

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No: 2137914
by Point 4 Consulting Limited to register a
Trade Mark and**

**IN THE MATTER OF Opposition No: 48765 by
Planet Epos Limited.**

1. On 3rd July 1997 Point 4 Consulting Ltd, Forge House High Street, Kingston Upon Thames, Middlesex KT1 1H applied to register the trade mark series POINT FOUR and 'Point 4' for:

'Computer software and publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites), computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet; computer software to enable searching of data' in Class 9, and

'Providing access to and leasing access time to computer databases; computer rental; design, drawing and commissioned writing, all for the compilation of web pages on the Internet; and compilation and provision of software for accessing the Internet' in Class 42.

2. The application is opposed by Planet Epos Limited on two grounds: bad faith under s. 3(6) and passing off under s. 5(4)(a), in that the opponents have used the marks POINT FOUR and '.4' extensively throughout the United Kingdom since 1987 in respect of computer software and computer hardware and related services principally for retail establishments, and have acquired an extensive reputation therein.
3. A Counter Statement was provided by the applicants, in which the grounds of opposition are denied. Both parties ask for costs to be awarded in their favour.
4. The matter came to be heard on 20th April 2001. The applicants did not attend; the opponents were represented by Mr Cooper of Swindell & Pearson.
5. Approximately a week before the hearing, the applicants wrote to the Registry, enclosing a TM 21; Request to change the details of an application for registration, amending their specification of goods to:

'Computer software and publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites), computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet; computer software to enable searching of data, but none of the aforesaid relating to electronic point of sale equipment or software or hardware for retail businesses'.

'Providing access to and leasing access time to computer databases; computer rental; design, drawing and commissioned writing, all for the compilation of web pages on the Internet; and compilation and provision of software for accessing the Internet, but none of the aforesaid relating to services connected to electronic point of sale equipment or software or hardware for retail businesses'.

6. The bad faith ground was withdrawn at the hearing. The only remaining ground is that under s.5(4)(a), which states:

‘(4) 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 a unregistered trade mark or other sign used in the course of trade..’

7. The usual reference at this point is the decision of Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] 14 RPC 455 in which he gave a summary of the law of passing off. Essentially, the opponents need to show that at the relevant date (3rd July 1997): (i) they had acquired goodwill under their mark, (ii) that use of the mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods/services; and (iii) that such confusion is likely to cause real damage to their goodwill.

8. The starting point of the opponents’ case is thus the extent and nature of the goodwill the opponents acquired in the name POINT 4 by 3rd July 1997. I have carefully examined the evidence as it appears in the two declarations by Ms Bridget C Faulder, the Director of Planet Epos, the opponents’ company. I note the following:

(1) Ms Faulder says that the marks have been used continuously since 1987, for a range of goods:

‘Computer software, electronic point of sale equipment, software for retail businesses; hardware for retail businesses’

and services:

‘Computer programming and design; software upgrading; software and computer consultancy and retail business and operational consultancy and advice; training; maintenance and installation of software and hardware for retail businesses’.

(2) Evidence of the opponents’ activities is given in BCF2, described as ‘a profile of the Company, produced a few years ago’. There is no date. I notice that the post 01-telephone number format is used. This would tend to place the document after April 16th 1995. The lack of a definite date, and the lack of clarity in Ms Faulder’s reference to it, rather gilds its importance; I have ignored its contents.

(3) Ms Faulder provides turnover figures in the goods and services provided under the mark:

	£
1993	244,435
1994	525,314
1995	686,363
1996	734,534
1997	1,165,940

And promotional data:

	£
1993	1,857
1994	2,857
1995	6,498
1996	6,249
1997	15,941

(4) Examples of advertising is enclosed at Exhibits BCF3 and BCF4. This is some of the best material evidence supplied by the opponents:

(a) A picture in 'Convenience Store' dated September 18th 1987 of the opponents' managing director attending a Retailing exhibition in Manchester. A 'Point Four' display is clearly visible in the background.

