

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2018635  
BY CLIMATEMASTER LTD TO REGISTER A TRADE MARK IN CLASS 11

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 49931  
BY CLIMATE MASTER INC

---

**DECISION**

---

1. This is a decision following a preliminary hearing in an appeal against the decision of Mr Reynolds, the Hearing Officer acting for the Registrar, dated 28<sup>th</sup> August 2001. By that decision, Mr Reynolds refused the application by Climatemaster Limited (“the Applicant”) to register a mark comprising the words CLIMATEMASTER LTD and the device of a bear in respect of “air conditioning apparatus, heat pumps, de-humidifiers and refrigerated units”, all in Class 11 of the Register on the basis of the earlier registration by Climate Master Inc (“the Opponent”) of the trade mark CLIMATE MASTER in respect of “heat pumps and parts and fittings therefor, all for commercial purposes; all included in Class 11; but not including portable oil burning space heaters”. The opposition was founded on section 5(2)(b) of the Trade Marks Act 1994. The Opponent had secured its own registration following contested opposition proceedings between the parties under the Trade Marks Act 1938.

2. There were two applications before me. The first was an application to amend the grounds of appeal. The second was an application to adduce further evidence on the appeal. At the preliminary hearing the Applicant was represented by Mr Peter Banks, a director, and the Opponent was represented by Ms Fiona Clark, instructed by Ladas & Parry.

Amendment of the grounds of appeal

3. It is clear that I do have power to permit amendment of the grounds of appeal in an appropriate case: *Coffeemix* [1998] RPC 717 at 723. The grounds of appeal in this case were served on the 24<sup>th</sup> September 2001. In the proposed amended grounds of appeal the Applicant seeks to expand or clarify the grounds of appeal in a number of respects.
4. First of all, the Applicant seeks to appeal against two interlocutory decisions which preceded the decision of Mr Reynolds on the substantive opposition. They were given on applications by the Opponent for extensions of time to file its evidence in opposition.
5. The evidence was initially due on the 6<sup>th</sup> January 2000. On the 3<sup>rd</sup> March 2000 the Opponent made an application for an extension of time. Mr Farrington of Ladas & Parry appeared for the Opponent. Mr Banks represented the Applicant via a telephone link. Mr Parker, the Hearing Officer acting for the Registrar, granted the Opponent a final extension of time of 14 days to file its evidence. Mr Banks contended before me that the Opponent

misled the Hearing Officer as to the extent of work that had been done. Nevertheless the Applicant did not appeal against the decision.

6. On the 29<sup>th</sup> June 2000 a further interlocutory hearing took place before Mr Rowan, the Hearing Officer acting for the Registrar. Both parties were represented on that occasion by telephone link. After hearing submissions, Mr Rowan allowed the Opponent a further extension of time until the 22<sup>nd</sup> March 2000 to serve a declaration of a Mr Thompson. Again, there was no appeal by the Applicant against that decision. Mr Banks told me that no appeal was brought against these interlocutory decisions because he was anxious to secure an early resolution of the opposition and he thought that appeals would delay matters. As I have indicated, the hearing of the substantive opposition took place over a year later on the 28<sup>th</sup> August 2001. In the meantime the Applicant sought, and was granted, an extension of time for filing its own evidence.
  
7. In the light of the very substantial period of time which has expired since the interlocutory decisions, the fact that no appeal was brought against them and that they involved the exercise by the Hearing Officer in each case of his discretion, I believe it would not be appropriate for these matters to be raised now on this appeal. I do not believe that Mr Banks' explanation for not bringing the appeals at the time justifies giving him permission to raise these issues now on this appeal and after the substantive opposition has been dealt with.

8. Secondly, Mr Banks seeks to elaborate his grounds of appeal so as to contend that the Applicant has been unfairly treated. As I understand it, his complaint here falls into three parts. He contends that Mr Reynolds did not properly consider or evaluate the evidence, that he failed properly to take account of the trading activities of the parties and finally, that the costs order was unduly high. I believe that all of these are matters of argument which the Applicant may seek to develop on the appeal in the light of the existing grounds of appeal and the evidence as it stands. The document provides a useful elaboration of the arguments that the Applicant intends to advance. But I do not think it necessary or appropriate for them to be raised by way of amended grounds of appeal.
9. The third matter raised in the amended grounds relates to the additional evidence sought to be introduced on appeal. For the reasons which I elaborate later in this decision I do not believe that evidence should be admitted. It is therefore not appropriate that it be referred to in the grounds of appeal.
10. For all these reasons I have reached the conclusion that I should refuse permission to amend the grounds of appeal.

The application to introduce further evidence

11. The second matter before me was an application by the Applicant for leave to introduce a further short declaration of Mr Banks. In this declaration Mr Banks gives evidence of the use of the mark in issue in relation to equipment supplied in 1989 to British Steel. Mr Banks states that this is provided as a

“representative example” of the Applicant’s project work and further states that the labelling applied to the relevant unit was the standard method of marking used for all equipment.

