

O-346-10

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS 2447064 AND 2454306  
BY PHILIP MAITLAND-KRAFT**

**TO REGISTER THE TRADE MARKS:**



**IN CLASS 33**

**AND**

**THE CONSOLIDATION OPPOSITIONS THERETO**

**UNDER NOS 96027 AND 96054**

**BY**

**O2 HOLDINGS LIMITED**

**Trade Marks Act 1994**

**In the matter of application nos 2447064 and 2454306  
by Philip Maitland-Kraft  
to register the trade marks:**



**and**



**in class 33  
and the consolidated oppositions thereto  
under nos 96027 and 96054  
by O2 Holdings Limited**

1) On 17 February 2007 Philip Maitland-Kraft applied to register the upper trade mark (no 2447064). On 1 May 2007 Mr Maitland-Kraft applied to register the lower trade mark (no 2454306). No 2454306 was published for opposition purposes on 2 November 2007 and no 2447064 was published for opposition purposes on 14 December 2007. The specification of no 2447064 is for *alcoholic beverages*, the specification of no 2454306 is for *vodka*. Both sets of goods are in class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The trade marks were applied for in colour, there is no limitation to colour.

2) O2 Holdings Limited (Holdings) has filed oppositions against the registration of the applications. It relies upon sections 5(1), 5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

3) Sections 5(1) and 5(2) of the Act state:

5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because –

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

(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.”

Section 5(3) of the Act states:

“(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

Section 5(4)(a) of the Act states:

“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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are

offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

4) In its grounds of opposition Holdings relied upon a number of earlier trade mark registrations and applications. At the hearing, whilst not abandoning the other registrations and applications, in relation to sections 5(1) and 5(2) of the Act Holdings put forward its case on the basis of Community trade mark application no 4423475 and Community trade mark registration no 7177363, the latter being a scion of the former as the result of a division of the application<sup>i</sup>. Community trade mark application no 4423745 is now for goods in classes 30, 32 and 33. It is the subject of oppositions. Opposition no B1040486 was successful in its attack on the class 32 and 33 goods of the application. This decision is currently the subject of an appeal by Holdings, received on 29 December 2009. Registration no 7177363 is currently the subject of a cancellation application. At the hearing Holdings relied upon retail services, services for providing food and drink and entertainment; although not limiting its oppositions to these services. By a letter dated 21 September 2010, Holdings advised that all of these services, with the exception of providing drink, are the subject of the cancellation action. **Owing to the status of application no 4423745, it is not considered appropriate to make findings on the basis of this application in relation to Mr Maitland-Kraft's applications. As the issue of the validity of parts of registration no 7177363 is currently being contested, it is not considered appropriate to take those parts of the specification currently being contested into account. Consequently, this decision is a provisional decision pending the outcome of application no 4423475 and outcome of the partial cancellation action in respect of registration no 7177363<sup>ii</sup>.** As application no 4423745 is the sole earlier right upon which Holdings relies which has identical goods to those of the applications, no findings will be given, at this stage, in relation to the ground of opposition under section 5(1) of the Act.

5) In order to avoid unnecessary delay in the final outcome of these proceedings, under rule 62(1) of The Trade Marks Rules 2008, Holdings is required to file a copy of the decision of the Board of Appeal in relation to Community Trade Mark application no 4423745 within seven days of receiving the decision.

If the appeal is withdrawn, Holdings is required to file notification of this within seven days of notifying OHIM of this.

If the decision of the Board of Appeal is subject to an appeal to the General Court<sup>iii</sup>, Holdings is required to file notification of this within seven days of knowing that such an appeal has been lodged.

If an appeal is made to the General Court further directions will be issued by the registrar.

Under the same rule, Holdings is required to file a copy of the decision of the cancellation decision in relation to registration no 7177363 within seven days of receiving the decision.

If the action before the cancellation division is withdrawn Holdings is required to file notification of this within seven days of being advised of this.

If a decision is made and an appeal is made to the Boards of Appeal, further directions will be issued by the registrar.

6) In relation to the grounds of opposition under sections 5(2)(a) and (b) of the Act, Holdings specifically relies upon the following services of registration no 7177363: retail services, entertainment and services for providing food and drink, which are in classes 35, 41 and 43 respectively. Owing to the cancellation action against the registration, consideration will be given only to the services for providing drink. Registration no 7177363 was filed on 27 April 2005, having the same filing date as its parent application, and the registration process was completed on 20 November 2008. Consequently, it is an earlier trade mark for the purposes of section 5(2)<sup>iv</sup> of the Act and is not subject to the proof of use provisions<sup>v</sup>. Holdings considers that its trade mark and those of Mr Maitland-Kraft are identical or highly similar and that the goods of Mr Maitland-Kraft's applications and the services of Holdings' registration are similar. Consequently, there is a likelihood of confusion and the applications should be refused as per section 5(2)(a) or 5(2)(b) of the Act.

7) Once the position is finalised in relation to the Community trade mark application and registration a final decision will be issued.

8) In relation to section 5(3) of the Act, Holdings relies upon United Kingdom trade mark registrations nos 2279371, 2296255 and 2271228 and Community trade mark registration nos 2284818 and 2109627. In its statement of grounds Holdings claims to have a reputation in respect of all of the goods and services of these registrations. At the hearing it submitted that it had a reputation for the purposes of section 5(3) of the Act in respect of telecommunications goods and services, entertainment services, in particular entertainment services relating to music venues. All of these registrations have earlier application dates than the applications of Mr Maitland-Kraft and so are earlier trade marks. With the exception of registration no 2271228, they are not subject to the proof of use requirements. Owing to the other trade marks that Holdings owns and relies

upon there is no need to consider the use question in relation to registration no 2271228. Details of the registrations that Holdings relies upon in relation to section 5(3) of the Act are to be found in the annex to this decision. The registrations are, effectively, for the trade marks O<sub>2</sub> and O2. In its grounds of opposition Holdings claims that it has developed a huge reputation in its O2 trade marks and in particular in an O2 logo comprising a circular (or near circular) letter O over the subscript 2. Holdings claims that there is no reason for Mr Maitland-Kraft to have chosen his trade marks unless he wanted to take unfair advantage of the massive reputation that Holdings has developed. Holdings claims that use of Mr Maitland-Kraft's trade marks would be detrimental to the distinctive character and repute of its trade marks. Consequently, registration of the trade marks would be contrary to section 5(3) of the Act.

