

O-354-16

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF TRADE MARK APPLICATION NO. 3097869
IN CLASS 42 IN THE NAME OF CUMULUS HEALTH LIMITED

AND

IN THE MATTER OF OPPOSITION THERETO NO.
404578 BY FIRST CARE LIMITED

AND


ON APPEAL FROM THE DECISION OF MR GEORGE SALTHOUSE
DATED 4th FEBRUARY 2016

DECISION

1. This is an appeal from a decision of Mr George Salthouse, the Hearing Officer for the Registrar, in the opposition by First Care Limited (“the Opponent”) to the registration of the mark shown below. Mr Salthouse decided that the opposition failed and the Opponent appeals that decision.


Background

2. On 6 March 2015, Cumulus Health Ltd (“the Applicant”) applied to register the trade mark shown below for the following services in Class 42:

	<p>Class 42: Design and development of computer hardware and software; Advisory services relating to computer software; Advisory services relating to the use of computer software; Cloud computing; Computer and computer software rental; Computer and software consultancy services; Computer hardware and software consultancy services; Computer programming and software design; Computer software design and development; Computer software design and updating; Computer software design for others; Computer software design services; Computer software (installation of-); Computer software (Maintenance of -); Computer software (rental of -); Computer software (updating of-); Creating and maintaining computer sites (web sites) for others; Creating and maintaining web sites; Creating and maintaining web sites for others; Design and writing of computer software; Design of computer software; Design of software; Development of computer software; Hire of computer software; Hosting computer sites</p>
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[web sites]; Electronic data storage.

3. The Opponent opposed the application on the basis of s 5(2)(b) and its earlier rights in the series of two UK registered trade marks shown below, registered for services in Classes 35 and 44:

	<p>Class 35 Business management; business administration; office functions; business consultancy; advisory services for improvement of business performance; human resources evaluation; human resources management; productivity management; business, administration and management services relating to managing employee/workplace absence; business services relating to co-ordination and management of medical, rehabilitation and health support services; provision and administration of schemes relating to managing employee sickness absence; absence tracking and absence management services; provision and administration of schemes for workplace accident reporting and recording; employee record and employee history verification services; information, advisory and consultancy services relating to all of the aforesaid.</p> <p>Class 44 Medical services; medial screening services; arranging medical examinations; provision of medical information, advice and support; health care services; health management services; health screening and surveillance services; health assessment and advisory services; analysis of information relating to health; occupational health services; occupational health assessment services; occupational therapy services; employee health monitoring and assessment for others; information, advisory and consultancy services relating to all of the aforesaid</p>
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4. The Hearing Officer found the marks to be similar. He found the average consumer for both sides' services to be the general public, but that the nature of the services was such that they would pay a medium to high degree of attention to the selection of the services offered.
5. However, the Hearing Officer held that there was no similarity between the parties' respective services. This is the sole point upon which this appeal is based. The Opponent submits that the Hearing Officer should have found sufficient similarity between the services to undertake the usual global assessment of a likelihood of

confusion, and asserts that had he done so, he would have found that there was a likelihood of confusion. The appeal therefore turns upon paragraph 21 of the decision below, in which the Hearing Officer said:

“21 ... I fully accept that the evidence would appear to show that the applicant is trading offering similar services to those of the opponent. However, they have not applied to register the services that they appear to be actually offering but a different set of services. I accept that the computer software services offered could relate to the management of staff sickness and management. But offering the hardware and software to allow someone to carry out certain function [sic] is not the same as offering to carry out those functions on their behalf. It would be equivalent to excluding a pen or paper provider as these could be used to record sickness absence. I do not regard any of the services of the two parties as being similar in any way whatsoever.”

Approach to the appeal

6. The appropriate approach for me to adopt on these appeals was restated by Mr Daniel Alexander QC sitting as the Appointed Person in *Indian trade mark* BL O/439/14 and I gratefully adopt his summary of the position, the relevant parts of which read as follows:

“5. This appeal is a review of the hearing officer’s Decision. Robert Walker LJ (as he then was) said of such appeals:

“...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle” (*Reef Trade Mark* [2003] RPC 5 at [28]; see also *BUD Trade Mark* [2003] RPC 25).

