

**TRADE MARKS ACT 1994**

**IN THE MATTER OF  
APPLICATIONS Nos. 2547463, 2548704 AND 2551965  
IN THE NAME OF ANGLO DESIGN HOLDINGS PLC**

**AND IN THE MATTER OF  
CONSOLIDATED OPPOSITIONS THERETO Nos. 100997, 101041 AND 101138  
BY SENSORMATIC ELECTRONICS LLC**

**AND IN THE MATTER OF  
AN APPEAL TO THE APPOINTED PERSON BY THE APPLICANT  
AGAINST A DECISION OF MR. D. LANDAU DATED 31 MAY 2012**

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**DECISION**

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1. This is an appeal against a decision of Mr. David Landau, the Hearing Officer acting for the Registrar (BL O/219/12) dated 31 May 2012 taken in consolidated opposition proceedings numbers 100997, 101041 and 101138.
2. In that decision, Mr. Landau:
  - (1) **Partially allowed** 3 oppositions brought by Sensormatic Electronics, LLC (“Sensormatic”) under Section 5(2)(b) of the Trade Marks Act 1994 against 3 applications for trade mark registration in the name of Anglo Design Holdings PLC (“Anglo”).
  - (2) **Rejected** 2 oppositions brought by Sensormatic under Section 5(4)(a) of the Act against 2 of those 3 trade mark applications by Anglo.
  - (3) **Refused** 2 requests by Sensormatic for suspension of the present proceedings pursuant to Rule 62(1)(f) of the Trade Marks Rules 2008, pending the final outcome of OHIM invalidity proceedings brought by Anglo against the earlier Community trade mark (“CTM”) on which Sensormatic relied under Section 5(2)(b).
  - (4) **Ordered** that each party should bear its own costs.
3. Anglo appealed the partial refusal of its trade mark applications under Section 5(2)(b) of the Act to the Appointed Person under Section 76 of the Act. Anglo also requested on 2 occasions, suspension of the appeal until the final decision in the CTM invalidation proceedings were known.
4. Sensormatic did not file an appeal against the Hearing Officer’s decision either under Section 5(2)(b), or under Section 5(4)(a).

5. I directed that I would hear the suspension point at the appeal hearing, appointed for Friday 26 April 2013. In the meantime, the OHIM Cancellation Division rejected Anglo's invalidation action and pursuant to Rule 62(1)(a) of the Rules, I requested Anglo to provide me with: (a) written clarification of the nature and scope of Anglo's challenge to the earlier CTM and the current status of those proceedings; and (b) a copy of the OHIM Cancellation Division's decision dated 11 March 2013.
6. At the appeal hearing, Anglo was represented by Mr. Chris Aikens of Counsel, instructed by HGF. Sensormatic was represented by Mr. Philip Roberts of Counsel instructed by Withers & Rogers.
7. After the hearing, I informed the parties of my decision to dismiss the appeal and to refuse Anglo's suspension request for reasons which I would give in my written decision.
8. These are the reasons for my decision.

**Background**

9. Anglo's 3 applications for trade mark registration are as follows:

<b>Number</b>	<b>Mark</b>	<b>Date</b>
UK 2547463		11.05.2010
UK 2548704		25.05.2010
UK 2551965		01.07.2010

10. All 3 applications covered the following goods and services, which were opposed by Sensormatic:

Class 9

*Electric and electronic security apparatus; closed circuit television cameras; monitoring, imaging, telemetry, security, alarm, detection, intruder and warning*

*apparatus and instruments; video surveillance systems; video imaging systems; video multiplexing apparatus; video cameras for surveillance installations; cameras; fire prevention systems, video smoke detection systems, video flame detection systems; video cameras for closed circuit surveillance; apparatus for digitising, recording and distributing video signals across computer networks; parts and fittings for all the aforesaid goods; computer hardware, software and firmware relating to all the aforesaid*

Class 37

*Repair and maintenance of electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks; advisory, consultancy and information services relating to the aforesaid*

Class 42

*Design, development and maintenance of computer software relating to electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks; advisory, consultancy and information services relating to the aforesaid*

