

O-073-06

TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION No. 81788  
BY EASYNET GROUP PLC, EASYNET LIMITED & EASYNET  
TELECOMMUNICATIONS LIMITED (JOINTLY)  
FOR A DECLARATION OF INVALIDITY  
IN RESPECT OF TRADE MARK No 2326949  
**EASYTELECOM**

STANDING IN THE NAME OF  
EASYGROUP IP LICENSING LTD

## BACKGROUND

1) The registered proprietor has the following trade mark registered in the UK:

Mark	Number	Effective Date	Class	Specification
<p>easyTelecom</p> <p><b>easyTelecom</b></p> <p>EASYTELECOM</p>	2326949	18.03.03	9	Communications, photographic, measuring, signalling, checking, scientific, optical, nautical, life-saving and surveying apparatus and instruments; consumer domestic electrical and electronic apparatus and instruments, namely, battery chargers, camcorders, cameras, cassette players, compact disc players, compact discs, computers, computer printers, disk drives for computers, floppy discs, headphones, loud speakers, modems, computer monitors, computer mouse, personal stereos, pocket calculators, mobile phones, radios, record players, scanners, stereos, tape recorders, televisions, video players, video cassettes, VDUs, DVDs, DVD players and CD Roms; computer software, hardware and firmware; computer games software; apparatus, instruments and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, broadcasting and retrieving publications, text, signals, software, information, data, code, sounds and images; audio and video recordings; audio recordings, video recordings, music, sounds, images, text, publications, signals, software, information, data and code provided via telecommunications networks, by online delivery and by way of the Internet and the world wide web; sound and video recordings; sound and video recording and playback machines; coin freed apparatus; arcade games; televisions and television games apparatus and instruments; photographic and cinematographic films prepared for exhibition; photographic transparencies, non-printed publications; educational and teaching apparatus and instruments; electronic, magnetic and optical identity and membership cards; sunglasses and sun visors; mouse mats; protective clothing and headgear; parts and fittings for all the aforesaid goods.
			37	Construction; repair; maintenance services; installation services; information and consultancy services relating to the foregoing services.
			38	Communication, telecommunication, broadcasting and message transmission services; provision of access to the Internet; Internet services, namely,


				<p>providing user access to the Internet (service providers), providing telecommunications connections to the Internet or databases, telecommunication of information (including web pages), computer programmes and other data; email services; providing access to computers; advisory and arrangement services relating to all the aforesaid; including, but not limited to, all the aforesaid services provided via telecommunications networks, by online delivery and by way of the Internet and the world wide web.</p>
			42	<p>Meteorological information services; consultancy, development, advice, assistance, analysis, design, evaluation and programming services relating to computer software, firmware, hardware and information technology; computer rental; leasing access time to a computer database (other than by Internet services providers); rental of consumer domestic electric and electronic goods, namely, rental of computers, computer hardware, computer software, computer apparatus and equipment; design, drawing and commissioned writing, all for the compilation of web pages on the Internet; posting, creating and maintaining websites for others; leasing access time to a computer database, Internet café services, namely, renting computers and leasing access time to computers; consultancy and advice relating to the evaluation, choosing and implementation of computer software, firmware, hardware, information technology and of data-processing systems; duplication of computer software, recovery of computer data; rental and licensing of computer software, firmware and hardware; provision of information relating to technical matters, legal matters, information technology, and intellectual property; scientific and technological services and research and design relating thereto, industrial analysis and research services, legal services; including but not limited to, all the aforesaid services provided via telecommunications networks, by online delivery and by way of the Internet and the world wide web.</p>



2) By an application dated 28 June 2004, Easynet Group Plc, Easynet Limited and Easynet Telecommunications Limited (jointly) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:


- a) The mark is devoid of any distinctive character in respect of the goods and services for which it is registered and/or consists of a sign or indication which

may serve in trade to designate the kind, quality, intended purpose, value or other characteristic of the goods and services. The mark is, therefore, in breach of Section 3(1)(b) & (c) of the Trade Marks Act 1994. In particular they allege that the mark in suit is a series of three marks all of which consist entirely of the elements “easy” and “telecom” in non-distinctive fonts and lettering. “Telecom” is an abbreviation for telecommunications and “easy” is a common adjective. The combination thus serves to designate the characteristics of any easy to use telecommunications goods or services or other trade easily conducted via or in relation to telecommunications. The mark consists of words in common use and are accordingly elements that other traders may legitimately wish to use in the course of trade in combination.

b) The marks are in breach of Section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 as they are similar to the following trade marks, the goods and services are identical and/or similar (the applicant limited its attack to specific goods and services as set out in paragraph 41) and the applicant has goodwill and reputation in the marks below and in the unregistered mark EASYNET TELECOMMUNICATIONS:

Mark	Number	Effective Date	Class	Specification
Easynet	1579932	28.07.94	9	Computer software, computer programs, modems, modems provided with software for facilitating connection to remote networks and interconnected networks of computers; all included in Class 9.
	2136835	21.06.97	9	Computer software and computer programmes designed to provide internet access; modems for internet access.
			42	Provision of internet access services to computer users, provision of web space, provision of access time to computer data bases, web sites and home pages; registration of domain names; design, consultancy, advisory and technical support services all relating to modems and internet access software; design,

<p>The applicant claims the colour blue as an element of the 5th and 7th marks in the series. Proceeding because of prior rights in Registration No 1579932 (6087,5760) and because of distinctiveness acquired through use.</p>				<p>consultancy, advisory and technical support services all relating to accessing and using the internet, world wide web, web sites, domain names and home pages.</p>
 <p>The applicant claims the colour blue as an element of the fifth and seventh marks in the series.</p>	2199238	02.06.99	38	<p>Telecommunications access switching services; facilities based telecommunications carrier and relay services.</p>
	2226243	17.03.00	38	<p>Telecommunications services; telecommunication of information (including web pages), computer programs and any other data; electronic mail services; providing user access to the Internet (service providers); providing telecommunications connections to the Internet or databases; telecommunications access services; leasing of telecommunications lines, rental of</p>

				telecommunications lines; provision of Internet backbone services to intermediate parties to enable them to provide Internet access provider services to others; provision of technical services, helpline services and advisory services to or for intermediate parties providing access provider services to others.
 Colours claimed: Blue and white.	CTM 1259191	29.07.99	37	Installation, repair, supervision and management of computer hardware; installation, repair, supervision and management of telecommunications apparatus.
			42	Computer programming, computer advisory services; leasing of computers equipped for connection to the Internet; leasing of modems including modems provided with software for facilitating connection to the internet; installation and maintenance of computer software; hosting websites of others.

