

TRADE MARKS ACT 1994

**IN THE MATTER OF UK trade mark 2347898
in the name of HAUSTE RECEIVABLES LTD**

**AND IN THE MATTER OF INVALIDITY APPLICATION No. 83695
in the name of CAUSEWAY TECHNOLOGIES LIMITED**

**APPEAL of the Proprietor from the decision of
Mr D Landau dated 30th September 2011**

SUPPLEMENTARY DECISION

1. This decision is supplementary to my decision dated 1 October 2012 in which I rejected the appeal against the Hearing Officer's decision on Causeway's invalidity application, subject only to the question of whether it was possible to formulate a narrower specification of the appellant's mark which would not be objectionable under section 5 (4)(a) of the Act.
2. The original specification of the TRADOCS mark was for "communication of information by electronic means" in Class 38. The invalidity application was based upon Causeway's earlier rights in the mark TRADEX. The Hearing Officer found that Causeway had goodwill in that mark in relation to "commercial electronic document exchange" services. He also found that those services encompassed and so were identical to "communication of information by electronic means".
3. For the reasons given in my earlier decision, I invited the appellant ("TL") to put forward a proposal for an amended specification compatible with the Hearing Officer's findings under section 5 (4)(a) and gave Causeway an opportunity to respond and for TL to reply.

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4. Causeway raised a number of objections to the proposed amended specification initially put forward by TL, as a result of which the proposal was further amended. The current proposed specification can be split into three elements:

- i) The communication of information by electronic means through the provision of web portal services;
- ii) The communication of security information by electronic means such as the provision of electronic signatures, information as to provenance and other verification; and
- iii) The communication of information, by electronic means, concerning transaction verification and matching.

All of these elements are qualified by the words "but not including an electronic document exchange" and of course remain in Class 38.

5. I had referred in my earlier decision to various authorities as to the approach which I should adopt at this stage of the proceedings in relation to the proposed amended specification, and to Tribunal Practice Notices TPN 1/2011, now 1/2012. At [26-27] I said:

"26. TPN 1/2011 and now TPN 1/2012, explain how that guidance shall be applied in cases of a defended invalidity application. There are 3 possible approaches, depending on the facts:

- a. The Hearing Officer may undertake a "blue pencil" partial deletion;
- b. The Hearing Officer may qualify the specification by adding the words "save for" and the goods/services to be taken out of the specification; or
- c. If neither a deletion or a "save for" exclusion will do, the Hearing Officer "may indicate the extent to which the proceedings succeed in his/her own words. The parties will then be invited to provide submissions/proposals as to the appropriate wording" of a narrower specification. The amended TPN says that will be done only in cases where the Hearing Officer considers that there is "real practical scope to give effect to Article 13." Where the invalidation succeeds against goods/services covered by "a broad term" it may be disproportionate to embark on a process to formulate proposals "which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business..."

27. I have set out at paragraph 7 above the background to this point and the Hearing Officer's decision based upon "*Postkantoor*". Mr Landau made no reference

to *Sensornet, Armani* or TPN 1/2011, and unfortunately it is not apparent that he had considered the impact of the TPN at all. Had he done so, in the light of his findings I think it likely that he would have dismissed both approaches (a) or (b) as inappropriate in this case. Indeed, I think that in paragraph 54 he effectively considered (and rejected) approach (b). It is less clear to me whether he considered the potential for reformulating the specification, still less whether he thought [it] was a realistic approach, as put in the new TPN, that as the challenged specification is a "broad term," any amended specification might not result in a narrower specification of any substance, or cover the goods or services provided by TL's business."

