

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION **m** 2007335
BY INITIATIVE SOFTWARE APPLICATIONS LTD
TO REGISTER THE TRADE MARK **RESPOND**

AND

IN THE MATTER OF OPPOSITION
THERE TO UNDER OPPOSITION **m** 43415 BY
PHOENIX SOFTWARE AND CONSULTANCY SERVICES LTD

TRADE MARKS ACT 1994

IN THE MATTER of trade mark
application m2007335 by
Initiative Software Applications Ltd
5 to register the mark RESPOND

and

IN THE MATTER OF opposition
thereto under opposition m43415
by Phoenix Software and Consultancy Services Ltd

10 DECISION

Initiative Software Applications Ltd (hereafter “Initiative”) applied on 7 December 1994 to register the trade mark RESPOND in class 9 in respect of :

“Computer software and hardware; magnetic recording media; parts and fitting for all the aforesaid goods.”

15 During the course of examination before the Office, the specification was amended to:

“Computer software, all for recording, analysing and processing of complaints, incidents or enquiries, but not including the provision of replies.”

The mark was advertised for opposition purposes on 13 September 1995.

20 The application is opposed by Phoenix Software and Consultancy Services Ltd (hereafter “Phoenix”). There was essentially only one ground of opposition pleaded, and it was based on the opponent’s claim to have first use of the mark RESPOND for identical goods, ie software for monitoring/handling complaints.

25 The applicant filed a counterstatement admitting that the opponent had made limited use of the mark prior to their application date, but maintaining that such use was insufficient to prevent registration of the mark.

Both parties ask for an award of costs in their favour, although the first indication that the opponent was seeking costs did not come until their evidence was filed on 11 July 1996.

30 Both sides also filed evidence in these proceedings and the matter came to be heard on 29 January 1998. At the hearing, the opponent was represented by Mr Marc Broi, the Technical Director of Phoenix. The applicant was represented by Mr Peter Muir, Trade Mark Attorney of S G Unwin & Co.

The Evidence

The opponent's evidence comprises a statutory declaration by Marc Broi, dated 10 July 1996. Mr Broi is the Technical Director of Phoenix, and has been employed by Phoenix since 1989. The applicant filed a statutory declaration by David Christian Budenberg, dated
5 4 October 1996. Mr Budenberg is a Director of Initiative, and has been employed by Initiative since its formation in 1991.

I do not think it is necessary for me to recite the evidence in any detail in this decision because the facts are not an issue between the parties. What the evidence, as a whole, shows is that the opponent, Phoenix, first used the name RESPOND in October 1993 to describe a
10 computer program which they sold to Newry & Mourne District Council in County Down. In February 1994, Phoenix placed several advertisements in the Local Government magazine "Municipal Journal" announcing the new product.

Meanwhile, in December 1993, Initiative sent a press release to thirty four (34) magazines in the health care field announcing their own computer program called RESPOND. Initiative
15 received their first order for RESPOND in January 1994, and by the end of March 1994 they had received a further twenty (20) orders. Initiative then applied to register the mark RESPOND in December 1994.

Both the applicant and the opponent are using the name RESPOND in relation to computer programs for monitoring/handling complaints. The opponent's product is designed exclusively
20 for local government authorities. Consequently the size of the opponent's potential market is limited by the number of local authorities in the country - around 400-500 at the present time. The applicant's product appears to have been originally targeted at hospitals and other health care organizations, though it was accepted at the hearing, and it is clear from the evidence, that in principle it has a much wider market. For example, one of the sales brochures exhibited
25 to Mr Budenberg's declaration states that RESPOND is "already being used successfully by a wide range of businesses from manufacturers to service companies, local government and health care organisations."

With this in mind, I now consider the sole ground of opposition under the Act. Although the notice of opposition does not specifically refer to any section of the Act, Mr Broi's declaration
30 indicated that the opposition was being pursued under section 5(2) of the Trade Marks Act 1994. However, at the hearing, Mr Broi agreed that his company (Phoenix) does not have an earlier trade mark within the meaning of section 6, ie an earlier registration or application, and that consequently he could not succeed under section 5(2). Nevertheless, the notice of
35 opposition does clearly indicate that the opposition relies upon an earlier right (ie first use), and to that extent both Mr Muir and Mr Broi were content to proceed on the basis that the opposition should be considered under section 5(4).

Section 5(4)

This section reads:

40 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.

5 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.

