BL O/0058/24

IN THE MATTER OF TRADE MARK APPLICATION NO. 3691326
FOR FENIX
BY Prof. Dr. THOMAS SCHULTHESS

AND

OPPOSITION NO. 431193 THERETO BY FENICS SOFTWARE INC.

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MS SARAH WALLACE DATED 31 MAY 2023

DECISION

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1. This is an appeal from the decision of Sarah Wallace (the "Hearing Officer"), BL O/0500/23, dated 31 May 2023, in which she upheld almost in its entirety the opposition by Fenics Software Inc ("the Opponent") to an application by Prof. Dr. Thomas Schulthess to register the mark FENIX.

Background

2. The trade mark application was filed on 7 February 2020, for a specification of goods and services in Classes 9, 37, 42 and 45. See Annex A. The Opponent filed its opposition on 21 February 2022 relying on three earlier UK registered marks:
    a. No. 908671133 FENICS, registered for goods and services in Classes 9 and 42;
    b. No. 801503423, Fenics registered for goods and services in Classes 9, 36, 38 and 42; and

c. No. 801523623, FENICS GO registered for goods and services in Classes 9, 35, 36, 38 and 42.

I will not set out these specifications in full, but they may be found in the Annex to the Hearing Officer's Decision. The Opponent was put to proof of use of the '133 mark, FENICS, for all the goods and services in Classes 9 and 42.

3. The Opponent filed evidence of use of its '133 mark. Neither side requested a hearing. Both sides filed written submissions. In its lengthy submissions the Opponent submitted that the evidence showed that it is an award winning computer software business specialising in foreign exchange software and claimed that it had used the '133 mark in relation to all of the goods and services for which it is registered in Classes 9 and 42.

4. The Hearing Officer said at paragraph 10 of the Decision that even if the Opponent could demonstrate use of the '133 Mark "this would not put it in a better position than the second and third earlier marks, as its goods and services appear to be narrower (or, in the case of class 9, not materially any broader given the limitation contained within the specification.)" As a result, she would first consider the oppositions based upon the '423 and '623 marks, and only address the issue of proof of use of the '133 mark if she found it necessary to do so.

5. She carried out a lengthy analysis of the similarity of the parties' respective goods and services. She set out the law in the usual way and then dealt with the Applicant's specification in 'batches' of goods and services. There is no complaint about that approach. She found some similarity, to varying degrees, some identity and some dissimilarity. In particular she found no similarity for "Electronic data storage, Online data storage and Computer services concerning electronic data storage" in Class 42 ("the Data Storage Services") or for services in Class 45. Her reasoning on the Data Storage Services was set out at paragraph 30 of the Decision, which I set out below.

6. She held that the average consumer is likely to be a business or professional user who would choose these goods and services with a higher than average level of care and attention. The Opponent challenged this finding in the Grounds of Appeal, but it was not pursued before me.

7. Her comparison of the respective marks was not criticised. At paragraph 62 of her Decision she held that "it is highly likely that consumers, even paying a higher than average level of attention during the purchasing process, would misremember the marks for one another and fail to recall the difference in stylisation and different endings, particularly given the high level of distinctive character possessed by the second earlier mark. Consequently, in my view there is a likelihood of direct confusion."

8. In the circumstances, the opposition succeeded in relation to all but the Data Storage Services and some services in Class 45, as to which there is no appeal. The Opponent pursued the appeal in relation to the Data Storage Services upon two grounds. First, it complained that the Hearing Officer had failed properly to assess the Data Storage Services against the goods/services of its earlier marks, failed to address the points made in its written submissions, and failed to give reasons for concluding that they were not similar. It said that I should set the conclusion aside and either decide it myself or remit it to another Hearing Officer. Secondly, it contended that the Hearing Officer was wrong to find the specification of the '133 Mark to be narrower than those of the other earlier marks, and so wrong to find that – assuming use had been proved – the opposition might not have succeeded against the Data Storage Services. That part of the opposition, it said, certainly should be remitted to the Registry.

9. The Applicant did not attend the hearing of the appeal, but filed written submissions in lieu. I am grateful for those submissions, and for the written and oral submissions of Ms Blythe on behalf of the Opponent.

Standard of appeal

10. It was common ground that this appeal is by way of review, it is not a rehearing. The relevant principles were not in dispute. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for the appellate tribunal to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See *Reef Trade Mark* [2003] RPC 5; and *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671 at [78] to [81].