3) The registered proprietor filed a counterstatement denying the above grounds. The registered proprietor also claims reputation in the word “easy”.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 21 November 2005 when the applicant was represented by Mr Alexander of Her Majesty’s Counsel instructed by Messrs David Lutkin & Associates, and the registered proprietor by Mr Hollingworth of Counsel instructed by easyGroup IP Licensing Ltd.

## **APPLICANT'S EVIDENCE**

5) The applicant filed five witness statements. The first statement, dated 29 September 2004 is by David Stanley Rowe the Chief Executive Officer of Easynet Group Plc the parent company of Easynet Limited. He is also a director of Easynet Ltd and Easynet Telecommunications Ltd. For ease of reference he refers to the three companies as "his company".

6) Mr Rowe states that Easynet Limited (EL) was formed in August 1994 and has used the trade mark EASYNET continuously since that time. Easynet Group (EG) was formed in 1995 as a holding company for the Easynet group of companies which includes companies across Europe. Easynet Telecommunication Ltd (ET) was prior to July 2001 known as Ipsaris Ltd. Mr Rowe states that EL began as an Internet Service Provider (ISP) but has expanded to provide a range of telecommunications services and related goods and services. ET provides the network for EL's UK business as well as providing connectivity and infrastructure services to many other telecommunications operators. He provided turnover figures but these included figures for other than the UK market.

7) Mr Rowe states that his company had only been able to register their mark (EASYNET) after providing evidence that their mark had become distinctive through use and were disappointed that another company had been allowed to register something as descriptive as the mark in suit. He gives his view that the elision of two words which the proprietor agrees are descriptive and non-distinctive does not form an impression of something other than those two words. He states that the use of a capital letter in the middle of the mark does nothing to create an illusion of a single word. He accepts that the proprietor has a reputation for cheap airline travel and cheap car rental under particular marks such as Easyjet and Easy Rent-A-Car, but states that in relation to the goods and services registered any mark which incorporates the word "EASY" is associated with his company.

8) Mr Rowe provides the following exhibits:

- DSR1: examples of brochures which show use of the applicant's trade marks.
- DSR2: Details of awards won in recent years by the company for things such as ISPA Internet Award.
- DSR3: A photograph of a black cab with an advertisement for the company on the side of the cab.

9) The second witness statement, dated 24 November 2004, is by David Brian Lutkin the applicant's Trade Mark Attorney. He provides exhibits DL1-3 which are internet searches carried out on 23 November 2004 (after the relevant date) for the word "telecom". These searches looked for companies with the word "telecom" as part of their company name. Also included in the exhibits is a definition of the word "telecom" from an internet dictionary and in the Chambers Dictionary the following definitions were found: "systems used in transmitting messages over a distance electronically" and "short for telecommunications" which was defined as "a

communication of information in verbal, written, coded or pictorial form, by telephone, telegraph cable radio, television.”

10) The third witness statement, dated 24 November 2004, is by Daniel Gardiner a professional Telecoms Analyst for Seymour Pierce, an integrated financial services company focussing on investment banking, stock-broking and corporate finance. He provides details of his background which shows that he has been involved in the telecoms sector for six years. He states that the telecommunications market in the UK has a turnover in excess of £32 billion. He states that the word “telecommunications” refers broadly to all remote communications or communications between persons at a distance. He contrasts this with the word “telecoms” which he states has historically tended to be used in the industry in a narrower sense to refer to more “traditional” elements of telecommunication services. By this he states that he means “essentially services and technology enabling and related to communication via networked telephone exchange “lines” (e.g. actual telephone calls, faxed transmissions etc). Originally, most national telecoms operators across Europe had the word “telecom” as part of their names”.

11) Mr Gardiner states that until 1998 the activities of telecoms companies were distinguishable from those companies who were Internet Service Providers (ISPs). He defines ISPs as being businesses which tended to provide services exclusively related to domain name services (registration and activation), web page design and maintenance, internet access, electronic mail and internet security services. He states that even as late as 2000 “telecoms” businesses would still have been likely to have been perceived by the industry as a company providing the narrower range of services. As a result of the increase in the use of the internet, telecoms providers became keen to provide in-house ISP services to maximise revenues. As a result, he states, such companies began to drop the word “telecoms” from their names. During recent years, he claims, it is quite usual to find companies offering both internet services and traditional telecoms. The growth of Voice-Over Internet Protocol shows the overlap between internet and telecoms. He states that the convergence between the two sectors continues so that internet traffic and voice networks are carried via the same lines and hardware infrastructure using the same protocols. Mr Gardiner states that the applicant offers its ISP and telecoms service under the Easynet brand. He states that he personally would not confuse the marks.

12) The fourth witness statement, dated 24 November 2004, is by Huw Saunders who is the Group Regulatory Affairs and Technology Development Director of Kingston Communications (Hull) Plc. He gives his background in the industry, which is extensive. He states that his company and the applicant are competitors, although in the main the applicant company has targeted Small and Medium Enterprises (SMEs) whilst his company has sought to provide services to bigger businesses. He states that the applicant company was “very well established well before and in March 2003 in relation to telecoms services”.