Class 45

*Security monitoring services and surveillance; advisory, consultancy and information services relating to the aforesaid*

11. In addition, Anglo's applications numbers 2547463 and 2548704 claimed the below Class 39 services that went unopposed by Sensormatic:

*Air charter services; air transportation services; advisory, consultancy and information services relating to all the aforesaid*

12. As indicated, the oppositions under Section 5(2)(b) were based on Sensormatic's earlier CTM:

<b>Number</b>	<b>Mark</b>	<b>Date</b>
CTM 003001872		09.01.2003 (registered 21.04.08 so no proof of use)

13. Sensormatic's earlier CTM is registered for the following goods:

Class 9

*Hardware and software for access control, event management, closed circuit television, video surveillance, digital video recording and management, asset tracking and management systems, and integrated electronic security systems*

14. Under Section 5(4)(a), Sensormatic relied upon earlier unregistered rights in the UK in the same mark and for the same goods as in Sensormatic's earlier CTM.

**The Hearing Officer's decision**

15. Mr. Landau's findings were relevantly, in brief:

- (1) Sensormatic failed on the evidence to show any business, or protectable goodwill, in the UK under the sign for the goods relied upon. The oppositions under Section 5(4)(a) against applications numbers 2548704 and 2551965 were not made out.
- (2) Likewise Anglo's defence to the oppositions under Section 5(2)(b) based on co-existence failed. Sensormatic's evidence did not show that Sensormatic's mark co-existed on the UK marketplace.
- (3) There was no defence of acquiescence to opposition (as opposed to invalidation) under Section 5(2)(b). Anyway, Anglo did not plead acquiescence.
- (4) Comparing the goods and services for the purposes of Section 5(2)(b):
  - (i) The respective goods in Class 9 were identical.
  - (ii) The services applied for in Class 37 were highly similar to the Class 9 goods in the earlier CTM.
  - (iii) The services applied for in Class 45 were accepted by Anglo to be similar to Sensormatic's goods in Class 9.
  - (iv) The maintenance, advisory, consultancy and information services applied for in Class 42 were highly similar to the Class 9 goods in the earlier CTM.
  - (v) The design and development of computer software services as specified in Class 42 of the applications were at best remotely similar to the Class 9 goods in the earlier CTM.
- (5) Comparing the marks for the purposes of Section 5(2)(b):
  - (i) The letters AD were perfectly distinctive in relation to the goods and services in question. Anglo's argument that the letters AD were devoid of any distinctive character because they would be perceived by

the average consumer as “*towards*” in Latin, “*Anno Domini*”, or as an abbreviation of “*advertisement*”, was rejected. That said the marks must be considered as wholes, including stylisation of the letters.

- (ii) All the marks would be viewed as AD marks. The additional device and device and word elements in Anglo’s trade marks 1 and 3 meant that they were visually further away from the earlier CTM than Anglo’s trade mark 2.
- (iii) Overall there was a high degree of similarity between Anglo’s trade mark 2 and the earlier CTM, and a reasonable degree of similarity between Anglo’s trade marks 1 and 3 and the earlier CTM.
- (iv) A high level of attention would be paid to the purchasing act, which would primarily be visual although oral aspects could not be ignored.
- (v) Globally assessed, there was a likelihood of confusion between the earlier CTM and all 3 of Anglo’s trade marks, where the goods and services were identical or highly similar.
- (vi) Anglo’s 3 applications were refused for all the goods in Class 9 and for all the services in Classes 37 and 45.
- (vii) In Class 42 Anglo’s 3 applications could proceed to registration in respect of:

*Design and development of computer software relating to electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks*

- (viii) However, Anglo’s 3 applications were refused for the remaining services applied for in Class 42.

16. It will be recalled that as well as being allowed by the Hearing Officer for some of the services in Class 42, Anglo’s 1<sup>st</sup> and 2<sup>nd</sup> applications (2547463 and 2548704) were unopposed and so would proceed to registration additionally in Class 39.

