

O-227-16

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF TRADE MARK APPLICATION NO. 3061613
IN CLASS 36 IN THE NAME OF ERIS FX LIMITED

AND

IN THE MATTER OF OPPOSITION THERETO NO.
403491 BY ERIS INNOVATIONS, LLC

AND

ON APPEAL FROM THE DECISIONS OF MR MARK BRYANT
DATED 27 OCTOBER 2015 and 11 NOVEMBER 2015

DECISION

1. On 26 June 2014, Eris FX Ltd (“the Applicant”) applied to register the trade mark “eris fx” for the following services in Class 36:

Currency exchange services; Currency trading; Foreign currency services; Foreign exchange services; Currency dealing; Currency exchange rate quotations; Exchange services (currency -); Foreign currency dealing; Foreign currency exchange; Provision of foreign currency.
2. The application was opposed by Eris Innovations LLC (“the Opponent”) on the basis of its earlier rights in the CTM No 10035335, **ERIS EXCHANGE**, which is registered *inter alia* for these services:

Class 36: Providing financial services, namely, trading of futures and options on futures contracts based on a commodity index through a global computer network; providing information concerning the trading of futures and options on futures contracts based on a commodity index through a global computer network; financial services, namely, providing for the exchange of financial derivatives and interest rate products, via the internet and intranet systems; futures exchange services.

Class 42: Financial services, namely, providing an online non-downloadable electronic platform for trading, analysing, reconciling, and clearing of futures and options; providing an online non-downloadable electronic platform for trading, analysing, reconciling, and clearing of futures and options.
3. Both parties filed evidence, but no hearing was sought. Mr Bryant decided the opposition on the papers. He produced his decision on 27 October 2015, upholding the opposition in respect of all of the Applicant’s services.

4. In summary, he decided that:
 - a. The services of *currency trading* and *foreign currency dealing* in the application were identical to the Opponent's Class 36 *futures exchange services*;
 - b. The rest of the Applicant's services (all of which related to currency dealing and exchange) were similar to the Opponent's Class 36 services (which related to trading in financial instruments related to commodities and currency);
 - c. Eris was the dominant component of both marks;
 - d. The marks had a reasonably high level of visual and aural similarity and had some conceptual similarity, giving them some similarity overall;
 - e. The Opponent's mark had a reasonably high level of inherent distinctiveness; and
 - f. In the circumstances, despite the enhanced care and attention likely to be involved in use of the services, there was a likelihood of confusion.

5. The Applicant then expressed concern that Mr Bryant had failed to take into account an offer made in its written submissions to adopt a possible fall-back position, seeking registration of a narrower specification of services, namely:

Currency exchange services, namely, non-cash spot and forward transactions and onward delivery of funds; but not including trading of or providing information about trading of futures and options, the exchange of financial derivatives and interest rate products, futures exchange services or financial transactions relating to any of these excluded services.

6. It was not crystal clear from the submissions that such an offer had been made, but after receiving submissions from both sides on how to proceed, Mr Bryant produced a Supplemental Decision dated 11 November 2015 on the basis that the amended specification had been proposed by the Applicant. He set out the terms of the amended specification at paragraph 8 of the Supplemental Decision. In so doing, he mistakenly referred to "future exchange services" instead of "futures exchange services." This is a point relied upon by the Applicant on the appeal.

7. The Hearing Officer decided in the Supplemental Decision that the changed specification did not materially improve the Applicant's position, in particular because the new specification did not explicitly exclude the trading of currency. He found that there was still a likelihood of confusion with the Opponent's Class 36 services. The new sub-set of currency exchange services, the onward delivery of funds, was also similar to the Opponent's services. The Hearing Officer therefore upheld the opposition.

