TRADE MARKS ACT 1938 (as amended)

AND

TRADE MARKS ACT 1994

IN THE MATTER OF
APPLICATION NO. 1555137
BY FINANCIAL SYSTEMS SOFTWARE (UK) LIMITED
TO REGISTER A TRADE MARK IN CLASS 42
AND
IN THE MATTER OF OPPOSITION THERETO UNDER NO. 42709
BY FINANCIAL SOFTWARE SYSTEMS INC.

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BACKGROUND

On 30 November 1993 Financial Systems Software (UK) Limited applied under Section 17(1) of the Trade Marks Act 1938 to register the trade mark "FSS" in Class 42. After examination the specification of services was amended to read as follows:-

> "Computer programming services; advisory and consultancy services, all relating to computer programming; all included in Class 42."

The application was subsequently advertised before acceptance, under the provisions of Section 18(1).

On 29 June 1995 Financial Software Systems Inc of Willow Grove, Pennsylvania, United States of America, filed notice of opposition against the application. The grounds of opposition are, in summary:

> 1. Under Sections 9 & 10 of the Act because the mark consists of three letters and is therefore neither adapted to distinguish nor capable of distinguishing the services of the applicants and any use of the trade mark prior to the date of application is insufficient to overcome those objections.
>
> 2. Under Section 11 because of the opponents' use of a similar trade mark and thus any use by the applicant will cause deception and confusion.

The opponents also ask the Registrar to exercise his discretion in their favour and to award costs similarly.

The applicants deny all the grounds of opposition and in doing so point out that the ground of

opposition based upon Section 9 of the Act is otiose, because the application is proceedings as one for registration in Part B of the register. The applicant too seeks an award for costs.

The matter came to be heard on 19 November 1998 when the applicants were represented by Dr Mamdouh Barakat, Managing Director of Financial Systems Software (UK) Limited. The opponents were represented by Ms Fiona Clarke of Counsel, instructed by JY and GW Johnson, their trade mark agents.

By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of The Trade Marks Act 1994. Nevertheless, these proceedings having begun under the provisions of the Trade Marks Act 1938, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the Trade Marks Act 1994. Accordingly, and unless otherwise indicated, all references in the remainder of this decision are references to the provisions of the old law.

OPPONENTS' EVIDENCE

This consists of an affidavit by Gerald H Thurston, President of Financial Systems Software Inc (the opponents) a corporation organised and existing under the laws of the State of Pennsylvania, United States of America. The contents of the affidavit are derived from Mr Thurston's own knowledge or his company's records to which he has full access.

Mr Thurston states that until April 1992 he was a 50% shareholder in a corporation called FX Systems, Inc. In April 1992 that corporation was formally dissolved and he and his former partner commenced trading independently. Mr Thurston then founded Financial Software Systems Inc whilst his former partner founded FNX Limited. Soon after forming the company Mr Thurston engaged a design firm to produce a logo as part of a corporate identity for the company. Subsequently, the trade mark shown below was adopted - the opponents were unaware at that time of any other company using the same initials and in the same field of business:

The trade mark was registered in France but it was decided not to file a corresponding application in the United Kingdom at that time because they were advised that such an application would need to be supported by evidence of use of the trade mark in order to be acceptable to the United Kingdom Trade Marks Registry.

Mr Thurston states that his company used the above trade mark on all its stationery, business cards, advertisements etc from June 1992 and he exhibits at GTH3 sample copies of advertisements showing use of the trade mark in advertisements placed in Risk Magazine in October 1992, January and April 1993. At GTH4 he produces a sample copy of the British periodical "Futures and Options World" which, at page 5, shows an advertisement by Financial Software Systems Inc and their composite FSS trade mark and at page 62 an advertisement by Financial Systems Software (UK) Limited (the applicants). Copies of similar advertisements placed by the opponents and the applicants in the November 1992, May, July and August 1993 issues of the same publication are also exhibited. Mr Thurston notes that the trade mark FSS the subject of the application does not appear in any of the advertisements placed by the applicants. Mr Thurston exhibits at GTH5 further examples of his company's advertisements showing use of the composite trade mark. At GTH6 and GTH7 are exhibited samples of the opponents notepaper and envelopes together with a promotional pack, 250 of which were distributed to clients and potential clients in London during the course of 1992. All show or contain the opponents composite trade mark.

