

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2137914
BY NETTEC SOLUTIONS LIMITED
TO REGISTER A SERIES OF TWO TRADE MARKS
IN CLASSES 9 AND 42**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 48765
BY PLANET EPOS LIMITED**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST THE DECISION OF DR. W. J. TROTT
DATED 14 AUGUST 2001**

DECISION

The appeal

1. On 3 July 1997, Nettec Solutions Limited (formerly Point 4 Consulting Ltd) (“the applicant”) applied to register a series of two trade marks POINT FOUR and “Point 4” for the following goods and services:

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

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.

2. The application was opposed by Planet Epos Limited (“the opponent”) on 6 July 1998 on the ground that under section 5(4)(a) of the Trade Marks Act 1994 (“TMA”) use of the applicant’s series of trade marks was liable to be

prevented in the United Kingdom by the law of passing off. An additional objection by the opponent under section 3(6) of the TMA was subsequently dropped.

3. By letter of 12 April 2001, shortly before the opposition was due to be heard on 20 April 2001 by Dr. W. J. Trott acting on behalf of the Registrar, the applicant filed a request on Form TM21 to amend its application by restricting the specified goods and services. The letter stated:

“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);”

The letter also informed the Registrar that the applicant would not be represented at the hearing.

4. The obvious intention of the applicant was to avoid any perceived conflict between its application and the opponent’s earlier rights. However, at the hearing of 20 April 2001, which proceeded on the basis of the specifications as amended, it appeared to those present that the restrictions put forward by the applicant were deficient in at least two respects:

- (a) due to the arrangement of semi-colons and commas, it was unclear whether the applicant meant the limitations to apply to all the goods and services in the specifications or merely to those appearing after the last semi-colon in each case;

- (b) due to the lack of punctuation, the extent of the limitations was inherently unclear.

5. In the applicant’s absence, the proper course of action would have been to adjourn the proceedings in order to seek clarification from the applicant as to its intentions on amendment. Instead, for the first time in delivering his written decision on 14 August 2001, the hearing officer took it upon himself unilaterally to redraft the applicant’s specifications. And in the process of doing so, he extended the goods and services, to a greater or lesser degree depending on whether the applicant intended the amendments it requested on 12 April 2001 to apply to all or only some of the goods and services in the application.

6. The specifications as revised by the hearing officer read:

Class 9

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

Class 42

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 customer data.

If, as the hearing officer stated he believed, the applicant intended its original limitations to apply to all the goods and services, the hearing officer widened the specifications because his reasoning indicates that the new limitations applied only to goods and services appearing after the last semi-colon in each case. If, on the other hand, the applicant intended its original limitations to apply only to goods or services appearing after the last semi-colon in each of the original specifications, the hearing officer widened the specification in Class 42 by failing to apply the new limitation to “compilation and provision of software for accessing the Internet”. Additionally and alternatively, the wording of the new limitations appears to exclude fewer goods and services than the original limitations, again extending the goods and services as originally amended.

7. The opponent’s appeal against the decision of Dr. Trott came up for hearing before me on 28 June 2002. Having carefully considered the papers and listened to the arguments of the opponent’s counsel, Ms. Jacqueline Reid and the guidance provided by the Registrar’s Principal Hearing Officer, Mr. Mike Knight, I indicated that in my view the hearing officer had exceeded his statutory powers, not least by purporting to extend the goods and services in the application contrary to section 39(1) and (2) of the TMA. Since the decision was procedurally defective, I was minded to set it aside and remit the opposition to the registry.
8. Mr. Knight indicated that the Registrar would have no objection to the matter being remitted. However, it became apparent that I first needed to decide a

point raised by Ms. Reid on behalf of the opponent as to the effect of the following words at paragraph 41 of the hearing officer's decision:

“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:

[Specification]

If the Applicant does not file a TM21 restricting the specification as set out above the application will be refused in its entirety. It ...”.

