

O-206-11

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**

BACKGROUND

1) On 1 February 2008 Advanced Perimeter Systems Limited (hereinafter APS) filed an application to register the trade mark “Multisys” in respect of the following goods in Class 9:

“Perimeter fence security control system comprising control hardware for monitoring and detection, control software for monitoring and detection; all for use with physical electrical fencing for land, buildings and physical premises.”

2) Following examination, the trade mark was accepted and published for opposition purposes on 11 April 2008 in Trade Marks Journal No.6730.

3) On 11 July 2008 a notice of opposition was filed by Multisys Computers Limited. The opponent states that it has used the mark MULTISYS since 1991 in relation to a range of goods and services in respect of, inter alia, protection of systems such as computer systems, internet connections and remote purchase systems. Such protection systems are known in the industry as “perimeter” or ring fence arrangements. As a result of the use in the UK the opponent has gained reputation and goodwill in the mark MULTISYS. Use of the mark in suit would therefore offend against Section 5(4)(a) of the Trade Marks Act 1994.

4) On 23 October 2008 the applicant filed a counterstatement which consists of a denial of the ground on which the opposition is based. The opponent is put to strict proof of use.

5) On 2 April 2008 Keycorp Limited (hereinafter KEY) filed an application to register the trade mark “MULTISYS” in respect of the following goods:

In Class 9: Computer software, computers, computer hardware.

In Class 42: Computer programming, computer advisory, consultancy and design services, computer support, rental and hire of computer software.

6) Following examination, the trade mark was accepted and published for opposition purposes on 25 July 2008 in Trade Marks Journal No.6745.

7) On 23 October 2008 a notice of opposition was filed by APS. The opponent states that it is the proprietor of trade mark 2478624 Multisys for goods in Class 9 which are identical to the Class 9 goods applied for and similar to the Class 42 services applied for. The mark in suit therefore offends against Section 5(1) and 5(2)(a) of the Trade Marks Act 1994.

8) On 6 January 2009 the applicant filed a counterstatement which consists of a denial of the grounds on which the opposition is based. The opponent is put to proof of use.

9) As Multisys Computers Limited is wholly owned by Keycorp Limited and the issues interlinked, the two cases were consolidated.

10) Both sides filed evidence in these proceedings. Both seek an award of costs. The matters came to be heard on 18 May 2011. At the hearing, APS was represented by Mr Malynicz of Counsel instructed by Messrs Marks & Clerk LLP; KEY was represented by Mr Parnham of Messrs Hepworth Browne.

EVIDENCE OF KEY

11) KEY filed a witness statement, dated 9 March 2009, by Lawrence James Robert Keable, the Managing Director of Multisys Computers Ltd who, he states, trade in relation to computer and internet based security equipment and services including information and transaction protection. He states that he has been involved in such services since 1984. He states that Multisys Computers Ltd was incorporated on 1 October 1991 and Multisys Ltd was incorporated on 13 June 2003, and that both operate in the area of computer and internet security provision. Both are owned, ultimately, by Keycorp Ltd and the mark MULTISYS has been used continuously since 1991. All three companies are referred to as “his company” in this summary. He states that the examples of documentation at exhibit B show use of the mark MULTISYS in relation to computer software/hardware and in particular to the provision of secure environments for the operation of such software through computers coupled into networks both internally and externally. I will provide my analysis of this exhibit later in this summary. He states that the services and products provided by his company under the mark MULTISYS can be defined as “control hardware and software for detecting and monitoring computer networks and transaction pathways for security and verification”. He states that his company has, since 1991, developed an extensive reputation in the mark due to the use made of the mark. As an example he states that he attends one or two meetings a week with existing and/or new prospective clients. He states that currently his company provides services and goods to fifty to one hundred clients and customers, mostly in the UK but including Europe and Eire. The mark is promoted by use of business cards, brochures, letterheads, and on all correspondence. In addition, his company owns the domain names multisys.co.uk; multisys.us and multisys.com. Labels with the mark MULTISYS are attached to computers supplied and to software packaging.

12) Mr Keable states:

“7. The nature of computer based security systems means that services provided to primary customers by the opponent [KEY] under the mark MULTISYS will also be utilised by secondary and tertiary customers in a network supply chain or information path. Evidence can be provided with regard to the structure of internet and computer based network systems but in short it will be appreciated that the service provided between client A and client B must also be compatible and meet the operational requirements of subsequent customers of client B and so those subsequent customers possibly referred to as Clients C, D, E etc will all be aware of the product and services provided under the mark MULTISYS by the opponent initially in relationship client A to client B and vice versa. In such circumstances, the reputation for the mark MULTISYS extends significantly beyond the simple number of client relationships A to B within a network. Such compatibility requirements are typically specified upon packaging and web pages with regard to computer based systems.