(b) An article from the same magazine, dated September 27th 1991:

'POINT Four which specialises in the sale of retail software solutions to convenience stores and petrol forecourts, has signed a sales partnership agreement with Siemens Nixdorf Information Systems. The plan is to combine Point Four's 'Planet EPOS' software (most recently seen at the Neighbourhood Retailing Show at Wembley at the beginning of this month) with Siemens Nixdorf's POS 2000 range of point-of-sale terminals. The family-run Point Four Marketing has a projected 1991 turnover of £2m. Customers include the Costcutter chain, Nisa, Mobil, Texaco, Burmah, Gulf and BP'.

(c) An advert in the Portadown Times, dated October 7th 1994, refers to 'EPoS Scanning Systems, 'Back Office Stock/Order and Management Control'.

(d) A promotional 'flyer' which refers to label printer. This is dated 18th October 1996.

(e) Dated the 10th January 1996, another flyer promotes the 'Planet EPoS Handheld Terminal'. Which is described as 'the latest in portable computing technology', and is used in conjunction with the EPoS software.

(f) Finally, dated 30th January 1997, are examples - I guess used as promotional material - of the output from EPoS, e.g. Weekly/Period Sales Reports, Best/Worst Selling Items Reports etc.

(5) From a trade show dated 28th March 1995:

'POINT FOUR - STAND 14

Point Four specialise in Single and Multi-site scanning systems for Convenience, News and Petrol retailers. Providing communications links, via the modem, between the retailer and Lekkerland.

The Software includes: Purchase ordering - Goods Received - Stock Control - Management Reports - Communications for Electronics Ordering - Receiving Pricing and Product Changes Deliveries and Invoicing details from Lekkerland. News includes: Contents Note - Returns, etc'.

(6) There are other references to trade shows with the following dates: 8th April 1997, 1996, 1995, 14th April 1994 and March 1993.

Other material is either undated, or after the relevant date of 3rd July 1997.

9. In her second Declaration Ms Faulder describes the opponents activities as:

‘...goods and services compris[ing] management systems for retail businesses including computer and data communications hardware and software and associated services’.

This generally describes what the opponents’ do. However, their goodwill in the mark POINT 4 (or ‘.4’) is more specific than this and, I believe, applies largely to ‘.. electronic point of sale (EpoS)..’ software and hardware, which includes ‘..stock, purchase, order, sales, pricing, accounts and financial management, organisation, control and reporting’ for retail outlets such as petrol stations, convenience stores, supermarkets and the like. The nature of this goodwill is clearly established in, for example, point (4)(b) above where a significant turnover, a wide range of customers and the confidence of the trade, as demonstrated by the partnership agreement with the multinational, Siemens, is confirmed. Ms Faulder makes reference to electronic funds transfer at point of sale (EFTPoS) facilities, but I have seen no material evidence of this activity before the relevant date.

10. I have established the opponents’ goodwill separately from the other factors relevant to passing off, listed above. However, the following passage quoted in *Wild Child* from *Halbury’s Laws* (4th Edition Vol 48 (1995 reissue) in paragraph 184) is pertinent (in particular see my emphasis):

‘To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact’.

11. I must ask a composite question: Is the nature of the earlier right enshrined in the opponents’ goodwill in their business under their mark such that, use of the applicants’ mark on the goods/services they specify, will result in confusion between them and the opponents? - And, would this confusion will cause damage to the opponents’ trade?

12. The first point to acknowledge is that the marks are identical. Or, in the case of the opponents' '4', so very similar as to be identical: the majority of the relevant public in this case, technically trained and computer literate - and anyone else with basic numeracy skills - will without doubt interpret this symbol as 'point four'. Thus, I consider that the answer to the question posed above will, to the greatest extent, fall to be decided on the closeness of the goods and services at issue. So, how close are these goods and services? I am going to consider the applicants' amended specification as this represents what they must consider to be their best chance of surviving the opposition.