### **The appeal**

17. On 28 June 2012, Anglo filed an appeal against Mr. Landau’s decision under Section 5(2)(b).
18. Anglo advanced 3 grounds of appeal: (1) “*failure to apply the law correctly*”; (2) “*failure to consider or to apply the correct assessment of the average consumer and*

*the nature of the purchasing decision of the goods and services under consideration”;*  
(3) *“failure to consider the evidence of concurrent use”.*

### **Ground 1**

19. The contention here was that the Hearing Officer wrongly assessed the distinctive character if any of the AD element of the respective trade marks.
20. He erred in dismissing the 3 meanings of “ad” put forward by Anglo viz. Latin for “to”, “Anno Domini” and “advertisement” abbreviated and in not finding that the letters AD were completely lacking in distinctive character or at least possessed of low distinctiveness.
21. The Hearing Officer should have held that the stylisations/device elements and in the case of Anglo’s trade mark 3, the words “NETWORK VIDEO Seamless Intelligence”, were the [only] dominant and distinctive elements of the respective trade marks.
22. Instead, he dismissed the additional elements especially the “cog” device in Anglo’s trade marks 1 and 3 and the words “NETWORK VIDEO Seamless Intelligence” in Anglo’s trade mark 3 as negligible.
23. Since the Hearing Officer correctly held that the visual aspect was more important in the purchasing the goods and services, he erred in not finding the respective trade marks distinct from each other. The stylisations were distinct.

### **Ground 2**

24. As I understood it, Ground 2 was that due to the technical nature of the goods and services and the care that would be devoted to their purchase, the average consumer would not be confused. Anglo accepted, however, that the Hearing Officer made correct assessments of: (a) the average consumer; and (b) the nature of the purchasing decision.

### **Ground 3**

25. Anglo contended in Ground 3 that the Hearing Officer erred in finding on the evidence that the marks had not co-existed on the marketplace. Anglo’s evidence *“clearly showed that the trade marks had co-existed in the marketplace given that there had been direct dealings between the Appellant and the Opponent (Sensormatic) within as detailed in the Witness Statement of Pauline Norstrom”.*
26. Anglo accepts that the Hearing Officers reference to a *“tranche of case law to the effect that lack of confusion in the market place is indicative of very little”* (para. 23) was correct.
27. Anglo further accepts that Ground 3 *“may not have a large bearing on the decision”.*

**Events shortly before the appeal hearing on 26 April 2013**

28. On Wednesday 24 April 2013, I granted a quite reasonable request for an extension for submission of Anglo's skeleton argument until 10.00 am on Thursday 25 April 2013 because Anglo's Counsel had unexpectedly been detained in court on another case.
29. The effect was, however, that Anglo's skeleton argument was received by me and by Sensormatic's advisers only one day before the hearing. By that time, Sensormatic's Counsel had prepared for and dealt with in his skeleton argument, the appeal in full.
30. Anglo's skeleton argument contained the following statements:
- "... Anglo makes no freestanding submissions on the underlying merits of the appeal itself."* (para. 2)
- "If Sensormatic is successful on its first ground [of defence to Anglo's claim that Sensormatic's CTM is invalid because of Anglo's signs used in the course of trade of more than mere local significance pursuant to Article 8(4) Council Regulation (EC) 207/2009 ("CTMR")], i.e., that Anglo's evidence fails to show that the use alleged had given rise to the goodwill and reputation claimed, then Anglo concedes that these opposition proceedings will succeed on the basis that it cannot successfully challenge Mr. Landau's findings relating to confusing similarity on appeal."* (para. 22(2))
- "In the light of its concession on confusing similarity [above], Anglo will be making no submissions on this issue in any event (even if proceedings are stayed and it is unsuccessful at OHIM). For that reason, there is very little left in terms of the merits of this appeal."* (para. 28)
31. Further a footnote to paragraph 13(2) of Anglo's skeleton sought to introduce into these proceedings Sensormatic's Observations in Reply in the OHIM invalidity proceedings – unaccompanied by any application to introduce further evidence.