8. The Applicant appealed against Mr Bryant's findings; the appeal was expressed to be only against the Supplemental Decision, but I agree with the Opponent that this cannot be read in isolation from the Main Decision, which contained the bulk of Mr Bryant's analysis, reasoning and conclusions. The Opponent lodged a Respondent's Notice seeking to uphold both decisions on additional grounds. I asked for confirmation that the Respondent's Notice had been filed in time. In an exchange of correspondence following the hearing of the appeal the Applicant has claimed that it was filed a day late. I do not agree. In the light of Rule 71(4) the Notice was filed on the last day of the relevant 21 day period.
9. At the hearing of the appeal, the Applicant was represented by two of its officers, Mr Stanyard and Ms Scott, whilst the Opponent was represented by Mr Christopher Hall of counsel. The Applicant has since complained that the Opponent's skeleton argument was filed late. I do not believe that it was late, and in any event it was filed in plenty of time for both me and the Applicant to consider its contents.

Approach to the appeal

10. The appropriate approach for me to adopt on these appeals was restated by Mr Daniel Alexander QC sitting as the Appointed Person in *Indian trade mark* BL O/439/14 and I gratefully adopt his summary of the position, the relevant parts of which read as follows:

"5. This appeal is a review of the hearing officer's Decision. Robert Walker LJ (as he then was) said of such appeals:

"...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 Trade Mark* [2003] RPC 5 at [28]; see also *BUD Trade Mark* [2003] RPC 25).

6. Mr Justice Arnold recently summarised the principles in the light of the more recent authorities from the Court of Appeal and the Supreme Court as follows in *Shanks v Unilever Plc & Ors* [2014] EWHC 1647 at [27]-[28]:

"The role of the appeal court

27. The role of the appeal court was recently reviewed by Lewison LJ in *Fine & Country Ltd v Okotoks Ltd* [2013] EWCA Civ 672, [2014] FSR 11, where he said:

"50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are

many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416, 2423:

'Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.'

51. Where the appeal is (or involves) an appeal against a finding of fact, the role of an appeal court is as stated by Lord Mance in *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23 [2007] 1 WLR 1325 at [46] ...

28. I would add that the Comptroller-General of Patents is a specialist tribunal, and therefore the warning given by Baroness Hale of Richmond in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49, [2008] 1 AC 678 at [30], ... is apposite in this context:

" ... This is an expert tribunal charged with administering a complex area of law in challenging circumstances. To paraphrase a view I have expressed about such expert tribunals in another context, the ordinary courts should approach appeals from them with an appropriate degree of caution; it is probable that in understanding and applying the law in their specialised field the tribunal will have got it right: see *Cooke v Secretary of State for Social Security* [2002] 3 All ER 279, para 16. They and they alone are the judges of the facts. It is not enough that their decision on those facts may seem harsh to people who have not heard and read the evidence and arguments which they have heard and read. Their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts or expressed themselves differently. ... "

7. These general principles are just as much applicable to appeals from the Comptroller as to other appeals and I have therefore borne them in mind in addressing the grounds of appeal, particularly those where an overall factual evaluation by the hearing officer has been made."

11. In this case I have also to bear in mind that, as Mr Alexander QC put it in *DigiPos* [2008] R.P.C. 24:

"6 ... appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation. 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."

12. Much of the Applicant's case on appeal amounted to submissions that the Hearing Officer had misunderstood the services in both of the specifications, and had, in particular been wrong to hold that currency trading and currency dealing overlap. The Applicant's wish to provide further evidence to describe the services offered by both parties was reflected in almost every paragraph of the Grounds of Appeal. For example, the Applicant made various

submissions about the different regulatory regimes applicable to the parties' respective financial services. Its difficulty was that it had failed to file any evidence below to show the nature of the distinctions between the services, and had failed to challenge the evidence filed by the Opponent. A lot of explanations were provided in the Grounds of Appeal and in the oral submissions which clearly amounted to the provision of fresh evidence.

13. There was no formal application to adduce fresh evidence at the appeal. Any such application would have had to be considered in the light of the guidance of May LJ in *Du Pont De Nemours & Company v S.T. Dupont* [2003] EWCA Civ 1368, [2004] FSR 15, [2006] 1 WLR 2793 at [95], that on

“an appeal by way of review the court will not receive evidence which was not before the lower court unless it orders otherwise. There is an obligation on the parties to bring forward all the evidence on which they intend to rely before the lower court, and failure to do this does not normally result in indulgence by the appeal court.”