8. Fences, walls and other security perimeter defences are used as colloquialisms in the computer and internet environment in order to define protected information and transactions, environments and areas. I enclose as Exhibit C examples of definitions with regard to ring fence and other terms utilised with regard to financial services and by extrapolation electronic commerce and internet access provision. The application opposed defines “perimeter fence security control system(s), control hardware for monitoring and detecting, control software for monitoring and detection”. In such circumstances particularly control software for monitoring and detection will readily encompass known processes provided by the opponent’s [KEY] products and services in relation to protecting e-commerce and other internet/computer environments. In any event through our product Multisys Security we provide services and goods directly related to physical security protection including CCTV and control systems.”

13) Mr Keable states that since 1991 the total turnover in respect of goods and/or services under the trade mark MULTISYS “is around £3,250,000”. He also provides the following figures:

Year	Turnover
2001/02	229k
2002/03	244k
2003/04	268k
2004/05	323k
2005/06	396k
2006/07	477k
2007/08	402k

14) Unfortunately, Mr Keable does not state which currency these turnover figures are in, the state which country/countries they refer to, or the exact goods and services to which they relate. He states that the mark MULTISYS is “a conjunction of “multi” in relation to multi user and “sys” as in a systematic approach”. He states that the mark is fanciful and alludes to multiple user system analysis and protection processes. He states that whilst searching for his company’s products, presumably upon the internet although he does not state this, he has come across postings for APS. He states that his company manufactures and sells PCs, computer system servers and bespoke software under the mark MULTISYS, and also supplies bought in products under the same mark. He estimates that the promotional budget has been approximately £75,000 per annum in 2007 & 2008. The company produces brochures, places advertisements in trade magazines and has also attended exhibitions. He states that his company has customers throughout the UK and Europe. He states:

“Our products relate to ensuring security of transactions and communication. The products provide a protected computer and internet environment commonly referred to as “ring fenced” to inhibit access by hackers and other interlopers as well as control of physical security systems. One of the Multisys products is a web-based ordering system for commercial stationers with respect to their transactions with their end consumers and customers. Also as a software and hardware supplier we act as a customers IT department and as well as network and PC security we also deal with any equipment that might be connected to a customers network and so a [sic] now supply and support CCTV and

telephone equipment. As other equipment also becomes computer based we are expecting to continue this trend of supporting equipment for our customers and this could involve links to alarms systems and intrusion detection which also ties to monitoring electric and other perimeter fences etc. (Please see our website –Multisys Security Exhibit D).”

15) Mr Keable also provides the following exhibits:

- B: This consists of a mouse mat; two brochures, neither of which is dated, and neither of them mention security at all; pages from a trade magazine “Product Talk” dated 2002 which carries an advertisement for the company and states “For a different view on software, systems and support”; a quote for a company called SoftlyAware performance software dated 13 September 1999 which makes only a brief mention of internet security; and various letters to clients which use the mark MULTISYS and refer to computer software and computer services. All of the services appear to refer to office systems to deal with invoicing, ordering, stock control, debt chasing and general office functions.
- C: This consists of a variety of definitions for various terms from Wikidictionary, Investopedia, BBC News, Google and other Internet sites. I have amalgamated these into the following:

Ring fence: To guarantee the safety of funds or investment; to specify that funds may only be used for specific purposes; freeing assets from undue restrictions, tax burdens or other country-specific laws.

Virtual fence: This consists of unmanned surveillance towers equipped with sophisticated sensor devices which are capable of distinguishing people from cattle from a distance of ten miles. The sensors can detect whether people are carrying backpacks that may contain weapons or drugs. It also is used to keep cattle and dogs away from various areas of land.

Perimeter fence: Not so much a definition but actual usage such as “...industry needs a change of attitude in order to confront cybercrime? Security is not just about the height of the perimeter fence any more.”

Privacy fence: This it is said “completely erases all your tracks on a computer with security algorithm approved by DoD and NSA.”

- D: This consists of a page from the website of Multisys, dated 9 March 2009. It offers to protect property by use of a security CCTV system which can be monitored and controlled via the web.

