification further than he had done in his main decision. On the contrary, maintaining the specification as proposed at that stage would in my view have given a far broader specification than could be justified in the light of the authorities set out above; for instance, the Class 42 specification covered design of software of any kind, which would plainly have been too broad in the light of the evidence. I do not find that the Hearing Officer erred in restricting the specification further than in his initial proposal.
40. As to the narrower specification in the supplemental decision, the reference to awards ceremonies appears narrow but sufficiently clear and is in my view unappealable. On the other hand, I made plain at the hearing of the appeal my concern that the term 'digital village' – not a term with which I was personally familiar - might not be one which would accord with the perceptions of the relevant average consumer. Ms Clark, who fairly accepted that the ordinary consumer might not understand the term either, nevertheless submitted that I should have regard to what the consumer of PL's rather specialist goods/services would understand by the term.
41. On that point, Mr Hill suggested that the relevant category would have been identified more accurately as relating to social networking. However, I do not think that terminology is used at any point in the evidence filed on behalf of PL, and I agree with Ms Clark's response that this would make the average consumer think of a social network such as Facebook, not the rather less usual barter site of the Babolesh project. The evidence of Mr Troy Wear, PL's client for the Babolesh project, was that 'Babolesh creates online digital villages that people live in and trade within' and the term digital village was used within a proposal which PL put to Babolesh which Mr Wheeler exhibited. There was no reference to Babolesh as a social networking site.
42. It seems to me that there is some force in Ms Clark's submission that the average consumer of goods and services of the kind used in relation to the Babolesh project would be someone with a different level of knowledge of such websites than an ordinary member of the public whilst I do not accept Mr Hill's alternative suggestion that the goods and services should be qualified by reference to their use for social networking.

43. Taking all of those factors into account, and in particular PL's failure to provide the Hearing Officer or me with a convincing alternative description of the appropriate sub-category for its goods and services, and despite my concerns, expressed above, about the transparency of the term 'digital villages,' it seems to me that PL has not made out its claim that the Hearing Officer erred in reaching his conclusions in his supplemental decision. The appeal therefore fails on the substantive point.

**e) Costs**

44. That leaves the issue of the costs which the Hearing Officer awarded off the scale by reason of his concern that PL had not prepared properly for the hearing before him, prompting the exchange of schedules mentioned above. In his supplemental decision he awarded PRN a proportion of its costs on the usual scale in the sum of £1700 and further costs off the scale which he described as relating to the 'wasted' hearing in the sum of £11,784.

45. In paragraph 9 of his supplemental decision, the Hearing Officer said that the result of PL's attorney's failure to prepare adequately for the hearing, and especially to provide a schedule with the analysis mentioned above as part of the evidence or even with the skeleton argument, was that the hearing was curtailed and PRN had 'wasted a lot of effort in preparing for a hearing on a false basis.' He went on to say in paragraph 10 that the applicant was effectively the successful party and that he would award costs 'to more accurately reflect the fact that the registered proprietor only surrendered large portions of its specification either just prior to, or shortly after the hearing, when it should have been apparent to the registered proprietor at the start of the proceedings that it had not used the Mark in suitable large swathes of its specification. It could and should have saved a deal of work for everyone by accepting this earlier in the proceedings. This was compounded by the work of its representatives in relation to the hearing. The costs of preparing for and attending the hearing were effectively wasted as the applicant had to await the schedule from the registered proprietor and then provide written submissions. The costs related to the hearing were £11,784.'

46. It is perfectly clear from the transcript of the hearing below, and from the schedule later lodged by PL, that it had not carried out an appropriate analysis prior to the hearing of what parts of its wide specification it wished to argue were supported by which parts of its evidence. In the circumstances, it does not seem to me that it can be said that the Hearing Officer's decision to award some costs off the scale was one which he was not entitled to make, in the light of the standard approach to such matters set out in TPN 2/2000 and 4/2007, nor was he plainly wrong

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to take the view that the costs that had been wasted were those relating to the inconclusive hearing.

47. I have rather more difficulty with the figure which the Hearing Officer awarded on that basis. He did not provide a breakdown of the figures. I have seen the schedule of costs which was provided to the Hearing Officer, and it seems to me that the costs of the hearing identified in the schedule were the solicitors' costs at items 1-5 of its schedule and counsel's fees for the hearing. The sums add up to £9820. The figure of £11,784 must, I think, have included some further costs referable to the subsequent exchange of schedules, but it is not clear to me which of the additional figures the Hearing Officer took into account. In the circumstances, whilst in my judgment the Hearing Officer was entitled to order some costs of the scale on the basis which he explained, it seems to me that he may have erred in the figure which he awarded to PRN. I will therefore substitute for the figure which he awarded as off the scale costs, the sum of £7365, representing 75% of the costs attributable to the wasted hearing, a per centage which reflects indemnity costs orders in civil proceedings. With the scale costs of £1700, this means that PL must pay PRN £9065. It shall make that payment within 14 days of today.
48. Apart from that last point, the appeal has failed. PL should make a contribution towards PRN's costs of the appeal in the sum of £1250 to reflect that result, which shall also be paid within 14 days of today.

Amanda Michaels  
The Appointed Person  
28 November 2013

Mr Jonathan Hill (instructed by Fladgate LLP) appeared on behalf of the Appellant/Registered Proprietor

Ms Fiona Clark (instructed by White & Case LLP) appeared on behalf of the Respondent/Applicant