

O-089-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2403375 by  
ISS LTD TO REGISTER THE TRADE MARK COMMSOFT  
IN CLASSES 9, 38 AND 42**

**AND**

**IN THE MATTER OF OPPOSITION NO 94196 BY  
LEE BRACEWELL**

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Lee Bracewell**

### **BACKGROUND**

1. On 7 October 2005 ISS Ltd of R1122, Royal Exchange, Sydney, NSW 2000 applied to register the mark COMMSOFT for the following goods and services:

**Class 09**

Computer software for the monitoring, analysing and reporting on the use of communication systems.

**Class 38**

Provision of reports relating to communications.

**Class 42**

Provision of expert appraisals relating to communications.

2. On 6 March 2006 Lee Bracewell of Commsoft Support filed notice of opposition to this application. The amended statement of grounds that is before me discloses a single ground of opposition under Section 5(4)(a) of the Act. In the space on the form for “representation of the earlier mark, sign or right” the opponent has indicated “Trading as Commsoft Group Ltd” and “Trading as Commsoft Support Ltd”. The earlier right is said to have been used in relation to company names for the supply of communications software/hardware support/services. Objection is taken against the Class 9 goods of the application.

3. The applicant filed a counterstatement denying the above ground. The counterstatement contains the following claims:

“5. The applicant or its predecessors in title have used the trade mark COMMSOFT continuously in the UK since the year 1997 upon and in relation to communications software and related services.

6. The applicant enjoys substantial goodwill and reputation in the UK in relation to products sold under the trade mark COMMSOFT.

7. The applicant is the true proprietor of the trade mark COMMSOFT and is entitled to registration.

8. All rights in relation to the COMMSOFT product are owned by ISS Limited including the trade mark and copyright in the product itself.

9. The said rights were acquired by ISS Limited from Commsoft Group, another Australian company, on 24 March 2003.

10. The opponent is a former employee of the UK subsidiary of Commsoft Group from the year 2000 until 2002, and is well aware of the true ownership of the COMMSOFT trade mark”.

4. Both sides have filed evidence. The Registry wrote to the parties on 5 February 2008 inviting them to say whether they wished to be heard or to offer written submissions.

5. In the event neither side requested a hearing. Written submissions have been received from ip21 on behalf of the applicant under cover of a letter dated 17 March 2008.

**The law**

6. The relevant part of the statute, Section 5(4)(a), reads as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) .....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

7. The requirements for a passing off action can be summarised as being:

- (1) that the opponent’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent; and
- (3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

## Goodwill – meaning and key principles

8. The first requirement set out above is goodwill. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as follows:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

9. That statement is still accepted as one of the most apposite judicial definitions of goodwill (see, for instance, Jacob LJ's reference in *Phones 4u Ltd v Phone4u.co.uk Internet Ltd*, [2007] RPC 5 at paragraph 9).

10. The requirements for a party wishing to establish a claim in passing off in Registry proceedings were considered in *Reef Trade Mark* [2002] RPC 19:

“27 There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under [s.11 of the 1938 Act](#) (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by [BALI Trade Mark \[1969\] R.P.C. 472](#)). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28 Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

11. The indicative types of evidence referred to in the above passage must not be treated as a straightjacket. It was, for instance, acknowledged by Richard Arnold QC, sitting as the Appointed Person on appeal in *Ecoblock Trade Mark*, O/178/06, that a claim for passing off will not necessarily fail in the absence of trade evidence:

“...what a passing off claimant needs to do is to establish that he has built up a goodwill which the defendant is invading by a misrepresentation and accordingly what matters is what the claimant did to create a goodwill. Jacob LJ returned to this point at [33], saying that showing what had actually been

done to publicise the name or badge relied upon was the key evidence ....” (referring to the *Phones 4u* case).

12. The relevant date for determining the opponent’s claim, in the absence of any competing earlier claim on the part of the applicant, will be the filing date of the application in suit, that is to say 7 October 2005. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based).

### **Appraisal of the evidence**

13. Lee Bracewell, the opponent, has filed a witness statement. He is a director of Commssoft Support Limited and Commssoft Group Limited. These companies have been trading since 19 January 2004 and 14 May 2004 respectively under the name Commssoft. The companies are said to have over 700 maintenance support customers in the UK of which 240 are under contract in the name of Commssoft. Mr Bracewell says they have substantial goodwill and reputation in those names. That is the sum total of Mr Bracewell’s explanation of his companies’ business. The only supporting exhibit is a Support Agreement. I will return to this below.