12. The relevance of this evidence is apparent from paragraphs 45 and 45 of the decision of the Hearing Officer on the opposition. The Hearing Officer here addressed the contention by the Applicant that there had been honest concurrent use by the Applicant of the trade mark in issue over many years. The Hearing Officer recorded the Opponent’s contention that the Applicant was in the business of designing, installing, commissioning and maintaining heat pumps and related goods under the mark, in other words the provision of services. The Hearing Officer concluded that, in his view, the Applicant’s evidence did not elucidate whether and to what extent the Applicant’s mark had been used in relation to the goods the subject of the application, rather than in relation to services. The Hearing Officer also noted the acknowledgement by Mr Banks that his company supplied both services and goods.

13. It is clear that I do have a discretion to allow additional evidence to be admitted on the appeal. I must take into account all relevant factors, including the *Ladd v Marshall* criteria. These factors must be given due weight, as observed by Lawrence Collins J. in *Label Rouge*, a decision of the 18<sup>th</sup> February 2002. I also have in mind the observation of Laddie J. in *Dualit Ltd v Rowlett Catering Appliances Ltd* [1999] FSR 865 that proceedings before the Registry are not a dry run to test out the evidence to see which parts can be

criticised and so that the evidence can then be perfected for the purpose of an appeal.

14. I have come to the conclusion that I should not allow this evidence to be admitted. In coming to this conclusion I have taken account of the following matters which I believe are relevant to this case. First, it is clear that the evidence sought to be adduced could have been obtained with reasonable diligence for presentation before the Hearing Officer. The evidence relates to matters within the knowledge of the Applicant. It concerns use of the trade mark in issue in relation to equipment supplied by the Applicant to its customers.
  
15. Secondly, the issue to which the evidence goes was clearly foreshadowed by the Opponent in its evidence. In the declaration of Mr Thompson dated 21<sup>st</sup> March 2000, he stated, in paragraph 4, that his understanding was that the Applicant had used its mark principally as a service mark for the installation and maintenance of air conditioning systems and heat pumps and that, if it were to succeed in registering the mark in Class 11, it would then be free to adopt the mark for the manufacture and sale of such systems. In his view, this was when confusion between the respective marks might be expected to occur. Furthermore, in the reply statement of Mr Farrington on behalf of the Opponent dated the 28<sup>th</sup> March 2001, he analysed the invoices attached to the evidence of Mr Banks on behalf of the Applicant and noted that they related principally to labour and materials rather than to goods. He stated that there was nothing in any of the evidence filed by the Applicant to suggest that Mr

Banks had used his mark on any goods for which the application was filed. Despite this challenge laid down clearly by the Opponent in its evidence in chief and in reply, the Applicant did not seek at any stage to introduce before the Hearing Officer the evidence which it now seeks to introduce on appeal.

16. Thirdly, although clearly relevant, I am doubtful that the supplementary evidence would have an important influence on the result of the case. In the evidence Mr Banks only deposes to one particular instance of the supply of equipment bearing the trade mark in issue. This seems to me to advance matters very little. He then states, as I have indicated, that this installation is “representative” and illustrates his standard method of marking. These general observations seem to be no more or less probative than the evidence which he has already given in these proceedings. He will of course be able to argue about the significance of the existing evidence on the appeal.
17. Fourthly, although I believe that the evidence that Mr Banks gives as to the particular installation at British Steel is clearly credible, the other general evidence he gives is very much open to challenge.
18. Fifthly, the reason advanced by Mr Banks for not adducing the evidence earlier was that he appeared in person and did not appreciate the need for the supplementary evidence. He also submitted that the Hearing Officer had not called for a case management conference at which clarification of the use by the Applicant could have been sought. I understand and am sympathetic to the problems faced by litigants who seek to conduct such proceedings without the

benefit of professional advisers and representation. Relevant issues may not be as apparent to them as to those more familiar with trade mark proceedings. Nevertheless I must also weigh this submission against the clear indication given in the evidence of the Opponent that these points would be taken.

19. Sixthly, I think it is fair to say that the general observations made by Mr Banks in the additional evidence as to the fact that the particular installation he has given evidence of is “representative” has the potential to cause significant prejudice to the Opponent. I think there is force in the submission made by the Opponent that these general observations made by Mr Banks might require the Opponent to carry out investigations to see whether or not and to what extent other equipment and installations of the Applicant in fact carried the trade mark in issue.
20. Taking into account all these factors I have reached the conclusion that I should not give leave to admit the new evidence. In particular I have in mind that the evidence could have been filed earlier, it is unlikely to have a significant outcome on the proceedings, a rather flimsy explanation for the late filing has been offered and finally, there is a real possibility that the Opponent will be significantly prejudiced.

### Conclusion

21. For the reasons which I have given I refuse both of the applications made by the Applicant. The Opponent has asked for an order for costs. In all the



circumstances of this case I think that the right thing to do is to reserve the costs until the substantive hearing and I so order.

DAVID KITCHIN QC

14 May 2002