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In the matter of UK Trade Mark Application No.3085533 ('EVONTRUS') in Class 5
in the name of Glaxo Group Limited (the Applicant)

and

Opposition No. 403995 by Evonik Industries AG (the Opponent)

and

In the matter of Appeals to the Appointed Person by the Applicant and the Opponent
against the Decision of the Hearing Officer O-587-15 for the Registrar, The
Comptroller General dated 10 December 2015 and his Supplementary Decision O-054-
16 dated 28th January 2016

DECISION

Procedural history

1. On 11 December 2014, the Applicant applied to register the word mark EVONTRUS under No. 3085533. The application was published for opposition purposes on 19 December 2014 for the following goods in class 5:

Pharmaceutical and medicinal preparations and substances; vaccines.

2. The Opponent opposed the application on the basis of its earlier international (EC) trade mark no.918426 (the earlier mark) for the word mark EVONIK, under section 5(2)(b) of the Trade Marks Act ("the Act"). The earlier mark is registered for goods and services in a number of classes but only the following goods in class 5 are relied upon in these proceedings:

Pharmaceutical, veterinary and sanitary preparations.

3. As the Hearing Officer recorded, the earlier mark has an international registration date of 2 October 2006 and was granted protection in the EU on 4 February 2013 (i.e. less than five years before the publication date of the opposed mark). Consequently, the EVONIK registration qualifies as an earlier mark for the purposes of s.5(2)(b) of the Act and the proof of use provisions in section 6A of the Act do not apply.
4. Neither side filed evidence. Neither side requested a hearing, instead filing written submissions. On the basis of those written submissions, the Hearing Officer

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reached his decision (O-587-15, dated 10th December 2015) as he put it ‘following a careful review of all the papers before me’.

5. In that Decision, the Hearing Officer found that there was no likelihood of confusion in respect of vaccines on the basis that the average consumer of vaccines consists of medical professionals who select and administer them and who will have a high level of attentiveness. In other words, he concluded that vaccines were goods used exclusively by medical professionals.
6. By contrast, the Hearing Officer concluded that for *pharmaceutical and medicinal preparations and substances* generally, they could be (a) products used exclusively by medical professionals, (b) general prescription medications or (c) over-the-counter or self-selected goods. For members of the general public purchasing the kind of everyday pharmaceutical or medicinal preparation off-the-shelf in shops or over the internet, the Hearing Officer concluded there was a likelihood of confusion.
7. Having made that finding, the Hearing Officer considered whether the specification could be amended “so that it would in practice satisfactorily exclude occasion for confusion on the part of consumers who are not medical or healthcare professionals.” He invited the Applicant to put forward a revised specification and submissions detailing any types of goods it wishes to register which:
 - 7.1. Fell within the ambit of *pharmaceutical and medicinal preparations and substances*;
 - 7.2. Were clearly such as to exclude occasion for confusion on the part of consumers who are not medical or healthcare professionals;
 - 7.3. Did not fall foul of the guidance issued by the CJEU in *Postkantoor*¹
8. The Applicant put forward two revised specifications. The first (the “Revised Specification”) was:
 - 8.1. *Pharmaceutical and medicinal preparations and substances, all of the aforesaid available only on prescription; vaccines*;and the Alternative Specification was as follows:

¹ Case C-363/99.

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8.2. *Pharmaceutical and medicinal preparations and substances, all of the aforesaid for supply only on the prescription of a registered medical practitioner; vaccines;*

9. Following the Applicant's proposals and submissions, the Hearing Officer received the Opponent's submissions on them. The Hearing Officer then issued his Supplemental Decision O-054-16 dated 28th January 2016 in which he made his final decision in respect of the Opposition, rejecting it for *vaccines*, but otherwise finding the Opposition succeeded. In other words, he rejected both the Revised Specification and the Alternative Specification and he did so because "*The consumers of prescription drugs will consist not only of doctors who prescribe the medicinal product and pharmacists who dispense that medicinal product but also of end-users.*"

10. In his Supplemental Decision the Hearing Officer also provided more explanation for the distinction he drew in his earlier decision between *vaccines* and the other goods applied for. Immediately following the sentence I have just quoted, the Hearing Officer continued as follows: "*Vaccines will be supplied to medical and healthcare professionals who administer them to the patient in the course of providing their services. Rarely, if ever, will the patient be exposed to the trade mark under which the vaccine is sold. This is different from the case of prescription medicines, where the end user will routinely obtain the prescribed pharmaceutical product in packaging bearing the producer's trade mark.*"

11. Although this reasoning is entirely consistent with his earlier Decision, it is notable that the Hearing Officer had not explained in his earlier Decision the key reason for his distinction – that "*[r]arely, if ever, will the patient be exposed to the trade mark under which the vaccine is sold.*" I will return to this point later.