14. In *Ladd v Marshall* (1954) 1 WLR 1489, [1954] 3 All ER 745, [1954] EWCA Civ 1 three considerations were identified for admitting fresh evidence on appeal. These apply equally to trade mark appeals. As May LJ also recognised in *Du Pont* at [103-4], factors other than the three *Ladd v. Marshall* requirements may be relevant to trade mark appeals, but those requirements remain central to the exercise of my discretion. They are: (1) the evidence could not have been obtained with reasonable diligence for use at the hearing below, (2) the further evidence is such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive, and (3) the evidence is such as is presumably to be believed.

15. The additional/overlapping considerations relevant to trade mark appeals are:

1. Whether the evidence could have been filed earlier and, if so, how much earlier.
2. If it could have been, what explanation for the late filing has been offered to explain the delay.
3. The nature of the mark.
4. The nature of the objections to it.
5. The potential significance of the new evidence.

6. Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, *e.g.* by an order for costs.
 7. The desirability of avoiding multiplicity of proceedings.
 8. The public interest in not admitting onto the register invalid marks.
16. It is clear that all of the evidence adduced for the first time on this appeal could have been filed earlier, and the only explanation for the delay is that the Applicants did not understand the need to file it. Moreover, I anticipate that the Opponent would have wished to challenge or explain some of the new points raised by the Applicant, so that to adduce it now might cause prejudice to the Opponent.
17. I have had some difficulty in assessing the potential significance of all of the new evidence, but on the whole it seems to me that it would not be of very great significance, because it appears to be designed to show that the parties' services are not identical, rather than to prove that they are not even similar to each other. It would not, as a result, be likely to alter the findings based upon the similarity of the services. On balance, in all the circumstances, I do not consider that any of the fresh evidence may be adduced on the appeal.

Merits of the appeal

18. A number of procedural points were taken in the Grounds of Appeal, but (very sensibly) were not pursued before me. The Applicant indicated that mention had been made of the procedural position because of concerns that the Hearing Officer should have checked the evidence before him to ensure that he had understood the nature of both sides' specifications. That of course reflected its misconception as to the need for the parties in *inter partes* proceedings in the UKIPO to challenge any evidence which they consider is incorrect, and if necessary to adduce corrective evidence of their own. Ms Scott conceded at the hearing of the appeal that the Applicant was not pursuing any point on procedure.
19. The Applicant's first substantive point on the appeal was, in essence, that currency trading and currency exchange are not identical services. Mr Stanyard described currency trading as the buying and selling of currency "backwards and forwards" to make a profit, so that it differs from currency or foreign exchange, hence the element of risk inherent in the Opponent's trading activities is absent from the Applicant's currency exchange activities.

20. Mr Stanyard explained that the Applicant had endeavoured, in the amended specification, to reflect the true nature of its services, which were described in the Grounds of Appeal as “essentially an online bureau de change service,” and to exclude everything that was covered in the Opponent's mark, to avoid any overlap (and so identity) of services. The Applicant therefore disputed the Hearing Officer's comment at paragraph 9 of the Supplemental Decision that the amended specification did not exclude currency trading. He also disputed the Hearing Officer's view that “non-cash spot and forward transactions” encompassed any element of speculation.

21. It seems to me that Mr Stanyard's explanation was not established by the evidence before the Hearing Officer but even if it had been, the Applicant's problem is that the Hearing Officer did not go as far as to say that currency trading and currency exchange are identical. What he said was this:

“9) Currency exchange services were contained within the original specification and the amended specification is a subset of these original services. However, I do not consider that the applicant's position is materially improved with its offer to limit its specification. The amendment does not exclude the trading of currency, and non-cash spot and forward transactions appear to include services used to hedge against changes in the exchange rates of currency. Therefore my comments made in paragraph 32 of my original decision still apply, namely that whilst:

“[i]t is not clear to me that both commodities and currency would be traded at the same exchange or that financial instruments related to commodities and currency would be traded by the same”, “[t]here is some similarity in terms of the nature and methods of use of these services and they may also be in competition because a financial investor/speculator may choose between trading commodities or in currency”.