13) Mr Saunders gives his view that he would not perceive the registered proprietor’s mark as a brand. He states that he would infer that EASYTELECOM means easy to use or easy to access telecommunication services. He states that in his view it is a generic term and that it would be seen as two words. He states that: “The words “net” and “telecom” are not entirely synonymous. In the early years of the Internet industry,



the word “net” was Internet-specific. By the turn of the century, however, the words “net” and “telecom” are very close together in meaning and increasingly often used interchangeably”. He points out that the Internet is used for telephone calls and the technology convergence has brought the meanings of the words closer together.

14) The fifth witness statement, dated 3 December 2004, is by Mr Rowe who has previously provided evidence in this case. He provides a history of his company which shows it started in 1994 and has traded since this date as EASYNET. He states that his company provides, inter alia, connection to the internet, internet and network security, e-mail services, voicemail and fax telecommunication services, web designing services, cabinets for servers and modems. In addition to initially selling a service or product the applicant also offers support services. He also provides figures for turnover in the UK:

Period	Easynet Ltd £ million	Easynet Group Plc £ million
January-December 1998	6.1	12.4
January-December 1999	14.4	22.3
January-December 2000	30.1	32.6
January-December 2001	41.5	53.4
January-December 2002	47.3	61.7
January-December 2003	53.3	66.8

15) Mr Rowe states that his company undertakes a range of promotion and advertising which includes issuing a journal, white papers on industry specific interests such as broadband and pamphlets and brochures. These items are usually sent out to existing and prospective clients. With regard to Easynet Telecom he states that his company acquired Ipsaris Ltd in 2001 and changed its name to Easynet Telecom. He states that at the time of the acquisition Ipsaris was a provider of “dark fibre” and associated carrier infrastructure to telecommunications and wireless network companies. The turnover in 2001 was approximately £16.5 million. No figures since acquisition are available. At exhibit DSR2-17 he provides archive screenshots which show the website and also search reports for “easynet telecom”. The latter identified the applicant company. The former shows use of trade mark 2226243 (with the large device mark) and underneath in much smaller print the word “Telecom”.

## **REGISTERED PROPRIETOR’S EVIDENCE**

16) The registered proprietor filed five witness statements. The first, dated 20 May 2005, is by James Rothnie the Director of Corporate Affairs for easyGroup (UK) Ltd. He states that “easyGroup IP is a member of the easy group of companies, which also includes the companies easyJet, easyCar (UK) Limited, easyValue Limited, easyGroup (UK) Limited and easyInternetCafe Limited. Each of these companies was founded by Stelios Haji-Iaonnou (Stelios).” He states that all the intellectual property rights in the “easy” brand accrue to the benefit of easyGroup.

17) Mr Rothnie states that the various companies in the group trade under the following names: easyJet, easyInternetcafe, easyCar, easyValue, easyMoney, easyCinema, easyBus, easyPizza, easyMusic, easy4men, easyJobs and easyMobile. All of these offer goods and services predominantly over the Internet. Mr Rothnie

provides details of several of the businesses which all appear to share the feature of being low cost- no frill operations.

18) As at 2003 the registered proprietor had turnover figures for its easyJet operation of approximately £1,091 million, £19 million for easyCar, and £3.8 million for easyEverything / easyInternetcafe. No figures are provided for any of the other companies mentioned earlier in his evidence.

19) Mr Rothnie states that in his exhibits at JR17 there are several references to the registered proprietor's business as "easy". There are various plays on the word such as "easy does it". He states that all the businesses in the group "make use of the easy group get-up, i.e. the use of the "easy" prefix immediately followed by a second word, the first letter of which in capitalised, the Cooper Black font and the colours orange and white". At exhibit JR18 he provides examples of such use. He states that "Each of our companies is required by the terms of the brand licences to use this get-up consistently and this is policed by our intellectual property department".

20) Mr Rothnie refers to "Stelios's mission statement" which apparently aims to portray him as a champion of the people against big business. Mr Rothnie states that the registered proprietor group has been using "easyInternet" and "easy.com" widely in respect of internet and internet-related services. He claims that as a result of the exposure that the group has received and the number of customers who have used their goods and services the "easy" brand is well known to members of the public and was well known at the relevant date. Mr Rothnie claims that the mark in suit will be used in relation to the provision of services to individuals and not businesses.

21) Mr Rothnie disputes that the applicant has any reputation in the word "easy" as he claims that, one or two instances aside, all the evidence filed by the applicant shows use of the mark "easynet". He also points out that the company Ipsaris changed its name to Easynet Telecommunications Limited only 15 months prior to the relevant date. He states that he carried out an advanced search using Google. He states that "I carried out a search for "telecom" in the domain [www.easynet.com](http://www.easynet.com) and fifteen results were found, copies of which are attached at exhibit JR21: all but one are references to other telecom companies (not Easynet Telecom), and the one that is a reference to Easynet Telecom is an archive press release. I also carried out a search for the identical phrase "easynet Telecommunications" in the domain [www.easynet.com](http://www.easynet.com). 11 references were found, all of which are references to the company name Easynet Telecommunications Limited in published company accounts/reports, save for one archive press report."

22) Mr Rothnie states that the customers of the applicant are big businesses, and contrasts this with the customers that his company will be seeking.

23) The second witness statement, dated 27 April 2005, is by Kirsten Doherty the applicant's in house Trade Mark Attorney. She describes setting up a survey to see how the public reacted to the mark "easyTelecom". She describes having four flyers mocked up and also provides details of how the survey was conducted. Three of the four flyers had the name "easyTelecom" in large type at the bottom the final flyer had the name "Cheap Internet" in large print at the bottom. She notes that 73% of those surveyed thought that the services would be provided by easyTelecom, 13% of those

shown the “Cheap Internet” flyer thought that the services would be provided by Cheap Internet. None of those surveyed made reference to the applicant company. Copies of the flyers are attached at Annex 1 to this decision. Only three responders made reference to the registered proprietor company, which given their comments regarding the reputation of the word “easy” as a prefix seems rather surprising. Of the three, two asked if “easytelecom” was part of easyJet whilst the third responder’s answer was rather odd. In reply to the question “What, if anything, do you know about easytelecom?”, the male respondent is supposed have said “Nothing. What, easyjet, yes squeeze you into plane, no service.” The answers were said to be verbatim but it is unclear why this man after saying “Nothing” should suddenly say “What, easyjet” unless something or someone had said something to prompt a reply.