The Appeals

12. Both parties appeal and each has filed a Respondent's Notice in respect of the other's Appeal. In summary:

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12.1. In its Appeal, the Applicant alleged that the Hearing Officer had made errors under two main heads: (a) first, in his comparison of the marks (b) second, that he should have allowed (one of) the revised specifications, on the basis that his reasoning regarding vaccines applied to both the Revised Specification and the Alternative Specification, and asked that the application be permitted to proceed to registration. The Opponent's Respondent's Notice essentially said the Hearing Officer had reached the right decision.

12.2. In its Appeal, the Opponent appealed against the finding that there was no likelihood of confusion in respect of vaccines, alleging a number of errors: (a) in the Hearing Officer's application of the interdependency principle (b) in his consideration of the concept of imperfect recollection (c) in his assessment of the likelihood of confusion and (d) in his failure to assess the likelihood of indirect confusion. In its Respondent's Notice, the Applicant addressed these points, denying that they had any substance, but also went on to address 'perfect recollection', giving reasons which essentially supported its own Appeal.

13. The Appeals came on for a hearing before me on Thursday 19th May 2016, each side having filed a reasonably detailed Skeleton Argument in advance. The Applicant was represented by Ms Imogen Wiseman of Cleveland, trade mark attorneys for the Applicant and the Opponent by Miss Denise McFarland instructed by Elkington & Fife LLP, trade mark attorneys for the Opponent. At the hearing, both sides were succinct in their oral submissions. The points in dispute narrowed from those put in issue in the appeal documents. For example, the Opponent did not press the accusation that the Hearing Officer had failed to consider or assess the likelihood of indirect confusion. Although the Applicant did not withdraw its point on the comparison of the marks, Ms Wiseman concentrated her submissions on the characteristics of the relevant average consumers with a view to supporting one of her revised specifications.

Standard of Review

14. This appeal is by way of review such that the usual principles set out in *Reef Trade Mark* [2003] RPC 5 and other cases (including *BUD Trade Mark* [2003] RPC 25

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and *Fage UK Ltd v Chobani UK Ltd* [2014] ETMR 26) apply. I have reminded myself of those principles.

The Decision

15. The Hearing Officer directed himself by reference to the now standard summary, comprising 11 principles, drawn from CJEU case law.

Comparison of Goods

16. The Hearing Officer concluded that the competing goods were identical. The Applicant challenged the contribution which the similarity of goods made to the assessment of the likelihood of confusion, but in my view, the Hearing Officer's comparison of the respective goods was plainly correct.

Comparison of marks

17. The Hearing Officer directed himself entirely correctly by reference to paragraph 23 of *Sabel v Puma* (Case C-251/95) and paragraph 34 of Case 591/12 *Bimbo SA v OHIM*, and then reminded himself that:

“It would be wrong, therefore, to dissect the trade marks artificially, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.”

18. In respect of the marks in issue, the Hearing Officer then found that each of the mark was an invented word and neither descriptive nor allusive of the respective goods. For those reasons, he later found neither conceptual similarity nor conceptual difference between the marks.
19. The Hearing Officer also found that there were no elements in either mark which were dominant or distinctive and that therefore the marks must be compared as wholes, with the distinctive character of each mark residing in the whole.
20. When it came to his assessment of the degree of visual and aural similarity, the Hearing Officer seems to have assumed that the beginning of each mark would be seen and pronounced/heard by relevant average consumer only as EVON-, with one

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mark ending with –IK and the other with –TRUS. This is an easy assumption to make if (as this Hearing Officer did) you set out the respective marks side by side.