EVIDENCE OF APS

16) APS filed two witness statements. The first, dated 8 June 2009, is by Andrew Moon the Technical Director of APS. He has been with APS since 1982 and involved in perimeter fencing since 1977. He states that APS is engaged in designing, manufacturing, and supply of perimeter

fence security systems for commercial, industrial, public, military and government premises and sites both in the UK and worldwide. He states that the equipment is used on, inter alia, historical sites, royal palaces, factories, warehouses, oil and gas complexes, airports and prisons. He states that APS has been operating in this field for over twenty-five years. He states that the mark MULTISYS was first coined and used in September 2006, and that it was carefully chosen so as to be similar to the existing product mark MEGASYS, which had been in use since 2001. MULTISYS was a new system based on and intended to replace MEGASYS.

17) Mr Moon states that the mark Multisys was coined by conjoining part of the words “multiple” (as in many types of physical detection) and “system”. He states that it relates purely to physical perimeter intruder detection and has nothing to do with e-commerce or IT software. Mr Moon states that the Multisys product was launched on 21 May 2007 at the IFSEC exhibition at the National Exhibition Centre in Birmingham. He states that IFSEC is “the world’s largest global security exhibition”. He also confirms that the mark has been promoted at IFSEC in subsequent years and also all round the world by attendance at other similar exhibitions and also by use of brochures. He states that APS supplies most of the major global security companies in the UK and also most of the regional security companies. These companies install the APS Multisys system and so it is known to a wide audience. He confirms that they have direct involvement with nearly 500 firms and amongst their customer list are firms such as ADT, Chubb, Honeywell, MOD, Diageo, Transco, BP and BNFL. He states that APS has, since 1 April 2000, been a member of the British Security Industry Association (exhibit AM5) and a member of the Fencing Contractors Association Limited since 3 February 2002 (exhibit AM6). His company also participates in various quality standards groups such as the Assessor for Quality Standards and Processes in relation to perimeter fencing and security (exhibits AM7 & 8). They are on the approved list of various official bodies.

18) Mr Moon states:

“The product for which APS’s Trade Mark Multisys is used may be described as a “perimeter fence security control system, comprising control hardware for monitoring and detection, control software for monitoring and detection all for use with physical electrical fencing for land, building and physical premises”.”

19) Mr Moon also provided a number of exhibits, I summarise below those which I believe are relevant.

- AM1: Literature for MEGASYS. This is described as “a powerful computer based Security, Closed Circuit Television, Access Control and Patrol Tour System.”It provides physical security to a premises.
- AM2: Price lists for September 2006 and 2007 showing use of Multisys. These show prices for hardware and software, as well as alarms, CCTV systems, cables, relays and switches (for gates etc).

- AM3-4: Photographs of the stand at IFSEC and literature relating to the May 2007 launch of Multisys. These show that the computer systems (cameras etc) are linked to actual fencing in order to detect intruders.

20) The second witness statement, dated 10 June 2009, is by Dawn Moodie APS', Trade Mark Attorney. She has carried out searches of the internet and the internet archive, to reveal other companies using the trade mark MULTISYS. She provides the following exhibits:

- DM1: Use of the mark MULTISYS in relation to software which provides a comprehensive Retail Management System. This has been in use by this company since 2002 and was still in use in 2009.
- DM2: Use on a television and a remote control for televisions dated March 2009.
- DM3: Copies of the website of KEY for the period May 2006 – June 2007 which shows that they did not have a section relating to MULTISYS security during the period covered by these documents.

KEY'S EVIDENCE IN REPLY

21) Key filed two witness statements. The first, dated 10 September 2009, is by Mr Keable who has previously given evidence in these proceedings. He states:

“2. Multisys Computers Limited is a company incorporated to provide amongst other services bespoke software and systems with an emphasis towards security. These systems are provided to organisations and purveyors of services to particular consumers and in such circumstances system integrity security as well as physical security preventing exploitation of facilities and services as well as theft of goods, directly or indirectly, are a requirement. Security is a holistic activity and must be considered in such terms of integrating systems, both physical and virtual security, to be effective. Software and appropriate equipment controlled by that software is important in such integration.”