24) The third witness statement, dated 28 April 2005 is by Laura Doherty who is an acting student who was asked by Kirsten Doherty (see paragraph 23) to assist in a survey. She explains how the survey was conducted, with approx thirty people being shown each flyer.

25) The fourth statement, dated 28 April 2005, is by Jessica Gunning also an acting student who helped collect the survey evidence. She also gives details of how people were selected and what questions they were asked.

26) The fifth witness statement, dated 26 April 2005, is by Edward Whatt the Intellectual Property Manager at easyGroup. He states that he carried out a series of internet searches to find definitions of the words “net” and “telecom”. He states that his search for “net” gave 37 definitions, nineteen of which said that it was an abbreviation for “Internet” whilst the others were completely unrelated such as fishing net etc. None of the definitions mentioned “telecom” or “telecommunications”. When he ran the search for “telecom” it provided one result which stated “telecommunication: (often plural) systems used in transmitting messages over a distance electronically”. He states that there was no mention of “net” or “internet”.

#### **APPLICANT’S EVIDENCE IN REPLY**

27) The applicant filed a witness statement, dated 3 August 2005, by Mr Lutkin who has provided a witness statement earlier in this case. He disputes whether the registered proprietor’s references to a group of companies is correct as he claims that they are not all owned by the same legal entity. He also disputes the claims made that the registered proprietor’s licensing arrangements always ensures that the same “get-up” is used. He provides examples at exhibit DBL1 which demonstrate different versions to that claimed by the registered proprietor. He also states that the registered proprietor will not confine its activities to offering services to individual members of the public but will target businesses. He therefore is concerned that a future licensee may well use a version of the mark which differs from that claimed by the registered proprietor and will target businesses.

28) Mr Lutkin offers a further definition of the word “telecommunications” which states broadly that it is the science and technology of communications at a distance by electronic transmission of impulses. It is the foundation of the Internet and emerging activities surrounding the Internet’s activities. He states that the Office of

Telecommunications (OFTEL) published a guide (exhibit DBL4) to its work which included the following:

“Telecommunications are an integral part of peoples’ lives. We all depend on a wide range of telecoms services such as mobile phones, the Internet and fixed line networks to access and share information”.

29) Mr Lutkin in his exhibits provides numerous other examples of where the words “net” and “telecoms” are interchangeable.

30) That concludes my review of the evidence. I now turn to the decision.

## **DECISION**

31) The request for the declaration of invalidity is made under the provisions of Section 47(1) & (2) of the Act. These state:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

32) I first consider the position under section 5(2)(b) which reads:

“5.-(2) A trade mark shall not be registered if because -

- (a)...
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

33) An “earlier trade mark” is defined in section 6, the relevant parts of which state:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

34) The applicant for invalidity is relying upon the five trade marks shown in paragraph 2 above. These have effective dates of registration ranging from July 1994-March 2000, all of which are clearly earlier trade marks.

35) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*;

- (b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*;

- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*;

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*;

- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*;

- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

36) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the registered proprietor's marks and the marks relied upon by the applicant on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

37) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v. Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

38) I also have to consider whether the marks that the applicant is relying upon have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The applicant's marks all relate to goods or services which facilitate or provide access to the internet, provide telecommunications systems or services and also computer systems and services. The marks all consist of the word "easynet" albeit in different fonts and styles, including one with a distinctive device. Clearly, the marks all allude to the goods and services making access to the internet or "net" relatively "easy" for the consumer. I accept that not all of the goods and services in the specification are related to the internet. However, I believe that most consumers would view the goods and services offered as still being intrinsic to linking with the internet, even though they are not exclusively for such use, as telephones and computers can be used other than for connecting to the Internet. To my mind, the applicant's marks are not descriptive of the goods and services on offer but because of the very clear allusion they have a relatively low level of inherent distinctiveness. The applicant has filed use of its marks and evidence from independent witnesses as to its reputation. Whilst I accept the evidence as filed, in my opinion it shows that the applicant has a reputation amongst its competitors and amongst small and medium enterprises (SMEs). However, there is nothing to indicate that the services or goods of the applicant are restricted to SMEs to the exclusion of the general public who would also be interested in accessing the internet. The registered proprietor sought to distinguish between the consumers of the applicant (SMEs) and the consumers that it would be targeting, the general public. I do not accept this distinction. As I have noted there is no restriction in either parties specifications and I believe that businesses would be as keen to take advantage of cheap telecoms as they are of cheap transport. Further, I note that the market for telecommunications systems is said to be approximately £32 billion whereas the applicant's turnover averaged under £37 million in the five years prior to the relevant date. Whilst this is a relatively low percentage of the total market it is sufficient that the applicant can enjoy the additional benefit of an enhanced reputation.

39) The applicant also claimed to have a reputation under the mark "easynet telecom". However, this company was acquired only 15 months prior to the relevant date. Before this time it traded under the mark and name Ipsaris Ltd. There are no turnover figures available for this mark as they are subsumed into the group turnover figures. In my view, the applicant cannot claim to have any reputation in the mark "easynet telecom".

40) The registered proprietor also sought to have its reputation taken into account. It was claimed that they have considerable reputation in the term "easy" and that the average consumer would view any mark with the prefix "easy" as belonging to the registered proprietor's family of marks. I am aware of the registered proprietor's expanding portfolio of businesses but I have to consider the position as at the relevant date and also from the evidence provided. The evidence shows use of the prefix "easy" in a number of marks relating to a variety of goods and services. However, the only ones with any turnover figures provided are for cheap transport by plane or car and a combined figure for internet sales and cafe services. Only the figures for transport can be said to provide any basis for a claim by the registered proprietor for an enhanced reputation.