Mr Thurston goes on to state that from April 1992 until March 1995 his company's European operations were handled entirely through its London office at 88 Cornwall Gardens, London SW7. From the London address details of the opponents' products and services were distributed to virtually all of the major financial institutions in the city of London and throughout Europe. A typical letter of introduction is exhibited at GTH8 and at GTH9 a list, dated 14 December 1992, broken down by country (including the United Kingdom), of organisations to which the letter was sent.

Mr Thurston explains that the products sold by his company are systems enabling the management, analysis, monitoring and reporting interest rate, foreign exchange and precious metal positions, trades, transactions and portfolios. These consist essentially of computer software packages which are usually installed in existing computer hardware provided by the individual client. Thus what is being sold is the service of programming the clients' computer system with the opponents' software, as well as advisory and training services and, optionally, technical backup and maintenance service. A typical contract will involve the installation of the opponents' systems on all the computers at a large national institution and the cost would be in the region of £50,000 - £1,000,000. During 1992 the opponents sold systems to Credit Suisse First Boston Limited, Management Investment & Trade (London) Limited, and Daesong Investment Company Ltd.

Finally, Mr Thurston submits that as a result of the use by his company of their composite trade mark, which includes the letters FSS, since June 1992, they have established a substantial reputation and had done so by the date of application for registration by the applicants (30 November 1993). In his view, at that date, clients and potential clients for the opponents' software products and computer programming services would recognise the letters FSS whenever used in relation to such services as indicating a connection with the opponents, not the applicants. Consequently, the trade mark FSS could not have been distinctive of any computer programming service offered by the applicants for registration, at least in the field of risk management systems, and any use of the trade mark applied for in relation to risk management software systems (or associated programming and advisory services), would be liable to cause confusion and deception.

Mr Thurston therefore asks the Registrar first to refuse the application in suit, or in the alternative to accept it only in relation to a specification of services which excludes any of the services provided by his company.

APPLICANTS' EVIDENCE

This consists of an affidavit by Dr Mamdouh Barakat dated 8 January 1997. He is Managing Director of Financial Systems Software (UK) Limited (the applicants) a position he has held since 1988. The statements made in the affidavit are from his personal knowledge or derived from the applicants' records to which he has full access.

First of all, Dr Barakat states that the applicants are a private limited company incorporated under the Companies Act 1995 in England and Wales and began trading as Financial Systems Software in 1988. He exhibits item DMB1 copies of certificates from Companies House showing Financial Systems Software (UK) Limited as the company's full name.

Dr Barakat states that the trade mark FSS and the company name Financial System Software have been used by the applicants in the United Kingdom since December 1988 (and since then in every financial centre world-wide) in relation to :-

> "Personal computer and computer software for use in the field of financial services".
>
> "Consultancy in the field of financial services and risk management consultancy".
>
> "Computer programming services; advisory and consulting services all relating to computer programming".

The approximate annual turnover of the goods and services sold under the trade mark prior to the date of application for registration is shown below:-

YEAR	APPROXIMATE ANNUAL TURNOVER (STERLING GBP)	APPROXIMATE NUMBER OF SALES	APPROXIMATE PERCENTAGE IN GREAT BRITAIN AND N. IRELAND
Dec 88 to end 1989	87,615	43	86%
1990	98,045	146	75%
1991	123,010	293	53%
1992	216,538	396	42%
1993	228,169	403	54%

Dr Barakat states that each sale refers to an individual invoice and can therefore include multiple products or even a site licence of the applicants' software. At DMB2 is exhibited "a partial list of licensees or clients of FSS - Financial Systems Software (UK) Limited" dated 6 November 1994, (after the date of application) together with a list of invoices issued. That latter list is dated 22 December 1996 but shows that sales took place from February 1989 onwards by Financial Systems Software (UK) Limited to a number of institutions based in London. Also exhibited are

the 'standard terms' used by Financial Systems Software (UK) Limited in which the letters FSS are used as follows "FSS will licence.....", and "all the software is owned by FSS and .....".