11. The principles have been summarised in numerous cases. For instance, the Respondent referred me to the Court of Appeal's decision in *Volpi v* Volpi [2022] EWCA Civ 464 at [2]. The principles have also been stated in a number of recent trade mark appeals, such as by Sir Anthony Mann in *Stitch Editing Limited v. TikTok Information Technologies Ltd* [2023] EWHC 1167 (Ch) at paragraphs [6] to [8]:

> "6. The correct approach to appeals such as this has recently been confirmed in the decision of Richards J in *Instagram LLC v Meta 404 Ltd* [2023] EWHC 436 (Ch). In that case (which was another trade marks appeal case) the judge followed the guidance to be applied in appeals generally and set out in *Volpi v Volpi* [2022] EWCA Civ 464.
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> > "i) An appeal court should not interfere with the trial judge's conclusions on primary facts unless it is satisfied that he was plainly wrong.
> >
> > ii) The adverb "plainly" does not refer to the degree of confidence felt by the appeal court that it would not have reached the same conclusion as the trial judge. It does not matter, with whatever degree of certainty, that the appeal court considers that it would have reached a different conclusion. What matters is whether the decision under appeal is one that no reasonable judge could have reached.
> >
> > iii) An appeal court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration. The mere fact that a judge does not mention a specific piece of evidence does not mean that he overlooked it.
> >
> > iv) The validity of the findings of fact made by a trial judge is not aptly tested by considering whether the judgment presents a balanced account of the evidence. The trial judge must of course consider all the material evidence (although it need not all be discussed in his judgment). The weight which he gives to it is however pre-eminently a matter for him.
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> > v) An appeal court can therefore set aside a judgment on the basis that the judge failed to give the evidence a balanced consideration only if the judge's conclusion was rationally insupportable.
> >
> > vi) Reasons for judgment will always be capable of having been better expressed. An appeal court should not subject a judgment to narrow textual analysis. Nor should it be picked over or construed as though it was a piece of legislation or a contract."

7. So far as the decision below is evaluative, an appellate court should also approach the appeal with caution:

"76. So, on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out a balancing task afresh but must ask whether the decision of the judge was wrong by reason of some identifiable flaw in the judge's treatment of the question to be decided, "such as a gap in logic, a lack of consistency, or a failure to take account of some material factor, which undermines the cogency of the conclusion". (*Re Sprintroom Ltd* [2019] EWCA Civ 932)

8. And last, as Richards J observed in *Instagram*, proper respect should be paid to the decision of an expert tribunal in the field in question:

"26. Finally, it is relevant to observe that this is an appeal from a tribunal with particular expertise. As Lady Hale observed in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49 at paragraph 30, the court should approach the appeal on the basis that it is probable that an expert tribunal, charged with applying the law in their specialist field, has probably got it right.""

12. I have kept these principles in mind when considering the present appeal.

Merits of the appeal

13. The Hearing Officer considered the Applicant's Class 42 specification in 6 sub-categories, most of which she found to be identical to various parts of the Opponent's own Class 42 specifications. However, in relation to the Data Storage Services she said:

"*Electronic data storage; Online data storage; Computer services concerning electronic data storage*

30. The opponent has not specifically identified which of its registered terms it considers similar to the applicant's above terms. It simply claims that the applicant's class 42 terms are all identical/highly similar to its class 42 services covered by the earlier registrations as well as its class 9 goods. Having considered the opponent's class 42 and class 9 goods across both the second and third earlier marks, I have found none to be similar to the applicant's above services."

14. The Opponent complained that she had not considered its written submissions, or given adequate reasons for finding no similarity between the Data Storage Services and its own Class 9 and Class 42 specifications. As to the former point, it does not seem to me that the Hearing Officer would have found the Opponent's written submissions of any help at all on this point. They did not deal with any specificity with similarity in relation to the Data Storage Services but simply asserted identity or a high level of similarity of all of the Applicant's Class 42 services with its own Class 42 services. The submissions dealt more specifically with some other services. The Data Storage Services were not mentioned. The Hearing Officer's comment in the first sentence of paragraph 30 was wholly justified.

15. There is more force in the complaint that the Hearing Officer failed to give adequate reasons for her findings about the Data Storage Services. There is much appellate case law setting out what is required by way of reasons by lower courts and tribunals. The duty to give reasons is

> "a function of due process, and therefore of justice. Its rationale has two principal aspects. The first is that fairness surely requires that the parties especially the losing party should be left in no doubt why they have won or lost. This is especially so since without reasons the losing party will not know … whether the court has misdirected itself, and thus whether he may have an available appeal on the substance of the case. The second is that a requirement to give reasons concentrates the mind; if it is fulfilled, the resulting decision is much more likely to be soundly based on the evidence than if it is not." *per* Henry LJ in *Flannery v Halifax Estate Agencies Ltd* [2000] 1 WLR 377 (CA), 381H.