22) Mr Keable confirms that he is aware of the use by others outlined by Ms Moodie but does not consider them commercially significant. With regard to the website of his company he disagrees with the analysis of Ms Moodie. He files copies of his company's website at exhibit JK1 dated from 2004 which show that his company offered software security against viruses and other computer related security issues. He states that bespoke security software can involve physical barriers and CCTV cameras and systems. He comments that the items shown on the price lists supplied by Mr Moon at exhibit AM2 (and reproduced by Mr Keable as exhibit JK2) show use on software control systems and regimes. He also claims that his company provides intruder detection and access control systems in relation to e-commerce and/or through integration with physical security measures. Mr Keable comments that the evidence of APS shows that without a computer and software the product of APS would not work. He also states that the companies listed by Mr Moon as clients, provide security not only of a guarding nature but also in relation to physical security in the form of e-commerce protection, CCTV cameras

and remote security via sensors as well as fencing. He states that his company potentially provides services and goods to these same companies.

23) He states:

“Segmentation of the security market with regard to perimeter fencing in isolation is not viable in view of the number of security devices and arrangements used; separate operation of each system in isolation is not desirable, practical or generally economic.”

24) The second witness statement, dated 10 September 2009, is by Steven Hurst the Centre Manager of Bollington Leisure Centre in Macclesfield. He states that in 2004 Multisys Computers Limited “replaced the entire computer network with a Multisys Windows server, computers and printers along with and integration to access control equipment.” Later he continues:

“3. The opponent [KEY] provided the control software, computers and some of the equipment for the access control system to the Bollington Leisure Centre. Some of the services and equipment provided by Multisys, the Opponent, relate to security control and in particular control hardware for monitoring and detection as well as control software for monitoring and detection of physical barriers.”

25) Mr Hurst also provides a quote from Mutisys Computers Ltd for the provision of CCTV cameras. This is dated 15 September 2006.

FURTHER EVIDENCE OF APS

26) This consists of a further witness statement by Mr Moon, dated 3 April 2009. This is almost identical to his first witness statement and has resulted from the consolidation of the two cases. It provides no new information.

27) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

28) I shall first consider application number 2478624 and the opposition 97557. The sole ground of opposition is under Section 5(4)(a) of the Trade Marks Act 1994 which reads:

“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

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.”

29) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

‘To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

30) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the

enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

31) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

32) First I must determine the date at which APS' claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

33) In their evidence APS claims to have first used its mark in September 2006, prior to the application being submitted on 1 February 2008. KEY did not challenge this date in their evidence, and in any event it is clear from exhibit AM2 that this was the date of first use by APS. For their part KEY claims to have been using its mark since 1991. I have to determine who is the senior user, or if there had been common law acquiescence and take into account the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

34) I now turn to consider the evidence provided by KEY. Throughout the witness statements of Mr Keable he contends that KEY is involved in computer based security. This was challenged by APS in their evidence and unfortunately for KEY the exhibits provided do not appear to corroborate this contention. He also states that his company manufactures and sells PCs, computer system servers and bespoke software. From the brochures provided at exhibit B of his witness statement dated 9 March 2009 it would appear that the types of software on offer relate to office accounts such as stock control, ordering, invoicing, debt control, and communications. I am willing to accept that the software involves protecting the information of clients when they are using such systems. It is clear that KEY did not refer on its website to any security functions other than virus protection prior to the relevant date. The witness statement of Mr Hurst was relied upon as evidence of the involvement of KEY in security issues. However, this witness statement is somewhat ambiguous. It states that KEY “replaced the entire computer network with a Multisys Windows server, computers and printers along with, and integration to, access control equipment.” Later in his statement Mr Hurst comments:

“3. The opponent [KEY] provided the control software, computers and some of the equipment for the access control system to the Bollington Leisure Centre. Some of the services and equipment provided by Multisys, the Opponent, relate to security control and in particular control hardware for monitoring and detection as well as control software for monitoring and detection of physical barriers.”

35) This statement also includes a quote for CCTV cameras dated September 2006, but there is no corroboration of the earlier work referred to and the description provided is less than clear as to precisely what was provided by KEY. Similarly, the turnover and promotion figures are imprecise, lacking detail as to the currency, geographical limitations or details of the goods and services to which they relate. It appears that KEY provide computer hardware and software but do not wish to limit what field they provide these in. I do not place any weight upon the quotation provided by Mr Hurst as it is dated the same month as the first use by APS and it is an isolated instance of use beyond accounting. At the hearing Mr Parnham contended:

“But he has got goodwill, as I think it is acknowledged, in respect of software in relation to accounting. Epos and web sales control have to include a degree of security.”