41) The applicant has limited its attack under Section 5(2)(b) to the following goods and services of the registered proprietor's specification:

In Class 9: Communications apparatus and instruments; compact discs, floppy discs, modems, mobile phones, DVDs and CD Roms; computer software, hardware and firmware concerned with telecommunications apparatus; instruments and media processing, manipulating, transmitting, broadcasting and retrieving signals, software, information, data and code provided via telecommunications networks, by online delivery and by way of the Internet and the world wide web;

In Class 37: Repair; maintenance, installation, information and consultancy services all relating to computer hardware or telecommunications.

In Class 38: Communication, telecommunication, broadcasting and message transmission services; provision of access to the Internet; Internet services, namely, providing user access to the Internet (service providers), providing telecommunications connections to the Internet or databases, telecommunication of information (including web pages), computer programmes and other data; email services; providing access to computers; advisory and arrangement services relating to all the aforesaid; including, but not limited to, all the aforesaid services provided via telecommunications networks, by online delivery and by way of the Internet and the world wide web.

In Class 42: Consultancy, development, advice, assistance, analysis, design, evaluation and programming services relating to computer software, firmware, hardware and information technology all relating to telecommunications; leasing access time to a computer database (other than by Internet services providers); design, drawing and commissioned writing, all for the compilation of web pages on the Internet; posting (or hosting), creating and maintaining websites for others; leasing access time to a computer database, Internet café services, namely, consultancy and advice relating to the evaluation, choosing and implementation of computer software, firmware, hardware, information technology and of data-processing systems; duplication of computer software, recovery of computer data; rental and licensing of computer software, firmware and hardware; provision of information relating to technical matters concerned with information technology, and telecommunications; provision of information relating to information technology.

42) I must also consider the average consumer for the types of goods covered by all of the specifications outlined in paragraph 41 above. In my opinion, they would be the general public who are reasonably well informed and reasonably circumspect and observant. In my view, computers, computer software, computer services and telecommunications systems and telephones are not purchased without some consideration, not least the technical specifications and back up services would come under scrutiny. Although I must take into account the concept of imperfect recollection.



43) I have to consider the registered proprietor's specification against all five of the specifications relied upon by the applicant. The registered proprietor's position regarding the specifications was set out in its Counsel's skeleton argument

“For the most part, easyGroup accepts that these goods and services are, to some greater or lesser extent, similar to the goods and services for which Easynet has registered marks; however, it would point out the following:

a) Class 38: Easynet's only registration for a word-only mark in Class 38 (2199238) is restricted to a few services; its 2226243 mark covers more services, but includes a prominent graphic element which is not reproduced in the Mark:

b) Class 9: Easynet has no registrations which cover floppy disks, mobile phones, DVDs or CD Roms;

c) Class 37: Easynet's only registration in this class is its CTM, which is for a logo, rather than the word “easynet” alone.”

44) The applicant contends that certain of its Class 42 services are very similar to the registered proprietor's Class 9 goods, although they do not specify exactly which, and that its “Class 37 services go with the Class 9 goods”.

45) With regard to the Class 9 goods I accept that the applicant does not have specifically mentioned in its specification floppy disks, however it does have computer software and computer programs in its marks 1579932 & 2136835. In my view these are similar to floppy disks. However, I agree with the registered proprietor that nothing in the applicant's specifications is similar to mobile phones, DVDs or CD Roms. I agree with the registered proprietor that the applicant's mark 2199238 has a limited specification in Class 38 but I would still regard the services provided as being similar to all of those for which the registered proprietor's mark is registered.

46) Therefore, with the exception of “mobile phones, DVDs and CD Roms” the Class 9 specifications of the applicant's marks are similar to those goods of the registered proprietor's mark outlined in paragraph 41 above. The applicant's class 37 specification under its mark CTM1259191 is similar to the registered proprietor's Class 37 specification under attack as set out in paragraph 42 above. The applicant's Class 38 specifications under its marks 2199238 and 2226243 are both similar to the Class 38 specification of the registered proprietor's mark. Lastly, the applicant's Class 42 specification under its marks 2136835 and CTM1259191 are both similar to the Class 42 services for which the registered proprietor's mark is registered.

47) I now turn to consider the marks of the two parties. The applicant has the mark “Easynet” registered in plain font under mark 1579932. The applicant has two marks 2136835 and 2199238 both of which consist of identical series of seven marks. These are all for the word “easynet” in a very slightly stylised font and two also have a colour element. The stylisation and colour do nothing to detract from the dominant characteristic which is the word “easynet”. Similarly, the applicant's CTM 1259191 consists of the word “easynet” with a very unremarkable background. The registered proprietor contended that this device element or logo would serve to distinguish it

from the registered proprietor's mark. I do not accept this, to my mind the device element of this mark would hardly be noticed by the average consumer and it certainly does not detract from the dominant characteristic which is the word "easynet". Lastly, there is the applicant's 2226243 mark. Again this is the word "easynet" with a large device mark which is reminiscent of a "hash" key although it looks more "Japanese" as the down strokes are thicker at the top than bottom as though the brush stroke ran out. Even allowing for the size and prominence of the device element it is accepted that words speak louder than devices. The device element would be noticed and remembered by the average consumer but the dominant characteristic would be the word element. In my view the applicant's marks, apart from 2226243, consist of the word "easynet" and are effectively identical to each other. The applicant's strongest case is under the marks which consist simply of the word element. If it cannot win under these marks then its other mark (2226243) with the large device cannot succeed.

48) The registered proprietor's mark consists of a series of three marks. In the first two the word "easy" is in lower case, there is then a capital letter "T" followed by "elecom" in lower case. In the third mark in the series the mark is all in capitals "EASYTELECOM". The registered proprietor claimed that the capital letter in the middle of the first two of its series would assist in differentiating its mark from those of the applicant. The third mark in the registered proprietor's series provides the registered proprietor's weakest case and so I shall carry out the comparison on the basis of "EASYTELECOM" against "easynet". If the applicant is unsuccessful against this (EASYTELECOM) mark then it could not succeed against the other two marks in the registered proprietor's series of three marks.