6. In BL O-410-11, *Multisys trade mark*, Mr Daniel Alexander sitting as the Appointed Person set out in some detail the circumstances in which he considered that it might be right to consider on appeal "a fall-back position" producing a more limited specification than one which was otherwise objectionable/invalid. The objection had been raised against a very broad specification including computer software in Class 9 and computer programming in Class 42 by the owner of earlier rights in a more specific range of hardware and software in Class 9. So, as here, the very broad specification in the appellant's application would have encompassed a huge range of goods/services, overlapping in part with the earlier rights. Having considered the merits of a late application to narrow down the opponent's specification, Mr Alexander said at [79]:

"... there may be no immediately obvious fall-back position, having regard to *Postkantoor, Case C-363/99* [2004] E.T.M.R. 57 or an alternative specification, if still broad, may be open to other objections such as want of intention to use across the scope. In particular, it would be wrong for particularly an appellate tribunal to approve a more limited specification when even that went far broader than anything that even might be the applicant [']s business, having regard to the public policy in avoiding clogs on the register by unused marks: see *Minerva TM* [2000] FSR 734: per Jacob J ("commercially nonsense to maintain the registration for all goods caused by the wide words"). This is a case which has been necessitated substantially by [the appellant's] unjustified attempt to obtain broad protection for the term Multisys based on narrow and limited trade."

Mr Alexander QC went on to consider the countervailing arguments, saying at [81]:

“First, it is at least for question whether the average consumer would believe that responsibility for "all" the Class 42 services sought to be registered would lie with [the earlier rights holder] ... There may be a narrower class of goods for which this would not be the case. In *Mercury*, Laddie J said that the defining characteristic of a piece of computer software was the function it performs. There is therefore an argument that use of a mark for business administration software may not result in the average consumer thinking that it came from undertaking using the mark for computer control systems for electrical fencing. To that extent, a more limited specification may have merit. In addition, it might be argued that, as with s. 47(5) of the Act, this tribunal should only allow an opposition to the extent that it is justified but not more: see Article 13 of the Trade Marks Directive.”

Having concluded that it would be right to permit the appellant to seek to draft an acceptable narrower specification, Mr Alexander QC said at [90]:

“Unless a more limited class 42 specification for [the appellant's] mark can be devised which is clearly not objectionable, the Hearing Officer's decision refusing the mark in its entirety will stand.”

7. After having received the further submissions of the parties in *Multisys*, Mr Alexander produced a supplementary decision, BL O-468-11. The appellant submitted that should be entitled to a more limited specification "Computer programming, computer advisory, consultancy and design services, ... all in relation to business, commercial mercantile and/or office administration." The opponent objected on the basis that there were services even within the revised specification which were sufficiently similar to the goods within the earlier specification to give a rise to risk of confusion. Mr Alexander commented at [7] that whilst the opponent was not "clearly right" about this, it was not "so clearly wrong as to admit of no possible argument." He did not find the more limited specification to be "*clearly* unobjectionable."
8. Causeway raised three principal objections to TL's proposed new specification, which may be summarised as follows:
 - i) the amendment extended rather than narrowed the specification;
 - ii) the amended specification included services similar enough to Causeway's services to be liable to be prevented by the law of passing off; and

iii) the proposed exclusion in fact describes a characteristic of the services and so would be contrary to *Postkantoor*.

9. I will deal with the second of those objections first. TL's response to this point was that Causeway could not seek to protect itself against use of the TRADOCS mark for services other than those for which it has goodwill; as the Hearing Officer had found that its goodwill lay only in relation to the services of a commercial electronic document exchange, Causeway could not seek to argue on appeal that it extended further than that. Taking the example of the services of communication of information through the provision of a web portal, Causeway argued that web portals would be likely to include commercial electronic document exchange services, but TL said that this was "an attempt to extend Causeway's claim to everything which is or might be "similar" or indeed to the provision of all commercial information by whatever means."

10. In my view, TL's response to this objection is misconceived. It seeks to argue that the protection granted to Causeway is limited by the scope of the services through provision of which it has acquired goodwill. That does not seem to me to be the appropriate test to apply in considering whether or not Causeway would be entitled to object to use by TL of the TRADOCS mark in relation to the services in the proposed narrower specification. Where a claimant in a passing off action has goodwill in relation to certain services it is not necessary to show that the defendant is offering highly similar let alone identical services. Millett LJ in *Harrods v Harrodian School* [1996] RPC 697 CA said at p 714:

"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" ... 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." ... 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 "...whether there is any kind of association, or could be in

the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant" ...

...

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one."

