

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2478624 BY ADVANCED PERIMETER SYSTEMS LIMITED TO REGISTER THE TRADE MARK MULTISYS IN CLASS 9 AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 97557 BY MULTISYS COMPUTERS LIMITED

AND THE CONSOLIDATED CASE IN THE MATTER OF APPLICATION NO. 2483892 BY KEYCORP LIMITED TO REGISTER THE TRADE MARK MULTISYS IN CLASSES 9 & 42 AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 98119 BY ADVANCED PERIMETER SYSTEMS LIMITED

**SUPPLEMENTARY DECISION
ALLOWABILITY OF NARROWER SPECIFICATION**

Introduction

1. This decision is supplementary to my decision issued on 16 November 2011 (“the Main Decision”) and should be read together with it. The same abbreviations are used here.
2. In the Main Decision, I held that Key’s s.5(4)(a) appeal relating to APS’s application No. 2478624 would be dismissed.
3. I deferred making a final decision on Key’s s.5(2)(a) appeal relating to the class 42 services, pending submissions from Key as to whether (i) whether Key wished to have a narrower specification of its mark considered, (ii) if so, what (iii) why it was not open to any objection and (iv) why it would be fair to have it considered at this stage. I held that unless a more limited class 42 specification for Key’s mark could be devised which was clearly not objectionable, the Hearing Officer’s Decision refusing the mark in its entirety would stand.

Responsive submissions from APS were invited as to (i) whether it would be fair to permit consideration of a narrower specification at this stage and (ii) comments on any proposed specification by Key. The issue of costs was deferred until final resolution of Key's s.5(2)(a) appeal. This decision deals with those outstanding matters.

Key's proposed revised specification

4. Key submitted that it should be entitled to the following more limited specification:

“Computer programming, computer advisory, consultancy and design services, computer support, rental and hire of computer software, all in relation to business, commercial mercantile and/or office administration.”

5. Key submits that this specification is not open to any objection, in the light of the Main Decision and the Hearing Officer's Decision, because of its focus on business administration software and related services. At first blush, this revised specification has much to commend it. However, APS contends that the specification is still not allowable for two reasons.

6. First, it is said that the proposed specification is not-coterminous with the findings of the Hearing Officer that Key's business focussed on accountancy software and related equipment. APS says that, because the appeal from the Hearing Officer's Decision on Key's objection to APS's mark was rejected, this tribunal is *functus officio* and may not admit a revised specification which does not match the findings as to Key's business. I reject that argument. The Hearing Officer used the description “accountancy” as a shorthand for describing the business focus of Key's actual activities in the software field in the context of the s5(4)(a) objection to APS's mark based on passing off. I expressed reservations about the accuracy of the description in the Main Decision. On no view could that make this tribunal *functus* in considering the different question of whether this narrower specification advanced by Key would be free from objection by APS under s.5(2)(a).

7. Second, it is said by APS that the specification is still not clearly allowable because there will inevitably be an overlap with APS's mark. That is an elliptical way of saying that there are services within Key's proposed revised specification which are sufficiently similar to the goods in respect of which APS's mark is registered for use of the mark MULTISYS in relation to them

to give rise to a risk of confusion. In my judgment, although APS is not clearly right about this, equally, it is not so clearly wrong as to admit of no possible argument. In the Main Decision, I said that any more limited specification had to be *clearly* unobjectionable. In my judgment, Key's revised specification is still too broad to satisfy that requirement.

Is it fair to consider Key's revised specification at this stage?

8. In the Main Decision, I outlined several possible reasons against and in favour of considering a revised specification at this stage. I summarise and expand upon them here in the light of the further points made by the parties in their post-hearing submissions. Neither side has suggested that there is any absolute requirement for the Appointed Person to consider a revised specification advanced for the first time on appeal or, conversely, to decline to consider it. The arguments for and against need to be weighed in each case. It is convenient to deal with the arguments against doing so first of all.

Arguments against

9. Against admission of the revised specification at this stage are the following considerations.

10. First, 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 Key¹ could not have advanced such a case in its pleadings. One purpose of the pleadings is to set out alternative positions. Moreover, no attempt was made here to put the Hearing Officer into a position where he could take the approach recommended by Tribunal Practice Notice 1/2011 (see esp. Para. 3.2.2). No revised specification was advanced as a ground of appeal either, whether conditionally or in the alternative. There was no application to amend the grounds of appeal to propose a narrower specification. No fall-back position was formulated even by the time of the hearing and the matter was hardly touched upon in argument there.