9) Holdings claims that it has used its O2 trade mark since 2001 and as a result of this use in the fields of telecommunication products and services and entertainment provision has developed a massive reputation in relation to the O2 trade mark and a significant goodwill in the United Kingdom. Holdings claims that it has developed its reputation to such an extent that consumers are used to seeing brand extensions relating to O2. Holdings claims that use of Mr Maitland-Kraft's trade marks would constitute a misrepresentation to the public on the basis that consumers would assume that the user of the mark has some connection with Holdings, possibly by way of licence or sponsorship. Holdings claims that this misrepresentation is likely to cause damage to the "distinctive character of the Opponent's goodwill". Consequently, Holdings claims that use of the trade marks of Mr Maitland-Kraft is liable to be prevented on the basis of the law of passing-off and so registration of the trade marks would be contrary to section 5(4)(a) of the Act.

10) Mr Maitland-Kraft filed counterstatements. Mr Maitland-Kraft states that he is an inventor who created the world's first sparkling vodka product in 2002. He states that the concept is the subject of patent protection in the United Kingdom; the patent being filed on 15 November 2002 and granted on 8 October 2003. Mr Maitland-Kraft states that he devised the trade mark O2 as being a reference to the sparkling nature of the product. He states that the O2 brand was first publicised by him during British Fashion Week in February 2002. Mr Maitland-Kraft denies that his trade marks and those of Holdings are identical. He states that his trade marks are presented against a distinctive red coloured square background which forms an integral part of his trade marks. He denies that registration of his trade marks would be contrary to sections 5(1) and 5(2) of the Act. Mr Maitland-Kraft claims that the business of Holdings centres on the provision of telecommunication services and sales of associated goods, principally mobile phones and other Internet communication devices. He claims that these business areas are discrete and clearly separate from the sale of alcoholic beverages; consequently, consumers would not link or associate the two in any way. Mr Maitland-Kraft denies that he chose his trade marks with the intention of taking unfair advantage of the claimed reputation of Holdings and

notes that Holdings adoption of the O2 brand was contemporaneous (if not actually post-dating) his choice of O2 as the brand for his sparkling vodka. He denies that his use of the O2 brand for sparkling vodka is likely to be detrimental to the distinctive character and repute of the claimed rights of Holdings. Mr Maitland-Kraft claims that the O2 brand has been used for sparkling vodka continuously since 2002 and that this use includes significant export sales from the United Kingdom to overseas markets. Mr Maitland-Kraft denies the grounds of opposition under section 5(3) of the Act.

11) Mr Maitland-Kraft puts Holdings to strict proof that consumers are used to seeing brand extensions relating to O2 and that Holdings has used its trade mark since 2001. Mr Maitland-Kraft states that he relies on his established use of the O2 brand in relation to sales of sparkling vodka in the United Kingdom and the complete absence of any consumer confusion or misrepresentation. He also denies that consumers would assume that use of his trade mark would imply any trade connection with Holdings by way of sponsorship or licence. Mr Maitland-Kraft denies that his use of O2 could damage the alleged distinctive character of the goodwill of Holdings. Mr Maitland-Kraft notes that Holdings is not the sole user of O2 in commerce in the United Kingdom. He refers to the use by X-Leisure of the O2 Centre branding in relation to a leisure and entertainment venue in Finchley Road, London. Mr Maitland-Kraft also refers to 2 United Kingdom and 4 Community trade mark registrations which include the element O2. Mr Maitland-Kraft denies that registration of the trade marks would be contrary to section 5(4)(a) of the Act.

12) In his counterstatements Mr Maitland-Kraft states that trade marks 2308256 and 2325253 were applied for on 16 August 2002 and 3 March 2003 and the registration processes for which were completed on 28 February 2003 and 22 August 2003. Mr Maitland-Kraft states that both registrations were in his name and were for spirits and flavoured vodka respectively. He states that on 11 May 2006 O2 Ltd made applications for the invalidation of the trade marks. Mr Maitland-Kraft states that he had no knowledge of the applications as “the solicitor Boulton Wade chose only to use an invalid address on record and not the office address which Wragge the instructing solicitors to Boulton Wade on behalf of O2 Limited had first contacted Mr Maitland. Hearings took place to which Mr Maitland had no knowledge. The outcome of these are under appeal. Mr Maitland has been marketing O2 Sparkling Vodka since 2003, and its been in extensive PR and on the Web”.

13) Both sides filed evidence.

14) A hearing was held on 20 September 2010. Holdings was represented by Mr Julius Stobbs of Ipulse. Mr Maitland-Kraft represented himself.

## ***Evidence of Holdings.***

### *Witness statement of Amanda Clay*

15) Ms Clay is the Head of Brand Management of one of the subsidiary companies which form part of the O2 group of companies, which includes Holdings, Telefónica O2 UK Limited, Telefónica O2 Germany GmbH & Co. OHG, Telefónica O2 Ireland, Telefónica O2 Czech Republic and Telefónica O2 Slovakia, hereinafter referred to as Group.

16) In 2006 Group was bought by the Spanish telecommunications company Telefónica for roughly £17.7 billion. Group comprises integrated fixed/mobile businesses in the United Kingdom and Ireland, Germany, the Czech Republic and Slovakia; all of which use O2 as their consumer brand. Group also owns 50% of the Tesco Mobile and Tchibo Mobilfunk joint venture businesses in the United Kingdom and Germany respectively. At the end of December 2008 Group's total customer base in Europe reached 45.8 million.

17) Group was incorporated in England and Wales on 19 November 2001 following its demerger from British Telecom to become an independent company. The goodwill passed from BT Cellnet to Holdings following the demerger and the existing customer base of several million as of November 2001 were informed in writing of the new company's re-branding exercise. The company mm O<sub>2</sub> Plc was formed as a parent company in the de-merger from BT. Ms Clay states that Group has traded under the trade mark O<sub>2</sub> since the launch of this trade mark on 1 May 2002. Holdings became the new name of O2 Limited, the company formed during the demerger from BT as the intellectual property holding company for Group. Ms Clay states that all goodwill accrued from Group's use of the intellectual property inures to the benefit of Holdings. The current owner of Group is Telefónica but the O2 brand is still a stand-alone brand in its own right.

18) Exhibited at AC2 are copies of pages from Group's website, o2.com, entitled *Key milestones*, the title is explanatory of the content. The information in the pages starts on 19 November 2001 and ends on 10 September 2008. Included in the pages are the following:

- 1 May 2002 – launch of O2 consumer brand;
- 28 September 2002 – launch of Java Games;
- 31 October 2002 – MMS launches;
- 17 November 2003 – O2 Online signs up its one millionth customer.

19) The majority of the exhibits to Ms Clay's evidence are in the form of press releases.

