

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK  
APPLICATION **m** 2013009 BY PEGASUS GROUP PLC  
TO REGISTER THE MARK SENIOR

AND

IN THE MATTER OF OPPOSITION  
THERE TO UNDER OPPOSITION **m** 43669  
BY QUEST SOFTWARE LTD

TRADE MARKS ACT 1994

IN THE MATTER of trade mark  
application m2013009 by  
Pegasus Group PLC  
5 to register the mark SENIOR

and

IN THE MATTER OF opposition  
thereto under opposition m43669  
by Quest Software Ltd

10 DECISION

Pegasus Group PLC (hereafter “Pegasus”) applied on 3 March 1995 to register the mark SENIOR in classes 9 and 16. The class 9 application was in respect of :

15 “Computer programmes; computer software; magnetic tapes, magnetic discs, punched (encoded) cards and punched (encoded) tapes, all for use with computers; all included in Class 9.”

The class 16 application was in respect of:

“Printed forms for computers; business forms; printed matter; all included in Class 16.”

The application is opposed by Quest Software Ltd. I summarise the grounds of opposition as follows:

- 20
1. The opponent claims that the mark is not a trade mark within the meaning of section 1(1) of the Act insofar as it is not capable of distinguishing the goods or services of the applicant from those of the opponent or others.
  2. The mark does not satisfy the requirements of section 3(1)(a), (b), (c) and/or (d).
  - 25 3. The opponent also claims that the mark should be refused under section 3(3) because it is contrary to public policy and/or morality, and because it is of such a nature as to deceive the public, in particular as to the type of product.
  4. The opponent further claims to have a sufficient reputation in the trade mark SENIOR to be able to prevent the applicant from using the mark by virtue of the law of passing off. This ground goes to section 5(4).

5. It is also alleged that the opponent's use of the mark entitles them to protection under the Paris Convention as a well known trade mark. As such, their mark is said to be an earlier trade mark as defined in section 6(1)(c), and therefore registration should be refused under section 5.

5 The opponent further requests that the Registrar refuse application m2013009 in the exercise of his discretion. However, under the Trade Marks Act 1994 the Registrar does not have discretion to refuse an application as he did under the old law. An application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

The applicant filed a counterstatement denying each and every ground of opposition.

10 Both parties ask for an award of costs in their favour.

Both sides filed evidence in these proceedings and the matter was due to be heard on 19 November 1997. However, the agents acting for the opponent had previously indicated that the opponent did not wish to be represented at the hearing. When the agent acting for the applicant learned this shortly before the hearing, he agreed that the Registrar should make his  
15 decision on the basis of the written evidence without the need for a hearing. Acting on the Registrar's behalf and after a careful study of the papers, I now give this decision.

#### Opponent's Evidence

This comprises a Statutory Declaration by Simon Charles Carter dated 15 May 1996, and two supporting declarations by Mark Ian Luckham and Robert Ian Willis. Mr Carter is the  
20 Managing Director of Quest Software Limited (hereafter "Quest"); a company he has been associated with since its formation in August 1990. His company produce and market a range of software products sold under a number of different trade marks such as CHECKBOOK, STOCKCHECK, ORDERCHECK, PAYCHECK and JOBCHECK. He says that sometimes his company chooses to market a variation of one of these products. Sometimes the variation is an  
25 enhanced version, in which case the term PLUS or SENIOR is appended to the standard product name. Sometimes the variation is a simplified or 'cut-down' version of the product in which case a term such as JUNIOR would be appended to the standard product name.

The CHECKBOOK accounting program was launched at the beginning of 1991. In 1992, Quest produced a simplified version of CHECKBOOK which was sold under the mark  
30 CHECKBOOK JUNIOR. An enhanced version was launched in January 1994 under the name CHECKBOOK SENIOR. This enhanced version was a multi-user package as opposed to the original single user product. Mr Carter provides the turnover and advertising figures for the original CHECKBOOK program, and the enhanced CHECKBOOK SENIOR version:

	<u>Turnover</u>		
	<u>Year</u>	<u>CHECKBOOK SENIOR</u>	<u>CHECKBOOK</u>
35	1994	£14,000	£50,000
	1995	£62,000	£22,000
	1996 (Budget)	£85,000	£24,000

Annual Advertising

	<u>Year</u>	<u>CHECKBOOK SENIOR</u>	<u>CHECKBOOK</u>
	1994	£12,000	£5,000
	1995	£14,000	£5,000
5	1996 (Budget)	£17,000	£6,000

Exhibited at SCC3 is a brochure issued by Quest in relation to the CHECKBOOK SENIOR product, and also a note of the enhancements to the original product in the CHECKBOOK SENIOR product.