16. Many of the relevant cases were reviewed in *Simetra Global Assets Ltd v Ikon Finance Ltd* [2019] EWCA Civ 1413, [2019] 4 WLR 112 by Males LJ (with whom Peter Jackson and McCombe LJJ agreed) at [39]-[47]. Males LJ said, in particular at paragraphs 46-47:

> "Without attempting to be comprehensive or prescriptive, not least because it has been said many times that what is required will depend on the nature of the case and that no universal template is possible, I would make four points which appear from the authorities and which are particularly relevant in this case. First, succinctness is as desirable in a judgment as it is in counsel's submissions, but short

> judgments must be careful judgments. Second, it is not necessary to deal expressly with every point, but a judge must say enough to show that care has been taken and that the evidence as a whole has been properly considered. Which points need to be dealt with and which can be omitted itself requires an exercise of judgment. Third, the best way to demonstrate the exercise of the necessary care is to make use of "the building blocks of the reasoned judicial process" by identifying the issues which need to be decided, marshalling (however briefly and without needing to recite every point) the evidence which bears on those issues, and giving reasons why the principally relevant evidence is either accepted or rejected as unreliable. Fourth, and in particular, fairness requires that a judge should deal with apparently compelling evidence, where it exists, which is contrary to the conclusion which he proposes to reach and explain why he does not accept it.
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> 47. I would not go so far as to say that a judgment which fails to follow these requirements will necessarily be inadequately reasoned, but if these requirements are not followed the reasoning of the judgment will need to be particularly cogent if it is to satisfy the demands of justice. Otherwise there will be a risk that an appellate court will conclude that the judge has "plainly failed to take the evidence into account"."

17. It is well established that it is for the opponent to provide evidence of similarity where it is not self-evident. This was explained in the decision of Mr Hobbs KC in *Raleigh International Trade Mark* [2001] RPC 11 at paragraph 20, where he said (inter alia) "If the goods or services specified in the opposed application for registration are not identical or self-evidently similar to those for which the earlier trade mark is registered, the objection should be supported by evidence as to their "similarity" …." This is not a case in which the Hearing Officer failed to take any evidence into account, as no evidence of similarity had been filed, nor did the Opponent's submissions raise any points to explain why it said the Data Storage Services were self-evidently similar to its own goods or services. The Opponent provided nothing to help the Hearing Officer to assess the similarity of the Data Storage Services to its own goods/services.

18. However, there is a contrast to be drawn between the limited reasoning given in paragraph 30 of the Decision, and the reasoning given in the preceding paragraphs, where the Hearing Officer had (despite a similar lack of evidence of similarity, or more

specific submissions) set out her views as to why other sub-sets of the Applicant's Class 42 services were identical to some of the Opponent's services. There, the Hearing Officer set out the appropriate tests for finding identity or similarity, and applied them carefully to the other sub-sets of services. It is also noteworthy that in paragraph 33 of the Decision, when rejecting the submission that the Applicant's Class 45 services were similar to the Opponent's "Scientific and technological research, design and development of computer hardware and software" she set out a number of reasons why she disagreed with the submission. She said

> "The services identified are different in nature, method of use and intended purpose. The applied for services relate to intellectual property rights, whilst the opponent's services relate to I.T and technology services. The trade channels differ, as do the users. The services are not complementary as although there may be some connection between technological research and technology licensing the relationship is not sufficiently proximate, and consumers are unlikely to assume that the originate from the same undertakings. Further, I have considered the other goods and services relied upon and there does not appear to be any obvious similarity between them. Consequently, I find the applicant's goods dissimilar to the goods and services registered under the opponent's second and third earlier marks."

19. It is not possible to tell why she did not set out any similar reasoning for reaching her conclusion as to the Data Storage Services, although this may have stemmed from the Opponent's failure to identify what it said were similar services, but either way the lack of reasons makes it impossible to know whether her reasoning was right or wrong. In the circumstances, I have concluded that the Hearing Officer did fail to set out adequate reasons for rejecting the opposition in respect of the Data Storage Services.

20. In the Grounds of Appeal, the Opponent submitted that a degree of similarity should have been found between the Data Storage Services and its Class 42 "Research, design and development of computer software" and "installation … of computer software" in the '423 mark, and its "Scientific and technological research, design and development of computer hardware and software" in the '623 mark. Then, in its skeleton argument for the appeal, the Opponent also sought to rely upon "providing temporary use of on-line non-downloadable computer software for managing financial data and creating

financial reports" also in Class 42 in the '423 mark and upon certain services which it said specifically concern data-related or database-related software such as "platform as a service (PAAS) featuring computer software platforms for accessing, hosting, managing, developing, analyzing and maintaining scalable computer hardware, computer software, computer applications, websites, and databases for others accessible via private and global computer networks." The Opponent submitted that the parties' respective services overlap in provider, trade channels, user and nature and are complementary in the sense that customers may think that the responsibility for those services lies with the same undertaking. For example, the design of computer software could be in relation to software for data storage, or the computer software being installed could be to give the user more data storage, etc. The Opponent therefore invited me to find at least some level of similarity between its '423 and '632 Marks' specifications in Class 42 and the Data Storage Services, referring me to another Registry decision (O/558/21) in which some level of similarity had been found in relation to the same terms.