11. 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: see

¹ In the Main Decision as issued, this wrongly said APS.

COFFEEMIX TM [1998] RPC 717 and Tribunal Practice Notices. 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. APS contends that it had a legitimate interest in knowing how the case was to be advanced so that it could have put in a respondent's notice if necessary.

12. 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 IPCom GmbH & Co KG* [2011] EWCA Civ 6; [2011] FSR 15, per Jacob LJ in the context of late amendments at [138]-[139]). The position should be no different in trade mark proceedings. Although APS does not expressly adopt that argument, it has not suggested that considerations of this kind are irrelevant.

13. To this one may add that the Court of First Instance has held that a proprietor may not put forward a more limited specification for consideration on an appeal to it for the first time. By Article 44 of the CTM Regulation (40/94) and the implementing regulations (Commission Regulation 2868/95) a restriction of the list of goods or services designated in an application for a Community trade mark must be carried out in accordance with specific rules. Withdrawal, in whole or part, of an application for a Community trade mark must be made expressly and unconditionally: see case T-219/00 *Ellos v OHIM* (ELLOS) [2002] ECR II-753, at [61]. In *Astex Therapeutics Ltd v OHIM* [2008] EUECJ T-48/06; [2009] ETMR 3, the Court of First Instance said at [21] that to allow the alteration of a characteristic of the goods designated in the Community trade mark application at the stage of the action before the Court would amount to changing the subject-matter of the pending proceedings, which was prohibited by Article 135(4) of the Rules of Procedure. The court refused permission to consider a narrower specification. There is therefore some warrant, by analogy, for taking a strict approach to attempts by a party to limit specifications upon appeal although, because of the quite different rules applicable to appeals from OHIM, those cases can have no direct application to appeals from the Registrar under the Act.

14. Fourth, whether goods are sufficiently similar in a specialist field may require evidence (see *GE*). If evidence is required, it would be unjust to permit an argument which might depend on such to be run for the first time on appeal. APS contends that, in the light of the width of the

proposed revised specification, there would need to be evidence as to the overlap between the specification now sought and the original wide specification. APS says that this may include evidence of how perimeter fence security control systems may interface with the wide range of software and related services now sought by Key. That, says APS, is particularly so since Key was itself contending that at least certain kinds of security control software were a natural extension of certain kinds of office administration software. This indicates that the argument is not without merit.

15. 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. In relation to that point, APS points out that Key was specifically asked by the Hearing Officer whether it wished an amended specification to be considered and it declined.

16. Sixth, in some cases, there may be no immediately obvious fall-back position, having regard to *POSTKANTOOR* Case C-363/99 [2004] ETMR 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 TM* [2000] FSR 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.

17. APS does not suggest that this is an irrelevant factor, although Key says it is not relevant here, because its amendment is sufficiently narrow not to raise any potential objection.

18. Finally, a further point has emerged since the Main Decision. Key (more specifically Keycorp Limited) has made a further application on 2 November 2011 for the mark MULTISYS in classes 9, 37 and 42. The list of goods and services applied for is broad and comprehensive to a fault. For example, it contains a number of overlapping sub-classes such as: “computer software consultancy”, “consultancy relating to computer software”, “consultation services relating to computer software” which appear to amount to the same thing. APS contends that there would be no injustice in leaving Key to rely on that application, if it wishes.

19. Key says that whether or not that application will be pursued depends on the allowance or otherwise of the proposed revised specification. However, Key has not undertaken not to pursue that other application, even if the proposed revised specification is allowed by me. That application may go ahead anyway.

Arguments in favour

20. In the Main Decision, I said that there were countervailing arguments in favour of considering the revised specification. They can be summarised as follows, again, adding the points where there have been expanded upon by the parties.

21. 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 of the Hearing Officer, 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 a strong 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 Article 13 of the Trade Marks Directive.

22. 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. Since the hearing, Key has made it clear that it does wish a revised specification to be considered.

23. Third, as Richard Arnold QC, Appointed Person, said in *m.d.e.m* (O-135-05 and O-333-05) the procedural position with patent amendment is of limited analogical value for trade mark oppositions. The situation in such cases is more like that of a partially valid patent, where amendments are permissible in certain circumstances to reflect a judgment. 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* [2010] EWHC 2939 (Ch) and Geoffrey Hobbs QC, Appointed Person, in *CITYBOND TM* [2007] RPC 13. These are directed to reaching a fair result in opposition proceedings overall. 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 TM* O-043-05 at [10] and [21]; *Land Securities plc's TM Application* O-339-04 at [23]. Key submits that this is a factor of considerable weight in this case.

