BLO/531/22

TRADE MARKS ACT 1994
IN THE MATTER OF
OPPOSITION No. 422029
IN THE NAME OF MASSACHUSETTS FINANCIAL SERVICES COMPANY
TO TRADE MARK APPLICATION No. UK00003511346 MFS AFRICA
IN THE NAME OF BY MFS AFRICA LIMITED

DECISION

---

1. This is an appeal against the decision of the Registrar's Hearing Officer, Laura Stephens, dated 4 January 2022 in which she upheld in part an opposition brought by Massachusetts Financial Services Company (the Opponent) against an application by MFS Africa Limited (the Applicant). The opposition was based on ss.5(2), (3) and (4) of the Trade Marks Act 1994. The Opponent appeals against the decision to reject the remaining part of its opposition, albeit that the appeal is restricted to ss.5(2) and (3).

2. The mark is in issue is sought to be registered in classes 9 and 36 for *computer software and mobile applications and electronic payment apparatus* in class 9 and *electronic wallet services; remote payment services; electronic payment services and electronic processing of payments via a global network* in class 36. The mark is represented as follows:

3. The earlier mark relied on by the Opponent is UK Trade Mark 3177382, **MFS**, registered for *financial services, namely, investment, advisory, management, administrative and distribution services for investment companies, mutual funds and others* in class 36

4. The Hearing Officer upheld the opposition in relation to all the goods applied for except for *computer Software and mobile applications* in Class 9. The opponent appeals against this finding and submits that the opposition should have been allowed in full.

5. At the hearing the Opponent was represented by Charlotte Blythe of Counsel, instructed by Withers & Rogers LLP. The Applicant elected not to be represented, either in person or in writing.

The appeal under s.5(2) – computer software and mobile applications

6. The appeal of the Opponent under s.5(2) focusses on one key paragraph of the Hearing Officer which deals with similarity of goods. It reads as follows:

> Computer software; mobile applications
>
> 54. I must start by acknowledging that here I am comparing goods against services, which creates somewhat of a distinction from the outset. Whilst I accept that *computer software* and *mobile applications* may be used, to an extent, to support the provision of the financial services listed in the opponent's specification, I cannot see any meaningful similarity in the use of the respective goods and services. I can also see little opportunity for correlation in users, other than both theoretically being available to the public at large. The nature of the goods and services is not similar and neither are the respective trade channels. I can see no scenario whereby the goods and services could be competitive and neither can I identify a complementary element. Weighing those findings, I cannot see any similarity between the applicant's class 9 goods and the services relied upon by the opponent.

7. As a result of the finding of non-similarity, the s.5(2) opposition was dismissed. The Hearing Officer also dismissed the opposition under s.5(3) for lack of a link, based in part on the dissimilarity of the goods.

8. On this appeal the Opponent argues that the Hearing Officer should have found that there was a degree of similarity between "computer software" and "mobile applications" and the "financial services" registration of the Applicant.

9. In particular, it was said that "computer software" is very broad and encompasses a diffuse range of products performing a variety of functions. Thus, it was submitted that it could include software or apps that enable users to make electronic payments or financial investments.

10. In support of this I was referred to what Laddie J had said in *Mercury Communications Ltd v Mercury Interactive* (UK) Ltd [1995] FSR 850 at 864-865:

> "The defendant argues that on its present wording, the plaintiff's registration creates a monopoly in the mark (and confusingly similar marks) when used on an enormous and enormously diffuse range of products, including products in which the plaintiff can have no legitimate interest. In the course of argument I put to [counsel for the plaintiff] that the registration of a mark for 'computer software' would cover any set of recorded digital instructions used to control any type of computer. It would cover not just the plaintiff's type of products but games software, accounting software, software for designing genealogical tables, software used in the medical diagnostic field, software used for controlling the computers in satellites and the software used in the computers running the London Underground system. I think that in the end he accepted that some of these were so far removed from what his client marketed and had an interest in that perhaps a restriction on the scope of the registration to exclude some of the more esoteric products might be desirable.
>
> In any event, whether that was accepted or not, in my view there is a strong argument that a registration of a mark simply for 'computer software' will normally be too wide. In my view the defining characteristic of a piece of computer software is not the medium on which it is recorded, nor the fact that it controls a computer, nor the trade channels through which it passes but the function it performs. A piece of software which enables a computer to behave like a flight simulator is an entirely different product to software which, say, enables a computer to optically character read text or design a chemical factory. In my view it is thoroughly undesirable that a trader who is interested in one limited area of computer software should, by registration, obtain a statutory monopoly of indefinite duration covering all types of software, including those which are far removed from his own area of trading interest."

