O/559/18

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 3129641 IN THE NAME OF BUSY BEE PRODUCTIONS LIMITED

AND

APPLICATION NO. CA501744

BY SILVERTS LIMITED

FOR A DECLARATION OF INVALIDITY

BACKGROUND AND PLEADINGS

1. Busy Bee Productions Limited (herein "the Proprietor") is the registered proprietor of UK trade mark registration No. 3129641 as detailed here:

The Proprietor's contested registered mark



Registered for goods in Class 25: Footwear

Date of filing application: 1 October 2015

Published for opposition purposes: 30 October 2

Registration date: 1 July 2016

2. On 2 August 2017, Silverts Limited (herein "the Applicant") filed an application, on Form TM26(I), to invalidate the Proprietor's registration, based on three grounds under the Trade Marks Act 1994 ("the Act"), namely sections 5(2)(b), 5(4)(a) and 3(6).

The section 5(2)(b) claim (likelihood of confusion)

3. The Applicant relies, for its section 5(2)(b) claim, on its ownership of UK trade mark registration No. 2223065 as detailed below.

The Applicant's earlier registered mark



Registered for the following goods:

Class 25: Clothing, headgear.
Class 24: Bed covers, cushions.

Date of filing application: 21 February 2000

Registration date: 18 August 2000

4. The Applicant relies only on its goods registered in Class 25. It claims that "clothing" and "headgear" are similar to the Proprietor's "footwear" in the same class, and also claims that the Proprietor's mark is in fact used (exclusively) in respect of clothing items that are identical in nature to those supplied under the Applicant's mark. The Applicant claims that the respective marks are visually, aurally and conceptually similar and that there have been numerous instances of members of the public confusing the marks.

The section 5(4)(a) claim (passing off)

5. For its section 5(4)(a) ground, the Applicant relies on earlier unregistered rights in the sign below, which is claimed to have been used throughout the UK since June 2013 in respect of the goods noted in the table:

The Applicant's claimed unregistered earlier rights

FAUX

For: **Clothing** – in particular in relation to the sale of (a) faux fur coats (b) faux fur jackets (c) faux fur gilets and capes and (d) clothing accessories.

Furnishings - in particular in relation to the sale of (a) faux fur cushions, and (b) faux fur throws

- 6. The Applicant sets out its case in its Form 26(I) by stating that through its exclusive licensee, SoloStyle Limited ("SoloStyle"), it has "acquired significant trade goodwill in respect of its FAUX ENGLAND branding; in respect of the sale of high quality faux fur clothing and furnishings." In order to have generated that goodwill, it refers to specific amounts it claims to have spent on promoting the FAUX ENGLAND brand. It also states levels of clothing sales by SoloStyle of the under the FAUX ENGLAND branding 2013 2015. It identifies a substantial fall in sales in 2015 which it claims is a direct consequence of the activities of the Proprietor selling faux fur clothing under the FAUX LONDON mark.
- 7. As to misrepresentation, the Applicant claims that it is obvious that the Proprietor's use ("or that of its purported licensee") of the FAUX LONDON mark was a deliberate attempt to mislead to the public in respect of the Applicant's goodwill in the FAUX ENGLAND branding. It claims that use of the FAUX LONDON mark on clothing is in direct conflict with the limited scope of the registration of that mark.
- 8. As to damage, it states that "Silverts / SoloStyle have suffered significant damage both in respect of lost / diverted sales but also with regards to damage to its trade goodwill in relation to its supply of high quality faux fur clothing."

The section 3(6) claim (bad faith)

9. The Applicant gives two reasons for its claim under section 3(6) that the Proprietor's application to register its trade mark was made in bad faith:

- (i) The Proprietor initially applied to register its trade mark, its original specification of goods had included clothing, but following an uncontested (limited) opposition by the Applicant (Silverts Ltd), the Proprietor's registration proceeded only in respect of footwear. The Applicant contends that it is now clear from the use made since registration that the Proprietor had no intention to use FAUX LONDON for footwear, rather the Proprietor (or its purported licensees) have used the mark on items of faux fur clothing imported and sold in the UK.
- (ii) The Applicant states that in 2013 it sold faux fur clothing under the FAUX ENGLAND brand through the "Marketplace" facility of the online retailer ASOS. The Applicant contends that following a breakdown in its negotiations to supply clothing for the main trading platform of ASOS, that company sought a clothing supplier to provide a copycat product under a misleadingly similar brand name. The Applicant claims that the Proprietor applied for the FAUX LONDON mark in bad faith because it intended to supply look-alike faux fur clothing to ASOS "which could be passed-off as those of SoloStyle's FAUX LONDON range". It also refers to the Proprietor's faux fur clothing range being significantly lower in quality and with no real association with either London or England.