**Order of points**

32. Mr. Aikens opened his case by stating that his client would be making no oral submissions in support of the appeal. He would address me solely on the stay.
33. I asked Mr. Aikens if that, coupled with his skeleton argument, meant that Anglo no longer pursued its appeal (with the possible exception of its "*honest concurrent use*" or co-existence point, which Ground 3 of the Grounds of Appeal stated was unlikely to have any bearing on the decision).
34. If that were the position, was he seeking suspension of a meritless appeal?
35. After taking instructions from his client, Mr. Aikens told me that Anglo stood by its written Grounds of Appeal but would be making no oral submissions in support of those grounds. Further, Anglo wished to make an application to introduce into these proceedings the copy OHIM Observations in Reply.

36. I directed therefore that I would hear the points in the following order: (1) application to introduce fresh evidence; (2) merits of the appeal; (3) request to suspend the appeal.

**Fresh evidence**

37. It is convenient at this point to say something about the OHIM proceedings.
38. Sensormatic's CTM was applied for on 9 January 2003 and registered on 21 April 2008.
39. Anglo's 3 UK applications in suit were applied for in the period May – July 2010. They were opposed by Sensormatic (*inter alia* in the case of 2548704 and 2551965) on the basis of Sensormatic's CTM in the period September – October 2010.
40. On 9 February 2011, Anglo filed a request for a declaration of invalidity of Sensormatic's CTM at OHIM under reference number 5178 C. The ground for invalidation was that the CTM was registered contrary to Article 53(1)(c)/Article 8(4) of the CTMR. Article 53(1)(c) provides:

*“1. A Community trade mark shall be declared invalid on application to the Office...*

*(c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.”*

Article 8(4) states:

*“4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Community legislation or the law of the Member State governing that sign:*

*(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;*

*(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.”*

41. Anglo relied on use in the UK and Ireland of its AD signs figurative<sup>1</sup> and words AD NETWORK VIDEOS since 1997 which Anglo alleged were protected through the common law of passing off.
42. I understand that the evidence filed in support of the invalidation was substantially the same as filed by Anglo in the present proceedings, namely Witness Statement of Pauline Norstrom, Marketing Director of Anglo.

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<sup>1</sup> Including in so far as I can tell Anglo's marks 1 and 2.

43. The OHIM Cancellation Division rejected the request on the ground that Anglo had failed to show the “*continued existence*” of the signs on which Anglo relied at the time of filing the invalidation request on 9 February 2011 pursuant to Rules 19(1) and (2)(d) and 20(1) of Commission Regulation (EC) 2868/95 applied *mutatis mutandis* to cancellation proceedings. The Cancellation Division noted that Anglo’s evidence related mainly to the period 1997 – 2004/2005 with the latest evidence referring to 2009. Moreover the evidence submitted for 2009 was insufficient in itself to prove use of the invoked signs in the course of trade of more than mere local significance as required by Article 8(4) (paras. 25 – 26, Decision of the Cancellation Division of 11 March 2013).
44. Mr. Aikens informed me that his client filed notice of appeal against the OHIM decision on 23 April 2013 (i.e., 3 days before this hearing). Grounds of appeal were not yet submitted but would challenge the need to establish for Article 8(4) use in the course of trade of a sign of more than mere local significance up until the date of the application for invalidity. There would also be an application to adduce further evidence before the Board of Appeal.
45. Returning to the Observations, Mr. Aikens informed me that Sensormatic filed at OHIM in support of the CTM substantially the same evidence as it relied upon in these proceedings under Section 5(4)(a), namely Witness Statement of Paul Griffiths, Vice President of Sensormatic. Anglo particularly relied on the following statement by Sensormatic in the Observations:

*“At the very least we believe the evidence of use here submitted shows that the respective trade marks have been used alongside each other for many years and quite clearly there has been no evidence of any confusion in practice, which one would have expected in such circumstances if a convincing case of passing-off were capable of being put forward by the applicant.”*