11. The law is summarised in Professor Wadlow's *The Law of Passing off*, 4th ed at 5-119-10:

"As the law stands, the presence or absence of a common field of activity may be relevant to the issues of misrepresentation and damage, but is no more than a rule of thumb which may be a convenient starting point for analysis in particular cases. There is no rule of law that a claimant cannot succeed in the absence of a common field. A fortiori there need not be actual competition with the same customers. ...

This is not to say that the common field of activity has no relevance. In the first place, the misrepresentation in passing off is hardly ever an express one. Instead, the court has to decide whether in all the circumstances of the case the use by the defendant of the particular name, mark or get-up is likely to deceive. Clearly the similarity or dissimilarity of the parties' respective fields of business is one important factor to consider. In general, the closer they are the more likely it is that the public will assume there to be a connection."

12. The range of services comprised within TL's proposed narrower specification seems to me still to be rather broad, particularly because it is not limited by reference to any particular type of business, trade or activity. Whilst TL suggested that its proposed specification covered services which it had already supplied to its customers, so that it would (for example) create, host and populate its web portal for the purpose of communicating "to suppliers information concerning the processes and procedures (e.g. time lines) and points of contact at specific outlets," nothing in the proposed amended specification limits the services in this way, or otherwise by reference to TL's past or existing business. This approach reflects the arguments made by TL earlier in these proceedings, when, for example, it sought to persuade the Hearing Officer to take into account TL's past use of the mark, rather than the full scope of the specification under attack. That argument was rejected by the Hearing Officer in paragraph 43 of the decision below, an element of his decision with which I agreed (see paragraph 14 of my earlier judgment).

13. It seems possible to me that the services of communication of information through a web portal might involve uploading or downloading of documents or other activities similar to those undertaken in an electronic document exchange. Hence, even though the specification excludes services strictly in the nature of an electronic document exchange, there is nothing to exclude the communication of information in relation to activities which are *similar* to such services.
14. Similar objections may be taken, in my view, to the other elements of the proposed new specification; it appears to me that the provision of security information by the provision of electronic signatures, etc and the communication of information as to transaction verification, etc may involve the provision of services having at least some level of similarity to those undertaken in an electronic document exchange.
15. In the circumstances, it seems to me that there is some risk that all of the services comprised within the proposed new specification may involve provision of some elements of services which are the same as or similar to Causeway's services. Given the similarities between the parties' respective trade marks, it seems to me that Causeway is right to be concerned that use of the TRADOCS mark in relation to the proposed new specification might give rise to passing off. At the very least it seems to me that the specification put forward by TL at this stage is not clearly or self-evidently unobjectionable, in particular given the breadth of the services covered. In my view it does not pass the test which Mr Alexander QC held was the appropriate one to apply at this stage of these proceedings. In my judgment, therefore, in the circumstances of this case it would not be right to allow TL's narrower specification.
16. TL's failure to delimit the services within its specification by reference to its actual field of activity leads to a further difficulty: as Mr Alexander QC pointed out in the *Multisys* case, an alternative specification may still be objectionable if it does not reflect the appellant's intended use of its mark or its business. I am concerned in this case that even the amended specification put forward by TL in reply to Causeway's objections may not reflect the nature of its business. I say "may" because there is a further issue in relation to the proposed amended specification, which is that it is in some respects very difficult to understand the nature of the services which it describes. However, given my view that I should uphold

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Causeway's objections to the new specification based on its unregistered prior rights, it is not necessary for me to delve further into the meaning of the wording chosen by TL.

17. In the circumstances, I do not consider it necessary for me to consider the further objections put forward by Causeway to the proposed new specification.
18. For these reasons I do not find TL's proposed new specification to be clearly free from objection. The Hearing Officer's decision declaring the TRADOCS mark invalid in its entirety will stand and the appeal is dismissed.
19. TL must bear the costs of the appeal as well as the costs of the hearing below, as ordered by the Hearing Officer. As I recited in my earlier decision, TL has provided security in relation to costs. Having regard to the usual scale of costs and to the fact that the parties made further submissions to me in relation to the proposed new specification, I will award Causeway the sum of £2000 as a contribution to its costs of the appeal, to be paid within 14 days of today.

Amanda Michaels
The Appointed Person
15 May 2013