10 The earlier right upon which the opponent relies is ‘first use’ of the mark. There has been no suggestion, either at the hearing or in the evidence, that any of the earlier rights listed in sub-section (b) of section 5(4) are involved. In relation to sub-section (a), no rule of law, other than the law of passing off, has been identified as a potential means of protecting the opponent’s unregistered mark. Consequently it was common ground at the hearing that the essential question for me to decide is whether or not the law of passing off would have enabled the opponent to prevent the applicant from using the mark RESPOND at the date of application - 7 December 1994.

15 The authoritative statement of the elements necessary for a successful passing off action, as set down by Lord Fraser of Tullybelton, is found in the “Advocaat” case¹. Lord Fraser said:-

“It is essential for the plaintiff in a passing-off action to show at least the following facts:-

1. That his business consists of, or includes, selling in England a class of goods to which the particular trade name applies;
- 20 2. That the class of goods is clearly defined, and that in the minds of the public, or a section of the public, in England, the trade name distinguishes that class from other similar goods;
3. That because of the reputation of the goods, there is goodwill attached to the name;
4. That he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England which is of substantial value;
- 25 5. That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.”

30 Mr Muir conceded that the opponent passes the first of these five ‘hurdles’, but he submitted that the degree of prior use shown by the opponent prior to his client’s application date, could not possibly have established the necessary distinctiveness or reputation to satisfy the remaining limbs of Lord Fraser’s test. In this regard, Mr Muir referred me to the decision of the Registrar in the NOBWYP case². At line 15 of page 6, immediately after quoting the above passage from the “Advocaat” case, the Registrar’s Hearing Officer says:

35 “In my view, the opponents’ evidence falls far short of demonstrating that they could succeed in a passing off action. There is no independent evidence confirming that in the public’s mind they have a significant reputation in their mark. This is not surprising. The evidence they have provided shows that their development of the mark and the product, and their subsequent testing of the market, were carried out in a very leisurely manner and on a very small scale. They commenced actual sales only very shortly before the material date in these proceedings. Activity on such a small
40 scale and over such a short time could scarcely be expected to achieve the sort of reputation that

¹Warninck v Townend [1980] RPC 31, at pages 105-106

²SRIS m O\91\97. Decision dated 14 May 1997.

could succeed in a passing off action, I believe. In the result, I find that the opposition under Section 5(4)(a), is unsuccessful.”

5 In Mr Muir’s submission, the opposition under section 5(4) in this case must fail for the same reason(s). That is, the opponent has filed no independent evidence confirming that in the public’s mind they have a significant reputation in the mark RESPOND. In short, I think this must be right, but before reaching any conclusion I shall briefly consider how the facts of this case correspond with the several limbs of Lord Fraser’s test.

10 It seems at least reasonable in the particular circumstances of this case to interpret Lord Fraser’s words “section of the public” (see the second of the five tests) as referring to the four hundred or so local authorities and not the public at large. This follows on the basis that the opponent’s market, even if they had been trading in their RESPOND product for a very considerable time, would not extend beyond the number of local authorities in the country simply because their product is designed specifically and exclusively for that market. Even so, and despite the evidence which shows that most (if not all) of this potential market was covered
15 to some extent by an advertisement in the Local Government magazine “Municipal Journal”, there is no evidence before me to suggest that in the minds of this limited section of the public, the trade mark RESPOND was able to distinguish the opponent’s product from other similar products at the relevant date. Consequently the opponent cannot clear the second of the five hurdles of Lord Fraser’s test for passing off.

20 Clearly, if the opponent has not established the necessary reputation to satisfy the second test, there cannot be the goodwill required by the third and fourth tests.

25 With reference to the fifth of Lord Fraser’s tests above, there is one further factor that came to light during the hearing. It was accepted by both parties at the hearing that any confusion which may arise in the market place will almost certainly not result in significant damage (in the passing off sense) to the opponent’s business. The opponent’s RESPOND software is not an inexpensive program which can be purchased ‘off-the-shelf’. Long before any money changes hands, any misunderstanding concerning the nature and/or source of the product would come to light, not least because the applicant’s program is designed to operate on a Personal Computer under Microsoft Windows®, whereas the opponent’s program operates on a UNIX platform
30 and is installed and configured to suit each particular local authority.

For all these reasons, the opponent has not established that he could have succeeded in a passing off action against the applicant, and consequently the opposition under section 5(4) fails.

35 As the applicant has been successful in these proceedings, he is entitled to a contribution to his costs. I therefore order the opponent to pay to the applicant the sum of **£600**.

Dated this 4th day of February 1998

**Mr S J Probert
Principal Hearing Officer
For the Registrar, the Comptroller-General**