24. Fourth, there may be no material prejudice to APS in considering the matter for the first time on appeal. Although APS has said that there would be a need for evidence Key suggests that there would not be. Moreover, Key contends that it has not applied for 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.

Principles

25. In my view, the principles applicable to consideration of fall-back positions by the Appointed Person for the first time may be summarised as follows.

26. First, there are no fixed rules as to how the tribunal should deal with fall-back specifications advanced at a late stage of proceedings and, specifically, for the first time on

appeal to the Appointed Person. Each case must turn on its facts, having regard to the overall objective of achieving justice between the parties and with due regard to the public interest.

27. Second, particularly where a broad specification is in issue in opposition proceedings, the proprietor should consider whether a narrower specification would be less susceptible to objection and should put any such alternative forward for consideration at the earliest opportunity in the opposition proceedings so that it can be considered in the first instance by the Registrar. It should do so with regard to Tribunal Practice Notice 1/2011. Applicants should not think that they will, in general, be able to get away with uncompromising defence of wide specifications until the last minute in the expectation that they will be allowed to narrow down to something permissible in the end.

28. Third, in some cases, it will be so obvious that a narrower specification is allowable that no sensible procedural objection could be taken to it being considered, even at a late stage. In some cases, of which *m.d.e.m* is an example, justice requires that such be done. In others, a narrower specification may give rise to more complex questions, including a need for evidence. In such cases, particularly where a fall-back position is presented for the first time at a late stage of proceedings, such as on a final appeal, the tribunal may be justified in refusing to consider it.

29. Fourth, in considering whether to admit it, the factors identified in the arguments for and against set out above are relevant and may have greater or lesser weight in any given case. Of particular weight is any prejudice likely to be suffered by one party or the other from considering or refusing to consider a fall-back position and any available alternative routes for the proprietor to obtain effective trade mark protection. The later a fall-back position is proposed and the less opportunity for considered objection given to an opponent, the more clearly must the fall-back position be allowable for there to be no risk of prejudice.

The present case

30. In my judgment, having regard to those principles, in the circumstances of this case, it would not be right to allow Key's narrower specification. Although it may well turn out to be free from objection, this is not self-evident, given its considerable width. Had it been put forward

sooner, Key may have wished to address evidence to it. I am also not satisfied that there is any good reason why the revised specification could not have been advanced for consideration before the Hearing Officer, particularly since he specifically invited Key to consider the issue. Had that been done the Hearing Officer could have dealt with it and, if the parties were dissatisfied, his decision on that issue could have been the subject of appeal. As matters stand, were I to allow a narrower specification, APS would have been deprived of the opportunity of having all of the issues considered both by the Hearing Officer and on appeal. Neither party suggests that the case should be remitted to the Hearing Officer and it would not be right to prolong these proceedings by doing so.

31. This case is unlike *m.d.e.m* in that, there, a fall-back position had been put forward without objection. Sufficient evidence was already before the tribunal, enabling the point to be fairly determined. I also give weight here to the fact that there is no evidence that Key would suffer any significant prejudice from relying on its new, very comprehensive, application even though it has a later date. Overall, I do not think there would be unfairness to Key in refusing to consider its proposed revised specification.

Conclusion

32. For those reasons, I do not find the proposed revised specification to be clearly free from possible objection and that it would not, in all the circumstances, be fair to determine whether it is allowable at this stage. The Hearing Officer's decision refusing the mark in its entirety will stand and Key's appeal against that aspect of the Hearing Officer's Decision is dismissed.

Costs

33. Both aspects of Key's appeal have now been dismissed. Key must therefore bear the costs. The hearing took about ½ day but there has been an extra round of written submissions post-hearing, necessitated by the issue of a narrower specification not having been raised earlier by Key. Having regard to the scale, and the fact that the case was sufficiently important to the parties to merit the involvement of counsel on both sides, I propose to award APS £1200 in respect of preparation for and attendance at the hearing of the appeal and a further £500 in

respect of the post-hearing submissions, making £1700 in total. The costs award of the Hearing Officer below stands.

DANIEL ALEXANDER QC

Appointed Person

21 December 2011

Representation

Mr Richard Davis instructed by Hepworth Browne for Key

Mr Simon Malynicz instructed by Marks & Clerk LLP for APS