

O-272-08

**TRADE MARKS ACT 1994**

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

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

**AND IN THE MATTER OF AN APPEAL FROM A DECISION OF MR M  
REYNOLDS DATED 27 MARCH 2008**

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**DECISION**

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**Introduction**

1. This is an appeal against a decision of Mr. M Reynolds, dated 27 March 2008, in which he rejected the opposition by Mr. Lee Bracewell (on behalf of his companies, Commsoft Support Limited and Commsoft Group Limited to the registration by ISS Limited of the trade mark COMMSOFT for a number of goods and services in Classes 9, 38 and 42.
  
2. On 7 October 2005, ISS Ltd. of R1122, Royal Exchange, Sydney, NSW 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.

3. On 6 March 2006, Mr. Bracewell, a director of Commsoft Support Limited and Commsoft Group Limited, filed notice of opposition on the basis of sub-section 5(4)(a) of the Trade Marks Act 1994. Under the heading “Representation of the earlier mark, sign or right on Form TM7” Mr. Bracewell put “Trading as Commsoft Group Ltd. and Commsoft Support Ltd”. The earlier right was said to have been used in relation to “company names for the supply of communications software/hardware support/services”. Objection was taken only against the Class 9 goods in the specification.
4. The applicant filed a counter-statement denying the opponent’s claims, and claiming that it or its predecessors in title had used the trade mark COMMSOFT continuously in the UK since 1997 upon and in relation to communications software and related services, and enjoyed substantial goodwill and reputation in the UK in relation to products sold under the trade mark COMMSOFT.
5. Both sides filed evidence. Neither side requested a hearing. Written submissions were submitted by ip21 on behalf of the applicant but it seems none were submitted by the opponent.
6. In Mr. Reynolds’ decision of 27 March 2008, he first considered the law relating to an opposition under sub-section 5(4)(a), and then appraised the evidence, and especially the evidence filed by the opponent in support of its claim to goodwill in the name COMMSOFT. I shall deal with this in more detail below. He identified the opponent’s difficulty as “the meagre state” of its evidence and concluded at paragraph 28 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.”

7. The opponent lodged an appeal on 18 April 2008. The Statement of Grounds of Appeal was essentially “that we have substantial goodwill and investment in the business conducted by Commsoft” and set out a number of points said to substantiate that claim. Several “exhibits” were annexed to Statement of Grounds of Appeal, comprising some 70 pages of documents.
8. On 12 May 2008, ip21, acting on behalf of the applicant, wrote to the UKIPO pointing out that the Statement of Grounds of Appeal (a) failed to refer to any of Mr. Reynolds’ findings or to identify any error in his decision; and (b) appeared to seek to introduce and rely upon new evidence on the appeal. In the circumstances, ip21 claimed that the appeal should be struck out and sought an award of costs.
9. Mr. Bracewell attended the hearing of the appeal in person, together with his and/or his companies’ accountant, Mr. Hindley, who conducted the appeal on the opponent’s behalf. The applicant did not attend and was not represented.

### **Standard of review**

10. This appeal is a review of the hearing officer’s decision. In my judgment the hearing officer’s decision involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2003] RPC 5 at [28] applies:

“In such circumstances 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. A decision does not contain an error of principle merely because it could have been better expressed.”

11. As I explained above, the opponent included within its Statement of Grounds of Appeal a number of documents by way of further evidence in support of its case. These were not explained by or exhibited to a witness statement, but were described in the Statement of Grounds. Mr Hindley also sought to explain the documents further at the hearing of the appeal.
12. The opponent accepted that it wished me to permit it to adduce and rely upon those documents as further evidence in support of the appeal against Mr. Reynolds' decision. Indeed, Mr. Hindley went further and accepted that the opponent did not say that there were errors in the decision, but that the additional evidence indicated that the conclusions reached by the Hearing Officer were wrong.
13. The principles upon which fresh evidence may be admitted in support of an appeal such as this were considered by the Court of Appeal in *DU PONT Trade Mark* [2004] FSR 15 and were recently helpfully summarised by Mr. Richard Arnold QC, sitting as the Appointed Person, in *O/054/08 Energy services online's application*. In summary, these are as follows: (1) the factors set out in *Ladd v Marshall* [1954] 1 WLR 1489 remain basic to the exercise of the discretion; (2) *Ladd v Marshall* is no longer a straightjacket, on the contrary the matter is to be looked at in the round to see that the overriding objective is furthered; and (3) in the particular context of trade mark appeals the additional factors set out in *Hunt-Wesson Inc's Trade Mark Application* [1996] RPC 1489 may be relevant.
14. The first *Ladd v Marshall* requirement is that the new evidence could not have been obtained with reasonable diligence for use at the first instance hearing. Mr. Bracewell has acted in person throughout, with the aid and advice only of Mr. Hindley. It seems that neither of them is conversant with trade mark law and practice. They said that they did not appreciate the importance of the evidence and accepted that their decision to seek to

adduce the further evidence arose from the comments made in the decision about the inadequacies of the evidence initially filed. I regret to say that in my judgment that is not a good enough reason for adducing further evidence at this stage.