49) Clearly, they both share the same prefix "easy". Thereafter, the marks are very different both visually and aurally. The second part of the applicant's mark is a simple three letter single syllable word, whilst the second part of the registered proprietor's mark is seven letters and three syllables long. The applicant contended that the second part of both marks are conceptually similar. They base this assertion on two pieces of evidence. Firstly, the evidence of Mr Saunders who states the words "net" and "telecom" are very close together in meaning and increasingly often used interchangeably. It is not clear whether his comments refer to industry insiders or to the general public.

50) Secondly, on part of the registered proprietor's own evidence, the survey undertaken and described in detail at paragraph 23 above. The applicant contends that as a significant number of respondents associated the mark "easytelecom" with the provision of internet and telecoms then the words are conceptually similar and that as the only company using a similar name is themselves, Easynet, this is evidence of a likelihood of confusion. Unfortunately for the applicant, I cannot agree with this contention. As the flyer shown to the respondents offered "Phone offers" in large type at the top and also listed phone and internet services complete with prices in the body of the flyer it is no wonder that the respondents believed that the company was offering telephone and internet services.

51) I also note other aspects of the evidence such as dictionary definitions of the word "telecom" which refers to transmitting messages electronically over distances in either verbal, coded or pictorial form and by a number of mediums such as telephone, cable

radio and television. All clearly are forms which also carry the internet, which has a very similar function overall. There is evidence from other industry experts that the providers of internet services and providers of telephone services are no longer distinct with significant overlap in the industry.

52) Despite the views expressed by those within the telecoms and internet industries that they are converging and that within the industry there is, increasingly, a tendency to interchange the terms net and telecom there is no evidence that the general public is interchanging these terms. I accept that the general public are well aware that internet services are delivered by phone lines and by companies who are also involved in the telecoms industry. It is now fashionable for such firms to advertise that they offer a one stop shop for all products which come down a phone line or are connected to telecommunications. Hence, one is offered the opportunity to have a single supplier for your home telephone, mobile phone, broadband connection and even cable television with the incentive of lower rates if signed up to a package of services.

53) Whilst I accept that the provision of internet services and telecoms services are increasingly interlinked, I am not persuaded that the words “net” and “telecom” are synonymous in the minds of the general public. Nor am I persuaded that the marks are conceptually similar in the mind of the average consumer.

54) Whilst it is accepted that the beginnings of words are more important than the endings this does not mean that one can ignore the endings of marks, particularly when they are comparatively short marks. To my mind the differences in the marks outweighs any similarities.

55) In determining the matter I must take into account “that a lesser degree of similarity between marks may be offset by a greater degree of similarity between the goods and vice versa” and also the doctrine of imperfect recollection.

56) Taking all of the above factors into account I have no hesitation in finding that there is no likelihood of confusion between any of the five trade marks relied upon by the applicant and the registered proprietor’s series of three trade marks despite the identical or very similar nature of the goods. Nor do I believe that there is a risk of association in that the public would wrongly believe that the respective goods and services come from the same or economically linked undertakings. The ground of invalidity under section 5(2)(b) of the Trade Marks Act 1994 fails

57) I next turn to the ground of invalidity under Section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

58) In deciding whether the mark in question “EASYTELECOM”, I again use the mark from the series of three which provides the registered proprietor’s weakest case, offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] R.P.C. 341 and *Erven Warnnik BV v. J. Townend & Sons (Hull) Ltd* [1979] RPC 31 as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

59) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced – as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429.

60) In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J. in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* [1946] 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus, the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

61) This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL O/191/02.

62) Earlier in this decision I found that use of the registered proprietor’s registered mark for EASYTELECOM, actual or on a fair and notional basis would not result in confusion with the applicant’s marks. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The invalidity under Section 5(4)(a) of the Act must fail in relation to the registered marks.

63) I must therefore turn to consider this section with regard to the applicant’s unregistered mark EASYNET TELECOMMUNICATIONS. The applicant has shown no use of such a mark. It has shown use of its trade mark 2226243 with the word “Telecom” in much smaller print underneath. In its evidence the applicant also refers, albeit briefly, to “Easynet Telecom”. The only evidence of use are pages from the company website which show a mark as described above. The applicant has also filed a number of internet searches which show that the term “Easynet Telecom” will refer the searcher to the applicant company. I do not consider this evidence adequate to show that the applicant had, at the relevant date, goodwill in the mark EASYNET TELECOMMUNICATIONS as set out in the statement of grounds or even in EASYNET TELECOMS which was not mentioned in the statement of grounds.

64) At the hearing, Counsel for the applicant made very few points on this ground and clearly was of the opinion that, other than under its EASYNET marks, the claim regarding EASYNET TELECOMMUNICATIONS was, to put it mildly, not strong. The ground of invalidity under Section 5(4)(a) therefore fails with regard to the applicant’s unregistered trade marks.

65) I next turn to the grounds of invalidity under Sections 3(1)(b) & 3(1)(c), which read:

“3.-(1) The following shall not be registered -

- (a) ....
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) .....

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

66) It is clear from the views expressed by the European Court of Justice in *Companyline* [2003] E.T.M.R. 20 and the High Court in *Have a Break* [2002] EWHC 2533 (Ch) that Section 3(1)(b) has separate and independent scope from Section 3(1)(c). Therefore, I have to consider each section separately.

67) I therefore will first consider the ground of opposition under Section 3(1)(b). The ECJ provided clarification of the meaning of the term “devoid of any distinctive character in paragraph 35 of its judgement in *Philips v Remington*. The court reiterated its position in a later judgement in *Linde AG v Windward Industries Inc.* [2003] RPC 45, in which it stated (at paragraph 40) that:

“For a mark to possess distinctive character within the meaning of that provision it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from products of other undertakings.”

68) Both sides referred me to a recent decision of the ECJ in Case C-37/03P (*BioID*) 15th September 2005 where they held that the mark “BioID” was devoid of any distinctive character. The Court said:

“34. In paragraph 42 of the judgment under appeal, the Court of First Instance noted that, where it does not appear that there is concrete evidence, such as, for example, the way in which the various elements are combined, to indicate that a compound trade mark, taken as a whole, is greater than the sum of its parts, such a trade mark is devoid of distinctive character in respect of the goods and services concerned.