And:

“If you look at securities as input points, which are the PIR sensors in relation to the security systems that APS are providing, the equipment of Mr. Keable, if you are limited to what you are referring to, are the tills, the web access sites etc. You are purely using the same techniques and the same technology in relation to protecting an asset. It may be a physical asset in the sense of a building or an asset in terms of personal data.”

Also:

“You have already intimated that the software is smeared across all sorts of usages. You can adapt software for all sorts of reasons.”

36) I do not agree with these views but rather will adopt the approach set out by Laddie J in *Mercury Communications v Mercury Interactive* [1995] FSR 850 where he said:

“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.”

37) I am willing to accept that, at the relevant date of September 2006, KEY has shown that it has goodwill in the provision of software in relation to accounting. This was accepted by APS at the hearing. Having accepted that KEY has overcome the first hurdle I now move onto consider the issue of misrepresentation. It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.’s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by Wynn-Parry J. in *McCulloch v May* [1948] 65 RPC 58 when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd v John Griffiths Cycle Corporation Ltd* (1898) 15 RPC 105 (cameras and bicycles); *Walter v Ashton* (1902) 2 Ch. 282 (The Times Newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing-off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing-off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

38) Also:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

39) And:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations.”

40) I will also take into account the comments of Morritt L J in the Court of Appeal in *Neutrogena Corporation and Another. v Golden Limited and Another* [1996] RPC 473, when he said, in effect, that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of members of the public would be misled into purchasing the applicant’s products in the belief that they were the registered proprietor’s.

41) The reputation that KEY has established is very weak. Even if I assumed that all of its turnover was in accountancy software, and it is not, then its reputation would be regarded as no more than average. KEY is a small software house, which specialises in accountancy or back office software. The application by APS is, broadly, in relation to software and control systems all for use with physical electrical fencing. APS have been very specific with their specification and have applied for goods in Class 9 which accurately reflects their activities. It is accepted by both parties that the trade marks are identical. The average consumer for both parties goods and services would be businesses rather than the general public, although I accept there will be the odd exception. To my mind the average consumer would not assume a link between an accounts software provider and the hardware and software required for monitoring and detecting perimeter fencing. Whilst the computer software industry may use terminology that refers to fencing, all its clients are aware that protecting against viruses and hacking is completely different to the actual physical security of the building in which the computers are housed.

42) Taking into account all of the above I conclude that use and registration of APS’ trade mark in relation to the goods applied for would not result in misrepresentation of KEY’s mark. In the absence of misrepresentation there can be no damage. The ground of opposition under Section 5(4)(a) in respect of the goods in Class 9 applied for fails.

43) The above decision means that application 2478624 is now able to proceed to be registered. I now turn to the grounds of opposition under Sections 5(1) and 5(2)(a). Both require the opponent (APS) to have an earlier trade mark. An “earlier trade mark” is defined in Section 6, the relevant parts of which state:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

44) APS’ application was filed on 1 February 2008 whilst KEY’s application was filed on 2 April 2008. Therefore, APS has an earlier trade mark. The first ground of opposition is under Section 5(1) which reads:

“5.-(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the earlier trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

45) It was accepted at the hearing that the marks would be regarded as identical as per the decision of the European Court of Justice (ECJ) in *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34.

46) Also at the hearing Mr Parnham accepted that the goods in Class 9 of the two parties are identical, a position he had contended earlier when opposing the application of APS. This is a position which I would have reached had the concession not been made as per *Gerard Meric v OHIM* Case T-133/05. KEY also rejected the opportunity afforded them at the hearing to amend their specification. Clearly, the services in Class 42 cannot be regarded as identical as they are in a different class. The opposition under Section 5(1) therefore succeeds with regard to the Class 9 goods but fails in relation to the Class 42 services.

47) Lastly, I turn to the ground of opposition under Section 5(2)(a) which reads:

“5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (b) ...

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

48) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). This was recently revised by Mr Hobbs QC acting as the Appointed Person in

O/330/10 (Alligator) and it was adopted by Arnold J in *Och Ziff* [2010] EWCH 2599 (Ch) dated 20 October 2010.

49) The opponent’s mark is only mildly inherently distinctive as it is the joining of two words “multi” and “systems”, and the average consumer would see the clear allusion. Whilst APS has shown use of its mark it has not provided evidence of turnover, market share or the extent of the market for perimeter fencing control systems in general. APS cannot benefit from an enhanced reputation.