6. Mr Justice Arnold recently summarised the principles in the light of the more recent authorities from the Court of Appeal and the Supreme Court as follows in *Shanks v Unilever Plc & Ors* [2014] EWHC 1647 at [27]-[28]:

“The role of the appeal court

27. The role of the appeal court was recently reviewed by Lewison LJ in *Fine & Country Ltd v Okotoks Ltd* [2013] EWCA Civ 672, [2014] FSR 11, where he said:

"50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416, 2423:

'Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.'

51. Where the appeal is (or involves) an appeal against a finding of fact, the role of an appeal court is as stated by Lord Mance in *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23 [2007] 1 WLR 1325 at [46] ...

28. I would add that the Comptroller-General of Patents is a specialist tribunal, and therefore the warning given by Baroness Hale of Richmond in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49, [2008] 1 AC 678 at [30], ... is apposite in this context:

" ... This is an expert tribunal charged with administering a complex area of law in challenging circumstances. To paraphrase a view I have expressed about such expert tribunals in another context, the ordinary courts should approach appeals from them with an appropriate degree of caution; it is probable that in understanding and applying the law in their specialised field the tribunal will have got it right: see *Cooke v Secretary of State for*

Social Security [2002] 3 All ER 279, para 16. They and they alone are the judges of the facts. It is not enough that their decision on those facts may seem harsh to people who have not heard and read the evidence and arguments which they have heard and read. Their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts or expressed themselves differently. ... "

7. These general principles are just as much applicable to appeals from the Comptroller as to other appeals and I have therefore borne them in mind in addressing the grounds of appeal, particularly those where an overall factual evaluation by the hearing officer has been made."

Merits of the appeal

7. The assessment of the similarity of the relevant goods and/or services is an essential element in the consideration of an opposition pursuant to s 5(2)(b) of the Act. If there is any level of similarity between the goods/services, s 5(2)(b) may apply, as the Hearing Officer acknowledged at paragraph 22 of the decision, citing *eSure Insurance v Direct Line Insurance* [2008] EWCA Civ 842; [2008] R.P.C. 34 at [49]. It is only where the goods/services are wholly dissimilar that the sub-section cannot apply, such that it is not necessary to carry out the global assessment of a likelihood of confusion.
8. The criteria by which the similarity between goods and/or services is to be assessed are well-established. In *British Sugar ('Treat')* [1996] RPC 281, [1997] ETMR 118. Jacob J (as he then was) said one should consider:
 - (a) The respective uses of the respective goods or services;
 - (b) The respective users of the respective goods or services;
 - (c) The physical nature of the goods or acts of service;
 - (d) The respective trade channels through which the goods or services reach the market;

- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether . . . on the same or different shelves;
 - (f) The extent to which the respective goods or services are competitive . . . [including] how those in trade classify goods, . . .
9. In Case C-39/97, *Canon* [1998] ECR I-5507, [1999] ETMR 1, the CJEU similarly said that relevant factors include the nature of the goods/services, the end users, the method of use of the goods/services, and whether they are in competition with each other or are complementary.
 10. The relevant passages from *Canon* and *British Sugar* were cited by the Hearing Officer at paragraphs 16-17 of the decision under appeal, together with some comments of Jacob J (as he then was) in *Avnet* [1998] F.S.R. 16 as to the undesirability of giving an unnaturally wide construction to specifications of services.
 11. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), [2013] E.T.M.R. 33, Floyd J (as he then was) held:

“12 ... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in *The Chartered Institute of Patent Attorneys (Trade Marks) (IPTRANSLATOR) (C-307/10)* [2012] E.T.M.R 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of “dessert sauce” did not include jam, or because the ordinary and natural description of jam was not “a dessert sauce”. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”
 12. In *Advanced Perimeter Systems Ltd v Keycorp Ltd (Multisys Trade Mark)* [2012] R.P.C. 14, computer programming and advisory services in Class 42 were held to be similar

to goods consisting of industry-specific hardware and software in Class 9. Mr Daniel Alexander QC, sitting as the Appointed Person, said:

“65 ... Specifications are not to be given an unduly wide construction: *Avnet Inc v Isoact Ltd* [1998] F.S.R. 16. However, Key has applied to register MULTISYS in class 42 for any kind of computer programming, computer advisory and design services. Those include, among many others, services provided for or in connection with the kinds of goods which are the subject of APS's registration. In the absence of any offer to limit the specification, the hearing officer was entitled to conclude that it was broad, as Laddie J. did with a specification for “computer programs” in *Mercury Communications Ltd v Mercury Interactive (UK) Ltd (Mercury)* [1995] F.S.R. 850 .