20) On 18 November 2002 Group broke the text messaging record during the final series of the show *Pop Idol – The Rivals*. Ms Clay comments on the



celebration of the first birthday of the entertainment venue The O2 on 27 June 2008; consequently, the opening of the venue under this name would have taken place after the dates of application of both of Mr Maitland-Kraft's trade marks. At the end of September 2001 BT Cellnet had a total active customer base of 10,968,000 in the United Kingdom. Ms Clay states that the first new product carrying the O<sub>2</sub> brand was the O<sub>2</sub> XDA. This was first put on sale in June 2002. The product was an integrated mobile phone and data device equipped with Microsoft's Pocket PC 2002 software applications. The official launch of the O2 brand on 1 May 2002 was preceded, on 30 April 2002, by the European launch of the brand opposite the London Eye. On 29 May 2002 Group announced the development of new messaging and interactive services with Arsenal and *Big Brother 3*. As of 30 June 2002 Group had a total of 11,171,000 customers in the United Kingdom. Ms Clay states that Group sponsored *Big Brother 3*. On 28 August 2002 Group announced the launch of *The O2 Games Arcade* which it described as:

“the first commercial Java games service in the UK – bringing pictures, colour, sound and an arcade feel to mobile gaming.”

On 4 November 2002 Group launched Revolution, a service that allowed O2 customers to purchase a number of applications available under the categories of entertainment, travel, games, reference, business and health. In the year ending 31 March 2003 Group handled, on average, more than 30 million messages per day. On 5 August 2003 Group announced that it would provide a range of interactive mobile services for the second series of the television programme *Pop Idol*, which was to launch on 9 August 2003. On 6 October 2003 Group announced the launch of a mobile video service that enables O2 customers to download or stream video content over its existing mobile data network. Customers could access exclusive Rugby World Cup 2003 video clips. On 17 November 2003 Group announced that its United Kingdom online channel had signed its millionth customer. On 18 November 2003 *O2 Music* was launched, which Group described as being Europe's first mobile over the air music download service. It was made available in the United Kingdom first. On 10 February 2004 Group announced that O2 customers would soon be able to exchange text messages with mobile users throughout North America, customers would also be able to send messages to users in Japan and to subscribers of Telecom New Zealand. In the year 2003/04 Group acquired more than 1.2 million new customers and had a service revenue growth of 16.3%. On 26 May 2004 it was announced that English National Opera and O2 would be presenting Puccini's *La Bohème* in Trafalgar Square on 7 July 2004. On 15 July 2004 Group announced that O2's Xda II, an integrated personal organiser and mobile device, had secured more than a third of the United Kingdom wireless handheld market in the six months since its launch. Group defined a handheld device as a pocket sized device aimed primarily for data and integrated wireless communications. In the three month period ending 30 June 2004 O2 United Kingdom added 261,000 customers. On 6 August 2004 Group announced that it

had signed a two year sponsorship extension with Arsenal. It was official club and shirt sponsor as well as exclusive mobile communications partner to Arsenal, the sponsorship will run until August 2006. The sponsorship of Arsenal began in 2002. Group provides MMS images before and after every league fixture, live goal text alerts and post match comments from Arsène Wenger, the manager of Arsenal. Group is also the sponsor of England Rugby. The press release claims that O2 enjoys 72% name recognition among the British public and 81% recognition among corporate audiences. The press release states that these figures derive from COMMA business share and brand reports, December 2003. On 23 August 2004 Group announced that O2 had renewed its sponsorship deal with the England rugby team and the Rugby Football Union for a further 4 years, as well as new partnerships with O2 rugbyclass and Premier Rugby Limited for the Zurich Premiership. O2 rugbyclass is a nationwide rugby programme for boys between 8 and 18 and girls between 12 and 18. On 27 January 2005 Group announced that O2 in the United Kingdom has increased its customers to more than 14.2 million. On 19 April 2005 Group announced that O2 was launching an election site on the O2 Active portal ahead of the forthcoming general and local elections on 5 May 2005. On 25 May 2005 Group announced that O2 and Anschutz Entertainment Group (AEG) had joined together to develop the Millennium Dome. The press release announced that from the date of the release the facility would be known as The O2. On 1 November 2005 Group announced a new 3 year sponsorship with Arsenal as its exclusive mobile communications partner. The sponsorship would commence when Group's shirt sponsorship ended at the end of the 2005/06 season. On 13 January 2006 Group announced that its German business would become an official sponsor of the BMW Sauber F1 team from the start of the new motor racing season in March. The O2 brand would appear on the cars as well as on the helmets and suits of the drivers. On 18 January 2006 Group announced that O2 customers in the United Kingdom would be able to officially access the eBay.co.uk website. On 12 May 2006 Group announced an increase in its O2 subscribers in the United Kingdom to 16.34 million. On 20 June 2006 Group announced that O2 had entered the United Kingdom broadband market by purchasing the Be broadband provider. There is nothing in the press release to indicate whether Be was to be rebranded as O2. On 13 November 2006 Group announced that in the quarter ending on 30 September 2006 the revenue of O2's United Kingdom net service grew by 14.9% year-on-year. On 1 March 2007 Group announced the revenue of O2's United Kingdom net service grew by 14.7% for 11 months to 31 December 2006. An article with a date of 21 June 2007 downloaded from news.bbc.co.uk is about the reopening of the Millennium Dome. It advises that AEG took sole responsibility for the site and that the site has been renamed The O2. Pages from Wikipedia advise that naming rights of the venue were sold to O2 plc and that The O2 became the official name of the project on 25 May 2007. The first public performance at the renamed venue was on 24 June 2007, a concert by Bon Jovi. Further pages from Wikipedia advise that The O2 arena opened on 23 June 2007 with a free event for all of the building's employees. (The dates of the applications of Mr Maitland-Kraft are 17 February and 1 May

2007.) The evidence also gives details of Group supplying telecommunication services to the Highways Agency, for the national police communications service, the fire and rescue services, The Welsh Ambulance Service NHS Trust and the London Underground.

21) Ms Clay continues her statement by giving evidence about matters arising after 1 May 2007.

22) Ms Clay states that as of 31 March 2002 Group's active customer base in the United Kingdom was 11.084 million, as of 31 March 2003 it was 12.050 million, as of 31 March 2004 13.3 million and as of 31 March 2005 14.4 million.

23) Ms Clay describes various television advertisements of Group. She also refers to Group sponsoring *Big Brother 3*. She states that from 25 July 2006 extensive outdoor advertising also took place as part of a campaign launching O2 Long Weekends. Ms Clay states that over a period of 6 years Group's branding has remained consistent with regard to the use of O<sub>2</sub> trade marks, the use of bubble imagery and a blue background. In May 2002 and June 2002 Group spent approximately £7 and £5 million on advertising the new O<sub>2</sub> branded service. The total advertising expenditure for Group was £53,085,128 and £62,157,909 in 2006 and 2007 respectively. (It is not clear if this relates solely to the United Kingdom or to all of the countries in which Group operates.) Exhibited at AC6 is a document entitled *Advertising exposure and spend 2006-2009*, it appears to be in the form of a PowerPoint presentation. The various campaigns have been given titles. Slides 86 et seq give, inter alia, the names of the campaigns and the periods during which they took place. The campaign in relation to The O2 took place from 18 June to 22 July 2007, so after the dates of application for Mr Maitland-Kraft's trade marks. The exhibit gives details of television/radio sponsorships. Prior to the material dates there was sponsorship of *Wireless Festival 2006*, from 1 July to 4 July 2006. There was sponsorship from March 2006 to May 2007 (and beyond) of traffic and travel news on London radio stations: Capital, Xfm, Gold London and Choice.