**Ladd v. Marshall**

46. It was accepted by the parties that the factors set out in *Ladd v. Marshall* [1954] 1 WLR 1489 were basic to my consideration of whether to admit the fresh evidence (*DU PONT Trade Mark* [2004] FSR 15, paras. 103 – 104, May LJ). Those factors are: (1) the evidence could not have been obtained with reasonable diligence for use at the hearing below; (2) the evidence is such that, if given, it would probably have an important influence on the case, though it need not be decisive; (3) the evidence is such as is presumably to be believed.
47. The Observations were clearly not available for putting to the Hearing Officer.
48. However, I refused to allow in the evidence because in my judgment the Observations would not have an important influence on the case for reasons including (in no particular order):

- (1) The jurisdictions, relevant dates and issues were different in the Article 53(1)(c)/Article 8(4) proceedings than in the Section 5(2)(b) appeal<sup>2</sup>.
  - (2) The Hearing Officer held that although the evidence showed that Sensormatic had a business in the UK, it did not establish use by Sensormatic in the UK of the sign relied on in relation to the goods relied on. In those circumstances, there could be no defence of co-existence to Section 5(2)(b) simply because Sensormatic's mark had not co-existed on the marketplace.
  - (3) Sensormatic did not appeal against the Hearing Officer's findings on the deficiencies in the evidence in showing use of Sensormatic's mark in the UK for the goods claimed.
  - (4) The statement in the Observations identified by Mr. Aikens does not constitute a concession by Sensormatic that the respective marks have co-existed on the marketplace for the purposes of Section 5(2)(b).
  - (5) In any event the Observations do not prove that the marks have co-existed on the market in the absence of likelihood of confusion on the part of the relevant consumer, as would be required for the point to be taken into account in the global assessment of likelihood of confusion under Section 5(2)(b) (e.g., see recently Case T-505/10, *Höganäs AB v. OHIM*, 10 April 2013, paras. 41 – 66).
49. I also took into account the lateness of the application and the way in which the fresh evidence was sought to be included.

### **Merits of the appeal**

50. The parties were agreed that the standard of appeal was as set out by Robert Walker LJ in *REEF Trade Mark* [2003] RPC 5, para. 28. I should show a real reluctance, but not the very highest degree of reluctance, to interfere in the decision of the Hearing Officer in the absence of a distinct and material error of principle.
51. Mr. Roberts referred me particularly to a passage in the judgment of Mr. Daniel Alexander QC, sitting as Deputy High Court Judge, in *Digipos Store Solutions Group Ltd v. Digi International Inc* [2008] RPC 24, para. 6:
- “In the context of appeals from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference.”*
52. Mr. Roberts' position was that Anglo's complaints fell precisely within those areas identified by the Deputy High Court Judge as not constituting errors of principle and therefore revealed no grounds of appeal.

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<sup>2</sup> See the discussion and cases cited in *Taxassist Direct Limited's Application*, BL O/070/13, paras. 42 – 49.

**Ground 1**

53. Mr. Roberts arguments were, in summary:
- (1) There was no suggestion by Anglo that the Hearing Officer misdirected himself as to the law. There is no rule of law that 2-letter marks are non-distinctive.
  - (2) The Hearing Officer correctly assessed the dominant and distinctive elements of the marks (if any) overall and in the context of the goods and services concerned. He did not treat either the stylisation in the respective marks or the device and device and word elements in Anglo's marks 1 and 3 as negligible. In fact he commented on those elements at paragraphs 42 and 45 of his decision.
  - (3) The Hearing Officer held that overall there was a high degree of similarity between Sensormatic's CTM and Anglo's mark 2 in that both would be viewed by the average consumer as stylised AD marks. On the other hand, there were more visual differences with Anglo's marks 1 and 3 but still a reasonable degree of similarity with Sensormatic's CTM due to the letters AD.
  - (4) Mr. Roberts submitted that these were findings the Hearing Officer was entitled to make. Anglo's complaint amounts to little more than dissatisfaction at the Hearing Officer's non-acceptance of Anglo's submission that AD was devoid of any distinctive character (and ought to be disregarded) due to the meanings advanced by Anglo.
54. I agree. Ground 1 of the appeal fails.