11. Arnold J. (as he then was) commented on this passage as follows in the first *Sky v Skykick* judgment [2018] EWHC 155 (Ch):

> 171. In my view, registration of a trade mark for "computer software" is too broad for the reasons given by Laddie J in *Mercury v Mercury*, which apply with even more force 23 years later now that computer software is even more ubiquitous than it was in 1995. In short, registration of a trade mark for "computer software" is unjustified and contrary to the public interest because it confers on the proprietor a monopoly of immense breadth which cannot be justified by any legitimate commercial interest of the proprietor. This is clearly recognised by the USPTO's practice quoted above.
>
> 172. It does not necessarily follow, however, that the term "computer software" is lacking in clarity and precision. Indeed, at first blush, it appears to be a term whose meaning is reasonably clear and precise. Indeed, as will appear, it is sufficiently clear and precise to make it possible to decide whether SkyKick's goods are identical to it. On the other hand, I find it difficult to see why the reasoning of the TMDN with respect to "machines" in Class 7 is not equally applicable to "computer software".
>
> 173. For reasons that will appear, it could make a real difference to the outcome of this case if SkyKick are correct that the Trade Marks are partly invalid because the relevant parts of the specifications are lacking in clarity and precision. Accordingly, I have concluded that this is an issue of interpretation of the Regulation and the Directive on which it is necessary to seek guidance from the CJEU.

12. The USPTO practice referred to by Arnold J. in §171 quoted above reads as follows:

> US Patent and Trademark Office's Trademark Manual of Examining Procedure ("TMEP") §1402.03(d):
>
> "Any identification of goods for computer programs must be sufficiently specific to permit determinations with respect to likelihood of confusion. The purpose of requiring specificity in identifying computer programs is to avoid the issuance of unnecessary refusals of registration under 15 U.S.C. §1052(d) where the actual goods of the parties are not related and there is no conflict in the marketplace. *See In re Linkvest S.A.*, 24 USPQ2d 1716 (TTAB 1992). Due to the proliferation and degree of specialization of computer programs, broad specifications such as 'computer programs in the field of medicine' or 'computer programs in the field of education' will not be accepted, unless the particular function or purpose of the program in that field is indicated. For example, 'computer programs for use in cancer diagnosis' or 'computer programs for use in teaching children to read' would be acceptable.
>
> Typically, indicating only the intended users, field, or industry will not be deemed sufficiently definite to identify the nature of a computer program. However, this does

> not mean that user, field, or industry indications can never be sufficient to specify the nature of the computer program adequately. For example, 'downloadable geographical information system (GIS) software' would be acceptable. Geographical information systems, also known in the industry as GIS, are well-defined computer applications that do not need further definition. ….
>
> If an applicant asserts that the computer programs at issue serve a wide range of diverse purposes, the applicant must submit appropriate evidence and/or specimens to substantiate such a broad identification of goods. *See* 37 C.F.R. §2.61(b); TMEP §§1402.03(b)–(c).
>
> Generally, an identification for 'computer software' will be acceptable as long as *both* the function/purpose *and* the field of use are set forth. However, specifying the field of use is not required when the identified software has a clear function and is not field-specific/content-specific. Further, some general wording is allowed. …"

13. The CJEU subsequently ruled in *Skykick* C-371/18 that there was no basis to object to the term "computer software" for lack of clarity and precision (§71). However, that does not take away from the observation that a registration such as "computer software" is of immense breadth.