CLASS 9: 'Computer software and publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites), computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet; computer software to enable searching of data, but none of the aforesaid relating to electronic point of sale equipment or software or hardware for retail businesses'.

CLASS 42: 'Providing access to and leasing access time to computer databases; computer rental; design, drawing and commissioned writing, all for the compilation of web pages on the Internet; and compilation and provision of software for accessing the Internet, but none of the aforesaid relating to services connected to electronic point of sale equipment or software or hardware for retail businesses'.

13. Mr Cooper, at the hearing, brought my attention to a problem associated with this amended specification, in that the added exclusion, based on the positioned comma after 'data' for the Class 9 goods and after 'Internet' for the Class 42 services, appears only to apply to those items following the final semi-colon, i.e. 'computer software to enable searching of data' and 'compilation and provision of software for accessing the Internet.' I do not know whether this was the applicants' intention, but I suspected it was not. Mr Cooper said:

'I appreciate the point that you have made about was the intention of the exclusion put forward to act on all of the items in the specification. I do not know. I cannot read the applicant's mind or the mind of their agents. I can only take what is written at face value, and it seems to me that taking the amendment that they have put forward at face value that the meaning is clear, that the exclusion only acts on the last item in each case and if the meaning is clear, if there is no ambiguity, then despite one's doubts about what their intentions might have been, you have to take the literal meaning. It is only appropriate to enquire as to their intention or meaning if there is ambiguity and I submit there is no ambiguity in this particular case.'

Though the applicants did not attend the hearing, they did provide written submissions via a letter, which was copied to Mr Cooper, dated 17th April 2001. This letter states:

'The applicant maintains that there is no likelihood of confusion between the application and the opponent's claimed earlier rights however in order to put the issue beyond doubt we hereby enclose an Official Form 21 requesting the following limitations to the applicant's Class 09 and 42 specifications:

" .. but none of the aforesaid relating to electronic point of sale equipment or software or hardware for retail businesses" (Class 09);

“ .. but none of the aforesaid relating to services connected to electronic point of sale equipment or software or hardware for retail businesses” (Class 42)’.

It is thus clear that, however sloppily drafted the specification on the TM 21, the applicants determined that the limitations apply to all the goods and services in their original application. Of course, had they attended the hearing, this matter could have been instantly resolved. But I do not think this matters anyhow: Though I have no discretion to *expand* a specification, I am able to limit one if I consider that doing so will remove the likelihood of any confusion found with one left unlimited. I thus intend to consider the effect of the limitation as I proceed. And any other restriction I regard as appropriate.

14. The latter is particularly relevant, because I regard the proposed restriction as flawed, that is, ill conceived. First, in my view it is ambiguous: does the ‘software’ relate to ‘electronic point of sale equipment’ or to ‘retail businesses’? Second the phrase ‘retail businesses’, as such, is not defined. Are they intended to be physical retailers such as petrol stations, convenience stores and supermarkets etc., with which have been the opponents’ customers to the relevant date? As will be seen, I have problems with that definition if it is the correct one.
15. I was given little guidance from the case law by either party and, before continuing, I want to take a digression to consider a recent case: *Avnet Incorporated v Isoact Limited* [1998] FSR 16. This concerned an application for summary judgement on trade mark infringement, and I recognise, given that, it is not directly relevant to this case. But the approach taken by Jacob J to comparison of goods and services related to computing and the Internet does, I think, help me here.
16. In *Avnet* the plaintiffs had registered that name for, in particular, ‘advertising and promotional services’ in Class 35; the defendants were an Internet Service Provider. The latter advertised their services as a means of publicising their customers businesses, ideas and products, and the plaintiffs argued that confusion would occur. No arguable case for infringement was found: the defendants effectively provided a ‘billboard’ for their customers - they did not decide what was put on it; on the other hand, the plaintiff’s did exactly that.
17. I emphasise, again, that I realise that *Avnet* is not on ‘all fours’ with this matter. The former was concerned with trade mark infringement, and this with passing off. However, the following remark by the court, on the submissions made by the parties, is (I believe) relevant:

‘What the defendant is doing in providing a facility for their customers to advertise on the customer’s own Web page. It follows, say the plaintiffs, that the defendants are providing “advertising and promotional services”. Mr Moody-Stuart for the defendant says that is not so. In argument, he drew an analogy of land, saying that the defendants were really providing land upon which their customer could build whatever they wanted to build, whether it be an advertising hoarding or a building or whatever. Another way he put it was this, that a man who provides a facility for building a library is not a librarian. It is fair to say that this case invites one to think of analogies. Yet another analogy was the activity of a telephone company ..which provides a particular facility enabling the customer to do telesales. Is that telephone company really providing advertising and promotional services?’
18. I also note from *Avnet* that no distinction was drawn by Jacob J between activities undertaken on the Internet, and that undertaken in the ‘real world’:

‘Essentially, though, these plaintiffs in their retail sales by catalogue and the supermarket in its retail sale from a shop are conducting the same function. They are conducting the business of retail sales’.

19. With these points in mind, I also note further guidance cited in *Wild Child* [1998] RPC 455, from *Halsbury’s*:

‘In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.’

20. It follows, I believe, from point (e) above, that the applicants’ specification cannot be viewed in a vacuum if evidence is provided to illuminate the oft used phrase ‘normal and fair use’. Fortunately, a lot of such material has been submitted. And the applicants are very clear that the business they engaged is very different from that of the opponents. In his Declaration, Mr Ritchie, a Director of Point 4 Consulting Limited states:

‘The Company’s services allows better database integration between client companies and their potential customers in the following ways:

Database Integration allows client organisations to record data about their customers as they visit the client website and to build up detailed profiles of visitors. This dynamic content generation allows client organisations to target their marketing more efficiently and effectively.

This systems capability also allows website visitors to change the content of the website to suit their individual preferences thus allowing a more personalised service. The Company’s application also allows a client to simultaneously run different editions on the same website. For example, one version of the website may be visited by any internet user whilst another version containing more detailed information may only be accessed by paying subscribers.

The Company’s system uses multiple servers which allows clients to provide minimum performance levels in cases where the technology becomes overloaded through many visitors accessing the website at any one time. This is done by means of building a redundant client websites, however beyond a certain level the number of visitors may cause performance problems. Where a client system becomes overloaded in this way, another server balances the user traffic thus maintaining minimum performance levels.

The Company also provides the service of hosting websites for clients who wish to conduct on-line sales operations and also allow a client customers to conduct real-time secure credit card transactions, across different currencies if so required.

The Company provides enabling technology or “middleware” and related systems for internet development which relate to an entirely distinctive field.

The Company is not in the business of supplying consultancy services or providing information technology solutions for Electronic Point Of Sale (EPOS) applications. Such devices and systems relate to recordal of goods as they are sold at retail outlets to enable better operations management functions such as purchasing supplies and stock control. Such technology usually comprises a scanning device which can read and input information from a bar code which consists of computer readable thick and thin parallel lines attached to an particular item, so that said information can be inputted into a computer database and converted into figures and or text for viewing on a computer screen or Visual Display Unit (VDU)’.

21. I ought to say, in passing, that the applicants enjoyed only a fledgeling goodwill at the time of their application. I do not need to consider, therefore, any concurrent rights that might have existed as of July 1997. I can, however, determine the nature of the applicants’ business from the evidence which arises thereafter. Ms Faulder also engages in this as well (her second declaration), and makes a number of comments, not surprisingly coming to the opposite conclusion to that of Mr Ritchie. In particular, she highlights the following (to which I have added my own emphasis):

Exhibit AR1: ‘This retail hosting service offers a fully integrated approach ranging from a small retail application suite to large retail suites for use by *multi-national retailers*’.