21. One of the Applicant's criticisms was that the Hearing Officer wrongly assumed that EVO/EVON would be pronounced in the same way in both marks, and that he had failed to taken into account how each mark would sound when the marks are spoken as a whole.
22. There is force in this criticism because I do not believe that the Hearing Officer's assumption – that each mark would be seen and pronounced only as commencing with the EVON- element - is wholly correct. In my view, the earlier mark could be seen and pronounced as either EVO-NIK or EVON-IK. By contrast, it is much more difficult to see or pronounce the mark applied for as a mark with an EVO-prefix. It seems to me that the mark applied for would be seen and pronounced as either EVON-TRUS or EVONT-RUS (there being little difference between these two pronunciations). This criticism has limited significance, however, because the Hearing Officer concluded that there was a medium degree of visual and aural similarity between the competing marks. Even taking account of the additional alternative ways of seeing and pronouncing the competing marks, it is my view that a medium degree of visual and aural similarity was and remains the correct assessment.
23. In its Appeal, the Applicant also alleged there was an inconsistency between the Hearing Officer's use of the rule of thumb that the first component of a word mark is more likely to catch the consumer's attention and his finding that the ending of each mark made a real contribution to the overall visual impression of the mark. I do not consider there is any inconsistency in his reasoning. He had to consider both elements in each mark, and each made a contribution to the overall impression of the mark in question. There is a similarity in the beginning of these invented words (however they are seen or pronounced) and a dissimilarity in the endings.
24. In summary, I could detect no error of principle in the Hearing Officer's assessment of the similarity of the marks.

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Average Consumer and the purchasing process

25. The Hearing Officer directed himself under this heading by reference to *Lloyd* (Case C-342/97) and paragraph 60 of the *Betty Boop* case (*Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch)). He then cited a number of decisions concerned with the relevant consumers of pharmaceutical products, including Case T-33/99 *Novartis v OHIM*, Case T-356/04 *Mundipharma v OHIM* (RESPICORT vs RESPICUR), Case T-483/04, *Armour Pharmaceutical Co v OHIM* and Case T-95/07 *Aventis Pharma SA v OHIM*.

26. I could detect no error (let alone of principle) in his self-direction or in his assessments.

Distinctive Character of the earlier trade mark

27. The Hearing Officer directed himself by quoting paragraphs 22 and 23 of *Lloyd* (Case C-342/97), and assessed the degree of distinctiveness of the earlier mark as an invented word as being high (the Opponent made no claim to enhanced distinctiveness, so he was considering the prima facie situation).

Global Assessment – Conclusions on Likelihood of Confusion

28. Under this heading, it is necessary to consider the combination of the findings in both decisions. In the first decision, having reminded himself of the interdependency principle from *Canon*, paragraph 17 and the need to make a global assessment when determining whether there exists a likelihood of confusion from *Sabel v Puma*, paragraph 22, the Hearing Officer then stated his reasoning as to why there was no likelihood of confusion in respect of vaccines:

“25) The goods of the competing marks are identical or highly similar, and the earlier mark has a high degree of distinctiveness. I have found a medium degree of both visual and aural similarity, and neither conceptual similarity nor conceptual difference between the competing marks. The average consumer of vaccines consists of the medical professionals who select and administer them, and who will have a high level of attentiveness. I accept that, even where the average consumer has a high level of attentiveness, s/he too may only rarely have the chance to make a direct comparison of the marks, relying on the imperfect picture of them that s/he has kept in his or her mind.

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Nevertheless, medical and healthcare professionals, who deal routinely with pharmaceuticals as an essential part of their job, are likely to be less subject to the effects of imperfect recollection than members of the general public. I consider that the differences between the marks in this case will be sufficient to offset their similarities in the mind of the average consumer of vaccines. Accordingly, **I find no likelihood of confusion in respect of vaccines. Therefore the opposition fails in respect of vaccines.**”

29. To that paragraph, one may add this sentence from the Supplemental Decision:

“Vaccines will be supplied to medical and healthcare professionals who administer them to the patient in the course of providing their services.”

30. In its Appeal, the Opponent alleged this reasoning contained material errors and was clearly wrong. So far as the risk of direct confusion is concerned, the errors alleged appeared to me to be either criticism of the weight given to the various factors or just disagreement with his conclusion. I could detect no error, let alone of principle.