14. When *Skykick* reached the Court of Appeal [2021] EWCA Civ 1121 following its return from the CJEU, the Court of Appeal allowed Sky's appeal against the findings of bad faith by Arnold J. whereby he cut down Sky's specification of goods from the broad description "computer software". In doing so Sir Christopher Floyd did not disagree with the observation that "computer software" was an incredibly broad definition of goods. Indeed at §113 he observed:

> SkyKick's only complaint about an application in that category was that Sky did not intend to use the mark in respect of <u>all</u> computer software, and there was no prospect of their using the mark in relation to <u>all</u> computer software. It is true that Sky had no prospect of using the mark in relation to every conceivable sub-division of computer software, but that fact is not, in my judgment, a relevant or objective indication of bad faith.

15. Accordingly, I do not detect any disagreement with the general observations of Arnold J. about the breadth of a "computer software" specification. That may have no or only limited relevance to an allegation of bad faith in the light of the decisions which followed, but it does not affect the impact that such a specification may have on the comparison of goods.

16. With that in mind I turn to the reasoning of the Hearing Officer. She found that computer software and mobile applications may be used to support the provision of financial services in the opponent's specification. I agree with that finding. Clearly, the provision of financial services may be supported by specialist computer software. This could be used, for example, to give advice, present details of a client portfolio, or to enable transactions.

17. She then went on to find that she could not see any meaningful similarity in the use of the respective goods and services. This is rather conclusory and does not really add to the reasoning which followed.

18. Breaking it down, she held that there was little correlation in users, other than theoretically being available to the public at large. To the extent that she meant by this that the purchasers of software to e.g. give advice, present details of a client portfolio, or to enable transactions (i.e. the financial service providers) would be different to the ultimate recipients of the financial services, then I agree. But it seems highly likely that the end-users of the financial services would or at least could also be *users* of the software developed to receive advice, present portfolio details or to carry out transactions. In such a field, they may also expect to find that the software they are using is "bespoke" in the sense that it is presented as unique to the company providing the financial services.

19. Going on through her §54 and continuing this analysis, the nature of the goods and the trade channels may be different, as she found, and they may not compete. But I have difficulty with the conclusion that there are no complementary elements, particularly in light of the Hearing Officer's earlier finding that computer software and mobile applications may be used to support the provision of financial services. As I have noted above, it is clearly the case that financial services can and often are provided using computer software, often of a bespoke nature. This seems to me to be a classic example of complementary goods and services whereby the nature of the software plays an integral and important part in the delivery of the financial service. This is so notwithstanding the finding by the Hearing Officer at §59, that the average consumer of the sorts of goods and services in issue in the present case would be likely to apply "*a reasonably high degree of attention when selecting a provider*".

20. The analogy sought to be made by the Opponent was to the supply of a banking app by a high street bank, which the consumer would expect to come from the same source as the financial services supplied by the bank. Like all analogies, the comparison is not perfect, but I can understand why a consumer may expect there

to be some sort of similar link between the provider of platforms to enable or support financial services and the provider of the underlying financial services.

21. For these reasons I disagree with the conclusion that there are no similarities between computer software and mobile applications and the financial services in the Opponent's specification. The supportive/complementary nature of the former is apparent and that is sufficient in my mind to render the goods/services as having a low degree of similarity. As the Hearing Officer explained in relation to "electronic payment apparatus" in §55, the average consumer might expect a single or related entity to offer both. This mainly arises because of the hugely broad nature of the Applicant's specification, which means that one form of computer software or another is likely to be similar to large swathes of goods and services in other classes, so ubiquitous is the use of computers and software in present day life. The solution to this is for applicants to be more specific in what they apply for, and to narrow down the classes of software to make it more difficult to allege that such software could be used to support or be complementary to other goods and services. But the Applicant has not sought to do that in the present case.

22. The Opponent went on to point out that the Applicant does in fact appear to provide services to allow the transfer of money and payment for goods and services equivalent to its own services in Class 9, but even if this is correct it is irrelevant when what is being compared are the respective registrations, not what the parties might actually do in practice.

