O-054-10

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NOS 2358588A AND 2358722B BY O2 HOLDINGS LIMITED TO REGISTER THE SERIES OF TRADE MARKS

O2 MUSIC

O_2 MUSIC

O_2 Music

AND

IN CLASSES 9, 38 AND 41

AND IN THE MATTER OF OPPOSITIONS THERETO UNDER NOS 93869 AND 94192 BY O2 MUSIC LTD

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IN THE MATTER OF application Nos. 2358588A and 2358722B by O2 Holdings Limited to register the series of trade marks

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IN THE MATTER OF Oppositions thereto under Nos. 93869 and 94192 by O2 Music Ltd

BACKGROUND

1) On 17 March 2004 and 18 March 2004 respectively, O2 Holdings Limited ("O2 Holdings"), of Wellington Street, Slough, Berkshire, SL1 1YP applied under the Trade Marks Act 1994 for registration the above mentioned marks in Classes 9, 38 and 41.

2) On 4 November 2005 and 2 March 2006 respectively, O2 Music Ltd ("O2 Music") of 1st Floor, Hillside House 2-6, Friern Park, London, N12 9BT filed notice of opposition to parts of both of the applications, based upon a single ground, namely that the applications fall foul of Section 5(4) (a) of the Trade Marks Act 1994 ("the Act") by virtue of the law of passing off protecting its unregistered mark O2 MUSIC.

3) O2 Holdings subsequently filed counterstatements denying O2 Music's claims and putting them to strict proof of use of its claimed reputation.

4) Both sides asked for an award of costs. The two sets of proceedings were treated as consolidated from at least July 2007 and both sides filed a single set of evidence to cover both sets of proceedings. A succession of stays were allowed by the Registry to permit the parties time to negotiate a co-existance agreement. The last of these stay requests resulted in the postponement of the hearing, originally scheduled for 7 January 2010 and the matter came to be heard on 22 January 2010 when O2 Holdings was represented by Mr Julius Stobbs of iPulse and Mr Graham Waugh appeared on behalf of his company, O2 Music.

5) In his opening statement at the hearing, Mr Waugh withdrew the opposition explaining that a workable co-existence agreement ("the agreement") between his company and O2 Holdings has been agreed but at that time, it was unsigned. He explained that the agreement had taken over two years to negotiate, but that O2 Holdings now had all the concessions it required of O2 Music, including an undertaking to drop its opposition to its applications. Further, he claimed that despite efforts to the contrary, he was unable to contact Mr Stobbs prior to the hearing to obtain agreement to request a further stay in the proceedings to allow time for the agreement to be put in place. He confirmed that, as a gesture of goodwill to O2 Holdings, he was withdrawing the opposition despite the agreement not yet being signed.

6) Mr Stobbs confirmed that he too considered that the parties were "very close to an agreement", but that as I had already indulged the parties in allowing a two week postponement of the hearing to allow them to reach agreement, he did not feel that he had any choice but to proceed with the hearing.

COSTS

7) In light of these developments, there were no outstanding substantive points, but I invited submissions on the issue of costs.

8) Mr Stobbs drew my attention to the fact that the proceedings had been ongoing for well over three years, with both sides filing evidence. He was also of the view that account should be paid to the fact that the opposition was withdrawn at the hearing. However, he was of the view that there was nothing exceptional about the case in relation to the evidence put forward. He suggested that the costs should be on scale, but it should be taken into account that it was a last minute withdrawal.

9) Mr Waugh stated that, within the agreement, what had been discussed is that both parties pay their own costs. However, the agreement is outside the scope of the proceedings and, further, has yet to be finalised. As such, whatever it may dictate in respect of costs, it has no bearing on my findings here.

10) I am in general agreement with Mr Stobb's view with one exception. It is clear from both side's submissions that the lateness of the withdrawal cannot be blamed solely on Mr Waugh and O2 Music. In fact, as a gesture of goodwill, he has withdrawn the opposition prior to any agreement being finalised and has therefore brought an end to the proceedings earlier than may of otherwise been. The fact that this occurred at the hearing is as much to do with the actions (or inactions) of O2 Holdings as with the actions of O2 Music. As such, in respect to costs relating to the hearing itself, I do not intend to make an award.

11) With these points in mind, O2 Holdings is entitled to a contribution towards its costs in respect to its activities up to the hearing. I award costs on the following basis:

Considering Notice of Opposition preparing statement in reply	£300
Preparing evidence & considering on other side's evidence	£600
TOTAL	£900

12) I order O2 Music Ltd to pay O2 Holdings Limited the sum of £900. This sum is 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 11 day of February 2010

Mark Bryant
For the Registrar,
the Comptroller-General