31. The Opponent also criticized the Hearing Officer for not considering indirect confusion, even though the Opponent did not, as far as I can see, raise a case of indirect confusion in its written submissions for the Hearing Officer. Although this criticism was not pressed in oral submissions before me, I think it right to deal with it. I remind myself of the guidance on indirect confusion contained in O-375-10 *L.A. Sugar Limited v By Back Beat Inc*, in which Mr Iain Purvis Q.C. sitting as the Appointed Person noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier

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mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

32. In my decision O-219-16 *The Cheeky Indian* at paragraph 16, I made three additional points, the third of which is apposite here:

“Third, when making a finding of a likelihood of indirect confusion, in my view it is necessary to be specific as to the mental process involved on the part of the average consumer. Whilst the categories of case where indirect confusion may be found is not closed, Mr Purvis’ three categories are distinct, each reflecting a slightly different thought process on the part of the average consumer.”

33. Although the Opponent raised indirect confusion on appeal, it did not specify the mental process involved on the part of the average consumer. From its written submissions, however, it is possible to infer that the Opponent’s case on indirect confusion was:

33.1. either based upon the common element of EVON- being so strikingly distinctive that the average consumer would assume that no-one other than the brand owner would use that in a trade mark at all (i.e. the first category);

33.2. or that the earlier mark consists of two elements EVON- and –IK, and the change of the second element to –TRUS appears entirely logical and consistent with a brand extension (i.e. the third category).

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34. As to the first alternative, although I adopt the Hearing Officer's assessment that the inherent distinctiveness of EVONIK is high, there is no evidence of use or acquired distinctiveness. Even though the element EVON- is unusual, consumers have not been educated to pick out that element, let alone to view it as being strikingly distinctive. In these circumstances, I do not accept this as a basis for a finding of indirect confusion.
35. For the second alternative to be sustained, again the average consumer would have to have been educated to pick out the EVON- element. This might have had some basis if the Opponent had used a family of EVON- marks, but there is no evidence of any use of EVONIK, let alone of a family of such marks. Again, I do not accept this alternative as a basis for a finding of indirect confusion as regards the average consumers of vaccines, namely medical and healthcare professionals.
36. Reverting to the Applicant's Appeal, its principal argument related to the two amended specifications it had put forward to the Hearing Officer. Both amended specifications limited the pharmaceutical and medicinal preparations and substances essentially to those only available on prescription. In this way, the Applicant argued it had removed over-the-counter products and therefore the possibility of confusion. It argued that the Hearing Officer should have applied the same reasoning to the revised specifications as he had done to *vaccines*.
37. The flaw in this argument is readily apparent from the wording I quoted at paragraph 10 above from the Supplemental Decision. Limiting the specification to prescription-only goods does not mean that '*Rarely, if ever, will the patient be exposed to the trade mark under which the vaccine is sold.*' On the contrary, the patient is routinely exposed to the trade mark applied to prescription medicines and substances.
38. Aside from this specific argument (which I reject as unfounded), I did not detect either in the Appellant's Grounds of Appeal, Skeleton Argument or oral submissions any other criticism of the Hearing Officer's assessment of the

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likelihood of confusion in relation to the revised specifications. For completeness, I set out below the core of his reasoning from his Supplemental Decision:

“I must consider whether, from the point of view of the end-user of prescription pharmaceuticals supplied under the contested mark, there is a likelihood of confusion not only with other prescription pharmaceuticals, but also with, for example, over-the-counter or self-selected pharmaceuticals supplied under the earlier mark, where the purchaser will not necessarily have the assistance of a medical or healthcare professional.

10) At paragraph 26 of my decision of 20 December 2016 I wrote: “I have found that, in addition to products used exclusively by medical professionals and general prescription medication, pharmaceutical and medicinal preparations and substances also include over-the-counter or self-selected goods. I accept that consumers are in general likely to pay greater attention to the purchase of goods which affect their health. However, and in particular bearing in mind the principle of imperfect recollection, I consider that the differences between the marks will not be sufficient to offset their similarities in the mind of members of the general public purchasing the kind of everyday pharmaceutical or medicinal products which are available off-the-shelf in shops, on the internet, etc. For these consumers there is a likelihood of confusion”. For the reasons I have explained in paragraph 8 above, there would still be a likelihood of confusion for this class of consumer even if the Applicant’s specification were confined to prescription-only pharmaceutical and medicinal preparations and substances. Accordingly, I find that in respect both of the originally applied for *pharmaceutical and medicinal preparations and substances* and the suggested alternatives *pharmaceutical and medicinal preparations and substances, all of the aforesaid available only on prescription* and *pharmaceutical and medicinal preparations and substances, all of the aforesaid for supply only on the prescription of a registered medical practitioner* there is a likelihood of confusion.”