23. Having found that the Hearing Officer was wrong to hold that there was no similarity between *computer software and mobile applications* and the Opponent's financial services registrations in Class 36, I am now required to determine whether there is a likelihood of confusion as a result of the use of the marks for the respective goods and services.

24. The Hearing Officer found for the other goods sought to be registered that there was a likelihood of confusion, including for goods which had only "a very low degree of similarity" (electronic payment apparatus, dealt with in §55). She rejected a case of direct confusion on the basis of the elevated level of attention that the average consumer is likely to apply to the purchasing process. However, she found that there would be indirect confusion, reasoning as follows:

> 78. For the reasons outlined in *L.A. Sugar*, consideration of indirect confusion requires a more multifaceted assessment. It is clear that the marks share an identical element in MFS, which I have found to carry the greater weight of the words in the application

> (and is the only element in the earlier mark). However, the application also incorporates an additional word and a figurative element, both without counterparts. With regards the application's 'Africa' element, it seems likely that consumers will consider it a geographical indicator, pointing towards where the services originated, for example. Regardless, in terms of *trade* origin, I find it unlikely that consumers will attribute a great deal of weight to it. The figurative element remaining in the application allows for a fairly clear visual distinction between the marks but, to my mind, is consistent with what may be considered a stylistic revision or aesthetic evolution of an earlier 'MFS' mark, particularly in light of the relationship between the respective goods and services. When trying to foresee the thought process of the average consumer, I find it likely that it would recognize that the marks share a common element in MFS and attribute the additional elements in the later mark to either a revision of the original, word only mark or simply a sub-brand; it could even be mis-conceived as part of a wider series of 'MFS' marks, all falling under the 'MFS' umbrella, with each serving or depicting a different geographical location. Weighing those findings, I am minded to conclude that, in respect of those goods and services where I have found similarity, the average consumer is likely to succumb to indirect confusion, believing the marks to originate from a shared or related undertaking.

25. I can find no fault in her reasoning – and indeed I was not invited by the Applicant to criticise it. If the same reasoning is applied to *computer software and mobile applications* on the basis that there is some similarity between them and the Opponent's financial services registration, then I think that the same conclusion must follow. In all the circumstances of this case taking into account the respective marks and goods/services, the consumer would be likely to consider the Applicant's mark as some sort of sub-brand e.g. for bespoke software designed to facilitate the provision of the financial services. This would result in a likelihood of indirect confusion, and the application should be refused *in toto*.

26. I am fully conscious of the standard to be adopted in appeals of this nature, which should amount to a review of the decision below, not a rehearing. See *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52]. Stepping back, I am satisfied that the Hearing Officer did fall into error in relation to the similarity of goods/services and that the error merits a limited reversal of her decision. The main reason for this is the incredible breadth of the Applicant's proposed specification.

27. At one stage I was tempted by the Opponent's fallback suggestion that the Applicant's registration could be limited to "*computer software and mobile applications except for in relation to the provision of financial services".* As I discussed with Ms. Blythe at the hearing, it is difficult to see the circumstances in which this could arise. I was either not persuaded that the Hearing Officer had fallen

into error, in which case I could not consider it, or I was so persuaded, in which case there would be no need to.

28. In the end, the position is the latter. I am not minded to start exploring alternative specifications in circumstances in which the Applicant has not put forward any alternative itself, has not endorsed the Opponent's fallback position, and indeed has taken no part in this appeal. I am also not convinced that the sensible way to deal with specifications of the breadth of "computer software" is by way of disclaimer. It seems far better to me to draft this sort of specification in much narrower and more focussed positive terms. But that is not a matter before me and I say no more about it at this stage.

Conclusion

29. As I have found in favour of the Opponent under s.5(2) there is no need for me to deal with the appeal under s.5(3).

30. The Opponent has been successful on at least its s.5(2) appeal and it is entitled to an award of costs to add to the costs award of £700 made by the Hearing Officer.

31. Taking into account the costs of preparing the grounds of appeal, skeleton argument and attendance at the hearing, I award the Opponent the sum of £1200 to add to the £700 already ordered, all of which should be paid within 21 days.

21st June 2022

Thomas Mitcheson QC

The Appointed Person