I concluded that there is a “medium level of similarity between the majority of the opponent's Class 36 services and those of the applicant”.

22. It is clear, therefore, that the Hearing Officer did not decide that the Applicant's failure explicitly to exclude the trading of currency meant that its services were identical to the Opponent's services. He found its currency exchange services to be *similar* to the Opponent's services, for the reasons he had given in the Main Decision. The explanation of forward transactions given to me to my mind suggested that the Hearing Officer was right to

think that such transactions might protect against future changes in interest rates and so had some level of similarity to the Opponent's services and in particular the "futures exchange services" within its specification, the scope of which had been described in the unchallenged evidence of Mr Riddle.

23. Even if the Hearing Officer was wrong to find that the services were similar for the reasons just discussed, so that I should have reconsidered the point, I would have reached the same conclusion in the light of Mr Riddle's unchallenged evidence as to the similarity of the services in the parties' respective specifications.
24. I do not, therefore, consider that there was any material error in paragraph 9 of the Supplemental Decision or in the conclusion that the services there discussed were similar to the Opponent's services.
25. In addition, the Applicant disputed paragraph 10 of the Supplemental Decision where the Hearing Officer said:

"10) The one part of the applicant's amended specification that is not covered by these original comments is *Currency exchange services, namely, ... onward delivery of funds ...*". The *onward delivery of funds* is now included as a subset of *currency exchange services*. Whilst the term is not explained by the applicant, I understand it as being the service of forwarding funds that originate in one territory and in one currency, to another territory and in a different currency. The type of financial services covered by the opponent's mark are international in nature and whilst currency exchange services are not covered by its registration, it is likely that international customers of the opponent may have to utilise such services in order to access the opponent's services from a territory that operates a different currency to that in which the opponent's services are conducted. Consequently, there is some similarity between the opponent's services and the applicant's *Currency exchange services, namely, ... onward delivery of funds.*"

26. The Applicant objected that the Hearing Officer had been wrong to say that its "onward delivery of funds" services might be used to access the Opponent's services, by reason of the exclusion in the last phrase of the amended application of financial transactions relating to any of these excluded services. Again, the problem with the argument is that the exclusion would prevent the amended specification from overlapping with the Opponent's

specification, so vents the services are not identical, but it cannot exclude the possibility that the services are similar. I do not consider that the Hearing Officer's analysis is so clearly wrong that I can find a material error in his conclusion.

27. Again, had I found that the Hearing Officer's analysis was flawed, I would have reached the same conclusion, as it seems to me that Mr Riddle's unchallenged witness statement again shows that there is a level of similarity between currency exchange services consisting of the onward delivery of funds, and the Opponent's services, because both can be and are offered through the same trade channels.
28. On that basis, the appeal would fail.
29. Following the hearing, the Applicant drew my attention to the new EU Trade Mark Regulation 2015/2424 which entered into force on 23 March 2016 and in particular to its Recital 25. That Recital is effected by amending Article 28 of Regulation 207/2009 in particular by introducing an amended Article 28(5):

"5. The use of general terms, including the general indications of the class headings of the Nice Classification, shall be interpreted as including all the goods or services clearly covered by the literal meaning of the indication or term. The use of such terms or indications shall not be interpreted as comprising a claim to goods or services which cannot be so understood."
30. As the Recital shows, this provision was intended to address the particular issue of the impact of class headings being used in trade mark specifications, the point considered by the CJEU in Case C-307/10, *IP Translator*. Here, the Opponent has not used the class headings in its specification. As to the wider point about the need to construe specifications in a precise manner, the new provision broadly reflects the pre-existing practice in the UK. The Hearing Officer had the appropriate law and practice in mind, as is clear from paragraph 27 of the Main Decision, where he referred to the relevant passage in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) in which the learned judge specifically referred to and applied *IP Translator*. I do not consider that the Hearing Officer can be said to have taken an inappropriate approach to the construction of the Opponent's specification even assuming (which I doubt) that the Grounds of Appeal could be said to have raised that point. In the circumstances, the point raised by the Applicant does not affect or alter my conclusions.