24) Group was awarded *Business Superbrand* status by the Superbrands organisation in 2003/04. Group was awarded *Superbrand* status (relating to business to consumer rather than business to business) by Superbrand in 2004. In 2004 Group was awarded *Cool Brand* status. Ms Clay gives details of advertising awards made to Group. In exhibit AC7 a list of Group's United Kingdom awards is given in the form of pages downloaded from o2.com. The awards cover a variety of areas, from most trusted mobile network in the United Kingdom to its pension scheme.

25) Group sponsored O<sub>2</sub> Wireless Music Festival 2005, which took place in Hyde Park between 24 and 30 June 2005 and which attracted more than 30,000 visitors a day. It sponsored O<sub>2</sub> Party in the Park 2005 which took place in June, July and August at Southampton, Cardiff, Birmingham, Kent, Brighton and

Oxford, attracting 85,000 visitors. The O<sub>2</sub> NME Rock 'n' Roll Riot tour featured a sold out 12 date nationwide tour in 2005 attended by more than 55,000, and featured the first live stream on an O<sub>2</sub> network. Group has sponsored The Brits since 2008.

26) Group was involved in sponsorship of *Scrum in the Park* which took place in October 2004 and had coverage on television, in print and on the radio; 15,000 people attended. Group has been supporting the England rugby team since 1995. Ms Clay goes on to refer to other sporting sponsorship but these are not identified by reference to date.

*Witness statement of Julius Stobbs*

27) Mr Stobbs is the head of trade marks of IPulse, a patent and trade mark firm that represents Holdings.

28) Mr Stobbs states that Holdings has used its O<sub>2</sub> trade mark in relation to sponsorship of Arsenal since 2002, which, he states, is famous for red and white branding. This sponsorship involved the use of Holdings' O<sub>2</sub> trade mark in white placed on a red background. Material exhibited at JS1 shows that the sponsorship commenced in August 2002. The shirt sponsorship concluded at the end of the 2005/06 football season, however, the sponsorship still continued; the sponsorship for a three year period from the end of the 2005/06 season was worth £2.25 million. Mr Stobbs submits that owing to this connection with Arsenal football club and the use of white on a red background the public, seeing the trade mark O<sub>2</sub> on a red background, will think of Holdings.

29) Exhibited at JS2 is a printout from the Arsenal website which shows every change of home kit since 1895. The O<sub>2</sub> trade mark is seen prominently on the shirts from 2002 to 2005. The 2005 shirt is in redcurrant rather than the normal red. During the time of the shirt sponsorship of Holdings, Arsenal were league champions in 2004, FA Cup winners in 2003 and 2005 and Charity/Community Shield winners in 2004. Exhibited at JS3 are images of Holdings' trade marks as used in connection with Arsenal.

30) Mr Stobbs states that Holdings believes that there is a close link between alcoholic beverages and clothing. He states that it is common for drinks companies to give away/sell promotional clothing advertising their brands. He exhibits at JS4 pictures of t-shirts for Smirnoff Ice, Smirnoff, Malibu, Absolut vodka, Guinness, Russkaya and Carlsberg (2 of the Carlsberg images relate to sponsorship of Liverpool FC). Also in this exhibit are pictures of a Smirnoff Ice hat, a Guinness cap, a Guinness rugby shirt, a Guinness rib top and Guinness slippers. Mr Stobbs states that it is common for consumers to buy clothing branded with their favourite alcohol brand and included in the exhibit are printouts from the Guinness website relating to clothing. He states that alcohol brands are also involved in sponsorship, he states that Carlsberg sponsor

Liverpool FC. Mr Stobbs submits that, consequently, the public are very aware of the close link between alcohol and clothing.

### ***Evidence of Mr Maitland-Kraft***

#### *First witness statement of Philip Maitland-Kraft*

31) Mr Maitland-Kraft states that he first publicised the trade mark the subject of application no 2454306 in the United Kingdom for International English Distillers Ltd during British Fashion Week in February 2002. He states the trade mark was first used on the world's first sparkling vodka product in February 2002. Mr Maitland-Kraft states that the vodka product was granted a United Kingdom patent on 8 October 2003, the application for the patent (no 2382351) was filed on 15 November 2002. Exhibited at PMK1 is a copy of an invitation to Blaak after-show party on 21 February 2002. The party was sponsored by Asahi beer and Vodka O<sub>2</sub>, the latter trade mark shows vodka in a standard font in upper case, the O is at an angle and is a slightly distorted form. Exhibited at PMK2 is a printout of the details of the trade mark held on the data base of the Trade Marks Registry. Mr Maitland-Kraft refers to the distinctive red coloured square background which he states forms an integral part of the trade mark and describes the vodka element as a prominent element. There has been no limitation to colour. Mr Maitland-Kraft states that the 2454306 trade mark has been extensively and continuously promoted since 2002 in the British and international press as a premium product. He describes exhibit PMK3 as being a selection of press cuttings which show indicative use of the trade mark. The exhibited material is as follows:

- At page 9 is an item without any provenance. It shows a bottle with the trade mark upon it and the words sparkling premium vodka below the trade mark. It refers to cocktails using the product. The product costs £21 a bottle. Contact details are given as orders@o2vodka.com. The item advises that the product can be tried at Revolution Vodka Bars "across the UK".
- At page 10 is an advertisement, there is nothing to indicate that it has appeared in the press; it appears more akin to a flyer. It is for a screening of the film *Die Another Day* in support of the British Lung Foundation. There is a list of acknowledgements for undertakings and individuals who have supported the screening. Included amongst these is "Vodka O2 for creating and providing the O02 Sparkling Vodka Martini". The 2454306 trade mark appears below this acknowledgment.
- At page 11 is another item without provenance. It appears to be a page from a publication which contains a number of advertorials for beverages. Under the heading "Booze News", a picture of the Vodka O<sub>2</sub> bottle, with a brief description of the product appears.
- Page 12 and 13 consists of copies of a number of press pieces relating to Vodka O<sub>2</sub>. The publications that can be identified are: *Food & Drink*

*Technology, OLN, Tatler, International Food & drink, W&S, fd, Grocery Trader, Ms London, The Grocer, Caterer, Checkout, harpers, Front's Round, Gayuk, Square Meal, Food and Drink Network UK, Bartender and PrideStyler.* The Vodka O<sub>2</sub> bottle can be seen in nearly all of the pieces. Owing to the quality of the reproductions and their size it is not possible to ascertain more details about the pieces, in particular it is not possible to ascertain the dates from which they emanate.