66 In those circumstances, there was sufficient similarity in respect of part of the specification for the mark to be unregistrable as a whole. Indispensability for the earlier proprietor's goods alone does not suffice to make services similar but the hearing officer also considered the more important question of whether responsibility for the services sought to be registered would be thought by the average consumer to lie with the proprietor of the earlier mark. His conclusion was not unreasonable.”

13. In Case T-450/11, *Galileo International Technology LLC v OHIM* [2014] ETMR 59, the General Court considered similarity, and especially complementarity, between goods on the one hand and services on the other:

“57 ... there can be no complementary connection between, on the one hand, the goods and services which are necessary for the running of the commercial undertaking and, on the other, the goods and services produced or supplied by that undertaking. Those two categories of goods or services are not used together since those in the first category are used by relevant undertaking itself whilst those in the second are used by customers of that undertaking ...

...

67 ... to acknowledge similarity in all cases in which the earlier right covers computers and where the services covered by the mark applied for may use

computers clearly exceeds the scope of the protection granted by the legislature to the proprietor of a trade mark ...

68 ... The goods and services covered by the two marks may be complementary only if they are indispensable or important for the use of each other in such a way that consumers may think that the same undertaking is responsible for manufacturing those goods or for providing those services.”

The Court found that computers in Class 9 were not similar to “Research and development in the field of satellite radio-navigation” services, in part because the specialist and sophisticated consumers of the latter would know that undertakings and institutions engaged in research and development do not carry out industrial activity and manufacture computers.

14. Generally, evidence is needed of any factors said to make the goods/services similar (*Canon*, [22]) although a Hearing Officer may take judicial notice of factors which would be evident to a member of the general public, where such a person would be the appropriate average purchaser of such goods/services. Here, there was unchallenged evidence from Mr Hope, the Opponent’s Chief Executive, that its business was primarily to provide absence management services, which service was assisted by its proprietary software used on a secure online portal. That evidence did not, however, explain further how or why the parties’ respective services were said to be similar.
15. At paragraph 21 of the Hearing Officer's decision he expressly accepted that the Applicant’s specification encompassed (in particular) software of all kinds, including software designed to be used for some of the specific services within the Opponent’s specification, as he said “I accept that the computer software services offered could relate to the management of staff sickness and management.”
16. The Hearing Officer went on to say that “offering the hardware and software to allow someone to carry out certain function is *not the same as* offering to carry out those functions on their behalf.” The emphasis that I have added to that sentence

suggests that the Hearing Officer had in mind the question of whether there was some overlap and, therefore, identity, between the parties' services, following on from his preliminary point about the breadth of the software services in the Applicant's specification.

17. However, the Hearing Officer's finding that there was no overlap between the parties' services, whilst relevant to assessing whether the services were identical, did not resolve the question as to whether the services were similar. In order to reach the conclusion set out in the final sentence of paragraph 21, the Hearing Officer would have had to consider similarity from the perspective of the *British Sugar/Canon* tests. There is no sign that he did so. No reasoning at all is set out as to why he considered that there was no similarity between the parties' respective services. This may be an error in the manner in which the decision was phrased, rather than in this experienced Hearing Officer's consideration of the issues, but the absence of express reasoning must be seen as an error of principle, such that it is appropriate for me to assess the issue of similarity of the services.

18. Mr Rose submitted that the software services within the application applied for were similar to some of the Opponent's services in Class 35. He emphasised that the application covered services rather than goods, so that the Hearing Officer's analogy between the services and paper and pencil was inapt. He submitted that unlike a pencil and paper, software "needs an application", and that the Applicant's specification is completely unlimited, in the sense that all of the software services could be provided in relation to any number of business applications, and would (in particular) include the design of software for the absence management services contained within the Opponent's specification. He submitted that a business might provide ongoing absence management services to some clients whilst offering bespoke absence management software design services to another. The service of designing the software could be a direct alternative to having the service provided by an external service provider using the software. There would therefore be some scope for the services to be provided through the same trade channels and to the same users. As a result, he said, an average consumer of absence management

services might think that responsibility for the design of the specialist software lies with the same undertaking as that providing the absence management services.