50) I now turn to the comparison of the specifications of the two parties. For ease of reference these are:

APS Specification	KEY specification
Class 9: Perimeter fence security control system comprising control hardware for monitoring and detection, control software for monitoring and detection; all for use with physical electrical fencing for land, buildings and physical premises.	Class 42: Computer programming, computer advisory, consultancy and design services, computer support, rental and hire of computer software.

51) The average consumer for such goods and services would in the main be businesses, although I accept there may individuals who may also require such goods and services. The average consumer will not make a purchase decision on such goods and services without considerable care and attention. Most will find such goods and services via the internet or telephone directory, even if the goods or services have been recommended. Neither APS’ goods nor the services of KEY will be chosen without either a meeting or talking to the supplier.

52) In comparing the specifications I take into account the factors referred to in the opinion of the Advocate General in *Canon*; ETMR 1. In its judgement, the ECJ stated at paragraph 23:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users, and their method of use and whether they are in competition with each other or are complementary.”

53) Other factors may also be taken into account such as, for example, the distribution channels concerned (see for example, paragraph 53 of the judgment of the CFI in Case T-164/03 *Ampafrance S.A. v OHIM – Johnson & Johnson GmbH*. I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

54) At the hearing Mr Parnham contended that I should consider what business both parties are actually engaged in. This is to miss the point. The question in relation to section 5(2) of the Act relates to the potential scope of the specifications in normal and fair use. Evidence might assist on the nature of a service, however, evidence on the current business of either or both sides cannot be used to define and restrict the specifications. They must be taken as they exist, they are the facts. This was a matter dealt with by Laddie J in the context of infringement in *Compass Publishing BV v Compass Logistics Ltd* [2004] EWCA 520:

“Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

55) The question of complementary goods/services has been considered by the CFI in *Boston Scientific Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Case T- 325/06 the CFI stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685 , paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057 ; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757 , paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000 , paragraph 48).”

56) At the hearing Mr Malynicz on behalf of APS contended:

“On the Class 42 services, my learned friend said that his services are all about software generation and that sort of thing, but in fact Class 42 services also cover computer support, rental and hire of computer software. Computer support often covers hardware as well. In any event, the earlier specification does also cover software so there is an overlap in the sense of complementarity.”

And:

“It is programming, advisory, consultancy design services and computer support. I would say that those fall into two categories: services provided in relation to computer software and services provided in relation to computer hardware. I would say that they are adopting the standard *Canon* test of similar nature, similar consumer complementarity. I would say that there is a very high degree of similarity indeed, particularly bearing in mind the identity of marks. Those are my submissions. I am sorry, but I cannot really say very much more.”

58) For KEY Mr. Parnham contended:

“On services, to my mind, it is to do with software generation and software adaptation. I do not think there is any overlap because of the specificity of Class 9 if you take that view. It is so specific that you cannot argue that they are providing software support under that registration.”

59) The end users for both parties’ specifications will, mainly, be businesses. It is clear from the evidence and submissions of both parties that the monitoring, detection and control systems of APS’ fencing require software to operate. They will, as all such systems do, require maintenance and upgrading over the years. Neither side addressed these issues in any detail and so I have to make the best I can of the comparison of the goods and services.

60) To my mind the services of “Computer programming, computer advisory, consultancy and design services, computer support, rental and hire of computer software” must all include aspects of work that are indispensable for the goods of APS. I accept that these are very broad descriptions and would encompass a huge range of services, however it is sufficient if part of the service overlaps with that of the earlier mark. I therefore regard these services as complementary to the goods of APS.

61) Considering the matter globally and taking account of the fact that the marks in this case are identical I believe that there is a likelihood that the average consumer would believe that responsibility for all the Class 42 sought to be registered would lie with APS and so the opposition under the ground of Section 5(2)(a) succeeds in respect of these services.

62) KEY were offered an opportunity at the hearing to amend their specification to more accurately reflect their actual activities instead of the very general specification applied for. However, this was rejected and so I have no option other than to adopt this “blue line” approach.

COSTS

63) APS has been successful in defending its application , and has been successful in its opposition to the application by KEY and is therefore entitled to a contribution towards its costs. The cases were consolidated and only a single hearing resulted.

Preparing a statement and considering the other side’s statement	£600
Preparing evidence and considering and commenting on the other side’s evidence	£800
Preparing for and attending a hearing	£1000
TOTAL	£2400

64) I order Keycorp Ltd to pay Advanced Perimeter Systems Ltd the sum of £2400. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15 day of June 2011

**George W Salthouse
For the Registrar,
the Comptroller-General**