Dr Barakat states that the trademark FSS, and the unregistered trade mark Financial Systems Software, have been extensively advertised in the United Kingdom in newspapers and magazines including Futures and Options World, Lotus Magazine, Risk Magazine and International Financing Review. At DMB3 he produces a summary of these advertisements. In the relevant period these show that the letters FSS have been used in the sentence "FSS has an ideal solution for you" and this term has appeared in Software Users Yearbook dated 1991 and Lotus Magazine in March 1990 and April 1990. The other use is in Risk Magazine dated September 1989 where the term "FSS Pocket Yield PC" has also been used. Thereafter, in the relevant period, it would appear that the term used by the applicants has been their full name Financial Systems Software (UK) Limited. Dr Barakat states that goods bearing the trade mark in suit have been advertised throughout the United Kingdom and that the applicants' operation can be described as that of mathematicians offering consultancy services and writing computer software to assist the international banks to price, trade, monitor and manage the risk of their securities positions in international markets. He goes on to describe their marketing strategy and their high reputation in their field. As evidence of these he exhibits at DMB4, DMB5 and DMB6 articles which appeared in a number of publications. In the relevant period they all refer to Financial Systems Software (UK) Limited in terms of identifying the applicant. At DMB7 are exhibited details of the applicants' FSS Universal Trading System which , it is stated, was written in August 1989 showing the stages in which they planned to implement the system and the anticipated growth of their products. This overview was circulated to a number of London Banks and as a result a number of these trading systems were sold. Dr Barakat goes on to relate in some detail how the company did not include complicated copy protection into their software and thus illegal copying took place as a result there is a greater awareness of his company's products than might otherwise be the case.

At DMB8 some of the applicants' promotional material and brochures are exhibited. Once again some of these use the term "FSS has an ideal solution for you" and one states "FSS is moving" (this relates to the move of the company to premises in London Wall). A press release exhibited at DMB9 states that "FSS launch a UNIVERSAL TRADING SYSTEM" and "FSS LAUNCH NEW FINANCIAL ADD-INS". Exhibited at DMB10 and DMB11 are some of the applicants' project manuals and extracts from an early consultancy project in which Dr Barakat states that the applicants are frequently referred to as FSS and Financial Systems Software and/or Financial Systems and/or Financial Software. From a perusal of these documents it would appear that the term FSS is used on occasions as an abbreviation of the name Financial Systems Software (UK) Ltd appearing as it does most often in brackets after the full term. He goes on, however, to state that in conversation the applicants are most frequently referred to as FSS particularly in the financial market where, by nature of their occupations, the dealers etc tend to be permanently busy and use abbreviations wherever possible. Also verbal recommendations and the spreading of the reputation of the applicants via "word of mouth" are an important means of advertising in that sector.

Dr Barakat further states that the applicants have undertaken a substantial long term mail shot campaign, always utilising the trade mark FSS and the term Financial Systems Software and he lists those occasions when this has been done. I note that, in the period which is relevant to the

case in suit these mail shots took place in 1990, 1991 and 1992 in the United Kingdom, in Europe and the United States of America. (He also lists a number of the purchasers of the applicants' goods and services along with the appropriate invoices, all of which are outside the relevant time period.)

Dr Barakat goes on to describe some of the applicants' activities in relation to the licensing of the trade mark to another company (which has changed its name from Simka Limited to Financial Systems Software (FSS) Limited). Subsequently, in November 1994 the application (along with other intellectual property rights) was sold to a US based company FNX Limited (the company founded by Mr Thurston's former partner). A number of comments are made by Dr Barakat in relation to this transaction and also the activities of the purchasing company but as these matters occurred outwith the period in question in these proceedings I pay no regard to them.

Dr Barakat states that the applicants consider that the opponents have never had any right to use either the trade mark FSS or the term Financial Software Systems and they believe that the former deliberately chose their trade mark fully aware of the applicants' use of identical or similar trade marks in relation to the same or similar goods and services. In support of that he states that the opponents have confirmed in their affidavit that they did not perform a name search after they chose their name and further, that the opponents were warned in September 1992 that another company was using a name that was similar to theirs. At exhibit DMB20 Dr Barakat exhibits what is said to be an extract from e-mails between Dr Mamdouh Barakat and Mr Farid Naib of FNX Limited in which the latter states that he told a Mr Vince Small (of the opponents) that there was another company named FSS selling financial calculators. Dr Barakat says that the opponents would also have seen the applicants' advertisements since both were using the same magazines and he goes on to make a number of allegations which are not relevant in these proceedings. He also goes on to describe events surrounding an application for registration made by the applicant in the United States in 1995 and an application, based upon the United States application, filed in the United Kingdom in 1996. Again, I do not regard these facts as relevant in these proceedings. Nor do I take account of the correspondence between the parties which has taken place since 1994 (some of which is without prejudice) or the proceedings in November 1996 in the United States between the parties except as noted later in this decision.