14. The remainder of Mr Bracewell’s witness statement deals with his views on the applicant’s position. It is relevant to the extent that it deals with ISS Ltd’s activities and introduces issues that are subsequently picked up in the applicant’s evidence. The relevant part is as follows:

“3. The applicant has not traded in the UK under the Commssoft name but uses the name of ISS Limited or Ben Rockefeller.

ISS has distributed its products exclusively in the UK through a variety of companies, several of which have been placed into receivership by their owners.

We have attached a copy of a letter from WeCare Communications Limited confirming the name under which ISS Limited traded.

4. The products distributed by ISS are known by the following names.

- Callmaster
- Netmaster
- Cellmaster
- Panastat

The name Commssoft does not form part of the product name.”

15. The copy letter referred to in paragraph 3 above is a “To whom it may concern” letter dated 11 October 2006 from David Ayerst who was Managing Director of WeCare. He reports that, as a result of an agreement signed on 1 October 2004, WeCare became the authorised distributor in the UK for International Software & Services Ltd (I take this to be the applicant) with rights to distribute its software products CellMaster and NetMaster. He emphasises that his business dealings have

been with ISS and not Commsoft. Since the closure of WeCare his only dealings with Ben Rockefeller and ISS have been when he purchased “a copy of CallMaster in May 06 and received an invoice from him in the name of “ISS”.

16. I now turn to the applicant’s evidence. This comes in the form of a witness statement by Ben Rockefeller, a director and shareholder of ISS Limited. ISS acquired the intellectual property rights of an Australian Stock Exchange-listed company called Commsoft Group Ltd (CSG) on 23 March 2003. A copy of an announcement to that effect is exhibited at BR1. The intellectual property acquired included the trade mark COMMSOFT, the copyright in various software packages including PANASTAT, CALLMASTER, NETMASTER, CELLMASTER and the associated trade marks. It is noted that these correspond to trade marks referred to in Mr Bracewell’s witness statement. It is said that the trade mark COMMSOFT has been used in the UK since at least 1998 upon and in relation to computer software and associated support services. A copy of marketing material showing the trade marks CALLMASTER and COMMSOFT in use in relation to software is exhibit at BR2. Mr Rockefeller does not expressly say that this material was used in the UK (or otherwise substantiate the claim that the sign has been used in the UK since 1998). I note that CommSoft (stylised) appears on the front page header beneath Callmaster and with New Zealand Ltd in small type under the element SOFT. The address on the second page is a New Zealand one. I also observe that the O of SOFT is represented by what I take to be a representation of a satellite dish. The same presentational device is repeated on the headed paper that Mr Bracewell has used for his witness statement.

17. Mr Rockefeller goes on to say:

“The opponent, Mr Bracewell, was an employee of CSG from about 2000 to 2002 during which time he contributed to the support services provided under the name Commsoft. He was then employed by a Commsoft distributor, Techtel, and now he has set himself up as “Commsoft Support” and other companies in Purley. From the witness statement provided by Mr Bracewell it appears that he has since set up companies using the Commsoft name with a view to providing support services. I note that the software packages supported by the aforementioned companies include those supplied by ISS Limited.

I also note that Mr Bracewell has opposed registration of the COMMSOFT trade mark in relation to computer software. However, it does not appear from his witness statement that he has any business in the supply of software per se.”

18. Mr Bracewell has not filed reply evidence or made submissions in relation to the above claims as to his previous involvement with CSG (that is to say the Australian company and not Mr Bracewell’s similarly named company incorporated under the (UK) Companies Act 1985 as referred to in the statement of grounds. This latter was not incorporated until 14 May 2004).

19. I have set out the background evidence because it serves to set the dispute in context and has some tangential bearing on the opponent’s evidence.

20. Returning to my appraisal of the opponent's claim to goodwill, it will be apparent that there is very little information to support the underlying claim. Based on the guidance in the *Reef* case there is no evidence from the trade nor is there evidence as to the manner in which the goods and/or services are traded. The opponent has supplied no information on the volume of sales (turnover information say) and no information on the nature and extent of advertising and promotional activity that might have been used to generate sales. The bare claim is that there are 240 support customers in the UK who are under contract in the name of Commsoft. The evidence does not disclose how many of these customers were in place by the relevant date of 7 October 2005. I bear in mind in this respect that the two UK trading companies were not incorporated until January and May 2004. Mr Bracewell's statement is dated 8 June 2007 on the first page but 8 May 2007 on the second page (the document was received in the UK-IPO on 12 June 2007 so the first of the dates is likely to be the correct one). Given the relatively brief period between the formation of the companies and the relevant date there was a greater burden on the opponent to establish with care what the position was at the material date. As matters stand Mr Bracewell appears to be referring to the position at the date his witness statement was filed.

