

O-059-05

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING ON A REQUEST
FOR CONFIDENTIALITY IN RELATION TO APPLICATION NO. 2314500
IN THE NAME OF CAMBRIDGE COMPUTED IMAGING LTD
AND
OPPOSITION NO. 91677 THERETO BY
SUN MICROSYSTEMS INC**

TRADE MARKS ACT 1994

IN THE MATTER OF an interlocutory hearing on a request for confidentiality in relation to application No. 2314500 in the name of Cambridge Computed Imaging Ltd and opposition No. 91677 thereto by Sun Microsystems Inc

Background

1. Application No. 2314500 stands in the name of Cambridge Computed Imaging Ltd. The application was published for opposition purposes and a notice of opposition was subsequently filed on behalf of Sun Microsystems Inc. Following the filing of a Form TM8 and counter-statement, the opponent was allowed a period within which to file evidence in support of its opposition. A stay of proceedings was then granted to allow the parties to attempt a negotiated settlement. The stay came to an end and the opponent duly filed evidence.
2. The evidence consists of a witness statement of Michael John Avis along with 51 exhibits. It was accompanied by a request that exhibits MJA12, MJA14, MJA17, MJA19, MJA21, MJA26 and MJA28 be treated as confidential and not open to inspection by the public or be disclosed to the applicant. The opponent indicated that it had no objection to them being disclosed to the applicant's advisors.
3. The registrar sought comments on the request from the applicant. None were received. The registrar subsequently issued a preliminary view that the exhibits should be kept confidential as requested by the opponent. The applicant objected to this preliminary view and requested to be heard.
4. On 9 December 2004 an interlocutory hearing took place before me by telephone. Ms Shah of Nabarro Nathanson represented the opponent, Mr Goodger of Mills & Reeve represented the applicant. I heard submissions from both parties and also had the benefit of skeleton arguments from them both.
5. Following the hearing, I advised the parties of my decision by way of a letter dated 14 December 2004. This was that the exhibits specified in paragraph 2 above should be subject to a confidentiality order indicating that they are not open for inspection by the public or the applicant but are open to the applicant's legal representatives. Before the formal order could be issued, the applicant filed a request seeking a full statement of reasons for my decision. This I now give.

Submissions

6. Ms Shah began by setting out the background to the case. She then confirmed that the opponent wished to keep the relevant exhibits from the public record and the applicant but that it was content to allow the applicant's legal advisors to see them.

7. Ms Shah submitted the exhibits showed sales of identified products and were adduced with the single aim of showing that sales of products had been made in the UK. They were, she said, highly confidential, and contained the sort of information any business would seek to keep from its competitors. The opponent was requesting the confidentiality order because there was perceived to be a conflict between the parties. She submitted that the applicant's own website says that the applicant provides computers and software. The exhibits should be confidential from the applicant as they show the discounting scheme operated by the opponent. This could be damaging to the opponent. The conditions of disclosure proposed by the applicant, that the exhibits should be disclosed to two named directors of the applicant company subject to appropriate confidentiality undertakings did not defend against this.

8. The invoices, Ms Shah submitted, were samples; they were not provided as evidence of the opponent's customers. The applicant's claim that there was not a conflict in the customer base was not therefore relevant as the invoices were but samples of the sales made by the opponent.

9. Ms Shah said the opponent was prepared to disclose the exhibits if the following information was redacted from the exhibits:

1. the volumes and configuration in which the products and services were bought by the customer in each case;
2. the identity of the customer in each case;
3. the level of discount (if any) given in each case;
4. the total amount payable for each category of product and service; and
5. the total amount payable for all products and services (before and after tax).

10. In his submissions, Mr Goodger agreed the background to the case as set out by Ms Shah but said there were two points to add. Firstly, the offer to allow two named directors to have access to the exhibits had not been accepted. As for the offer of redaction of the exhibits, the parties had agreed a timescale for the exchange of skeleton arguments prior to the hearing and the offer to redact came just an hour and a half before the agreed exchange time. In any event, the applicant did not agree to the offer to redact.