9. Mr. Knight confirmed that in cases when an application for registration is partially successful as to some goods and services but objectionable as to others, it is standard practice for hearing officers to use these or similar words in order to comply with the Registrar's obligations under Article 13 of Council Directive 89/104/EEC (“the Directive”). Ms. Reid's point is that since the applicant did not file (a second) Form TM21 amending its specification of goods and services within one month of the expiry of the appeal period for Dr. Trott's decision, the only terms on which I can remit the opposition is that the Registrar shall refuse the application.
10. To complete the picture, the applicant did in fact submit (a second) Form TM21 restricting its specification as indicated by Dr. Trott on 5 April 2002 (i.e. outside one month of the end of the appeal period for Dr. Trott's decision). Despite objections from the opponent in view of its appeal, the Registrar actioned the (second) request and published the amendment in Trade Marks Journal No. 6430 of 15 May 2002. The opponent then applied for an extension of time within which to file opposition to the amendment until after the hearing of the appeal.
11. The question therefore for my determination is whether an appeal from a decision of the Registrar has suspensive effect. In particular, on the facts of the present case, I must decide whether the applicant was obligated to file (a second) Form TM21 within the period specified by Dr. Trott notwithstanding the opponent's intervening notice of appeal.
12. Both Ms. Reid and Mr. Knight signified their wishes to make written representations to me before deciding Ms. Reid's point. I agreed to postpone writing my decision for one month in order for this to be done. Ms. Reid and Mr. Knight agreed that representations should be exchanged with rights of reply. Following the hearing, I afforded the applicant a similar opportunity to provide written representations. In the event, I received representations from both parties and the Registrar.

Does an appeal against a decision of the Registrar have suspensive effect?

13. Initiating an appeal does not have the automatic effect of staying an order or decision of the lower court at common law. By CPR 52.7 (previously RSC Ord. 59 r. 13(1)), an appeal only has suspensive effect if the appeal court or

lower court so orders. In *Pavel (Andreas) v. Sony Corporation* [1995] RPC 500, concerning an appeal against revocation of a patent in the Patents County Court, Aldous L.J. observed that in his experience an order for suspension is always sought and granted if an appeal is thought possible. Neither the TMA nor the Trade Marks Rules 2000 (“TMR”) have anything to say regarding the suspensive effect or otherwise of appeals. In the absence of any such express provision, the Registrar has adopted the almost universal practice of suspending all decisions pending the outcome of any appeal, unless there is a direction to the contrary. I say “almost universal practice” since the opponent has cited an example of a mark proceeding to registration notwithstanding an appeal against an unsuccessful opposition. For her part, the Registrar acknowledges that the standard practice may have been departed from on occasion.

14. The Registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her (*Pharmedica GmbH’s Trade Mark Application* [2000] RPC 536, per Pumfrey J. at 541 citing Lord Donaldson M.R. in *Langley v. NW Water Authority* [1991] 3 All ER 610 at 613). In my view, the Registrar’s practice of suspending all decisions is not only within her inherent power but also procedurally efficient, and sensible and desirable pending the outcome of an appeal. The Registrar’s practice is de facto in that it has been developed, but not codified, over the years. I understand that in the light of my decision the Registrar may issue a Tribunal Practice Note for the benefit of users.
15. That is enough to decide Ms. Reid’s point in favour of the applicant. But in any event, I am prepared to amend paragraph 41 of the decision in order to meet what I believe was the hearing officer’s true intention. The Appointed Person has the same powers as the High Court and hence the Registrar (*ACADEMY Trade Mark* [2000] RPC 35 at 40 per Mr. Simon Thorley sitting as the Appointed Person, CPR 52.10.1). Rule 66 of the TMR provides that:

“Subject to rule 68 [Alteration of time limits] below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct”.

The Registrar also possesses inherent power to correct any errors or omissions in her decisions (*Andreas Stihl AG & Co.’s Trade Mark Application* [2001] RPC 215 at 222, Appointed Person Mr. Geoffrey Hobbs QC citing Lord Penzance in *Lawrie v. Lees* (1881) 7 App. Cas. 19 at 35). Neither enables the Registrar to have second or additional thoughts but it is possible to amend a registry decision in order to give effect to first thoughts or intentions (*Bristol Meyers Squibb Co v. Baker Norton Pharmaceuticals Inc* [2001] All ER (D) 330, (2001) EWCA Civ. 414). In determining that Dr. Trott intended the time limit he set for the applicant’s election to apply only in the event of no appeal being lodged, I have found the following factors persuasive (in no particular order):

- (a) Dr. Trott is an experienced hearing officer who must be presumed to be aware of the Registrar's de facto practice described at paragraph 13 above. The wording he uses at paragraph 41 should be interpreted in the light of that de facto practice. Nothing in the wording used indicates that Dr. Trott intended to order otherwise (i.e. to depart from the de facto practice).
- (b) Mr. Knight referred me to an extract from the current Law Section Work Manual, which sets out at pages 98 – 99 the standard practice for issuing, circulating and implementing inter partes decisions. Following the issuing of the decision, the case is diarised to await the expiry of the appeal period. As for implementation of the decision, the extract indicates that this takes place only if no appeal is filed. The opponent points out, quite correctly, that the extract does not deal with the situation when an appeal is filed. But that is consistent with the de facto nature of the Registrar's practice in treating all decisions as suspended in the event of an appeal.
- (c) Dr. Trott did not make a costs order in the present case. However, the wording often used by the Registrar's hearing officers to make costs orders in inter partes decisions further confirms the understanding, and conveys the expectation, that appeals from registry decisions have suspensive effect .
- (d) It is clear from correspondence entered into between the opponent and the registry following the filing of the opponent's appeal, that senior personnel in the Law Section read the time frame laid down in paragraph 41 of Dr. Trott's decision as relating only to the circumstance of the decision not being appealed. Indeed, it became apparent from written submissions made to me by the applicant, that the applicant enquired at the registry whether it should file Form TM21 within one month from expiry of the appeal period for the decision and was informed over the telephone that the due date had been superseded by the opponent's notice of appeal.