- Page 14 consists of a page from *Perfect Home*. The page is entitled "Food news... in August". There is no indication as to which year. The pages consist of a number of advertorials, including one for Vodka O<sub>2</sub>, with a picture of the bottle.
- Page 15 consists of a page from an unidentified publication from an unidentified date. The page is headed "OZ CLARKE'S TOP 2", as there are more than two drinks on the page it is presumed that another number follows the 2 but has been cut off in the copying process. On the page Vodka O<sub>2</sub>, with a picture of the bottle and a description of the product, appears, along with recommendations for various other alcoholic beverages, and a brand of tomato juice.
- Page 16 consists of a copy of an invitation to the preview of an exhibition in Paris on 10 April 2003. The 2454306 trade mark, not in colour, appears on the invitation. The invitation is in French.

32) Mr Maitland-Kraft states that the Vodka O<sub>2</sub> brand won awards in 2004 and 2005 in The International Wine and Spirit Competition. Copies of the certificates are exhibited at PMK4. At the 2005 competition the product won a bronze in the non-flavoured 47%+ category. The producer of the product is given as International English Distillers Ltd. At the 2004 competition the product was commended..

33) Mr Maitland-Kraft denies that he chose the Vodka O<sub>2</sub> trade mark with the intention of taking unfair advantage of O<sub>2</sub>'s "claimed reputation" in the "O<sub>2</sub> trade mark". He states that the adoption of the O<sub>2</sub> brand was contemporaneous, if not actually post-dating, with his choice of Vodka O<sub>2</sub> as the brand name for the sparkling vodka product.

#### *Second witness statement of Mr Maitland-Kraft*

34) Mr Maitland-Kraft reiterates points that he made in his first witness statement. Exhibited at PMK2A are press cuttings relating to the product. The exhibited material is as follows:

- A copy of a page from *Sunday Mail Magazine* from November 2004. This is an advertorial showing 6 alcoholic beverages. Amongst these is Vodka O<sub>2</sub>, a picture of the bottle appears on the page. There is a description of the products which states that it is the result of an invention by Mr

Maitland-Kraft. The reader is advised that the product can be obtained from thedrinkshop.com.

- A copy of a page from *Sunday Magazine of The News of the World* of 26 September 2004. The page contains a recipe and various advertorials. One of these is for Vodka O<sub>2</sub>. It shows a bottle of the product, describes it and advises that it is available in Sainsbury's.
- A copy of a page from *BBC Good Food* for August 2004. This appears to be the same article that was referred to above by reference to "OZ CLARKE'S TOP 2".
- A copy of a page from *Olive Magazine* of August 2004. The pages contain various advertorials. Included in them is a reference to Vodka O<sub>2</sub>. A picture of the bottle is shown and the reader is advised that the product is available from Sainsbury's.

Mr Maitland-Kraft re-exhibits, at PMK3A, the publicity for the screening of *Die Another Day*, which now bears a handwritten date of 25 November 2002.

35) Mr Maitland-Kraft makes various submissions and comments upon the evidence and claims of O2. He makes a claim that O2 has been infringing his trade mark by its use of the shirts of Arsenal football club. This is not a matter that this tribunal can consider. If he considers that his trade mark has been the subject of infringement Mr Maitland-Kraft can bring an action before the courts. Mr Maitland-Kraft also seeks damages of over £93 million (plus interest). This tribunal cannot award damages.

36) Exhibited at PMK6A is a copy of a page from *Drinks International* of February 2006. This consists of an article relating to Vodka O<sub>2</sub>, with a picture of the bottle. The following appears in the article:

"Now two years into its existence, following two years of research and development, O2 sparkling vodka retains a unique proposition. Philip Maitland, MD of International English Distillers, the company which manufactures and distributes the brand...."

Also included in the exhibit is an advertisement for what is described as the "launch of the world's first sparkling vodka". The date of the launch is 18 March 2004, a picture of a bottle of Vodka O<sub>2</sub> appears in the advertisement. A copy of a page from *The Publican Newspaper* of 19 August 2002 is exhibited. Under a headline of Hogshead, an advertisement appears for Vodka O<sub>2</sub>, the bottle shown in the advertisement is in a different shape to that shown in other material, the same trade mark is used. The bottle advises that the contents have aphrodisiac extracts.

## ***Estoppel***

37) Trade mark registration nos 2308256 and 232523 were in the name of Mr Philip Maitland, whom it appears is one and the same as Mr Maitland-Kraft. The registrations were for the trade marks shown below:



They were applied for on 16 August 2002 and 3 March 2003 respectively and the registration processes were completed on 28 February 2003 and 22 August 2003 respectively. The former trade mark was registered for spirits in class 33 and the latter for flavoured vodka in the same class. The registrations were the subject of applications for invalidation by O2 Limited, the records of Companies House exhibited at AC1 show that this was a previous name of Holdings. The applications were not defended. The applications were consolidated and were the subject of decision BL O/122/06 of 11 May 2006. Although the applications were not defended, the decision was not a default decision. The decision found for the applicant under section 5(3) of the Act but rejected the grounds under sections 5(2)(b) and 5(4)(a) of the Act. Subsequent to the decision, Mr Maitland made a request to lodge a late appeal. He stated in relation to this that he had not been served with the applications, as the address for him held by the Trade Marks Registry was out of date. His request was rejected, both by the registrar and on appeal by the appointed person, in decision BL O/096/08. Consequently, the decision to invalidate the registrations was final.

38) At the hearing Mr Stobbs submitted that as a result of decision BL O/122/06 the grounds of opposition under section 5(3) of the Act are subject to issue estoppel. He relied upon the judgment of Smith J in *William Evans and Susan Mary Evans (a partnership trading together as Firecraft) v Focal Point Fires Plc* [2009] EWHC 2784 (Ch)<sup>vi</sup>, where it was held that estoppel can arise from invalidation proceedings before the registrar.

39) Estoppel has to be pleaded. At no time has it been pleaded by Holdings. Mr Stobbs did not even make a reference to relying upon issue estoppel in his skeleton argument, despite referring to the findings in the invalidation action. Smith J's judgment was published on 10 November 2009. Tribunal Practice Notice 6/2009 was published in 2009, advising of the judgment and the position of the registrar in relation to it. Consequently, Holdings has had plenty of time to amend its pleadings to pray in aid the judgment of Smith J. It has not amended



its pleadings, so estoppel is not a pleaded issue and so the claim in the oral submissions to issue estoppel is rejected.