35 In addition, in paragraphs 43 and 44 of the aforesaid judgment, the Court of

First Instance referred to its detailed analysis, first, of the typographical elements described in paragraph 37 of that judgment, and second, of the graphic elements referred to in paragraphs 38 and 39 of the judgment. In doing so, the Court of First Instance integrated the analysis in those paragraphs of the judgment into its examination of the impression produced by the trade mark applied for as a whole, with a view to determining whether the mark is of a character such as to render it registrable as a trade mark.

36 Finally, the Court of First Instance found that the structure of the trade mark applied for did not alter the conclusion that the trade mark, taken as a whole, was devoid of distinctive character.

37 That reasoning is not vitiated by any error of law, since the Court of First Instance ascertained whether the said mark, taken as a whole, had distinctive character.

38 It follows from this that the first head of claim of the first ground of appeal must be rejected as unfounded.”

69) It is clear from the decided cases that I must assess the mark’s distinctiveness in relation to the goods and services for which the applicant’s mark is registered. I must consider both the individual elements and the mark as a whole. I must also take into account the perception of the relevant consumer of the goods and services. In the instant case the average consumer is the general public.

70) The applicant’s case under this section is as follows:

“First, the mark EASYTELECOM consists of two parts “EASY” and “TELECOM” neither of which is distinctive of the services or goods in respect of which it is sought to be registered. “EASY” is a standard term of approval. “TELECOM” is, and is plainly intended to be, the standard abbreviation for “telecommunications”. It is not disputed that the word “easy” is a common adjective and that the word “telecom” is a reasonably common abbreviation for telecommunications (see Counterstatement paragraph 7). As Mr Saunders says ““telecom” is a very commonly used word in the industry”. There are many companies using the word telecom – see examples thrown up by Mr Lutkin’s searches and the definitions.

Second, there is nothing in the combination of the two elements or the manner in which they are combined which creates distinctiveness. Mr Saunders says in a view which it is submitted is typical “I would view it [EASYTELECOM] as easy-telecom i.e. as two words.”

Third, there is nothing in the font or style that is particularly distinctive. The plain word mark has no element of font or styling at all. And, if anything, the proprietor’s questionnaires indicated that even where the allegedly distinctive font was used, most people did not associate it with any of Stelios’ other endeavours. Not a single person said that the services were offered by easyJet. To that extent, this is positive evidence of non-distinctiveness.”



71) Whilst I accept that the registered proprietor's mark is a combination of two dictionary words I do not accept that the combination can only be viewed as two words. However, even if I did accept that the combination would be seen as two separate words I am not persuaded that the two words are devoid of distinctiveness when the goods and services that the mark is registered for are considered. A considerable amount of the specification has very little if anything to do with telecommunications e.g. photographic, optical, nautical, life-saving and surveying equipment in Class 9. Clearly, the applicant's strongest case rests with the various telecommunications goods and services that the registered proprietor's mark is registered for in Classes 9, 37, 38 & 42.

72) The word "easy" clearly alludes that the goods and services referred to are easy to use, easy to access or easy on the pocket (inexpensive). However, to my mind this does not make the term "easy" immediately descriptive of the goods and services to which the mark is applied. Similarly, I accept that "Telecoms" would be seen as an abbreviation of the word "telecommunications". Whilst on its own it is not capable of identifying the undertaking from which telecommunications goods and services originate when combined with the term "easy" the combination has allusions of what is offered but would in my opinion be seen as an indication of origin. I am bolstered in this view by the results of the survey carried out by the registered proprietor. The applicant sought to use this survey to show that the registered proprietor's claim to reputation in the mark "easy" does not extend into the telecommunications field. I agree with their view that the easygroup's reputation, built up for cheap flights and car hire does not extend into this, or other fields, from the evidence provided. However, the survey evidence does show that the majority of those questioned accepted that the provider of the services shown on flyers 1-3 was easytelecom even though phone lines and dial up internet access was being offered. Their responses may not have been a ringing endorsement, with several saying that they had arrived at this conclusion as there was nothing else visible to show who was supplying the services on offer. The important point is that they did not reject the notion that this was indeed the identity of the undertaking offering the services.

73) As I consider that the combination of the words "easy" and "telecoms" do present a distinctive character the application for invalidity under Section 3(1)(b) fails.

74) I now turn to consider the position under Section 3(1)(c). Both parties agreed that I should take note of the comments in the *POSTKANTOR* Case C-363/99 [2004] ETMR 57 where the Court of Justice said:

"55. That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods. Therefore, marks consisting exclusively of such signs or indications are not eligible for registration unless Article 3(3) of the Directive applies.

56. In those circumstances, the competent authority must, under Article 3(1)(c) of the Directive, determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is

reasonable to assume that that might be the case in the future (see to that effect *Windsurfing Chiemsee*, paragraph 31). If, at the end of that assessment, the competent authority reaches the conclusion that that is the case, it must refuse, on the basis of that provision, to register the mark.

57. It is irrelevant whether there are other, more usual, signs or indications for designating the same characteristics of the goods or services referred to in the application for registration than those of which the mark concerned consists. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist exclusively of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.

58. Similarly, whether the number of competitors who may have an interest in using the signs or indications of which the mark consists is large or small is not decisive. Any operator at present offering, as well as any operator who might in the future offer, goods or services which compete with those in respect of which registration is sought must be able freely to use the signs or indications which may serve to describe characteristics of its goods or services.”

75) I also take into account the comments of Advocate General Jacobs in the *Doublemint* case, [2003] ET-R88ated 10 April 2003, where he said:

“91. That last consideration leads me to the question of the extent to which Article 7(1)(c) of the Trade Mark Regulation must be interpreted in the light of the aim referred to in the *Windsurfing Chiemsee* judgment, namely that descriptive signs and indications should be freely available to be used by all traders in relation to the relevant goods.