16. Accordingly, I direct that Dr. Trott's decision of 14 August 2001 be amended at paragraph 41 to read:

“The application will be allowed to proceed [I explain why I have omitted the words ‘to registration’ below] provided the Applicant files a Form TM21 restricting the specification as follows:

[Specification]

The Applicant should file such a Form TM21 within one month of the expiry of the appeal period or, if the decision is appealed, within one month of the final determination of this case should the above-restricted specification be confirmed on appeal. If the applicant does

not file a Form TM 21 restricting the specification as before mentioned the application will be refused in its entirety. ”

Wider issues on appeal

17. This appeal also raises a number of wider issues relating to the Registrar’s practices where an opposition in part succeeds but the application is otherwise acceptable for some of the goods and services specified, and generally on amendment.

Can the Registrar require amendment of the application on opposition?

18. Article 13 of the Directive states:

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only”.

For some reason Article 13 did not find its way into the TMA. But both parties accept that in inter partes opposition proceedings: (a) the Registrar is bound to give effect to Article 13; and (b) the applicant should achieve the required degree of restriction by amending its application under section 39 of the TMA (*MISTER LONG Trade Mark* [1998] RPC 401 at 406 per Mr. Geoffrey Hobbs QC sitting as the Appointed Person). The controversial issue, as I understand it, is whether the Registrar can order the applicant to amend its specification and, in particular, whether she can order a narrower range of goods or services within a broad term used in the application.

19. The weight of authority decided under the TMA favours restriction of goods or services within wide terms in order to avoid conflict (*MINERVA Trade Mark* [2000] FSR 734, Jacob J.; *Decon Laboratories Ltd v. Fred Baker Scientific Ltd* [2001] RPC 293 and *DaimlerChrysler AG v. Javid Alavi* [2001] RPC 813, Pumfrey J.; *CERNIVET Trade Mark* [2002] RPC 585, Mr. Geoffrey Hobbs QC sitting as the Appointed Person; contrast *Premier Brands UK Ltd v. Typhoon Europe Ltd* [2000] FSR 767, Neuberger J.). Section 37(3) and (4) of the TMA state that:

“(3) If it appears to the registrar that the requirements for registration are not met, he shall inform the applicant and give him an opportunity, within such period as the registrar may specify, to make representations or to amend the application.

(4) If the applicant fails to satisfy the registrar that those requirements are met, or to amend the application so as to meet them, or fails to respond before the end of the specified period, the registrar shall refuse to accept the application.”

Both the applicant and the opponent drew attention to the fact that section 37 is entitled “Examination of application” and appears to deal with ex parte

examination. However, I note that an objection on relative grounds raised ex officio can constitute a failure to meet the requirements of registration envisaged by section 37. It would be anachronistic, if the Registrar could order the applicant to elect between amendment and loss of an application on ex officio examination on relative grounds but not on opposition. Section 40(1) of the TMA goes on to state (emphasis added):

“Where an application has been accepted and
(a) no notice of opposition is given within the period referred to in section 38(2), or
(b) all opposition proceedings are withdrawn or *decided in favour of the applicant*,
the registrar shall register the trade mark, *unless it appears to him having regard to matters coming to his notice since he accepted the application that it was accepted in error*”.

Further, rule 14(1) of the TMR, which provides for the decision of the registrar in opposition proceedings, reads (emphasis added):

“When the registrar has made a decision *on the acceptability of an application for registration ...*”.

20. Bearing in mind that the Registrar is under a duty to implement Article 13 of the Directive, I conclude that sections 37(3) – (4) and 40(1) of the TMA permit the Registrar, when deciding an opposition, to direct the applicant to amend its goods or services either by deletion or by pulling out certain goods and services from within a wide term. Only if the applicant elects for amendment will the application be allowed to proceed.
21. That said there are circumstances in which the Registrar’s power to require amendment of the application might operate unfairly to either or both of the parties. Ideally, the applicant will offer amendment prior to the opposition hearing. But whenever and from whomever a revised specification originates, the safeguards of rule 54 of the TMR must be observed. Rule 54 provides that:

“(1) ... the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings before her, give that party an opportunity to be heard.
(2) The registrar shall give that party at least fourteen days’ notice of the time when he may be heard unless that party consents to shorter notice.