21. I have considered carefully whether I should decide this point, or whether I should remit it to the Registry as it was not considered by the Hearing Officer. It seems to me that the parties have both had an opportunity to deal with the point on the appeal, at least in so far as the Opponent's submissions were based upon the services identified in the Grounds of Appeal. In those circumstances, and given that for the reasons given below I do not propose to remit other elements of case to the Registry, it seems preferable to me to deal with the point myself.

22. I bear in mind the need to provide evidence of similarity where it is not self-evident. This was explained in the decision of Mr Hobbs KC in *Raleigh International Trade Mark* [2001] RPC 11 at paragraph 20, where he said *inter alia*: "If the goods or services specified in the opposed application for registration are not identical or self-evidently similar to those for which the earlier trade mark is registered, the objection should be supported by evidence as to their "similarity" …." There was no evidence as to similarity here.

23. I have considered whether it is self-evident that the Data Storage Services (or some of them) are similar or identical to the services in Class 42 of the '423 or '623 Marks

which were identified in the Grounds of Appeal. The three phrases which have been referred to as the Data Storage Services all relate to data storage in some form, which I take to mean the digital recording of files and documents that are saved in a storage system for future use, and services relating to such storage. "Research, design and development of computer software" and "installation … of computer software" differ in nature to the Data Storage Services, but I accept that the providers of the respective services may coincide, as they are all computer related services. In addition, the Opponent's design and development services could include the design and development of the more specific storage services, so that consumers may assume that the same company that designs and develops these software products would also provide the service providing the software. The services are also likely to overlap in terms of users and channels of trade, as the Hearing Officer found for the other Class 42 services in the Applicant's specification. Therefore, in my judgment, they are similar at least to a low degree to the Opponent's services in Class 42.

24. The Hearing Officer upheld the opposition to the Contested Mark in respect of all of the goods/services which she found to be similar or identical to goods/services in the Opponent's specifications, even where such similarity was only at a low to medium level. Applying her reasoning, I conclude that the opposition should be upheld for the Data Storage Services.

25. In the circumstances, it is not necessary for me to consider whether the Hearing Officer also erred in rejecting any similarity between the Data Storage Services and the Opponent's Class 9 goods.

26. The point about the '133 Mark does not now arise as the Hearing Officer rejected the opposition only in respect of the Data Storage Services and the Class 45 services. I have overturned her decision on the former, and the Opponent does not pursue the latter. There is no need to remit any issues based on the '133 Mark to the Registry.

27. The appeal therefore succeeds in relation to the Data Storage Services.

28. In the circumstances the Applicant should make a contribution towards the Opponent's costs of the appeal, which I assess at £750 and shall be paid within 21 days of today. The Hearing Officer considered that the Opponent had the greater measure of success

before her, and I see no reason to disturb her costs order. If it has not already been paid, the £610 which she ordered the Applicant to pay the Opponent shall also be paid within 21 days of today.

Amanda Michaels
The Appointed Person
26 January 2024

MS. CHARLOTTE BLYTHE (instructed by Bristows LLP) appeared for the Appellant.

The Respondent did not attend and was not represented.

Annex A

The Applicant's specification of goods and services:

Class 9: Virtual server software; Cluster computer system hardware; Computer software for the setup, configuration and management of cluster computer systems, supercomputer systems, operating system software and multiple computers in a networked environment; Cluster computer system software; Supercomputer systems; Computer networks consisting of a number of computers; Computer software in the field of operating and enhancing high performance and high availability computer hardware and computer networks.

Class 37: Installation and maintenance of hardware for cluster networks and grid architectures.

Class 42: Services for the design of interactive computer software; Services relating to interactive computer networks; Technological services relating to interactive computers; Services for the design of scalable computer software; Services relating to scalable computer networks; Technological services relating to scalable computers; Providing of virtual computer systems by means of cloud computing; Electronic data storage; Online data storage; Computer services concerning electronic data storage; Cloud computing; Consultancy relating to the use of high performance computers; Design of high performance and high availability computer systems, cluster computer systems, supercomputer systems, multiple computer systems and computer networks; Research relating to data processing; Research in the field of information technology; Research in the field of data processing technology.

Class 45: Generation, acquisition, disposal and evaluation of industrial property rights, in particular patents; Licensing of industrial property rights, Industrial property licensing consultancy; Technology licensing.