### ***Material dates***

40) In relation to the grounds of opposition under sections 5(1), 5(2) and 5(3) of the Act the material dates are the dates of application, 17 February and 1 May 2007. So, Holdings has to have earlier trade marks and, in respect of section 5(3) of the Act, an appropriate reputation as of these dates. All of the trade marks upon which Holding relies are earlier trade marks.

41) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark. This was the subject of consideration by the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07*<sup>vii</sup>. In that judgment the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is applied in relation to the Act, consequently, Holdings must establish that at the dates of application it had a protectable goodwill in relation to the sign O2. It is also necessary for the purposes of the law of passing-off to consider the date(s) of the behaviour complained of<sup>viii</sup>, which may be prior to the dates of application.

### ***Findings of fact***

42) The O2 brand was launched on 1 May 2002. A large sum of money was spent in May and June 2002 promoting the new brand. It can be assumed that existing customers would both be advised of and notice the change of brand. Users of mobile telephony compare models of telephone that are available from various providers, service plan rates and coverage. Consequently, they will be very aware of the trade marks of providers of services other than their own. There has been sponsorship of Arsenal and the England rugby team, bringing

the trade marks of Holdings into the homes of many and onto the streets, through the wearing of replica kit. .

43) To benefit from the provisions of section 5(3) of the Act the trade mark(s) must be known by a significant part of the public concerned by the products or services covered<sup>ix</sup>, which in this case will be the public at large. The European Court of Justice (ECJ) in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

“27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

Two of the trade marks upon which Holdings relies in relation to section 5(3) of the Act are Community trade marks. In *PAGO International GmbH v Tirol Milch registrierte Genossenschaft mbH* Case C-302/07 the ECJ considered the requirements for establishing a reputation in respect of a Community trade mark:

“30 The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.”

There is no doubt that in the United Kingdom the trade marks O<sub>2</sub> and O2 were well-known as of 17 February 2007. Owing to the nature of the business and the promotional activities of Holdings, the trade marks would have been well-known very soon after the launch of the brand on 1 May 2002. Since the launch, the brand has consistently grown. Owing to the size of the reputation in the United Kingdom and the size of the market in the United Kingdom there can be no doubt that the O2 Community trade mark registrations, as well as the United Kingdom registrations, have a reputation for the purposes of section 5(3) of the Act.

44) It is necessary to decide to what that reputation relates. Primarily, Holdings provides mobile telephony services by reference to its trade marks, or that was the position as of the material dates. However, the average consumer is unlikely to view the reputation in such specific terms, for the average consumer the service provided is a telecommunications service. Holdings has established the requisite reputation for section 5(3) of the Act in relation to telecommunication services at large.

45) There is evidence that some telephone apparatus has been supplied by reference to O2, the XDA, but this is limited. Holdings also refers to the content that it supplies. This area is somewhat unclear as to how much of the content is actually supplied by Holdings and how much is supplied by third parties and Holdings is simply supplying access to it. It is, for instance, unclear as to whether the person using the Arsenal information facility will see the provider of this service as being Holdings or the football club.

46) On the basis of the evidence it is not possible to consider that the reputation, for the purpose of section 5(3) of the Act, extends beyond telecommunications.

47) Mr Stobbs in his submissions made reference to Mr Maitland-Kraft's applications benefitting from the image transfer from the image of O2. This gives rise to the question as to whether Holdings has created a particular image. Mr Stobbs considered that Holdings has an image for innovation. In *Hollywood SAS v Souza Cruz SA* [2002] ETMR 64 the Third Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) stated:

“67 Therefore the trade mark is not only a sign affixed to a product to indicate its business origin, but is also a vehicle for communicating a message to the public, and itself represents financial value. This message is incorporated into the trade mark through use, essentially for advertising purposes, which enables the trade mark to assume the message itself, whether informatively or symbolically. The message may refer to the product's qualities, or indeed to intangible values such as luxury, lifestyle, exclusivity, adventure, youth, etc. It may result from the qualities of the product or service for which it is used, but also from its proprietor's reputation or other elements, such as the particular presentation of the product or service or on the exclusivity of sales networks.

68 In the light of these aspects, the idea that the appellant's trade mark conveys a message of health, dynamism and youth cannot be ruled out as a matter of principle, provided that evidence of this is adduced. However, in order to be protected within the meaning of Article 8(5) CTMR, this image must have acquired a level of reputation. The Opposition Division considered that the opponent had submitted adequate evidence of the existence of the trade mark's reputation, but that it had not proved the existence of an image association with the trade mark possessing this reputation. Therefore the evidence to be adduced must focus specifically on the existence of this image association with the trade mark which possesses the reputation.”

Ms Clay refers to Holdings relationship with music. However, a good part of the evidence in relation to this emanates from after the material dates. Events at The O2 would have been advertised prior to the first performance on 24 June 2007, however, there is no evidence to show that by either 17 February or 1 May

2007 the general public would have identified the Millennium Dome as The O2 and that, furthermore, that it would have been identified with music to be performed at the venue. Holdings has been involved in the sponsorship of Arsenal and English rugby. However, from the evidence there is nothing to suggest that the O2 trade marks communicate a sporting message to the public at large. Unlike in *Hollywood SAS v Souza Cruz*, the evidence does not support the creation of a particular image in relation to the O2 trade marks and the businesses in relation to which they are used.

48) Goodwill exists in a business, not in a sign. At the time of the rebranding there was already a goodwill in the telecommunications business. Owing to the nature of the launch and the nature of the services, that goodwill will have been associated with the sign O2 immediately that use had begun. There was a protectable goodwill in relation to telecommunications services by reference to the sign O2 from 1 May 2002. The evidence also supports a trade in telecommunications equipment, both the branding of a few products and the sale and supply of products bearing the trade marks of others eg mobile telephones.

49) The position in relation to Mr Maitland-Kraft's use of signs and trade marks incorporating or being O2 is difficult to ascertain. One of the prize certificates that Mr Maitland-Kraft exhibits states that the product is produced by International English Distillers Ltd. The article in *Drinks International* of February 2006 refers to "Philip Maitland, MD of International English Distillers, the company which manufactures and distributes the brand". Mr Maitland, whether the controlling mind of International English Distillers Ltd or not, cannot be conflated with the company. They are different legal entities, with different legal liabilities and responsibilities. So if there was any goodwill in relation to O2 in relation to vodka prior to the dates of application, it is not possible to identify to whom it belongs. The invitation to the Blaak after-show party on 21 February 2002 is of little assistance, there is nothing to make it clear whether the product was available. There is no evidence as to how many people attended the party. The invitation to the party in Paris on 10 April 2003 is again of little assistance. Clearly, it is outside the jurisdiction and there is no indication as to the number of persons at the party and if the product was available. It could be that the product was being publicised but not yet available. Again there is no background given to the copy of the page from *The Publican Newspaper* of 19 August 2002 that is exhibited. Mr Maitland-Kraft states that the 2454306 trade mark has been extensively and continuously promoted since 2002 in the British and international press as a premium product. However, the article from *Drinks International* of February 2006 refers to the product having been in existence for two years following two years of research and development. This exhibit also includes an advertisement for the launch of the product on 18 March 2004. Mr Maitland-Kraft has filed neither turnover figures nor advertising figures.