11. Mr Goodger submitted that the party seeking a confidentiality order must justify it. The fact that information was commercially sensitive was not enough. Mr Goodger went on to state that the cases referred to in the skeleton argument fell either side of the fence but that a party seeking a confidentiality order should show that damage or the likelihood of damage would occur if the documents were not subject to such an order. In Mr Goodger's submission the parties were not competitors. The evidence had, he said, been filed voluntarily in a case started by the opponent itself. The applicant's main interest was in software though it did sell hardware. But there was nothing to show the parties were competitors.

12. Referring back to the offer to allow the exhibits to be made available to two individuals in the applicant company, Mr Goodger said that damage would only be suffered if they failed to keep within the terms suggested, by disclosing it to the opponent's competitors.

13. Mr Goodger submitted that the grounds of the opposition required a comparison of the marks and the goods. At the heart of this comparison was the question of who the customers, and what the goods, might be. The copies of invoices forming the exhibits show both customers and goods. It would, he said, severely prejudice the applicant if it were unable to compare customers.

14. Mr Goodger stated that whatever the opponent's intention might have been in filing the exhibits was irrelevant. The opponent could not prevent the applicant making comments on the evidence if it would help its case.

15. As to the offer of redaction, Mr Goodger said that the applicant did not object in principle to the offer but would reject the offer completely if the customer's name were redacted.

16. In reply, Ms Shah submitted that as to whether the applicant and opponent were competitors, both sell hardware and software and that the opponent has customers in the health sector as covered by the opponent's specifications. The evidence in question may not show this and the applicant may wish to make comment on it, but she reiterated that the evidence comprised mere samples and was not comprehensive.

The law

17. Rule 51 of the Trade Marks Rules 2000 (as amended) deals with the subject of the confidentiality of documents. It reads as follows:

“Confidential documents

51. –(1) Where a document other than a form required by the registrar and published in accordance with rule 3 above is filed at the Office and the person filing it requests, at the time of filing or within fourteen days of the filing, that it or a specified part of it be treated as confidential, giving his reasons, the registrar may direct that it or part of it, as the case may be, be treated as confidential, and the document shall not be open to public inspection while the matter is being determined by the registrar.

(2) Where such direction has been given and not withdrawn, nothing in this rule shall be taken to authorise or require any person to be allowed to inspect the document or part of it to which the direction relates except by leave of the registrar.

(3) The registrar shall not withdraw any direction given under this rule without prior consultation with the person at whose request the direction was given, unless the registrar is satisfied that such prior consultation is not reasonably practical.

(4) The registrar may where she considers that any document issued by the Office should be treated as confidential so direct, and upon such direction that document shall not be open to public inspection except by leave of the registrar.

(5) Where a direction is given under this rule for a document to be treated as confidential a record of the fact shall be filed with the document.

18. The Trade Marks Registry has issued a Practice Direction to advise how it will approach the issue of confidentiality of evidence filed in inter partes proceedings. It reads as follows:

“Confidentiality of evidence filed in inter partes proceedings

Under the Trade Marks Act 1938, evidence filed in inter partes proceedings was not and is not available for public inspection. Any request for evidence to be treated as confidential therefore relates to the withholding of documents from the other party or parties to the proceedings but, usually, not from their legal representatives. Rule 127 of the Trade Marks and Service Marks Rules 1986 applied.

Under the provisions of the Trade Marks Act 1994, all documents filed are available for public inspection. Any request for confidentiality will therefore, prima facie, be taken to be a request for a Direction to withhold the document from inspection by the public. If it is intended to seek to withhold the document from the other party or parties to the proceedings (or made available only to their legal representative), then the request that evidence be treated as confidential under the provisions of Rule 51 of the Trade Marks Rules 2000 must make it clear that not only is a Direction sought to withhold the documents from inspection by the public but that, in addition, access to the document is to be allowed only to a party’s representative.

Practitioners should therefore note carefully the difference in emphasis as between the respective statutes on the subject of confidentiality of documents and ensure that any request to the Registrar make clear precisely the order they seek.

Orders for confidentiality will not, however, be issued as a matter of course. Requests must continue to be supported by full and detailed reasons in each case.