10 Mr Carter goes on to say that he is aware of other companies which use the SENIOR suffix to denote different versions of a program. He specifically identifies two such companies. The first, Micro Retailer Systems Limited, has produced four versions of one program, namely, MICRO RETAILER, MICRO RETAILER SIMPLEX PLUS, MICRO RETAILER JUNIOR and MICRO RETAILER SENIOR. The latter two of these versions were launched in 1988, and Mr Carter exhibits copies of literature from Micro Retailer Systems Limited illustrating the different  
15 versions of the MICRO RETAILER product.

The second company, Scorpion Computing Limited, marketed a program called EASY in the mid-1980s; different versions of this program were sold under the marks EASY SENIOR and EASY JUNIOR.

20 Mr Carter concludes by saying that he considers the trade mark SENIOR to be wholly descriptive of enhanced or improved variations of a more basic product, particularly in the software field.

The opponent's second statutory declaration is by Mark Ian Luckham of LogicQ Limited. During 1984 and 1985 Mr Luckham was Marketing Director of Scorpion Computing Limited. His evidence concerns the EASY software referred to by Mr Carter (above). He says that  
25 Scorpion sold around 3,500 copies of EASY and the annual turnover reached around £500,000 in 1984/1985. Scorpion then decided to produce variations of EASY called EASY JUNIOR and EASY SENIOR. (The names were apparently prompted by IBM's launch of the PC-Junior - a low cost version of the standard Personal Computer.)

30 Mr Luckham says that probably over 2000 copies of EASY JUNIOR were shipped, and around a 1000 copies of the basic EASY product. He does not say how many copies of EASY SENIOR were sold, but he does say that Scorpion were persuaded "to abandon plans to continue using SENIOR as a differentiator". Instead, the SENIOR version was renamed EASY JUNIOR MULTI-USER. Subsequently, Scorpion Computing was put into liquidation and the EASY range of accounting software disappeared from the marketplace. Consequently,  
35 although it is clear that Scorpion Computing intended at one stage to use the product name EASY SENIOR, it is not clear whether any versions of the product were actually sold under this name. In all the advertising literature exhibited to Mr Luckham's declaration, the product is

referred to as EASY JUNIOR MULTI-USER. There appears to be no reference to EASY SENIOR.

5 Mr Luckham also adds that he considers that words such as JUNIOR and SENIOR have been commonly used in the computer industry for a very long time to differentiate between levels of product, and to target different price bands.

10 The opponent's third declaration is by Robert Ian Willis of Micro Retailer Systems Limited. Mr Willis is the Commercial Director of Micro Retailer Systems, and has been employed by the company since 1993. He says the MICRO RETAILER trade mark has been used by the company since April 1987. The mark is used in three forms, a basic form, a JUNIOR form and a SENIOR form. Mr Willis says the words JUNIOR and SENIOR are used purely in a generic sense to differentiate the levels of functionality of the respective variants. The total turnover in products sold under the mark since 1987 amounts to approximately £645,000. More particularly, the turnover for 1990 to 1994 is given as:

	<u>Year</u>	<u>Turnover</u>
15	1990	£102,000
	1991	£80,000
	1992	£40,000
	1993	£47,000
	1994	£41,000

20 Mr Willis explains the drop in turnover as being principally due to the fact that the MICRO RETAILER product has been superseded by a new product called RETAILER 90. Unfortunately again, there is no indication as to precisely what proportion of this turnover relates to products bearing the SENIOR suffix. Neither is there any significant mention of the SENIOR version in any of the literature exhibited to Mr Willis' declaration.

25 Applicant's Evidence

This comprises a Statutory Declaration by Philip Gerald Larking, dated 30 September 1996, and two supporting declarations by David Robert Green and Barry N Blunt. Mr Larking is the Company Secretary of Pegasus Group Plc. He has been employed by the company since June 1995, and confirms that the information in his declaration comes either from his own  
30 knowledge or from the records of his company.

Mr Larking says that from its launch in 1984 until 1994, SENIOR has been the lead product in the Pegasus accounting software range. At one stage, SENIOR was being used by up to 40,000 users in the United Kingdom and was the country's best selling business accounting system, comprising a series of integrated accounting and commercial modules.