50) Consequently, it is not possible to ascertain who would be the owner of any goodwill in relation to O2 and vodka, whether it be International English Distillers

Ltd or Mr Maitland-Kraft. There is no evidence of the relationship between the two legal entities. There is no evidence of the scale of use and there is contradictory evidence as to when the product actually came on to the market. Consequent upon this, it has not been established that on or prior to the material dates whether Mr Maitland-Kraft had any earlier right, still less that he had any earlier right when Holdings had established its reputation in relation to its trade marks and goodwill in relation to the sign O2.

***Sections 5(2)(a) and 5(2)(b) of the Act – likelihood of confusion***

51) Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for must not be registered if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public. The likelihood of confusion includes the likelihood of association with the earlier trade mark.

52) The risk that the public might believe that the goods or services in question come from the same undertaking or from economically-linked undertakings constitutes a likelihood of confusion. According to the same case-law, the likelihood of confusion must be assessed globally, according to the relevant public's perception of the signs and goods or services concerned and taking into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the signs and that of the goods or services designated. In the global assessment of the likelihood of confusion, account should be taken of the average consumer of the category of products concerned, who is reasonably well informed and reasonably observant and circumspect. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question.

53) As regards the comparison of the goods and services concerned, it must be borne in mind that, in order to assess the similarity between the goods or services concerned, all the relevant factors relating to those goods or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary. Other factors may also be taken into account, such as the distribution channels of the goods concerned. Where the goods covered by the earlier mark include the goods covered by the trade mark application, those goods are considered to be identical

54) Assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain

circumstances, be dominated by one or more of its components. It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element. That could be the case, in particular, where that component is capable alone of dominating the image of that mark which members of the relevant public keep in their minds, such that all the other components are negligible in the overall impression created by that mark.

55) Consequent upon the findings in paragraph 4 the consideration of likelihood of confusion will be made in relation to Community trade mark registration no 7177363 in respect of services for providing drink.

#### *Average consumer and purchasing process*

56) Alcoholic beverages and vodka are bought by the public at large who are over the age of 18. Certain beverages may be bought with a good deal of care, eg fine wines and spirits. Others will be bought without a great deal of care, for instance those products which are bought with the aim of, in the terms of the trade, pre and post loading ie for the purposes of intoxication. Mr Maitland-Kraft has submitted that his product is a premium product. In relation to application no 2447064 the specification covers alcoholic beverages at large. Specifications cannot define the quality of a product, they define it in utilitarian terms for the purposes of infringement rights. The current marketing undertaken by the parties is not relevant to the issues to be determined, as the GC stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-414/05:

“71 The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant’s goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to visual, phonetic or conceptual aspects of the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions of the trade mark proprietors – whether carried out or not – which are naturally subjective (see, to that effect, *NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, cited at paragraph 61 above, paragraph 49, and Case T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59).”

This is illustrated in this case by the earlier strategy of describing the product as having aphrodisiac properties. Services for providing drink will encompass all forms of such services, whether that be wine bars, public houses or vodka bars (Mr Maitland-Kraft's evidence refers to the existence of such establishments). These premises will often be visited owing to location rather than owing to reputation. An enormous amount of care in the choice of establishment may well not be taken. In relation to both the goods and services it is, however, necessary to bear in mind that the average consumer is deemed to be reasonably well informed and reasonably observant and circumspect.

#### *Comparison of trade marks*

57) The trade marks of Mr Maitland-Kraft are:



The trade mark of holdings is:

O<sub>2</sub>

58) One of the trade marks of Mr Maitland-Kraft includes the stylised word vodka, the goods of this trade mark are vodka and so this is not an element that is distinctive or dominant. The dominant distinctive element of both of the trade marks of Mr Maitland-Kraft is O<sub>2</sub> which is the only element of Holdings' trade mark. At the hearing Mr Maitland-Kraft considered that there are fundamental differences between the trade marks because of colour. However, his trade marks are not limited to colour and their distinctiveness is not based on colour. The trade mark of Holdings is not limited to colour, notional and fair use of the trade mark could be on a red background and in white on that background<sup>x</sup>. The distinctive and dominant elements of the trade marks will be pronounced identically. Visually the differences between the trade marks are minimal. Conceptually, they will be seen as being a symbol for oxygen (being the form of oxygen, diatomic oxygen, that is found in the air). This is something that the average consumer is likely to know.

59) If the average consumer will not consider application no 2447064 as identical to the trade mark of Holdings, they are so similar that nothing turns upon this.

Application no 2454306, taking into account that it is for vodka, is similar to a particularly high degree. In effect, in the normal course of trade and the normal course of the purchasing process, there is virtually nothing to allow the average consumer of the respective goods and services to distinguish between the trade mark of Holdings and those of Mr Maitland-Kraft.

#### *Comparison of goods and services*

60) As stated above, services for providing drink will encompass all such services, whether that be a coffee bar, a juice bar, a wine bar, a public house or a vodka bar. Mr Maitland-Kraft's evidence refers to his product being available at particular vodka bars. Application no 2447064 is for alcoholic beverages at large, not just vodka. However, it includes vodka and there has been no application to divide the specification into particular alcoholic beverages and so the comparison will be made on the basis of the vodka component of the application alone. (It is, of course, the case that all of the evidence demonstrates that this is Mr Maitland-Kraft's area of interest.)

61) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06 the GC explained when goods were complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

Vodka bars are dependent on vodka. The sellers of vodka have a number of other outlets for their products. However, the dependence of vodka bars may lead the customer to believe that the supplier of the vodka and the provider of the vodka bar are one and the same undertaking. The respective goods and services are complementary. The average consumer who wishes to imbibe vodka has the option of purchasing the beverage in a retail establishment or going to licensed premises, including vodka bars. Consequently, the respective goods and services are in competition. The respective goods and services will both be used by consumers of vodka, therefore, they have the same end consumers.

62) Consequent upon the above, the goods of the applications and the service of providing drink are similar to a reasonable degree.