**Ground 2**

55. Mr. Roberts directed me to Anglo's acceptances of the Hearing Officer's: (1) correct identification of the average consumer of the goods and services as businesses and the general public; (2) correct finding that all the goods and services, because of their technical nature, would be bought as the result of a careful and educated decision; and (3) correct finding that the goods and services would primarily be bought after consultation of written material so that visual similarity had more effect than oral similarity.
56. Mr. Roberts stressed that there was no rule of law that there could not be a likelihood of confusion where a high level of attention was paid to the purchase of the goods and services in question. Indeed, the Hearing Officer referred to case law of the General Court to that effect (para. 50, Case T328/05, *Apple Computer, Inc v. OHIM* [2008] ECR II-0104, para. 59, Case T-363/06, *Honda Motor Europe Ltd v. OHIM* [2008] ECR II-2217 para. 62; and see also *Höganäs*, para. 34). This was just 1 factor to take into account.
57. In my judgment, the Hearing Officer did not err in considering that, even taking into account the high degree of attention paid by the relevant public, there was a likelihood of confusion in relation to identical/highly similar products. That was the result of a

detailed and careful multi-factorial assessment, which revealed no error of principle on his part. Ground 2 of the appeal also fails.

### **Ground 3**

58. In his skeleton argument, Mr. Aikens relied on the Court of Appeal judgment in *Budejovicky Budvar, narodni podnik v. Anheuser-Busch Inc* [2012] EWCA Civ 880 as bolstering his client's defence based on honest concurrent use, which was evidenced by direct dealings between the parties in the Witness Statement of Pauline Norstrom.
59. The facts of *BUDWEISER* were of course exceptional and entirely different to the present dispute.
60. It will be remembered that the Hearing Officer held that there was little or no evidence that Sensormatic's trade mark had been used, let alone *co*-existed, on the UK marketplace in relation to the goods and services in question before the respective dates of the applications.
61. The evidence of dealings between the parties referred to by Ms. Norstrom in her Witness Statement (para. 9, PN30) did not show use of Sensormatic's trade mark and advanced Anglo's case no further.
62. The Hearing Officer's findings in relation to use of Sensormatic's mark stand unchallenged.
63. Ground 3 is rejected.

### **Request for a stay**

64. I have the power to order a stay by virtue of Rules 73(4) and 62(1)(f) of the Rules.
65. In *KALTUN MADRAN Trade Mark*, BL O/124/11, I discussed some of the considerations affecting the exercise of that discretionary power by reference *inter alia* to the decisions of the Appointed Person in *Croom's Trade Mark Application* [2005] RPC 23 and *JUICY DIAMONDS*, BL O/231/07, and *American Home Products Corporation v. Knoll Atkiengesellschaft* [2002] EWHC 828 (Ch).
66. In addition, Mr. Aikens referred me to *Unilin Beheer v. Berry Floor* [2007] EWCA Civ 364, a patent case, and *VIAPRO Trade Mark*, BL O/294/12, concerning conflicting pending applications.
67. It was accepted that I should be guided by the overriding objective of dealing with the case justly and at an appropriate cost (CPR, Rule 1.1).
68. I also take note of:
  - (1) The obligation on this tribunal under Article 107 of the CTMR, which states:

*“A national court which is dealing with an action relating to a Community trade mark, other than the action referred to in Article 96, shall treat the trade mark as valid.”*

- (2) Article 55(3) of the CTMR expressly contemplates that certain actions taken whilst a CTM is extant on the register can withstand a subsequent invalidation of that CTM.