21. The only exhibit in support of the opponent's trading claims is the previously mentioned Support Agreement. The Agreement is between Commsoft Support and Estee Lauder UK. It was signed by the former on 15 February 2005 and the latter on 16 March 2005. Curiously, the start date shown in Appendix A to the agreement is 4 November 2003. The point has not been explained. It may be that it is a misprint and was intended to be 4 November 2005 or that the agreement gave formal expression to an existing arrangement that had been in place since the earlier date. A yet further alternative may be that it was an extension to a pre-existing contract which bore the earlier date. But that explanation would sit uneasily with the fact that the trading companies were not in existence in November 2003. That point too might be explicable if the companies were preceded by some other trading entity. However, on the limited evidence before me, I am unable to satisfactorily explain the position.

22. Insofar as is relevant to the issue before me, the agreement records in the 'Definitions' section:

“**Products**” refers to the software products as mentioned in Appendix A to this agreement.

“**Upgrade**” refers to a new release of the Products to support new versions of the underlying operating systems, database management software and/or application software.

.....

“**Support**” refers to assistance in the use of the Products listed in Appendix A.

“**On-site Support**” refers to Support that is provided at the Installation Address.

.....

“**Support call**” refers to any software problem that is technical or operator related.

“**conMAN**” refers to Online Contact Management System available via the support website at [www.support-1st.com](http://www.support-1st.com).”

23. Under the heading “Description of Services” there is the following:

“10.1 Maintenance

The Company will provide The Customer with new minor releases of the Products listed under maintenance in Appendix A, free of charge. New minor releases will be delivered on the applicable media including a description of installation procedures.

If The Customer plans to upgrade its computer systems, operating systems, database management software or application software, The Customer will forthwith inform The Company of such intention so that The Customer and The Company can asses[s] the impact on products covered by this agreement. If the provision of an Upgrade would lead to an unreasonably high effort for The Company, The Customer and The Company will enter into discussions to find a reasonable resolution.

10.2 Support

The Company will provide Support from The Company offices during contracted business hours.

Contact for Support will be by email, telephone, fax or optional web interface, quoting The Customer agreement number. A Support Call will be logged and a telephone or written response will be provided in an attempt either to answer the Support Call or agree plans with The Customer representatives that will extend the time for resolution of the problem to enable further investigations to continue.

In the event that The Company personnel are unable to provide a solution to a Support Call, The Company will log the problem with the software author or internal developers and make every effort to resolve the problem according to the service levels described in Appendix B.”

24. The product referred to in 10.1 and Appendix A is listed as CallMaster Multisite. The service levels mentioned in 10.2 and Appendix B refer to three types of support package but without disclosing the nature of the underlying product that the service agreement is intended to support save that it is some form of software.

25. Although the nature of the goods and services is not entirely clear from the above, given the parties’ past dealings, it is probable that the core product is the telephone management and reporting system (software) that is the subject of Exhibit BR2 to the applicant’s own evidence.

26. There is also a reference in the support agreement document to conMAN, a sign used in connection with an online contact management system. Commsoft Support is referred to in the document as ‘The Company’. I accept that the use of Commsoft (stylised) in the heading of the document is capable of being taken as the sign under which the support service for the above-mentioned product was being provided.

27. It is well established that, although criticisms can be made of individual items of evidence, the tribunal must stand back and take a collective view of the evidence before it (see to that effect Professor Annand's remarks, sitting as the Appointed Person in *Loaded Trade Mark*, O/191/02, at paragraph 16). The opponent's difficulty here is the meagre state of the evidence as a whole. The limited narrative explanation of the nature, duration and extent of the business under the sign is not well supported or explained by the single relevant accompanying exhibit. Whilst 240 customers might be capable of forming the basis of a claim to goodwill the failure to establish the precise position at the relevant date coupled with the other deficiencies and unexplained circumstances noted above leaves the opponent in some difficulty.

### **Conclusion**

28. In all the circumstances I have little hesitation in concluding that the opponent has not substantiated the claim that it had the necessary goodwill in a business conducted under the sign COMMSOFT (or colourably similar variation thereof) by the material date. Accordingly, there is no basis for considering the other legs of the passing off test and the opposition must fail.

### **COSTS**

29. The applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of **£1000**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 27th day of March 2008**

**M Reynolds  
For the Registrar  
The Comptroller-General**