The cross-appeal

31. In the circumstances, I will deal only briefly with the cross-appeal. The Opponent claimed that the Hearing Officer should have taken into account more of its Class 36 services, namely “financial services, namely, providing for the exchange of financial derivatives and interest rate products, via the internet and intranet systems” as also being highly similar (if not identical) to the services in the amended specification. I do not think that this adds anything to my conclusions above – I consider that these services are similar to the Applicant’s for the reasons that I have given above.
32. Secondly, the Opponent claimed that the Hearing Officer had given too little weight to the suffixes of the parties’ marks, ignoring the X in each case, when he should have found this to enhance the visual similarity of the marks. I agree that the Hearing Officer was mistaken in saying that the suffixes do not share any letters, as both contain an X, but I doubt that this had a significant impact upon his conclusions.
33. Lastly the Opponent argued that the Hearing Officer ought to have found that direct confusion, not merely indirect confusion, was likely. Such arguments are not fertile ground for an appeal – as reasonable people can disagree as to the result of a global assessment of the likelihood of confusion – but in the circumstances, this point does not affect the result of the appeal or cross-appeal.

A potential re-amendment of the Applicant’s specification

34. During the hearing, Mr Stanyard and Ms Scott explained to me their view of the nature of the services covered by the amended specification, given in particular the deletion of the words “Currency trading” which had appeared in the original specification. They explained that they did not wish the Applicant’s specification to include currency trading but to reflect their existing business activities, and would be willing to limit the specification further, if permitted to do so.
35. The suggestion that the specification might be further amended had not been raised in advance of the hearing, and I indicated to the parties that I would consider whether such an amendment could be made at this stage and, if appropriate, give directions about it. After the hearing, as I have explained above, I received a number of communications from both parties. None of these seem to me to affect the question of the potential for the Applicant to seek further to amend its specification.

36. The possibility of narrowing the specification applied for is relevant because if an objection to registrability only applies to some goods or services in the specification applied for, the application should only be refused in so far as it covers those goods or services and should be allowed to proceed in respect of the remainder. See *Sensornet Trade Mark* BL O/136/06. However, I hope that it is now clear to the Applicant that the Opponent's objection on the basis of s 5(2)(b) of the Act is not restricted to a specification containing identical services. Any further amendment of the Applicant's specification would have to exclude similar as well as identical services.
37. A trade mark applicant or owner may raise the possibility of narrowing the specification of his mark on appeal even if it was not raised before the Hearing Officer. Whether the proposal is accepted will depend on a number of factors: see for example *Advanced Perimeter Systems v Keycorp ("Multisys")* [2012] RPC 14 and [2012] RPC 15, and *YouView v Total* [2012] EWHC 3158 [2013] E.C.C. 17 especially at [14]-[17], both of which were appeals in oppositions. I will set out the relevant passage from Mr Alexander's decision in *Multisys*. He said:

"Arguments against considering a fall-back position

73 There are several arguments for refusing to entertain a fall-back position at this stage. Among them are the following.

74 First, there is the general point that, in opposition proceedings, if an applicant wishes to contend that a narrower specification is allowable, it can and should say so in good time. There is no reason why APS could not have advanced such a case even given doubts as to the possibility of taking conditional positions. That is one purpose of the pleadings. No fall-back position has been formulated even now, and the matter was hardly touched upon even at the hearing.

75 Second, appeals to the Appointed Person are intended to provide a quick and cheap review of the registrar's decisions. Grounds of appeal should be full and complete: *Coffeemix Trade Mark* [1998] R.P.C. 717 and Tribunal Practice Note. Where a point is not squarely taken even on appeal, a proprietor of an earlier right is entitled to assume that it will not emerge later in argument.