92. In my opinion in *Baby-Dry*, (39) I took the approach that in the scheme of the Community Trade Mark Regulation a trade mark could include signs or indications designating product characteristics but could not consist exclusively of them. By virtue of Article 12(b), the trade mark cannot prevent other traders from using such signs for descriptive purposes. The aim of Article 7(1)(c) is to avoid the registration of descriptive brand names for which no protection could be available rather than to prevent any monopolising of ordinary descriptive terms. A very similar view was taken by the Court at paragraph 37 of its judgment.

93. In the present case, both the Office and the United Kingdom Government have expressed reservations about that approach, which has also been criticised in the literature. (40) It appears, they have pointed out, to represent a departure from the Courts statement in *Windsurfing Chiemsee* that Article 7(1)(c) of the Trade Marks Directive “pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all and that Article 6(1)(b) (which corresponds to Article 12(b) of the Regulation) does not have a decisive bearing on that interpretation”.

94. It may be feared that the approach in question is liable to shift the balance of power in favour of a trade mark owner with monopolistic ambitions who may assert, or threaten to assert, his rights against an alleged “infringer” who merely seeks to use descriptive terms descriptively and honestly”. In the real world, a defence under Article 12(b) might be worth rather less than its ostensible value in law.

95. That danger cannot be ignored. A trade mark owner wishing to monopolise not only his trade mark but the area around it may threaten unmeritorious proceedings against a competitor, who may capitulate rather than incur the costs of litigation as well as risk an adverse outcome.

96. However, for the reasons already given, I do not think that the *Baby-Dry* case, properly understood, does shift the balance in the way that has been suggested. And the danger mentioned will be obviated if the criterion of “perceptible difference” in paragraph 40 of the *Baby-Dry* judgment is applied as I have suggested above, so that a mark is accepted for registration only when it is apparent to both traders and consumers that as a whole it is not suitable, in the ordinary language of trade, as a designation of characteristics of the product in question.

97. In any event, it seems clear that there was no intention, in the *Baby-Dry* judgment, to depart from the view in *Windsurfing Chiemsee* that it is in the public interest that descriptive signs may be freely used by all. Very recently, in *Linde*, (42) the Court has expressly reaffirmed that position.”

76) This opinion was confirmed by the European Court of Justice in *Doublemint* Case C191-01 (*Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr* [2003] WL101985) which said:

“31. By prohibiting the registration as Community trade marks of such signs and indications, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.”

77) It is clear from the above that I must determine whether, assuming notional and fair use, the marks in suit, will be viewed by the average consumer to directly designate the essential characteristics, “kind” and “intended purpose”, of the goods for which registration is sought. Only if the marks are no different from the usual way of designating the relevant goods or their characteristics can it be debarred from registration.

78) In addition to the points raised at paragraph 70 above at the hearing the applicant contended that:

“Under 3(1)(c)—and I do not propose to go back to the case because you are very familiar with POSTKANTOR unless you want me to do that—we say that

there is a clear case where this mark should be rejected for lack of distinctive character.”

79) And also:

“...if this mark is to be registered, it ought to be registered on the basis of clear evidence of distinctiveness proved by use. That is something that has simply not happened in this case.”

80) Earlier in this decision I found that the mark in suit had distinctive character. I cannot see that there is any need to leave EASYTELECOM free for other traders and so there is no public interest issue. As, in my view, the mark has distinctive character I see no reason why the registered proprietor should have to provide evidence of use to show that its mark has become distinctive. The survey evidence, although not the most convincing on its own, backs up my opinion as to how the mark would be regarded by the average consumer. The application for invalidity under Section 3(1)(c) therefore fails.

81) As the applicant was unsuccessful under all the grounds on which the invalidity actions was based the registered proprietor is entitled to a contribution towards its costs. I order the applicant to pay the registered proprietor the sum of £1,500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 16<sup>th</sup> day of March 2006**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**

## **ANNEX 1**

Flyer 1:

## Phone offers

We are now offering the following telecoms packages to residential users at these low monthly prices

Unlimited phone package: fixed monthly cost	<b>£9.99</b>
Unlimited dial-up internet access*	<b>£12.99</b>
1Mb broadband internet access	<b>£14.99</b>
2Mb broadband internet access	<b>£19.99</b>

For more information call 0800 123123

**easyTelecom**

\* A phone line is required to use dial-up internet access.  
Prices quoted are for payment by Direct Debit. Terms and conditions available on request.

## Phone offers

We are now offering the following telecoms packages to residential users at these low monthly prices

Unlimited phone package: fixed monthly cost	<b>£9.99</b>
Unlimited dial-up internet access*	<b>£12.99</b>
1Mb broadband internet access	<b>£14.99</b>
2Mb broadband internet access	<b>£19.99</b>

For more information call 0800 123123

# easyTelecom

\*A phone line is required to use dial-up internet access.  
Prices quoted are for payment by Direct Debit. Terms and conditions available on request

Flyer 3:

## PHONE OFFERS

We are now offering the following telecoms packages to residential users at these low monthly prices

Unlimited phone package: fixed monthly cost	<b>£9.99</b>
Unlimited dial-up internet access*	<b>£12.99</b>
1Mb broadband internet access	<b>£14.99</b>
2Mb broadband internet access	<b>£19.99</b>

For more information call 0800 123123

# EASYTELECOM

\*A phone line is required to use dial-up internet access.  
Prices quoted are for payment by Direct Debit. Terms and conditions available on request.



Flyer 4:

## Phone offers

We are now offering the following telecoms packages to residential users at these low monthly prices

Unlimited phone package: fixed monthly cost	<b>£9.99</b>
Unlimited dial-up internet access*	<b>£12.99</b>
1Mb broadband internet access	<b>£14.99</b>
2Mb broadband internet access	<b>£19.99</b>

For more information call 0800 123123

## Cheap internet

\*A phone line is required to use dial-up internet access.  
Prices quoted are for payment by Direct Debit. Terms and conditions available on request.