69. Anglo argued in favour of a stay:

- (1) If Anglo were successful in invalidating Sensormatic’s CTM at OHIM, since invalidity is retrospective, the basis for Sensormatic’s objection under Section 5(2)(b) would disappear and, if the oppositions were not stayed, they would have proceeded on a false basis.
- (2) The outcome of the OHIM proceedings was highly likely to be determinative of the opposition proceedings. Anglo’s reasoning was: (a) if Anglo succeeded at OHIM, the oppositions would fall away because the only grounds remaining [Section 5(2)(b)] depended on the validity of the CTM; (b) on the other hand, if Anglo failed to establish an earlier right under Article 8(4) the oppositions would succeed because Anglo conceded that it could not overturn on appeal Mr. Landau’s finding under Section 5(2)(b) that there was a likelihood of confusion between the respective marks; (c) if the honest concurrent use point was pivotal, OHIM could decide it either way.
- (3) In contrast, the present proceedings would not determine the OHIM case.
- (4) It was never open to Anglo [Anglo means in these proceedings] to challenge the validity of Sensormatic’s CTM. Anglo’s only choice was to file the invalidity request at OHIM.
- (5) Anglo did not delay in filing the OHIM action. The request was submitted to OHIM only 4 months after the present oppositions were filed when Anglo first realised that Sensormatic’s CTM could pose a threat to Anglo’s applications.
- (6) Sensormatic sought a stay on 2 occasions during the proceedings below.
- (7) The Hearing Officer thought a stay was sensible. Anglo referred to paragraph 55 of the decision where Mr. Landau stated:

*“The parties may seek to have any appeal that may be lodged suspended pending the cancellation proceedings.”*

- (8) The OHIM proceedings were already reasonably well progressed with the decision of the Cancellation Division being handed down on 11 March 2013.
- (9) Sensormatic would suffer no prejudice if a stay were ordered. Anglo’s applications would remain just that. Sensormatic’s right to enforce its CTM against others would be unaffected. If Sensormatic did sue Anglo for infringement of the CTM, the infringement proceedings would be stayed

pending the outcome of the OHIM cancellation proceedings pursuant to Article 104 of the CTMR.

- (10) In contrast, Anglo would suffer grave prejudices. Anglo's applications would be partially refused (for goods and services that were central to its business) and it would not be able to re-apply for trade mark registrations until Sensormatic's CTM was invalidated. In the meantime, its core trade marks would be unprotected.
  - (11) Anglo had applied for international registration in the EU and Australia based on the UK applications. If the UK applications were refused the EU and Australian applications would go down with them.
70. Mr. Aikens referred me to Article 104(1) of the CTMR as applying by analogy to these proceedings. Article 104(1) provides:
- “1. A Community trade mark court hearing an action referred to in Article 96, other than an action for a declaration of non-infringement shall, unless there are special grounds for continuing the hearing, of its own motion after hearing the parties or at the request of one of the parties and after hearing the other parties, stay the proceedings where the validity of the Community trade mark is already in issue before another Community trade mark court on account of a counterclaim or where an application for revocation or for a declaration of invalidity has already been filed at the Office.”*
71. Anglo's fallback position was that if I refused to stay the hearing of the appeal, I should suspend my decision.
72. Sensormatic argued against a stay:
- (1) The OHIM cancellation proceedings were only launched by Anglo on 9 February 2011 several months after the oppositions were brought.
  - (2) Anglo's request for invalidation of Sensormatic's CTM had been refused by the OHIM Cancellation Division.
  - (3) If Anglo did appeal [which it did on 23 April 2013, although unaccompanied by grounds of appeal], then the appeal process through the Boards of Appeal and the General Court could take many years. In the meantime the present oppositions would remain outstanding.
  - (4) Skeleton arguments in relation to the substantive appeal hearing were already prepared [of course, it transpired that Anglo chose not to address the grounds of appeal in its skeleton argument] and most of the cost of the hearing had already been incurred. This would be wasted if the hearing was adjourned.
73. At the hearing Mr. Roberts drew my attention to Rule 1.1(2) of the CPR, which relevantly provided that dealing with a case justly and at proportionate cost included saving expense, dealing with the case proportionately and ensuring that the case was

dealt with expeditiously and fairly. Each of these factors in Sensormatic's submission pointed to refusal of the stay.