The Proprietor's counterstatement

10. The Applicant filed a Form TM8 notice of defence and counterstatement resisting the application for cancellation and relying on the contents of a letter dated 22 November 2016 sent to the Applicant's representatives by Simons Muirhead Burton LLP ("SMB"), solicitors who were at that stage of proceedings acting for the Proprietor, responding to the prospect of these cancellation proceedings. That letter is included in the evidence filed by the Applicant and explains why the Proprietor denies each of the grounds claimed. The Proprietor's Form TM8 is marked to indicate that the Proprietor does not put the Applicant to proof of use of its earlier mark under the section 5(2)(b) claim.

Representation and Papers filed

11. The Applicant is represented by Fellowes Solicitors LLP; the Proprietor acts as a litigant in person in these proceedings (despite earlier input by SMB). During the evidence rounds the Applicant filed both written submissions and evidence. The Proprietor only filed written submissions during the evidence rounds. The Applicant also filed 17 pages of written submissions in lieu of a hearing. I bear in mind all submissions and refer to them where appropriate, as well as to the relevant aspects of the evidence filed.

DECISION

Relevant legislation

12. Section 47 of the Act provides for invalidity of a registration and the immediately relevant parts of that section are set out below:

47 Grounds for invalidity of registration

(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

[...]

- (2) The registration of a trade mark may be declared invalid on the ground—
 (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
 - (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

- (3) [...]
- (4) [...]

- (5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.
- (6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

 Provided that this shall not affect transactions past and closed.

The section 5(2)(b) claim

- 13. Section 5(2)(b) of the Act states:
 - "... A trade mark shall not be registered if because-
 - ... (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

14. Since the Applicant's trade mark has a date of application for registration earlier than that of the Proprietor's trade mark, it is clearly an "earlier trade mark" as defined by section 6(1)(a) of the Act; and since the earlier mark had been registered for more than five years when the Proprietor's mark was published for opposition it is therefore potentially subject to the proof of use provisions under section 6A of the Act. The Applicant confirmed in its Form TM26(I) that its earlier trade mark had been registered for five years or more at the relevant time, and stating that the mark had, in relation to all the registered goods on which it relies, been used within the five years prior to the application for invalidity. The Proprietor chose not put the Applicant to proof of use (as indicated by its response to question 7 in its Form TM8). Consequently, the Applicant is able to rely on all the goods on which it relies under its earlier mark, with no obligation to show that the mark has been used.

15. I keep in mind the relevant principles from decisions¹ of the EU courts to be borne in mind when considering section 5(2)(b) of the Act and I will refer to those principles as appropriate.

Comparison of goods

16. My task of comparing the goods is to be made on the basis of notional and fair use² of the goods in the parties' respective specifications, namely:

The Proprietor's registered goods	The Applicant's goods under its earlier mark
Class 25: footwear	Class 25: Clothing, headgear

- 17. The Applicant has claimed that the Proprietor's mark has in fact been used in relation to clothing (and only clothing) and that the respective goods are therefore identical. I dismiss this submission. It is not relevant that the Proprietor may use its mark in respect of clothing rather than footwear because the proceedings are filed against its registration and not its use. The registration is only in respect of footwear, and it is these goods that are being challenged in these proceedings. Consequently, its current marketing strategy is not relevant³ and may change in the future, or it may sell its mark and a future new owner may choose to use the mark differently. I must, instead, compare the goods for which the marks are registered (rather than goods to which they may have been applied).
- 18. I take account of the factors identified by the Court of Justice of the European Union ("the CJEU") in *Canon*⁴ where it states that:

Sabel BV v Puma AG, Case C-251/95; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. Case C-342/97; Marca Mode CV v Adidas AG & Adidas Benelux BV, Case C-425/98; Matratzen Concord GmbH v OHIM, Case C-3/03; Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P; and Bimbo SA v OHIM, Case C-591/12P.