Exhibit AR3 : ‘..optional Point 4 Commerce Server allows the system to connect to electronic payment systems for real-time credit or debit card authorisation and batched electronic transactions. The user tracking, registration and dynamic generation features provide the basis for *operating on-line electronic shops and malls*...’

Exhibit AR5: ‘The Point4 Commerce Application uses a combination of HTML, SQL and C libraries to run an online *Virtual Shopping Basket™* (VSB). *It is easily extended to provide persistent user accounts for regular shoppers, this gives the benefit of making the user’s details available for analysis by the shop owner. All shopping basket entries and purchases are recorded in the database. Credit card details are all fully encrypted before being stored, alternatively, sensitive data can be stored elsewhere or deleted after being used*’.

Exhibit AR6: there are references under the heading ‘Point 4 Commerce Server’ to ‘Online Payments Systems’ and thereunder to ‘Batched Electronic Transactions’ and ‘*Electronic Shops and Malls*’.

22. Though Mr Ritchie argues that there is a wide gulf between the activities of the parties, it seems to me that, on the basis of the evidence that both have submitted, there is some degree of resonance between them. Both parties have created facilities that do similar things: with the

opponents' operating in the world of 'real' retailing, the applicants in the virtual world of the Internet. There is 'cross-over' of the latter with the former, in that the applicants are in the business of providing software services that can analyse purchasing data associated with the activities of their clients customers. This is close to that provided by the opponents. Following the logic of *Avnet*, there can be little distinction between these activities simply because one occurs on the Internet, and the other, to the relevant date, did not.

23. However, this is not all that the applicants are engaged in, though one might have got this impression from the contention of Mr Cooper at the hearing, when he said:

'One of the significant parts of the opponents' business of the system which they offer to retailers is the links that they provide to suppliers. When a customer of the opponents purchases the opponent's Point 4 system, they acquire as part of that electronic links to suppliers, the wholesaler suppliers who manage and control the symbol groups so that there is an electronic link which automatically takes place of re-ordering of the next batch of toilet paper or wherever the retailer gets his toilet paper from.

When one looks at the applicant's business, you see that it is easily recognisable in fact as also a back office system for commerce on the internet so that it takes care of everything that goes on behind the scenes for that particular company. If a company on the internet has a site where it is marketing and selling its products, that the applicant's Point 4 system takes care of everything necessary for that, in terms of the on-line transaction, the ordering, re-ordering, whatever it is necessary for that transaction to take place and whatever is necessary for that transaction to take place in terms of what goes on behind the scenes....

In fact the two businesses fulfil very similar purposes in terms of the goods and services they are offering to customers, the only difference being that the applicant's business is focused on internet transactions and the opponent's business is focused on face to face transactions.'

24. I think Mr Cooper is 'over-egging the pudding' here. As I have stated, there is some resonance between certain of the activities engaged in by the applicants, and those in which the opponents possess their goodwill. But that is not all that the applicants do. Further, there is no evidence to suggest that the applicants' software is carrying on precisely the same activity as that of the opponents' EPoS. The closest they come to this is in a document entitled 'Point4 Online Commerce System' in Exhibit AR5:

'Serious online commerce solutions must make use of content stored in a database, a database provides integrity and consistency of data, management tools and integration with existing back-office and legacy systems for *order fulfilment and order processing*'.
(Emphasis mine).

25. This sort of activity can be regarded as similar to that of the opponents' EPoS facility, but is not the same. It provides a means of making a sale to customers; EPoS provides for stock control and reordering and price management etc., after a sale has been made. The one relates to customer transactions, the other to internal administration of retail goods. Of course, both may provide information that is very useful to their users: The applicants' system being '..easily extended to provide persistent user accounts for regular shoppers..' which '...gives the benefit of making the user's details available for analysis by the shop owner'. The opponents' system can also do the same.