39. I cannot detect any error (let alone of principle) in this reasoning. Furthermore, the Hearing Officer was entirely correct to point out that the Applicant’s revised specifications did not mean that the Opponent’s mark was not encountered by ordinary members of the public/patients.

A further revised specification?

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40. In the course of submissions at the hearing before me, the Appellant's representative suggested that, if I was against its principal argument on the two revised specifications, there might be other classes of goods which nonetheless did fall into the same category as vaccines where 'rarely, if ever, would the patient be exposed to the trade mark under which the [particular goods] were sold.' Although no such classes had been identified in any of the Appeal documents, she put forward '*anesthetics*' as a possibility. I inquired if she had any other suggestions. She did not at that point, but indicated that her thinking was that, if I was attracted to some further revised specification, the parties would be given time to reflect on that.
41. Although the suggestion of *anesthetics* only came up in the course of oral submissions, Counsel for the Opponent was able to make three points in response:
- 41.1. First, that '*anesthetics*' covers a wide range of goods from general anesthetics to local, to topical creams having an anesthetic effect;
 - 41.2. Second, she questioned whether 'anesthetics for surgical use' fell within pharmaceutical or medicinal preparations at all;
 - 41.3. Third, if I was even to entertain any further revised specification, the Opponent should have the opportunity to make further submissions.
42. I confess that initially I was strongly inclined not to allow the Appellant a further opportunity to put forward some other revised specification of goods, on the basis that any fall-back positions on other revised specifications of goods ought to have been raised before the Hearing Officer or, at the latest, clearly in the Grounds of Appeal and Skeleton Argument, so that the Opponent had an opportunity to consider and respond.
43. I have given this point anxious consideration. I have reminded myself of the useful analysis given by Mr Daniel Alexander Q.C. as the Appointed Person in *Multisys (Advanced Perimeter Systems v Keycorp ("Multisys"))* [2012] RPC 14 and [2012] RPC 15) as quoted by Miss Amanda Michaels as the Appointed Person in her decision O-227-16 *Eris FX*:
- "37. A trade mark applicant or owner may raise the possibility of narrowing the specification of his mark on appeal even if it was not raised before the Hearing Officer. Whether the proposal is accepted will depend on a number of factors: see for example

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Advanced Perimeter Systems v Keycorp (“*Multisys*”) [2012] RPC 14 and [2012] RPC 15, and *YouView v Total* [2012] EWHC 3158 [2013] E.C.C. 17 especially at [14]-[17], both of which were appeals in oppositions. I will set out the relevant passage from Mr Alexander’s decision in *Multisys*. He said:

“Arguments against considering a fall-back position

73 There are several arguments for refusing to entertain a fall-back position at this stage. Among them are the following.

74 First, there is the general point that, in opposition proceedings, if an applicant wishes to contend that a narrower specification is allowable, it can and should say so in good time. There is no reason why APS could not have advanced such a case even given doubts as to the possibility of taking conditional positions. That is one purpose of the pleadings. No fall-back position has been formulated even now, and the matter was hardly touched upon even at the hearing.

75 Second, appeals to the Appointed Person are intended to provide a quick and cheap review of the registrar's decisions. Grounds of appeal should be full and complete: *Coffeemix Trade Mark* [1998] R.P.C. 717 and Tribunal Practice Note. Where a point is not squarely taken even on appeal, a proprietor of an earlier right is entitled to assume that it will not emerge later in argument.

76 Third, there is a trend in favour of “put up in time, or shut up” as regards fall-back positions in patent cases (see *Nokia GmbH v ICom GmbH & Co KG* [2011] EWCA Civ 6; [2011] F.S.R. 15, per Jacob L.J. in the context of late amendments at [138]–[139]). The position should be no different in trade mark proceedings.

77 Fourth, whether goods are sufficiently similar in a specialist field may require evidence (see GE). If such evidence is required, it would be unjust to permit the point to be run for the first time only on appeal.