76 Third, there is a trend in favour of "put up in time, or shut up" as regards fall-back positions in patent cases (see *Nokia GmbH v ICom GmbH & Co KG* [2011] EWCA Civ 6; [2011] F.S.R. 15, per Jacob L.J. in the context of late amendments at [138]–[139]). The position should be no different in trade mark proceedings.

77 Fourth, whether goods are sufficiently similar in a specialist field may require evidence (see GE). If such evidence is required, it would be unjust to permit the point to be run for the first time only on appeal.

78 Fifth, Key declined the chance to limit its specification before the hearing officer and should not be able to get away from that position by inviting a more generous assessment on appeal. This is partly because of the importance of ensuring that all

matters arising in an opposition may be considered at least at two instances: first, by a specialist hearing officer and then, on review, by the Appointed Person or the court.

79 Finally, there may be no immediately obvious fall-back position, having regard to C-363/99, *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (POSTKANTOOR)* [2004] E.C.R. I-1619, [2004] E.T.M.R. 57 or an alternative specification, if still broad, may be open to other objections, such as want of intention to use across the scope. In particular, it would be wrong for particularly an appellate tribunal to approve a more limited specification when even that went far broader than anything that even might be the applicant business, having regard to the public policy in avoiding clogs on the register by unused marks: see *Minerva Trade Mark* [2000] F.S.R. 734: per Jacob J. (“commercially nonsense to maintain the registration for all goods caused by the wide words”). This is a case which has been necessitated substantially by Key's unjustified attempt to obtain broad protection for the term MULTISYS based on narrow and limited trade.

Arguments in favour of considering a fall-back position

80 There are, however, countervailing arguments in this case. Among them are these.

81 First, it is at least for question whether the average consumer would believe that responsibility for “all” the class 42 services sought to be registered would lie with APS (cf. the decision, para.61). There may be a narrower class of goods for which this would not be the case. In *Mercury*, Laddie J. said that the defining characteristic of a piece of computer software was the function it performs. There is therefore an argument that use of a mark for business administration software may not result in the average consumer thinking that it came from an undertaking using the mark for computer control systems for electrical fencing. To that extent, a more limited specification may have merit. In addition, it might be argued that, as with s.47(5) of the Act, this tribunal should only allow an opposition to the extent that it is justified but not more: see Art.13 of the Trade Marks Directive.

82 Second, viewed generously, the first sentence of Key's grounds of appeal on this issue could be interpreted as being sufficiently broad to raise the issue of whether the hearing officer's evaluation of the similarities was correct overall, and not limited to the construction point, even if in questionable compliance with the COFFEEMIX requirements in this respect. Key extended an invitation, albeit briefly, to consider the point at the hearing and the omission of any reference to the point in skeleton argument does not mean I should not do so.

83 Third, as Richard Arnold Q.C. said in *m.d.e.m.*, the procedural position with patent amendment is of limited analogical value for trade mark oppositions and the situation in such cases is more like that of a partially valid patent, where amendments are permissible in certain circumstances. Of greater relevance in this context than the “put up in time or shut up” principle are the considerations adumbrated by Mann J. in *Giorgio Armani SpA v Sunrich Clothing Ltd* [2011] R.P.C. 15, [2011] E.T.M.R. 1 and Geoffrey Hobbs Q.C., Appointed Person, in *CITYBOND Trade Mark* [2007] R.P.C. 13. These are directed to reaching a fair result in opposition proceedings overall.

84 Fourth, there may be no material prejudice to APS in considering the matter for the first time on appeal. Although it was said on behalf of APS that there might be a need for evidence, it takes persuasion that additional material is needed to address the simple question of (for example) whether services related to business administration computers and software are sufficiently different from the highly specific goods of APS's specification for it to be unlikely that an average consumer would think that they came from the same source if each were branded “MULTISYS”. That is particularly so, given APS's stance on the passing off case. This is not a case in which Key has sought unreasonably broad protection; it is only protecting its entitlement to continue and

expand its business under its long-used mark against a registration by APS which would potentially affect its ability to do so.

85 Finally, previous decisions of the Appointed Person have adopted a flexible approach to advancing fall-back specifications even on appeal: see, for example, *SVM Asset Management's Trade Mark* BL O/043/05 at [10] and [21]; *Land Securities plc's Trade Mark Application* BL O/339/04 at [23].