26. I ought to say, at this juncture, that this is not a passing off case before the courts. I am not required to consider what the applicants do as compared with what the opponents have done that has earned them their goodwill. I am required to decide, in the light of the latter compared this time with 'normal and fair use' of the applicants' goods and services as indicated by their specification, if a passing off action initiated by the opponents would have succeeded in July 1997.
27. In finding my way through to a solution to this conundrum, I do not believe that either side has been particularly helpful in easing my passage. Mr Cooper had something of an 'absolutist' approach at the hearing, seeking dismissal of the application in its entirety; the applicants were not present, and could not respond to this, and their written comments are brief, to say the least. And the suggested amendment to their specification - I have already hinted at this above - has hindered as much as it has helped either me or them.
28. I cannot help feeling this case could have been resolved by negotiations in which each side, fully cognisant of their own businesses and intimate with its technicalities, could have found a mutually acceptable specification. Instead, it is left up to me to put the best construction I can on the matter. I do not believe this will achieve the optimum result, but the parties will, subject to appeal, have to live with the consequences. I intend approach the matter by considering the goods and services in turn, in each class, in detail.
29. Beginning with the goods in Class 9, the first items are:

'Computer software and publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites)..'

Mr Cooper commented:

'That is a very, very broad description. It is common place nowadays to deliver software and publications of all kinds electronically and over the internet. Undoubtedly, that particular description could include goods of an identical nature to the software which is supplied by the opponents, simply supplied on-line or over the internet'.

The opponents have no goodwill that I can discern, in software deliverable over the Internet or from databases. However, there is no restriction on the 'computer software' or on the 'publications', only on their method of delivery. It seems to me that this could subsume the opponents' software products. Their customers might not expect the opponents to provide their software in this manner but, I contend, in this day and age they would not be the least bit surprised if they did. Of course, the latter performs a very specific function, as I have discussed. Can the suggested limitation help the applicants?

30. The limitation states '.. none of the aforesaid relating to electronic point of sale equipment or software or hardware for retail businesses'. I have already mentioned its ambiguities. And that I believe that the applicants market specific software that carries out activities similar to that of the opponents. If I assume they did not intend the proposed limitation to geld their current activities any, were they seeking to draw a distinction between their own 'virtual' operations and the opponents' 'real' ones? I have already made it clear, following *Avnet*, that I do not think this is possible, where the goods (or services) are the same or similar.

31. Further, the reference to 'electronic point of sale equipment' and 'hardware' is irrelevant to these goods. I am left in the position of struggling to discern exactly what the applicants sought to achieve by the restriction on software delivered in this manner. I was initially against hazarding a guess at a new one. I did not feel I could stumble around finding a new restriction that would remove the likelihood of passing off. However, the I think the following will suffice: '..none of the aforesaid relating to electronic point of sale hardware or software or applications for managing retail commerce, including ordering on-line, re-ordering, stock control and analysis of customer data'. I discuss this further below.
32. As for 'publications' delivered from databases and the Internet, I regard this as a wholly different activity to any of those of the opponents. Though their software produces reports detailing sales performance (see point 4(f), paragraph 8 above), this is not, in my view a 'publication' as such. Publication is the act or process of printing, for example, a literary work, or making it available to the public. In their evidence (Exhibit AR1) it is stated: 'Point4 was one of the first companies to develop a fully scaleable web publishing system' and I take the 'Electronic Telegraph' to be an example of this (see Exhibit AR7). The opponents' activities do not come close. I am not convinced misrepresentation is likely here.
33. For the next items '..computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet' and '..computer software to enable searching of data..' Mr Cooper stated:

'What is put forward here in this description is enabling software and apparatus, if I can put it that way, for connection to databases and the internet. That also, I submit, covers identical goods to those of the kind in which the opponents are involved because, as previously stated, it is fundamental to the opponent's business that there is a connection in between the point of sale transactions and the retailer's own database of what their stockholding is, of what re-ordering is due, and also, as I have said as well, further connections are provided from the retailer to the retailer's supplier as well, so that this second item, as far as I can see, it covers a multitude of sins, as does the first item..'