Dr Barakat makes a number of comments about the likelihood of confusion or otherwise between the applicants' and the opponents' trade marks. Insofar as this is supported by evidence in relation to events which may have occurred within the relevant period I note that exhibit DMB22 includes copies of an exchange of e-mails between Dr Barakat and Mr Clive Davidson, Technology Correspondent of Risk Magazine in which the latter states that he thinks there is confusion about the different names behind the FSS initials and that he makes a point always to check any Risk survey to see that the researcher is aware of FSS (the opponent) and MBRM/FSS (the latter referring to Mamdouh Barakat Risk Management). He also says that he has no direct evidence that any customer has been confused but he thinks that if a publishing house like Risk can get mixed up then so could potential customers.

Dr Barakat comments that it was strange that the opponents did not undertake a search before deciding upon the use of their trade mark. In any event they did not begin to use their trade mark until September 1992, after the formal agreement to dissolve the previous company FX Systems Inc was agreed in August 1992. This is confirmed at Exhibit DMB24 which is an affidavit by Mr Gerald Thurston sworn in other proceedings between the parties currently before the Trade Marks Registry. Well before that date, says Dr Barakat, the applicants' trade mark was being used in a range of magazines such as Risk Magazine, Futures and Options World Magazine and Futures Magazine all of which would have been seen by Gerald Thurston as Head of Marketing and Sales at FX Systems Inc. The applicants have also been listed in the very widely circulated annual Mitsubishi Finance Risk Directory from its first edition in 1990/1991 (Exhibit DMB5), This, states Dr Barakat, is probably the most popular, most comprehensive and most widely read compilation of Risk Management software provided in the industry. The applicants have also been listed in the Annual Software Users Yearbook and Associated PC Users Yearbook since July 1990 and have been listed in the regular annual listings in Futures and Options World Magazine since 1991 as well as the London Telephone Books since 1992. Dr Barakat considers that in view of the entries of their name in various media and directories the applicants reputation was well established in 1992 and in connection with the opponents' affidavit filed in other proceedings and mentioned earlier in this summary of the evidence, there is a list of names to whom the opponents sent brochures on 14 December 1992 to sell their "REPO" system. Dr Barakat states that every UK company on that mailing list were already on the applicants' mailing list at that time and therefore had received the applicants' brochures prior to that date; some indeed were already clients.

Dr Barakat goes on to state that in his view sales by the opponents under their trade mark in the United Kingdom appears to be either none or negligible and this explains, he says, the lack of evidence from the opponents of their sales in the United Kingdom. He states that it is not clear whether the opponents' clients, to whom sales are said to have taken place, are based in the United Kingdom; he can find no reference to one of their clients, Darantia Inc, in any telephone book or business directory as being based in London. He has, however, been able to locate a company of that name based in New York, United States. In his view the opponents' sales figures in the United Kingdom do not stand up to scrutiny and the affidavits made in these proceedings by Mr Thurston and the affidavit made by him in the other proceedings contain significantly different wording in terms of the sales of its computer systems. In the affidavit filed in these proceedings Mr Thurston states that there were "sales of its computer systems in 1992 to Credit Suisse First Boston Limited, Management Investment and Trade (London) Limited and Daisong Investment Limited". However, in the later affidavit (Exhibit DMB24) his wording is changed to read "Made sales of its computer systems, and/or provided continuing services".

With reference to the agreement to liquidate and dissolve FX Systems Inc exhibited at DMB27 Dr Barakat states that Daisong appears as a maintenance client with a contract price of $910 allocated to the opponents. Management Investment and Trade (London) Limited appear under MIT as a maintenance client with a contract price of $1,667 allocated to the opponents. Also Credit Suisse appear under Work-in-Process with a system already installed for testing. Therefore, as these three organisations were clients already in April 1992 they should not be taken into account in determining use of the opponents' trade mark in the period from 1992 onwards.

Finally, Dr Barakat claims that the applicants' trade mark is well known under the provisions of Article 6 of the Paris Convention. This was not pleaded in the counterstatement as a defence and I take no cognisance of it.