Consequences

86 Doubtless there are other arguments on both sides. The procedural position is therefore imperfect. Moreover, the m.d.e.m case illustrates the risk of a wasteful subsequent collateral dispute as a result of either considering or refusing to consider the issue at this stage. Unlike in m.d.e.m where there was, at least, the advantage of extensive discussion of the issue at the hearing, the possibility of a more limited specification was only fleetingly addressed by the parties in the s.5(2)(a) argument which itself was treated by the parties as something of a coda to Key's s.5(4)(a) case. The arguments outlined in the previous two paragraphs were not developed by either side and few of the potentially relevant authorities were deployed.

87 It is necessary to cut through to what really matters. As indicated above, I have no doubt that some of the services within Key's broad specification are objectionable, if the specification is taken as it is found. It is less clear that all are. In these circumstances, it is preferable to give the parties an opportunity to make brief further written submissions on whether consideration of a narrower specification is appropriate at this stage and, if so, whether there is such a specification which would not be open to objection under s.5(2)(a) of the Act, in the light of APS's earlier registration.

88 APS rightly submits that Key's software and services are far removed from those of the subject of its registration. There is no serious prospect of these parties stepping on each other's commercial toes. It may be that opportunity for discussion between the parties in the light of this decision would assist in devising a class 42 specification which was reasonably satisfactory for Key and unobjectionable for APS. In taking the unusual course of inviting further submissions, with cost implications, I take into account that the parties are both represented by counsel, which is an indication of the importance of the case to them. Moreover, this is an issue which should on Key's side have been properly articulated, with reference to all the relevant authorities on substance and procedure in the skeleton argument before the hearing, given Key's apparent invitation at the hearing to consider a narrower specification. It therefore only requires work to be done which, given Key's position, should have been done sooner. Finally, it seems appropriate to provide the parties with an opportunity to comment and, if necessary, add to the arguments set out above in favour of and against consideration of the issue before reaching a final decision.

...

90 Unless a more limited class 42 specification for Key's mark can be devised which is *clearly not objectionable*, the Hearing Officer's decision refusing the mark in its entirety will stand." (emphasis added).

38. I am concerned here both with the desirability of reaching a fair result overall and with the potential procedural unfairness to the Opponent if the Applicant is given permission to raise a fall-back position at this stage of the appeal. At present, it is not clear to me what the terms of any alternative specification would be.

39. If the Applicant wishes only to amend to exclude “currency trading” from the specification, I do not consider that it would achieve a position which is clearly not objectionable. The opposition would still succeed.
40. I am doubtful as to whether any further amendment could be devised which would reflect the Applicant’s actual business (in particular in the light of the evidence to which I have referred at paragraphs 23 and 25 above) and yet be clearly unobjectionable. It may well be that it would not be fair to the Opponent to allow the Applicant to apply to amend its specification at this stage if, for instance, it would, have been necessary to adduce evidence as to the acceptability of any fall-back specification. Then there is the further question of whether the application as so amended should be remitted to the IPO.
41. I do not propose to make a definitive decision at this stage. Instead, in the first instance, I propose to invite the parties to supply me with sequential written submissions in accordance with the following timetable:
- a. The Applicant may (but is not obliged to) put forward a proposal of an amended specification compatible with the Hearing Officer’s findings by 5 pm on Tuesday 24 May 2016;
 - b. The Opponent may respond, setting out any objections to the proposal, by 5 pm on Tuesday 7 June 2016;
 - c. The Applicant may reply by 5 pm on Tuesday 21 June 2016.
 - d. I will then either give further directions or deliver a supplemental judgment.
42. If no further proposal is made by the Applicant by 24 May, the appeal will be dismissed and I will order the Applicant to pay the sum of £1500 towards the Opponent’s costs of the appeal by 5 pm on 31 May 2016, to be paid in addition to the costs awarded by the Hearing Officer.

Amanda Michaels
The Appointed Person
9 May 2016