15. At the hearing of the appeal, I asked whether the further evidence could with due diligence have been obtained and submitted for the hearing before Mr. Reynolds. Whilst Mr. Hindley argued that one document (a copy contract) was found only by chance, I was not convinced that it would not have turned up upon making a diligent search, and he very fairly accepted that the other documents would have been available, the only problem was that he and Mr. Bracewell had not appreciated the need to exhibit them.
16. The second *Ladd v Marshall* requirement is that the new evidence would probably have an important influence on the result of the case. As to this, I am afraid that I consider that the additional documents provided by the opponent still do not go far enough to show that either Commsoft Support Limited or Commsoft Group Limited had sufficient goodwill in the COMMSOFT mark, as at 7 October 2005, to have prevented ISS from using the mark by bringing a passing off action.
17. The evidence initially provided by Mr. Bracewell in his witness statement dated 10 October 2006 was that his two companies had traded since January and May 2004 respectively under the name of "Commsoft." He said that the companies had "over 700 maintenance for customers in the UK of which 240 are under contract in the name of Commsoft and have substantial goodwill and reputation those names." The witness statement did not specify the name(s) used in the other 460 customers' contracts but said that the opponent was known to its customers by the name Commsoft. The only exhibit to the witness statement supporting the claimed goodwill was a single support agreement, bearing the name

Commsoft Support at the top and describing the company as " Commsoft Support".

18. The evidence attached to the Grounds of Appeal included an agreement by which Commsoft Support Limited was granted a licence by a company called Soft-Sync Limited to carry out maintenance services for the latter's existing customers and to sell new maintenance contracts for the same (unidentified) products. The opponent then enclosed a list of some 3531 customers taken over from Soft-Sync., and a schedule of maintenance contract turnover for the years 2005, 2006 and 2007. In addition, the Statement of Grounds set out some figures: the amount of the licence fee paid to Soft-Sync, and sums spent on staff and product development annually.
19. The difficulty with this additional evidence is that whilst it may show that the opponent took over an existing business in January 2004 and traded during 2005 (the evidence as to the later years being irrelevant), it does not satisfactorily show that the name "Commsoft" was being used by the business as a trade mark. It does not, in my view, show the nature and extent of the business run by the opponent, nor, more importantly, that the business was carried out under or by reference to that mark. Still less does it show that anyone recognised "Commsoft" as identifying the opponent's business. The bare assertion made by Mr. Bracewell at the outset does not seem to me to be substantiated by the fresh evidence. As a result, I consider that it would not have an important influence on the result of the case such that I ought to allow the opponent to rely upon it now.
20. The third requirement is that the new evidence is credible. I have no reason to doubt that this requirement is satisfied despite the formal defects referred to above.

21. Turning to the additional factors in *Hunt-Wesson*, the first is the undesirability of allowing a trade mark on to the Register which may be invalid. In the circumstances of the present case, given the continuing problems with the evidence as to the opponent's goodwill, and the applicant's assertion that it has been using the mark in the UK for some time, this does not in my judgment assist the opponent. The second is the undesirability of a multiplicity of proceedings. This is a factor in favour of the admission of the new evidence, but in the light of its inadequacies, in my view is not a strong one.
22. For all these reasons, I do not consider that this is a proper case in which to exercise my discretion to admit the further evidence.
23. I would add that the opponent's representatives made a number of factual representations during the course of the hearing, largely but not exclusively to explain and supplement the further documents mentioned above. I have no reason to doubt the accuracy of what I was told, but I do not consider that I can take those matters into account in determining this appeal.
24. The opponent identified no errors of principle in the hearing officer's approach, on the basis of the evidence as it then stood, and I can see none. In the circumstances, I will dismiss the appeal.
25. Although the applicant was not represented or present at the hearing of the appeal, its agents ip21 did consider the Statement of Grounds and wrote on 12 May 2008 to the Registry, setting out reasoned objections to the appeal and asking for an award of costs in its favour. I do not know what amount of costs it seeks, and will allow ip21 until 4 pm on Friday 5 September 2008 (by reason of the holiday period) to provide me with short written submissions as to any costs it wishes to claim. Those submissions are to be copied to the opponent, which may make any

submissions in response in writing by 4 pm on Monday 15 September 2008.

Amanda Michaels  
6 August 2008