APPLICANTS' FURTHER EVIDENCE

This consists of further Affidavits dated 15 January, 22 October and 4 November 1997 by Dr Mamdouh Barakat. They, to a great extent, exhibit copies of correspondence between Dr Barakat and various companies working in the financial sector on the subject of confusion between the applicants and the opponents. All of this correspondence is dated 1997, some four years after the relevant date in these proceedings and therefore I do not give much weight to the views expressed by the writers in relation to events which may or may not have occurred before or after the relevant date.

In his affidavit dated 22 October 1997 Dr Barakat also exhibits a folder in which is enclosed a transcript of a deposition in relation to proceedings between the parties in the United States from one of the ex-employees (and alleged current share holder) of the opponents, Mr David Beroff, Dr Barakat states that Mr Beroff confirms that he warned Mr Thurston about the applicants and that the opponents received many telephone calls intended for the applicants. He also encloses the opponents reply to a set of interrogatories from the applicants in relation to the United States proceedings. In it he says they confirm that the opponents knew of the applicants company in early June 1992 and that the opponents did not consider the terms Financial Systems Software and Financial Software Systems confusingly similar and that the opponents do not refer to themselves as FSS. He goes on to state that these interrogatories also indicate that the name of the opponents was chosen by Gerald Thurston, that name searches were performed by the opponents in April 1992 and June 1992 and that the applicants' name was found in these.

Dr Barakat also exhibits copies of further advertising material which are outside the relevant period and a recent judgement in a case in the United States involving totally different parties that deals with the matter of bad faith, which was not pleaded by either side in these proceedings and therefore I ignore it.

Finally, in his affidavit of 4 November 1997, Dr Barakat exhibits a transcript of a deposition by the opponents' president, Mr Gerald H Thurston, in relation to proceedings between the parties in the United States. He states that some of the key facts disclosed include:-

i. that Mr Thurston does not dispute that the applicants used the letters FSS in advertisement and brochures two years before the inception of the opponents' company

ii. that he was the sole decider on the name Financial Software Systems

iii. that Mr Thurston knew of the applicants' company on 31 May 1992 as a result of a telephone conversation with someone and that within one or two days he sought legal advice on the matter, including a search

iv. that the results of the search included details of the applicants' company

v. when asked whether he would agree that the areas of computer software and hardware and the area of services within financial markets are the same areas in which the [applicants] markets Mr Thurston replied "I am not sure about the hardware but I think in terms of financial software and consulting services, yes I agree". He also stated that he "wouldn't argue that [the applicant] competes with my software".

vi. Mr Thurston confirms that he has never abbreviated his company name to FSS but uses it only in conjunction with his company's logo.

vii. Mr Thurston confirms the client lists already exhibited at DMB1 and states that the difference between that client list and the client list of FX Systems Inc was negligible.

viii. Mr Thurston states that he is not familiar with the different classes in respect of which trade mark applications are made.

Dr Barakat states in summary, that he considers the opponents' president has confirmed that the applicant and the opponent are in competition, that the applicant had prior use of the trade mark FSS and that he was aware of the applicants before he commenced using the trade mark FSS; that he did perform name searches which revealed details of the applicants and that he started advertising his business under the term Financial Software Systems in September 1992 without seeing brochures or advertisement of the applicants, despite knowing of the applicants existence.

That concludes my review of the written evidence so far as I consider it relevant to these proceedings. Both Dr Barakat and Mr Thurston were also cross-examined on the basis of their written evidence.

DECISION

First of all I agree that the ground of opposition based upon Section 9 of the Act is otiose, as the application was published as one applied for in Part B of the register. I therefore consider the matter only under Section 10 of the Act which states:-

10(1) In order for a trade mark to be registrable in Part B of the register it must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to the limitations, in relation to use within the extent of the registration.

(2) In determining whether a trade mark is capable of distinguishing as aforesaid the tribunal may have regard to the extent to which -

(a) the trade mark is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

(3) A trade mark may be registered in Part B notwithstanding any registration in Part A in the name of the same proprietor of the same trade mark or any part or parts thereof.

No submissions (rightly) were made to me to the effect that the trade mark the subject of this application was three elided letters or a monogram. I therefore consider the trade mark on the basis of the three letters FSS, in block capitals, as they appear on the application form.