² This idea of a notional comparison is in line with the words of Kitchin L.J. in *Roger Maier and Another v ASOS* [2015] EWCA Civ 220, at paragraph 78 of that decision.

³ See ruling of CJEU in *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P, at paragraph 59 as regards the fact that the particular circumstances in which the goods in question were marketed may vary in time and depending on the wishes of the proprietors of the opposing marks such that it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.

⁴ Case C-39/97, at paragraph 23.

"In assessing the similarity of the goods all the relevant factors relating to those goods .. themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

- 19. The relevant factors for assessing similarity identified by Jacob J. (as he then was) in the *Treat* case⁵ were:
 - a) The respective uses of the respective goods or services;
 - b) The respective users of the respective goods or services
 - c) The physical nature of the goods or acts of services;
 - d) The respective trade channels through which the goods or services reach the market;
 - e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
 - f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.
- 20. I note that the Applicant, in its submissions in lieu of a hearing, cites a CJEU ruling⁶ on the similarity between "clothing" and "footwear", which referred to those goods belonging to the same class and that they may be produced by the same operator or sold together. I also note that SMB, in its letter of 22 November 2016⁷ on behalf of the Proprietor, explicitly concedes that the registered goods are similar. I agree that "clothing" and "footwear" are goods that are indeed similar, to a degree I estimate as medium as they have the same purpose (to be worn to cover and protect the body), and they often coincide in producer, end user/relevant public and distribution channels.

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⁵ [1996] R.P.C. 281

⁶ Giordano Enterprises Ltd v OHIM (Case T-483/08) where CJEU considered (at paragraph 20)

As noted in the pleadings section above, the Proprietor expressly relies on the points made in that letter in its counterstatement, and the letter was filed in evidence (by the Applicant).

The average consumer and the purchasing process

- 21. It is necessary to determine who is the average consumer for the respective goods and services and how the consumer is likely to select them. It must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question⁸. In *Hearst Holdings Inc*,⁹ Birss J. described the average consumer in these terms:
 - "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect … the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word "average" denotes that the person is typical… [it] does not denote some form of numerical mean, mode or median."
- 22. In this case the relevant average consumer will be members of the general public, who will exercise a **medium or average degree of attention** when purchasing such goods.
- 23. Visual considerations will be particularly influential in the purchasing act because the goods of the type under the marks are likely to be selected visually after perusal of racks/shelves in retail outlets, or from images on websites or in catalogues.¹⁰ However, aural considerations may also play a part, such as on the basis of word of mouth recommendations, so the way the marks are said is also relevant.

Distinctive character of the earlier trade mark

24. The distinctive character of the earlier mark must be considered. The more distinctive an earlier mark, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel*). In *Lloyd Schuhfabrik*¹¹ the CJEU stated that:

⁸ Lloyd Schuhfabrik Meyer, Case C-342/97

⁹ Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch),

¹⁰ See New Look Limited v OHIM, joined cases T-117/03 to T-119/03 and T-171/03 at paragraphs 49 -50.

¹¹ Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, Case C-342/97

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings ...

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51)."

- 25. The distinctive character of a trade mark can be appraised only, first, by reference to the goods specified in the registration and, secondly, by reference to the way it is perceived by the relevant public¹². With this in mind, I note the following:
 - The earlier mark is registered for 'clothing' and 'headgear' those terms are not limited in the specifications.
 - The earlier trade mark is a figurative mark, being a stylised representation of the word 'faux'. The word is perhaps not among the most common of words in everyday usage, but I find that the average consumer (or at least a substantial part of public) will likely have come across it and will understand its meaning as signifying, for example, "made in imitation, fake, or false".
- 26. Submissions on the part of the Proprietor emphasise that the Applicant's registration is in respect of a figurative mark (rather than a word mark) and that in the context of imitation fur garments the Applicant has no exclusive right to use of the word faux because the word is descriptive of the material. Those submissions raise no challenge to or conflict

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¹² Rewe Zentral AG v OHIM (LITE) [2002] ETMR 91

with the presumed validity of the trade mark registration (section 72 of the Act) or that a registered trade mark must be assumed to have at least some distinctive character¹³. In the Proprietor's submissions the distinctiveness of the Applicant's mark lies only in the stylistic aspects of the representation of the word as a figurative mark.