19. I drew Mr Rose's attention to my own decision in *Biointel* BL/O/096/16 in which I held in particular that

"Without evidence, I would not consider it at all likely that the public would think that a manufacturer of computer hardware/software was also responsible for the provision of the sorts of medical research services (medical research services; conducting clinical trials; medical laboratory services etc) in Class 42 of the Applicant's specification."

Mr Rose submitted that the position was very different in this case, for the reasons which I have set out above, essentially that the average consumer for both parties' services would be the same, and might well see the provision of services relating to the design of software for particular business management purposes as being connected to businesses providing such services.

20. It seems to me there is some force in that point in relation to the services contained within the Applicant's specification which relate to the design of computer software, and rental and related services provided in relation to such software. The same could be said in relation to the advisory services in both specifications. By contrast to *Biointel* (and, indeed, *Galileo*) the services are not intended for a specialist public and may have the same users as well as the same providers. I therefore find that there is some similarity between the Opponent's Class 35 services and certain of the Applicant's services, namely:

Design and development of computer software; Advisory services relating to computer software; Advisory services relating to the use of computer software; Computer software rental; Computer and software consultancy services; Computer software consultancy services; Computer programming and software design; Computer software design and development; Computer software design and updating; Computer software design for others; Computer software design services; Computer software (installation of-); Computer software (Maintenance of -); Computer software (rental of -); Computer software (updating of-); Design and writing of computer software; Design of computer

software; Design of software; Development of computer software; Hire of computer software.

21. Insofar as those services are concerned it seems to me that there is a moderate level of similarity of trade channels or users in terms of *Canon*. I do not think that the Hearing Officer was right to say that there was no similarity whatsoever between the parties' services. I will, therefore, go on to consider whether there is a likelihood of confusion in relation to those services.
22. The remainder of the services in the Applicant's specification relate to the design etc of computer hardware, hosting (etc) websites, cloud computing and electronic data storage. I think that the Opponent accepted that computer hardware design did not have the same sort of similarity to its services. Mr Rose drew my attention to the similarities between the portal used by the Opponent to provide its services and a website, but I am not convinced that there is any real similarity between the Opponent's services and any of the website design, cloud computing and electronic data storage services in the Applicant's specification. The appeal fails in relation to those services.
23. The Hearing Officer set out at paragraph 12 of the decision the numerous factors which have to be taken into account in assessing the likelihood of confusion. He considered at paragraphs 13 to 15 the identity of an average consumer of both parties' services and concluded that such a consumer would pay a medium to high degree of attention to the selection of the services offered. At paragraphs 24 to 29 he considered the level of similarity of the marks and concluded that there was at least a medium degree of visual similarity, a medium to high degree of aural similarity, and a medium degree conceptual similarity. On balance, he found at least a medium degree of similarity. He also found that the earlier mark had a medium degree of inherent distinctiveness. None of those conclusions were challenged by the Opponent.

24. In my view, taking into account all of the factors relevant to the global assessment of a likelihood of confusion, but in particular the level of similarity of the marks, there is a likelihood of confusion in relation to services which I have identified paragraph 20 above. I therefore find that the appeal succeeds in relation to those services.
25. The appeal fails in relation to the remainder of the services in the Applicant's specification, for the reasons which I have given, the end result being that the application may proceed registration in relation to the following specification:
Design and development of computer hardware; Cloud computing; Computer and computer software rental; Computer hardware consultancy services; Creating and maintaining computer sites (web sites) for others; Creating and maintaining web sites; Creating and maintaining web sites for others; Hosting computer sites [web sites]; Electronic data storage.
26. Both parties have had a measure of success on the appeal and in the circumstances I do not propose to make any order in relation to the costs of the appeal. On the other hand, I do not consider that the costs order made by the Hearing Officer can be maintained. Had this result been achieved at first instance, no order for costs would have been appropriate, and I consider that the Opponent should not be required to pay the Applicant the sum of £300 ordered by the Hearing Officer in relation to its costs of the hearing below.

Amanda Michaels
The Appointed Person

25 July 2016

MR. TIM ROSE (Messrs. Wilson Gunn) appeared on behalf of the Opponent/Appellant

MR GARI Le PIQUET, a director of the Applicant/Respondent, attended the hearing by telephone on behalf of the Applicant/Respondent