The Trade Marks Registry Work Manual at Chapter 6 provides guidance on letter trade marks such as the one applied for at paragraph 9-206 where it states:-

> 9-206 Marks which consist simply of a single letter or of two or three letters and are not pronounceable, are not acceptable prima facie because of the common use of the initial letters by traders in general in marking their goods and for other purposes in trade (see the W & G case - 30 RPC 661).

More specifically at paragraph 9-210, in relation to three letter trade marks, it states:-

> 9-210 These marks were previously only accepted in Part A if they were either (a) well known dictionary words (CAT, MET, NOD etc) or (b) if they were pronounceable and represented in upper and lower case (Mep, Piv, etc).
>
> Following a change of practice in 1989 three-letter marks, if clearly pronounceable, are acceptable in Part A, whether or not shown in upper and lower case. MEP and PIV would now qualify in Part A, for instance, as would LIF, WAC, FAL, SYL etc. Totally unpronounceable three letter marks XTC, ITP, MLK, etc) are not acceptable in Part A or Part B, prima facie.

In my view the trade mark FSS consists of three letters which are totally unpronounceable and therefore it is not acceptable for registration in either Part A or Part B, prima facie. I must go on therefore to determine whether the evidence of use of the trade mark filed in these proceedings is such as to enable me to determine that the trade mark in fact is capable of distinguishing the applicants services from those of other suppliers.

The opponents contend that first of all the applicants have not used the trade mark in suit as a trade mark, merely as an abbreviation of their company's full name and that in any event they have not shown use of the trade mark on the services claimed and that any such use is de minimis.

Most of the examples provided in the evidence of the letters FSS seem to me to be as an abbreviation of the name of the company. And whilst it is perfectly possible for the abbreviated name of a company to become a trade mark (ICL, for example) it does require, in my view, focussed attention by the proprietor to do so. From a scrutiny of all the applicants evidence, I am unable to determine that they have used the term FSS in such a focussed way in relation to the services covered by this application. For example, the early advertisements of the applicants, in relation to the sale of their UNIVERSAL YIELD calculator and ADD-INs (pre recorded

computer programmes for use with other proprietary packages e.g. Lotus 1-2-3) do refer to "Financial System Software's Consultancy Service" (Lotus Magazine, March and April 1990 and Software Users Year Book, July 1990) but that is not use of the term FSS as a trade mark nor is it use on the wide range of services for which the applicant seeks to register his trade mark. In MERCURY COMMUNICATIONS LIMITED v MERCURY INTERACTIVE (UK) LIMITED, Mr Justice Laddie said:

> "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. If he does he runs the risk of his registration being attacked on the ground of non-use and being forced to amend down the specification of goods. I should make it clear that this criticism applies to other wide specifications of goods obtained under the 1938 Act".

This comment applies, in my view to applications for registration as much as to registrations, (particularly to those where the applicants are seeking to persuade the Registrar that the trade mark in question, though prima facie not acceptable, has in fact become capable of distinguishing the goods or services of the applicant from those of other traders. In my view the evidence in this case does not support the applicants very broad claim to 'computer programing services'; at large or to 'advisory and consultancy services relating to computer programing. I have gone on therefore to consider whether the trade mark FSS has been used on any computer programming services and consultancy services in a field in which the applicant has a particular interest in order to determine whether despite the fact that FSS has not been used on computer programming services at large, and related consultancy services, there has been use in a particular field i.e. connected with financial services to which the specification could be limited. In my view there has not. I can see nothing in the evidence filed that the applicants are known either under the company name or under the trade mark FSS for anything other than pre-recorded programs for use in the field of financial services. Whilst some of the advertisements which have been exhibited do mention consultancy services I am not able to extrapolate and say that these services therefore relate to pre recorded programmes because I have no confirmatory evidence that they do. But, more importantly, I have no evidence that any service which may have been supplied by the applicants has been so supplied under the trade mark applied for.