In my view, this misses the point. First, it is fundamentally clear that the opponents do not and have not produced software that enables contact with the Internet. There is absolutely no evidence of this. Secondly, as for connection to databases, though the opponents' software, as a necessary part of it's function, accesses databases, this is not any more its purpose than that of a car is to have an engine in it. As Ms Faulder states:

'.. Point Four products and services provide an electronic system for managing retail commerce. One of its key features of this system is the electronic communications linkage provided between the retailers and their suppliers and suppliers' databases for ordering, price control and management information.

It seems to me that the software products mentioned in the specification are intended for a much more fundamental activity than that of the opponents - and I do not see consumers seeking such enabling software would be confused with that in which the opponents have their goodwill, and described by Ms Faulder.

34. I wish now to consider the services left in Class 42. Again, to resolve this matter, I believe I have to 'split up' the services in Class 42, and consider each in turn. I have only considered the amendment where I believe it has an effect.
35. The first point to make about the provision of '... access to and leasing access time to computer databases, but not including services connected to electronic point of sale equipment or software or hardware for retail businesses' is that the opponents have no goodwill in the service of leasing access time to computer databases, specific, or otherwise. In terms of services that access databases, the opponents provide a product that, as part of its function, accesses a specific species of database for very specific purposes. I do not see that the opponents provide a service that does this on behalf of others. The discussion in paragraph 33 is relevant here and, for the same reasons, I do not consider that misrepresentation is likely.
36. Next: is 'Computer rental, excluding services relating to electronic point of sale equipment or hardware for retail businesses'. Here, I think the amendment works, largely because of its emphasis on services that manifest in the real world - it does act on the specification so as to exclude services of a similar nature. At the hearing, Mr Cooper argued that because the opponents sell computers, this was close enough to lead to misrepresentation. He referred me to Exhibit BCF3, which is the article describing the deal between Siemens and the opponents. This states:

'The plan is to combine Point Four's Planet EPoS software ... with Siemens Nixdorfs POS 2000 range of point-of-sale terminals.'

And also in Exhibit BCF3, the 'flyer' on the Planet EPoS 'hand held terminal'. He suggested that these were computers. This is a less than convincing submission. I could be pedantic and argue that these items are not computers: they are 'terminals' and thus part of a computer system. Computer rental worth its name, I would suggest, encapsulates the latter. Even if it did not, there is no evidence to show that the opponents have any goodwill in the business of renting computers, terminals or otherwise. Taken together with the exclusion - or my adaption of it - this is enough to remove the possibility of misrepresentation, and of passing off.

37. Next, '..design, drawing and commissioned writing, all for the compilation of web pages on the Internet, excluding services relating to electronic point of sale equipment or software or hardware for retail businesses'. Expressed in this manner, the lack of thought associated with the limitation is, again, obvious. Apart from the fact it is completely nonsensical in respect of 'electronic point of sale equipment' and 'hardware', as Mr Cooper stated, it does nothing to exclude services that are similar to those of the opponents, and I think he is right.
38. If I apply *Avnet*, the commission and writing of web pages might seem to be the provision of land on which the applicants' customers can build whatever they like. But I think it more than this. The applicants specifically market an application that runs an 'online Virtual Shopping Basket', that enables analysis of customer details by the shop owner. They do more than provide a service constructing a 'billboard' on which their customers determine the content - they are involved in the creation of that content and even decide what it might be. And that could result in the creation of software - albeit on Internet Web pages - that is similar to that in which the opponents have their reputation. And they have done nothing to exclude that possibility. I therefore wish to apply an analogous limitation to that I cited above.