35 By way of explanation, Mr Larking states that the SENIOR product is a DOS-based product and is now being used alongside new accounting products which are Windows-based. Not

surprisingly, the SENIOR product is losing market share to the Windows-based software; nevertheless, it is widely respected as being a reliable product for DOS-based systems, and is still available as an integral part of the company's product offering.

5 Mr Larking says that the SENIOR product was developed as a multi-user version of an original program called PEGASUS. It was first marketed as PEGASUS MULTI-USER in the early 1980s. In 1986, the program was renamed PEGASUS SENIOR, and this name was registered as a trade mark on 22 October 1986. The program came to be known as SENIOR alone in 1986. Sales figures for the years 1992-95 are given as:

	<u>Year</u>	<u>Sales Value</u>	<u>% of Total Company Revenue</u>	<u>Est. Advertising &amp; Promotional Expenditure</u>
10	1992	£2,940,000	45%	£750,000
	1993	£3,500,000	72%	£750,000
	1994	£1,820,000	38%	£250,000
	1995	£1,750,000	27%	£150,000

15 Having read the opponent's evidence, Mr Larking observes that EASY SENIOR was renamed as EASY JUNIOR MULTI-USER "before it ever got off the ground". He goes on to say that the turnover figures quoted by Mr Willis in relation to the Micro Retailer product range suggest that total sales are so insignificant as not to affect the distinctiveness of his SENIOR product.

20 Exhibited to Mr Larking's declaration are two brochures published by Pegasus Group. The first, dated 1995, lists a range of business software, including SENIOR, provided by Pegasus. The second, dated 1996, is dedicated to the SENIOR product.

25 The declarations of David Robert Green and Barry Blunt both state that SENIOR is well established in the field as a trade mark in its own right. Mr Green is the Sales Manager, formerly the proprietor, of Buxhall Computing - a dealer in accounting software products. Mr Blunt is the Managing Director of Microsystems (Distributors) Ltd, a reseller of accountancy software. Both men confirm that users of the accounting program generally refer to the product as SENIOR; only rarely is it described as Pegasus SENIOR. Mr Blunt adds that in all his company's dealings with Pegasus and with customers, all correspondence, orders and literature focus on the brand name SENIOR.

That completes my review of the evidence filed in these proceedings.

### 30 *Section 3*

I first consider the opposition in relation to section 3. That section reads:

3.-(1) The following shall not be registered

(a) signs which do not satisfy the requirements of section 1(1),

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

### *Section 3(1)(a)*

This subsection prevents the registration of signs which do not satisfy the requirements of section 1(1). Section 1(1) reads:

**1.** (1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals, or the shape of goods or their packaging.

This requirement concerns the inherent ability of a sign to function as a trade mark in the market place. In order to find that a sign does not satisfy the requirements of section 1(1), it must be shown not only that the sign has never functioned as a trade mark, but that it could never under any circumstances perform the function of a trade mark - ie. distinguish the goods or services of one undertaking from those of other undertakings. In my view, the opponent’s evidence does **not** establish that the sign SENIOR is inherently deficient as a trade mark, or that it could never distinguish the goods of one undertaking from those of other undertakings. Consequently the opposition under section 3(1)(a) fails.

### *Section 3(1)(b)*

The applicant has sought to register the mark SENIOR in relation to computer programmes etc. in class 9 and printed matter in class 16, and it is in that context specifically that I must consider whether or not the mark is devoid of any distinctive character. However, I note for example that the opponent has relied at least to some extent on the distinctive character of the sign to distinguish between different versions of its own accounting software products. Moreover, the opponent professes to be the proprietor of the trade mark SENIOR to the extent that they claim to be able to prevent the applicant’s use of the mark by virtue of the law of passing off - this forming the basis of a separate ground of opposition. The opponent also seeks protection for the trade mark SENIOR as a well known mark according to the Paris Convention. With all this in mind, I conclude that the opponent’s evidence falls short of proving that the mark is devoid of any distinctive character in relation to computer programmes etc..