74. Regarding likely prejudice, Mr. Roberts said that the costs and delay involved in staying this appeal until a final decision in the OHIM cancellation proceedings was forthcoming were sufficient prejudice to his client in their own right. Further the parties might need to return to this tribunal if, for example, Sensormatic's CTM was partially revoked by OHIM.
75. My observations on the request for a stay were as follows (in no particular order):
- (1) The current position is that Sensormatic's earlier trade mark is extant on the CTM register and must be presumed valid in these opposition proceedings (Article 104 CTMR; and see *TAX ASSIST*, BL O/020/12, paras. 27 – 42).
  - (2) As already mentioned, the jurisdictions, relevant dates and issues are distinct in the OHIM cancellation proceedings from those in the present oppositions under Section 5(2)(b) of the Act.
  - (3) I agree with Mr. Roberts that the OHIM proceedings may take a long time to resolve. Conceivably, they could include a reference to the Court of Justice on a point of law.
  - (4) According to the evidence of Pauline Norstrom, the parties had been aware of each other since the 1990's. A potential registrant prudently searches the applicable registers before applying for a trade mark. A simple search of the UK IPO or OHIM databases would have revealed Sensormatic's CTM.
  - (5) It is difficult to comprehend that Anglo only realised that Sensormatic's CTM was a threat to its applications when the oppositions were filed. Either Anglo did not consider it worthwhile to conduct a search, or Anglo took the view that if Sensormatic were to oppose its applications, Anglo would be successful.
  - (6) During the proceedings below, Sensormatic on 2 occasions requested a stay of the oppositions due to the OHIM proceedings. Mr. Aikens told me that Anglo was opposed to Sensormatic's requests because Anglo was confident of winning the oppositions (and would thereby avoid continuing with the OHIM action). Clearly, this was the way in which Anglo decided to fight the dispute.
  - (7) Anglo could have sought to clear the way for its applications by commencing invalidity proceedings at OHIM as a first step.
  - (8) Anglo complains of prejudice because its core marks will be unprotected by registration. Mr. Roberts noted that Anglo claims to have traded under the marks since 1997, yet did not apply for registration until 2010. In any event, claims to protection of unregistered rights would be unaffected.
  - (9) Regarding the designations of the EU and Australia in Anglo's International Registrations, these can proceed in so far as Anglo's applications were allowed for Class 42 and were unopposed in Class 39. As for the disallowed

goods and services, Anglo may be able to avail itself of the transformation mechanism under Article 9*quinquies* of the Madrid Protocol without loss of priority.

- (10) If Sensormatic's CTM is subsequently declared invalid, Anglo can make fresh applications to register marks 1 – 3 for the disallowed goods and services.
  - (11) The Hearing Officer partially refused the applications under Section 5(2)(b) of the Act. My role was to review that decision in case of material error.
  - (12) After hearing the parties, I decided that the Hearing Officer had not erred in any material way and that the appeal should therefore fail. Anglo chose to argue only in favour of a stay.
76. Taking into account the parties' arguments and the above considerations I decided to refuse Anglo's request for a stay of the appeal hearing including a suspension of my decision in this appeal.

### **Conclusion and costs**

77. In the event, the appeal was unsuccessful and the requests to introduce further evidence and stay the appeal were refused.
78. Sensormatic was entitled to an award of costs in its favour. Mr. Roberts argued that Sensormatic should receive costs off the scale in respect of the substantive appeal only on the ground of Anglo's late notice that Anglo would not be presenting separate arguments in support of the appeal.
79. After due consideration, I decided that although frustrating Anglo's conduct in this appeal was not intended to be deliberately obstructive or unreasonable. Since Anglo stood by the grounds of appeal, Mr. Roberts' in depth preparation was not put to waste and indeed, was of great assistance to this tribunal.
80. I will therefore order Anglo to pay to Sensormatic costs on the scale in the sum of £950 as a contribution towards Anglo's costs of this appeal (to include the 2 failed requests) such sum to be paid within 28 days of the date of this decision.

Professor Ruth Annand, 14 May 2013

Mr. Chris Aikens of Counsel instructed by Harrison Goddard Foote appeared on behalf of the Appellant/Applicant

Mr. Philip Roberts of Counsel instructed by Withers & Rogers LLP appeared on behalf of the Respondent/Opponent