39. Finally, 'Compilation and provision of software for accessing the Internet excluding electronic point of sale equipment or software or hardware for retail businesses'. I need spend little time on this. The opponents have, from the evidence, never engaged in such a service.
40. In coming to the results I have, I have not forgotten that the marks at issue are identical. But I also take cognisance of the fact that the manner in which the particular trade is carried on and, in particular, the class of persons who it is alleged is likely to be deceived would be a very informed and intelligent group of consumers. These products are expensive - this is no 'bag of sweets' case - care will be taken over purchase. At the hearing Mr Cooper stated:

'... if you have software marketed to a retail business and that retail business is told, "Buy this software and it will help you to market your business over the internet, to sell over the internet, to sell everything that is in your store over the internet and to publicize it", and that business is familiar with the opponent's electronic point of sale software, the back office management system which that retailer already has, and he is just told, "Well, here is something that will enable you to extend your existing business easily on to the internet", it seems to be that retailer would take it as a natural extension of the opponent's business..'

It is always possible that there may be some initial confusion if one of the opponents' customers comes across the applicants for the first time. But this is unlikely to remain, in my view, long enough for any real damage to the opponents business to occur.

41. The application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the Applicant files a TM21 restricting the specification as follows:

'Computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet; publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites); computer software supplied on-line from databases or from facilities provided on the Internet (including web sites), computer software to enable searching of data, but none of the aforesaid relating to electronic point of sale hardware or software or applications for managing retail commerce, including ordering on-line, re-ordering, stock control and analysis of customer data'.

'Providing access to and leasing access time to computer databases; compilation and provision of software for accessing the Internet; design, drawing and commissioned writing, all for the compilation of web pages on the Internet, computer rental, but none of the aforesaid relating to services connected to electronic point of sale hardware or software or applications for managing retail commerce, including ordering on-line, re-ordering, stock control and analysis of customer data'.

If the Applicant does not file a TM21 restricting the specification as set out above the application will be refused in its entirety. It will be seen that the new limitation applies to goods and services ('computer software to enable searching of data' and 'and compilation and provision of software for accessing the Internet') for which I found no likelihood of passing off. This reflects the original formulation of the applicants' specification.

42. On the subject of costs, the following passage appears in the applicants' letter of 12th April 2001:

‘After considering the evidence file by the opponent in support of the opposition we contacted the opponent’s agents in a letter dated 25 June 1999 pointing out that in our view, there was no likelihood of confusion bearing in mind the different uses and end users of the respective goods and services. We invited the opponent to consider reaching a settlement before filing evidence in support of the application.

A second letter was sent to the opponent’s agents on 31 May 2000 in an attempt to reach a negotiated settlement which was rejected and although the opponent suggested counter-proposals these were not made in concrete terms and therefore negotiations reached an impasse.

We would request that the applicant’s attempts to reach a negotiated settlement are taken into account in any award of costs made in these proceedings.’

For his part, Mr Cooper suggested that costs should follow the event. As to the applicants’ submission, he said:

‘.. is not something which is of any particular relevance, in the sense that I cannot see how it can change or avoid a normal finding of costs being awarded in the usual way. One would always hope and encourage that there are negotiations for settlement in any situation. That is part of the normal course of the events. I do not think it is something which one can take into account in terms of being abnormal or unusual circumstances of any way’.

43. I agree. Costs awards may be affected where negotiations are entered into in bad faith as, for example, where they are used to delay or obfuscate proceedings. There is nothing to suggest this here. A lack of quantitiveness in the opponents’ response doesn’t seem like an ‘impasse’ to me. It could be a reason to seek clarification where a settlement was determinably pursued and, in my view, should have been in this case.
44. This discussion is irrelevant, anyhow, since neither party has actually ‘won’, and I decline to make any costs order.

Dated this 14th Day of August 2001.

**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General**