Thus, the parties must be given due notice and provided with the opportunity to make representations and put in further evidence if they so desire. It is clear that in the present case the provisions of rule 54 were ignored in that neither the applicant nor the opponent was consulted before Dr. Trott decided the revised lists of goods and services in Classes 9 and 42.

22. Finally on this issue, section 39(1) and (3) of the TMA and rule 18 of the TMR require amendments made after publication of the application that affect the goods or services to be published so that objections can be made by any person claiming to be affected by the amendment. It is therefore, in my view, inappropriate for an order such as the one made by Dr. Trott in the present case to state: “The application will be allowed to proceed to registration if ...”. As I have indicated at paragraph 16 above the words “to registration” should be omitted.

Must Form TM 21 be actioned by the Registrar immediately?

23. The applicant filed (a second) Form TM21 on 5 April 2002. The opponent complains that despite its objections this was actioned by the registry and published in Trade Marks Journal No. 6430 of 15 May 2002. The opponent, who had filed its notice and grounds of appeal on 10 October 2001 (having obtained from the Registrar a further 28 days for doing so), was thereby caused to apply for an extension of time from the registry within which to oppose the amendment until after the date set for the hearing of the appeal. Mr. Knight says that despite notice of appeal suspending Dr. Trott’s decision in the opposition, the registry was bound to proceed with the applicant’s (second) request for amendment because of the provisions of section 39(1) and (3) of the TMA and rules 17 and 18 of the TMR. In summary, those provisions state insofar as relevant that an applicant may at any time restrict the goods or services covered by his application by requesting an amendment on Form TM21. If the amendment is requested after publication of the application, the amendment must be published and is open to opposition for a period of one month.
24. It is unnecessary for me to decide this point. I have already determined that the revised specifications put forward by Dr. Trott in his decision of 14 August 2001 were flawed in the sense that they extended the goods and services covered by the application (as amended by the applicant’s original Form TM21) contrary to section 39(1) and (2) of the TMA. The amendment put forward by the applicant on 5 April 2002 was equally flawed. This is exactly the situation identified by Mr. Knight in which the registry should reject the request for amendment. Had that not been the case, I believe I would have favoured Mr. Knight’s submissions namely that publication of a requested amendment enables opposition to the *amendment*. It does not affect the status quo of the opposition and is therefore not covered by the suspensive effect of the appeal.

Conclusion

25. This appeal has raised some complex issues on which I have been glad to receive the submissions of the parties and the Registrar. To recap on my findings:

- (1) By virtue of the Registrar's de facto practice, the lodging of notice of appeal against a decision of the Registrar suspends the effect of that decision pending the outcome of the appeal. Accordingly, the applicant was not obliged to file a Form TM21 in compliance with Dr. Trott's decision of 14 August 2001 once the opponent had filed notice of appeal on 10 October 2001 (having been granted by the Registrar an extension of time within which to appeal).
- (2) Dr. Trott's decision of 14 August 2001 stands rectified at paragraph 41 in order to give effect to the hearing officer's intentions. Paragraph 41 as amended reads:

“The application will be allowed to proceed provided the Applicant files a Form TM21 restricting the specification as follows:

[Specification]

The Applicant should file such a Form TM21 within one month of the expiry of the appeal period or, if the decision is appealed, within one month of the final determination of this case should the above-restricted specification be confirmed on appeal. If the applicant does not file a Form TM 21 restricting the specification as before mentioned the application will be refused in its entirety. ”

- (3) Dr. Trott's decision of 14 August 2001 is procedurally defective because *inter alia* it purports to extend the goods or services covered by the application, which is prohibited by section 39(1) and (2) of the TMA. The decision is accordingly set aside and the matter is remitted to the Registrar for further consideration. I believe it would be convenient for a preliminary hearing to take place at which the applicant and the opponent should attend. This will provide an opportunity for the terms of the applicant's original amendment to be clarified and directions given for amendment of statements of grounds and the filing of further evidence.
- (4) The applicant's (second) request for amendment made on 5 April 2002 extended the goods and services in the application contrary to section 39(1) and (2) of the TMA and should have been refused by the Registrar.
- (5) I see little utility in attempting to apportion the costs of this appeal until the outcome of the opposition is known. The costs of this appeal are therefore reserved to be decided by the hearing officer below.

Ms. Jacqueline Reid instructed by Swindell & Pearson appeared as Counsel on behalf of the opponent.

The applicant was neither represented nor appeared in person.

Mr. Mike Knight, Principal Hearing Officer attended on behalf of the registrar.