In reaching that view I have taken into account the sales figures provided by the applicants in relation to goods and services. Given that the evidence, in my view, shows that primarily the applicants are the suppliers calculators and of pre-recorded computer programmes then I assume that most of the sales (and therefore turnover) figures are in relation to those goods. There is therefore (allowing for sales outside the jurisdiction) not a great deal of money expended by customers on consultancy services (at large or in relation to the pre-recorded computer programs). Therefore, there is little evidence that through the provision of services under it the

trade mark has become capable of distinguishing services of the applicant. For example, in 1993 turnover is shown as £228,169 with 54% of sales having been made (in relation to both goods and services) in the United Kingdom. Thus the actual amount spent by customers within the relevant market was a little over £120,000 and with each sale averaging under £600 it does not seem to me that there is sufficient evidence of sales of computer software in the United Kingdom to justify registration of the trade mark for the goods let alone any evidence of the provision of services sufficient to justify registration for any associated consultancy services. In all of the circumstances and for the reasons given above the trade mark FSS is not registrable prima facie and has not, in my view, through use become capable of distinguishing the services of the applicant from those of other suppliers at the date of application. The opposition founded upon Section 10 therefore succeeds.

I turn now to the ground of opposition based upon Section 11 of the Act. This states:-

> 11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

The test for objection under this provision are set down by Lord Upjohn in BALI 1969 RPC 496. Adapted to the matter in hand it may be expressed as follows:

> Having regard to the user of the mark FSS and device (the composite trade mark) is the tribunal satisfied that the mark applied for, if used in a normal and fair manner in connection with any services covered by the registration proposed will not be reasonably likely to cause confusion and deception amongst a substantial number of persons.

First of all I have no doubt from the written evidence (and the cross-examination of Mr Thurston) that the composite trade mark was honestly coined and was not done so by any reference to the applicants' trade mark. I am satisfied that, using the initials of their company together with the device the opponents drew up what they considered to be an appropriate and distinctive composite trade mark. I go on therefore to compare the respective trade marks by reference to the test laid down by Parker J. In PIANOTIST & CO'S APPLICATION (1906) 23 RPC 774, the relevant passage of which reads:

> "You must take the two words. You must judge of them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say - not necessarily that one will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public, which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case."

In my view the opponents' trade mark is similar to the applicants trade mark because one of the dominant features of it is the letters FSS which is the only feature of the applicants trade mark. The services too are similar, the opponents services of programing clients computers to take systems to handle various tasks in connection with the management of risk in the field of financial

services is covered by the applicants wide specification of services. Therefore, prima facie, if both trade marks were used in the mark place confusion and deception amongst a substantial number of persons is likely.

As stated earlier, I do not consider that the applicants have established their entitlement to have the trade mark in suit accepted as capable of distinguishing their services because there is no evidence of substance that they were using the trade mark on any of the services covered by the application prior to the date of application to the extent necessary to demonstrate that. Therefore if they did start to use the trade mark it could be held that the applicants were the cause of any confusion or deception. However, I am not satisfied that the opponents themselves have shown that in the relevant period they have established much, if any, reputation for their services. The fact that they had sent a mailshot to all of the major financial institutions in 1992 does not, in my view, establish that they had a reputation as at November 1993. For instance, were any enquiries received as a result? Were any subsequent orders received? No such information is provided. In the circumstances I am not able to hold that the opponents through use had established any sort of reputation in their composite trade mark by the time the applicant sought registration of their trade mark. Therefore I am unable to hold that any use by the applicant of their trade mark in respect of any of the services listed in the application is likely to cause any confusion or deception on the part of any member of the relevant public. The opposition based upon Section 11 is therefore dismissed.

In view of my findings the exercise of the Registrar's discretion is not appropriate.

In the circumstances there is no need for me to comment on the allegation that the opponents, and in particular Mr Thurston, coined their trade mark by reference to the applicants, with the implication that they wished to trade on the applicants reputation. However Insofar as the applicants reputation for the services covered by this application is concerned my view, as stated above, is that it was not extensive at the date of application. Therefore there was little for the opponent's to `trade on' and no reason to deliberately coin a similar trade mark.

The applicants filed a substantial amount of evidence in these proceedings which in the event was not relevant because it refers to publications or correspondence produced or written well after the relevant date in these proceedings, the date of application for registration. Practically all of the evidence given by Dr Barakat and Mr Thurston under cross-examination was of little relevance to the substantive issues in this case. Nevertheless I have read all of the evidence filed in these proceedings and the transcript of the cross-examination of witnesses in reaching this decision.

The opposition having been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay to the opponents the sum of £800.

Dated this 19 day of January 1999

M KNIGHT
For the Registrar
the Comptroller General