- 27. I recognise that the clothing and headgear goods relied on by the Applicant may readily include goods that are made of mimicking materials that are naturally and commonly described as "faux", such as faux fur. I understand and accept that the word alone, used for example in relation to a "faux fur hat" or a "faux fur jacket" would be descriptive and devoid of distinctive character.
- 28. However, the circumstances of this case are that the Applicant's specification is not framed or limited to cover only such goods; instead the Applicant has protection under its registration for clothing and for headgear at large. As I have noted earlier in this decision, the Proprietor has not put the Applicant to proof of use and the Applicant is therefore able to rely on all the goods claimed under its earlier mark, with no obligation to show that the mark has been used. The Applicant's earlier mark may be applied, for example, in relation to clothing such as a t-shirt or a pair of socks, or to headgear such as a baseball cap. In relation to goods of that sort (goods that are unlikely to be made of imitation materials), I find that the average consumer would perceive no descriptive message from the term "Faux" in relation to the composition of the product. The average consumer would instead perceive the mark as a stylised rendering of a word that serves as a badge of origin to signify the brand of the goods and identifying them as originating from a particular undertaking. I find therefore that for that significant portion of the relevant goods (clothing and headgear at large) the earlier mark has an ordinary degree of inherent distinctive character, based both on its underlying term ('faux') and on its particular figurative presentation. I make this decision on that basis.
- 29. The level of inherent distinctiveness of a trade mark may be enhanced through use in the UK. The Applicant was not put to proof of use of its mark, so it filed no evidence to that end. However, such evidence as it did file showed no use of the mark in its registered

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Formula One Licensing BV v OHIM, Case C-196/11P

form, so there is no possibility of considering whether the registered mark may have an enhanced level of distinctiveness in the perception of the UK consumer through use.

Comparison of the marks

- 30. It is clear from Sabel¹⁴ that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (CJEU) stated in Bimbo¹⁵ that: ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."
- 31. It would therefore be wrong to dissect the trade marks artificially, but it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below:

The Applicant's earlier registered mark:

The Proprietor's contested trade mark:

LONDON

¹⁴ Sabel BV v Puma AG, Case C-251/95

¹⁵ Bimbo SA v OHIM, Case C-591/12P (paragraph 34)

- 32. The overall impression of the Applicant's earlier figurative trade mark is that it consists of the word "faux", which is rendered in a graffiti-manuscript-style of typeface, which seemingly mixes upper and lower cases, where the F and the X are particularly emphasised by their being more than twice the size of the 'au' they bookend. 16
- 33. The overall impression of the Proprietor's contested figurative mark is that it comprises the two words FAUX LONDON presented in a slightly unusual, but not remarkable typeface, although one may note the picket-fence tips to the letter X and the general thickness of block capitalisation. More striking is that the first word is presented as white text in a black rectangle, the second word is presented in black with no background colour (or possibly a white background). The FAUX element is more striking in the overall impression because it carries a brand significance, is around twice the size of the word LONDON, sits separately above that word in a black rectangle and will be read first. The word LONDON is not distinctive (since the name of that city is freely available to others to use). However, LONDON is the longer word and spans the full width of the mark and, although smaller in size than FAUX, is still prominent. I find that the additional word, rendered as prominently as it is, will lead at least some among the average consumer to perceive the mark as a whole as a phrase that hangs together as "FAUX LONDON" which phrase contributes to the distinctiveness of the mark.

Visual similarity

- 34. The only point of visual similarity between the marks is that they both very clearly involve the term "faux".
- 35. The Proprietor's mark prominently includes the word LONDON, which is not present in the Applicant's mark. That additional word is itself not distinctive, but in combination adds a measure of distinctiveness. There are also obvious visual differences in the stylings of the figurative marks, such as the much-enlarged letters F and X in the Applicant's earlier mark, the absence of any black background element and its free-form style rendering of the single word (as compared with the rectangular orientation of the Proprietor's mark).

The principle in trade mark law that fair and notional use allows for changes in case and in typeface – see for example, Sadas SA v OHIM (Case T346/04) at paragraph 47 – is limited to word marks and to the extent that changes do not affect the distinctive character of the trade mark in question.

36. Overall, since the term 'faux' plays the dominant role in the overall impressions of both marks I find them to be **visually similar to a medium degree**.