78 Fifth, Key declined the chance to limit its specification before the hearing officer and should not be able to get away from that position by inviting a more generous assessment on appeal. This is partly because of the importance of ensuring that all matters arising in an opposition may be considered at least at two instances: first, by a specialist hearing officer and then, on review, by the Appointed Person or the court.

79 Finally, there may be no immediately obvious fall-back position, having regard to C-363/99, *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (POSTKANTOOR)* [2004] E.C.R. I-1619, [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 business, having regard to the public policy in avoiding clogs on the register

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by unused marks: see *Minerva Trade Mark* [2000] F.S.R. 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 Key's unjustified attempt to obtain broad protection for the term MULTISYS based on narrow and limited trade.

Arguments in favour of considering a fall-back position

80 There are, however, countervailing arguments in this case. Among them are these.

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 APS (cf. the decision, para.61). 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 an 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 Art.13 of the Trade Marks Directive.

82 Second, viewed generously, the first sentence of Key's grounds of appeal on this issue could be interpreted as being sufficiently broad to raise the issue of whether the hearing officer's evaluation of the similarities was correct overall, and not limited to the construction point, even if in questionable compliance with the COFFEEMIX requirements in this respect. Key extended an invitation, albeit briefly, to consider the point at the hearing and the omission of any reference to the point in skeleton argument does not mean I should not do so.

83 Third, as Richard Arnold Q.C. said in m.d.e.m, the procedural position with patent amendment is of limited analogical value for trade mark oppositions and the situation in such cases is more like that of a partially valid patent, where amendments are permissible in certain circumstances. Of greater relevance in this context than the “put up in time or shut up” principle are the considerations adumbrated by Mann J. in *Giorgio Armani SpA v Sunrich Clothing Ltd* [2011] R.P.C. 15, [2011] E.T.M.R. 1 and Geoffrey Hobbs Q.C., Appointed Person, in *CITYBOND Trade Mark* [2007] R.P.C. 13. These are directed to reaching a fair result in opposition proceedings overall.

84 Fourth, there may be no material prejudice to APS in considering the matter for the first time on appeal. Although it was said on behalf of APS that there might be a need for evidence, it takes persuasion that additional material is needed to address the simple question of (for example) whether services related to business administration computers and software are sufficiently different from the highly specific goods of APS's specification for it to be unlikely that

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an average consumer would think that they came from the same source if each were branded “MULTISYS”. That is particularly so, given APS's stance on the passing off case. This is not a case in which Key has sought unreasonably broad protection; it is only protecting its entitlement to continue and expand its business under its long-used mark against a registration by APS which would potentially affect its ability to do so.

85 Finally, previous decisions of the Appointed Person have adopted a flexible approach to advancing fall-back specifications even on appeal: see, for example, *SVM Asset Management's Trade Mark* BL O/043/05 at [10] and [21]; *Land Securities plc's Trade Mark Application* BL O/339/04 at [23].

Consequences

86 Doubtless there are other arguments on both sides. The procedural position is therefore imperfect. Moreover, the m.d.e.m case illustrates the risk of a wasteful subsequent collateral dispute as a result of either considering or refusing to consider the issue at this stage. Unlike in m.d.e.m where there was, at least, the advantage of extensive discussion of the issue at the hearing, the possibility of a more limited specification was only fleetingly addressed by the parties in the s.5(2)(a) argument which itself was treated by the parties as something of a coda to Key's s.5(4)(a) case. The arguments outlined in the previous two paragraphs were not developed by either side and few of the potentially relevant authorities were deployed.

87 It is necessary to cut through to what really matters. As indicated above, I have no doubt that some of the services within Key's broad specification are objectionable, if the specification is taken as it is found. It is less clear that all are. In these circumstances, it is preferable to give the parties an opportunity to make brief further written submissions on whether consideration of a narrower specification is appropriate at this stage and, if so, whether there is such a specification which would not be open to objection under s.5(2)(a) of the Act, in the light of APS's earlier registration.