*Section 3(1)(c)*

This subsection excludes from registration those trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services. The opponent's evidence does suggest that a number of software houses have at some time used (or continue to use) the word SENIOR as a suffix to indicate a particular variant of a basic product. There is nothing in the applicant's evidence which contradicts this suggestion; rather the applicant appears to have begun using the word in precisely this way. In this respect, it is clear to me that the word SENIOR consists exclusively of a sign which may serve, in trade, to designate the kind of goods, for example an enhanced version of a product. Subject to the proviso to section 3(1), the opposition under section 3(1)(c) succeeds.

*Section 3(1)(d)*

This subsection excludes from registration those trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade. For much the same reasons as given in relation to section 3(1)(c), I believe that the evidence filed in these proceedings shows that it has become customary, at least in the software trade, to use the words JUNIOR and SENIOR as suffixes to denote variations of a basic, standard program. Consequently, and subject again to the proviso to section 3(1), the opposition under section 3(1)(d) also succeeds.

Although I have found that the mark applied for falls within the scope of subsections c & d of section 3(1), that is not the end of the matter. Section 3(1) continues:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

The evidence filed by the applicant in support of the application relates solely to computer software for accounting and payroll functions. Nevertheless it shows that the mark SENIOR has been used solus since 1986. The sales and advertising figures for the years immediately prior to the filing date of the application are not insignificant. Furthermore, none of this evidence has been challenged by the opponent. I therefore conclude that the trade mark SENIOR has in fact acquired a distinctive character as a result of the use made of it before the date of application for registration, **but only in relation to computer software for accounting and payroll functions.** There is also no suggestion in the evidence that the applicant has used (or proposes to use) the mark SENIOR in relation to punched cards and/or punched tape or printed matter at large. I shall deal with the practical consequences of this later, after considering the remaining grounds of opposition.



*Section 3(3)*

I turn now to the opposition under section 3(3). This section reads:

(3) A trade mark shall not be registered if it is

- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

The opponent has not filed any evidence to support the allegation that registration of the mark in suit would be contrary to public policy or to accepted principles of morality. Neither is there any significant evidence before me which suggests that the mark is of such a nature as to deceive the public. Consequently the opposition under section 3(3) fails.

*Section 5(4)*

I turn now to the opposition under Section 5(4), which reads as follows:-

5 (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 an unregistered trade mark or other sign used in the course of trade, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark.

The opponent has claimed in the notice of opposition to have a sufficient reputation in the trade mark SENIOR to be able to prevent the applicant from using the mark by virtue of the law of passing off. However, the opponent's evidence does not specifically address this ground of opposition and I do not need to go into the matter in any detail before concluding on the basis of the evidence before me that the opposition under section 5(4) fails. In any case, such a claim can be given little weight in the light of the evidence which shows that the applicant was using the mark at issue for a number of years before the opponent commenced to use it.

*Section 6(1)(c) - Well Known Mark*

The opponent also claims that their use of the mark entitles them to protection under the Paris Convention as a well known trade mark. This ground of opposition is based on section 6(1)(c) which reads:

6 (1)(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well-known trade mark.

I note once again that the opponent's evidence does not specifically address this ground of the opposition. As far as I am aware there have not been any reported cases which deal with the nature and extent of the evidence necessary to support a claim for protection as a well known mark under the Paris Convention, but having regard to the scope of the protection afforded to such marks, I feel certain that the standard of proof is likely to be high . In this case, the evidence before me does not prove that the mark SENIOR is well known in this country as indicating the goods of the opponent. Thus the opposition on this ground fails.

In summary therefore, except insofar as the application relates to accounting and payroll applications, the opposition has succeeded. Nevertheless, if the application is amended (by the filing of a form TM 21) to restrict the specifications in classes 9 and 16 as suggested below, then the application can proceed to registration.

The class 9 specification would then become :

“Computer programmes; computer software; magnetic tapes, magnetic discs; all for use with computers; all relating to accounting and/or payroll applications; all included in Class 9.”

The class 16 application would become:

“Printed forms for computers; business forms; printed matter; all relating to software for accounting and/or payroll applications; all included in Class 16.”

I allow a period of one month from the end of the appeal period for this decision in which the applicant may request amendment to this effect. If such an amendment is requested, the opponent will have been partially successful in these proceedings, and in these circumstances I would make no order as to costs.

If, on the other hand, no such amendment is requested, the opponent will have succeeded and will be entitled to a contribution to his costs. In such circumstances, I would order the applicant to pay to the opponent the sum of **£800**.

**Dated this 6th day of January 1998**

**S J Probert  
For the Registrar  
the Comptroller-General**