Aural similarity

37. The single syllable of the earlier mark and the first word of the Proprietor's mark will be pronounced in the same way, to sound like the word "foe". The two syllables of the well-known second word of the Proprietor's mark will be pronounced in the usual way. I find that the marks are **aurally similar to a medium degree**.

Conceptual similarity

- 38. There is a conceptual overlap between the parties' marks arising from the shared term 'faux', which will be understood to carry the same meaning in both marks. The deployment of a major city name such as London is commonly used within trade marks, especially those within the fashion industry, to indicate that the brand is based there or has some other connection to it. I think that the most likely perception of the average consumer in this case would be along those lines, because FAUX comes first in the Proprietor's mark, is the larger word and is separated and made distinct by the white text on a black background.
- 39. I have noted that the size of the word LONDON word in the Proprietor's mark lends it a degree of emphasis and I have considered whether some among the average consumer may perceive the mark as a whole as a phrase that is "FAUX LONDON" where the concept deviates from the usual "brand name + city name" formulation described above, and implying instead a description of that city equating to "fake/false London". However, I rule out that possibility because the inclusion of a city name as a secondary element of a trade mark is so prevalent in the fashion industry and in this case the presentation of the word FAUX on its black background separates it from the smaller text LONDON below it.
- 40. I find the respective marks to be conceptually similar to at least a medium degree.

Conclusion as to likelihood of confusion

- 41. Deciding whether there is a likelihood of confusion requires a global assessment, of all relevant factors in accordance with case law. Thus, I factor in my finding that the parties' respective registered goods are similar to a medium degree, the notional average consumer is the general public who would pay only an average degree of attention when purchasing the goods at issue. I also take into account my finding that the Applicant's earlier mark has an ordinary degree of inherent distinctiveness (as assessed in relation to a substantial component of its registered goods) and that there is nothing to show any enhanced distinctiveness through use. The purchasing process will be primarily visual and in comparing the marks I have found them visually (and aurally) similar to a medium degree, as well as conceptually similar to at least a medium degree.
- 42. Weighing up the combined effect of those factors, I conclude that given the strong role of the term "faux" in the overall impressions of the marks, the differences between the registered marks are not sufficient to preclude a likelihood of confusion, including the likelihood of association with the earlier trade mark creating a risk that the public might believe that the respective goods come from the same or economically-linked undertakings.

OUTCOME

- 43. Consequently, the application for a declaration of invalidity succeeds and the Proprietor's registration is deemed never to have been made and will be removed as from its date of application (1 October 2015).
- 44. In the circumstances, it is not necessary to consider the other two grounds of the Applicant's claim. However, since a claim of bad faith is serious allegation I will comment to the extent that had I dealt with the section 3(6) claim, I would not have found that the Proprietor acted in bad faith in applying to register its trade mark. The Proprietor was entitled to have applied for its trade mark in the terms of its original specification and to have proceeded with the registration with its specification reduced to footwear, which goods had gone unopposed. The proprietor of a registered trade mark has a period of five years in which use its mark for its registered goods or services before it becomes

potentially subject to the proof of use provisions, and there is nothing in the materials filed in this case that would lead me to deny the Proprietor's stated intention to have used its mark in relation to its registered goods. The Proprietor's exclusive trade mark rights under its prima facie valid registration were limited to footwear, but those exclusive rights did not debar the Proprietor from using the mark in relation to other goods for which it did not have protection through registration. In the event that use in relation to those goods should encroach on the exclusive rights of another proprietor of a registered trade mark or earlier right, it is of course open to that other party to consider legal action for infringement or passing off.

COSTS

45. The Applicant has been successful and is entitled to a contribution towards its costs in line with the costs scale published in Tribunal Practice Notice 2/2016. I award the sum of £1300 (one thousand three hundred pounds) as a contribution towards the cost of these proceedings, calculated as follows:

Reimbursement of the official fee for Form TM26(I):	
Preparing a statement of grounds and considering the other side's	
counterstatement:	£300
Preparing submissions and evidence during the evidence rounds:	
Preparing submissions in lieu of a hearing and commenting on the	
other side's submission	
Total:	£1300

46. I therefore order Busy Bee Productions Limited to pay Silverts Limited the sum of £1300 (one thousand three hundred pounds) to be paid within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of September 2018

Matthew Williams For the Registrar