88 APS rightly submits that Key's software and services are far removed from those of the subject of its registration. There is no serious prospect of these parties stepping on each other's commercial toes. It may be that opportunity for discussion between the parties in the light of this decision would assist in devising a class 42 specification which was reasonably satisfactory for Key and unobjectionable for APS. In taking the unusual course of inviting further submissions, with cost implications, I take into account that the parties are both represented by counsel, which is an indication of the importance of the case to them. Moreover, this is an issue which should on Key's side have been properly articulated, with reference to all the relevant authorities on substance and procedure in the skeleton argument before the hearing, given Key's apparent invitation at the hearing to consider a narrower specification. It therefore only requires work to be done which, given Key's position, should have been done sooner. Finally, it seems appropriate to provide the parties with an opportunity

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to comment and, if necessary, add to the arguments set out above in favour of and against consideration of the issue before reaching a final decision.

...

90 Unless a more limited class 42 specification for Key's mark can be devised which is *clearly not objectionable*, the Hearing Officer's decision refusing the mark in its entirety will stand." (emphasis added).

38. I am concerned here both with the desirability of reaching a fair result overall and with the potential procedural unfairness to the Opponent if the Applicant is given permission to raise a fall-back position at this stage of the appeal. At present, it is not clear to me what the terms of any alternative specification would be."

44. With all the *Multisys* considerations in mind (many of which apply here), I too am concerned with the desirability of reaching a fair result overall (particularly because the result of a contested opposition can have long-lasting effects) and avoiding procedural unfairness. My preliminary consideration of 'anesthetics' gives rise to the following points, all of which are provisional:

44.1. It appears that an anesthetic is a drug and so is likely to comprise a 'pharmaceutical preparation or substance';

44.2. The class of anesthetics generally ranges from general anesthetics to local anesthetics (which may be administered by a general practitioner, a nurse or a paramedic) to topical creams bought over-the-counter and without prescription;

44.3. I can see the argument that the more limited class of 'general anesthetics' are likely to meet the Hearing Officer's requirement that 'rarely, if ever, will the patient be exposed to the trade mark applied to those goods'.

44.4. On the other hand, it is plain that a topical cream containing an anesthetic bought over-the-counter or self-selected would not meet his requirement.

45. In these circumstances, I have reached the conclusion it would be wrong to shut out the Appellant from putting forward a further revised specification, because 'general anesthetics' would appear to meet the Hearing Officer's requirement, and wrong not to allow the Opponent from an opportunity to state its objections.

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46. I emphasise and adopt the point made by Miss Amanda Michaels at paragraph 40 of her decision in *Eris FX*:

“It may well be that it would not be fair to the Opponent to allow the Applicant to apply to amend its specification at this stage if, for instance, it would, have been necessary to adduce evidence as to the acceptability of any fall-back specification. Then there is the further question of whether the application as so amended should be remitted to the IPO.”

47. Like Miss Michaels, I make no decision at this stage, but I invite the parties to supply me with sequential written submissions in accordance with the following timetable:

47.1. The Appellant/Applicant may (but is not obliged to) put forward a proposal of an amended specification of goods in respect of which ‘rarely, if ever, will the patient be exposed to the trade mark used on such goods’ by 5pm on Friday 4th November 2016. I emphasise that the onus is on the Appellant/Applicant to propose a specification of goods which is *clearly not objectionable*, otherwise the Hearing Officer’s decision on the first two proposed revised specifications will stand.

47.2. The Opponent may respond, setting out any objections to the proposal, by 5pm on Wednesday 16th November 2016.

47.3. The Appellant/Applicant may reply by 5pm on Tuesday 22nd November 2016

47.4. I will then either give further directions or deliver a supplemental decision.

48. If no further proposal is made by the Appellant/Applicant by 4th November 2016, then both Appeals will be dismissed.

49. In that eventuality as to costs I bear in mind the following points:

49.1. First, the Hearing Officer made no award of costs to either party ‘given the fairly equal measure of success enjoyed by the parties in these proceedings overall’;

49.2. Second, both sides filed appeals of roughly equal weight and both filed a respondent’s notice in response to the other’s appeal;

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49.3. Third, having made those first two points, more time and effort was devoted to the Appellant's arguments on Appeal (than to the Opponent's), which, in this eventuality, have not succeeded.)

49.4. Accordingly, I will order the Appellant/Applicant to pay a contribution in the sum of £300 towards the Opponent's costs of the Appellant's Appeal by 5pm on Friday 18th November 2016.

JAMES MELLOR QC

The Appointed Person

26th October 2016