In considering such requests the Registrar will bear in mind the comment of Upjohn LJ in *Re K (Infants)* [1963] Ch381; where he states:

“It seems to be fundamental to any judicial enquiry that a person or other properly interested party must have the right to see all the information put before the Judge, to comment on it, to challenge it and if needs be to combat it, and to try to establish by contrary evidence that it is wrong. It cannot be withheld from him in whole or in part. If it is so withheld and yet the Judge takes such information into account in reaching his conclusion without disclosure to those parties who are properly and naturally vitally concerned, the proceedings cannot be described as judicial.”

Also the comments of Mr Justice Whitford in *Diamond Shamrock Technologies SA* [1987] RPC 91; where he states:

“It is commonplace with a variety of proceedings, and patent proceedings are no exception, that the parties to the proceedings want material to be kept confidential. these are matters which they do not want to be disclosed to the public at large. What is said in these letters is that this, that or the other information contained in the declarations or exhibits should be kept confidential because “it contains sensitive commercial information”.

I think it is desirable that a more exact indication should be given as to the reasons why in truth the documents ought not to be disclosed because it is easy enough to talk about the material being of commercial interest and to talk of it being sensitive. That fact in itself does not necessarily mean that the material, which would otherwise become public property because it was included in the documents which are going to be open to public inspection, is to be excluded from public inspection.”

The Registrar takes the view therefore that any party to proceedings before him has the right to see all the evidence laid before the Registrar by the other side. Only in exceptional circumstances and for the most transparent and compelling of reasons will the Registrar issue a direction which denies the other side the opportunity to counter evidence filed in support of the pleadings against him.”

19. Rule 51(1) of the Trade Marks Rules 2000 (as amended) indicates that in order for a request for confidentiality to be considered, it must be made either “at the time of filing” or “within fourteen days of the filing”. In these proceedings, the request was made in the covering letter under which the evidence was filed. In the circumstances, I conclude that the request for confidentiality was properly made as it met the qualifying status defined in rule 51(1).

20. Having concluded that the request was properly made, I go on to consider the substance of the request taking into account the guidance provided by the Trade Marks Registry and the comments of Upjohn LJ and Mr Justice Whitford as set out above.

21. Mr Goodger submitted that there was nothing to show the parties were competitors. It could, however, equally be said that there was nothing to show they are not. In any event, the Hearing Officer who will (if appropriate) determine the substantive merits of these proceedings will have to consider notional and fair use of the marks. The specification of goods and services as set out in the application are included within those of the opponent’s trade marks and therefore on a notional and fair basis, identical goods and services are involved. That being the case, it is possible that the parties could be in the same area of trade either now or in the future.

22. Whilst I accept that a party in adversarial proceedings should have access to all the material filed as part of those proceedings, this should be tempered by the need for

the parties involved to keep information which is commercially sensitive, confidential. In my view, that situation arises here. The exhibits which the opponent applies to keep confidential (some of which are duplicates of each other as I pointed out to the opponent at the hearing), all contain details not only of the names and addresses of customers along with details of goods and services supplied but also the specific discount applied and the costs charged to those customers for those goods and services. This sort of information is central to any company's current and future trading success and its disclosure to a competitor could be extremely damaging.

23. For these reasons, it also seemed to me that no criticism could be made of the opponent's rejection of the applicant's suggestion that the exhibits be made available to two named directors of the applicant company. As for possible redaction of the exhibits, it seemed to me that redacting them in a way that would prevent possible damage to the opponent could lead to them being almost meaningless.

24. Taking all circumstances into account I therefore decided that the exhibits should be subject to a confidentiality order. In these proceedings however, the opponent is not seeking to deny access to these exhibits from the advisors acting for the applicant. I therefore decided that the confidentiality order would make it clear that whilst the exhibits were not open for public inspection or for inspection by the applicant itself, they would be open to the applicant's legal representatives subject to the condition that they will not disclose the information to the applicant or to any other person. This should not prejudice the applicant's right to its property as its advisors will have access to the information and be able to identify any criticisms of its value as evidence.

25. I made no order as to costs.

Dated this 8th day of March 2005

Ann Corbett
For the Registrar
The Comptroller-General