## Conclusion

63) The trade marks of Mr Maitland-Kraft and that of Holdings will, in the course of trade, be effectively indistinguishable. The similarity of the trade marks is such that, even if there was a particularly educated purchasing process, the average consumer will not be able to distinguish between them. There is a good deal of similarity between the respective goods and services. The more distinctive the earlier trade mark the greater the likelihood of confusion<sup>xi</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xii</sup>. The trade mark of Holdings is neither allusive nor descriptive of services providing drink, it enjoys a reasonably high degree of distinctiveness. Mr Maitland-Kraft refers to other trade marks on trade mark registers including an O2 element. The state of the register does not indicate whether there will be confusion in the market place in relation to the respective trade marks. Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 and the GC in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06* and *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-135/04* have both rejected arguments based upon state of the register evidence. In *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-135/04* GC stated:

“68. As regards the search of the Cedex database, the mere fact that a number of trade marks relating to Class 35 contain the word ‘bus’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned. Firstly, the search in question does not provide any information on the trade marks actually used in relation to the services concerned. Secondly, it includes a number of trade marks in which the word ‘bus’ is used descriptively by public transport businesses.”

Mr Maitland-Kraft also refers to an absence of confusion in the market place. As there is no indication that Holdings has sold any alcoholic beverages this absence of confusion cannot have a bearing on the finding in relation to section 5(2) of the Act.

**64) There is a likelihood of confusion and Holdings is successful in its opposition under section 5(2)(b) of the Act and the applications of Mr Maitland-Kraft are to be refused in their entireties.**

### **Section 5(3) of the Act**

65) As decided above, Holdings has established the requisite reputation in relation to telecommunications services. In relation to this ground of opposition Holdings relies upon both registrations for the trade mark O<sub>2</sub> and the trade mark O2 (see annex). Although the specifications of the O2 trade marks are different to those of the O<sub>2</sub> trade marks, taking into account the general nature of the services and the reputation, the position of Holdings is going to be no better in relation to the latter trade marks than the former. The consideration under this ground of opposition will be made on the basis of registration no 2296255, the services of which are covered by the general term telecommunication services. This trade mark is the same in relation to which the considerations under section 5(2) of the Act have been made and so there is a high degree of similarity, verging on identity, between the trade mark of Holdings and those of Mr Maitland-Kraft. So, two of the conditions under section 5(3) of the Act are satisfied, reputation and similarity of the trade marks.

66) Holdings relies on all the potential heads of damage in relation to its claim under section 5(3) of the Act. Its pleadings did not give any specificity in relation to the basis of the claims under section 5(3) of the Act.

67) In *Intel Corporation Inc v CPM United Kingdom Ltd* Case C-252/07 the ECJ considered Article 4(4)(a) of Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive), which is the basis of section 5(3) of the Act:

“26 Article 4(4)(a) of the Directive establishes, for the benefit of trade marks with a reputation, a wider form of protection than that provided for in Article 4(1). The specific condition of that protection consists of a use of the later mark without due cause which takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark (see, to that effect, in respect of Article 5(2) of the Directive, *Marca Mode*, paragraph 36; *Adidas-Salomon and Adidas Benelux*, paragraph 27, and Case C-102/07 *adidas and adidas Benelux* [2008] ECR I-0000, paragraph 40).

27 The types of injury against which Article 4(4)(a) of the Directive ensures such protection for the benefit of trade marks with a reputation are, first, detriment to the distinctive character of the earlier mark, secondly, detriment to the repute of that mark and, thirdly, unfair advantage taken of the distinctive character or the repute of that mark.

28 Just one of those three types of injury suffices for that provision to apply.

29 As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.

30 The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them (see, in relation to Article 5(2) of the Directive, *General Motors*, paragraph 23; *Adidas-Salomon and Adidas Benelux*, paragraph 29, and *adidas and adidas Benelux*, paragraph 41).

31 In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

32 However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, as was stated in paragraph 26 of this judgment, the specific condition of the protection of trade marks with a reputation laid down by that provision.

37 In order to benefit from the protection introduced by Article 4(4)(a) of the Directive, the proprietor of the earlier mark must adduce proof that the use of the later mark ‘would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark’.

38 The proprietor of the earlier trade mark is not required, for that purpose, to demonstrate actual and present injury to its mark for the purposes of Article 4(4)(a) of the Directive. When it is foreseeable that such injury will ensue from the use which the proprietor of the later mark may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, prove that there is a serious risk that such an injury will occur in the future.....

44 As regards the degree of similarity between the conflicting marks, the more similar they are, the more likely it is that the later mark will bring the

earlier mark with a reputation to the mind of the relevant public. That is particularly the case where those marks are identical.

45 However, the fact that the conflicting marks are identical, and even more so if they are merely similar, is not sufficient for it to be concluded that there is a link between those marks.

46 It is possible that the conflicting marks are registered for goods or services in respect of which the relevant sections of the public do not overlap.

47 The reputation of a trade mark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialised public (see *General Motors*, paragraph 24).

48 It is therefore conceivable that the relevant section of the public as regards the goods or services for which the earlier mark was registered is completely distinct from the relevant section of the public as regards the goods or services for which the later mark was registered and that the earlier mark, although it has a reputation, is not known to the public targeted by the later mark. In such a case, the public targeted by each of the two marks may never be confronted with the other mark, so that it will not establish any link between those marks.

49 Furthermore, even if the relevant section of the public as regards the goods or services for which the conflicting marks are registered is the same or overlaps to some extent, those goods or services may be so dissimilar that the later mark is unlikely to bring the earlier mark to the mind of the relevant public.

50 Accordingly, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether there is a link between those marks.

51 It must also be pointed out that certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered.

52 In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the conflicting marks, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered.

53 For the purposes of assessing where there is a link between the conflicting marks, it may therefore be necessary to take into account the strength of the earlier mark's reputation in order to determine whether that reputation extends beyond the public targeted by that mark.

54 Likewise, the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind.

55 Accordingly, for the purposes of assessing whether there is a link between the conflicting marks, the degree of the earlier mark's distinctive character must be taken into consideration.

56 In that regard, in so far as the ability of a trade mark to identify the goods or services for which it is registered and used as coming from the proprietor of that mark and, therefore, its distinctive character are all the stronger if that mark is unique – that is to say, as regards a word mark such as INTEL, if the word of which it consists has not been used by anyone for any goods or services other than by the proprietor of the mark for the goods and services it markets – it must be ascertained whether the earlier mark is unique or essentially unique.

57 Finally, a link between the conflicting marks is necessarily established when there is a likelihood of confusion, that is to say, when the relevant public believes or might believe that the goods or services marketed under the earlier mark and those marketed under the later mark come from the same undertaking or from economically-linked undertakings (see to that effect, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59).

58 However, as is apparent from paragraphs 27 to 31 of the judgment in *Adidas-Salomon and Adidas Benelux*, implementation of the protection introduced by Article 4(4)(a) of the Directive does not require the existence of a likelihood of confusion.

59 The national court asks, in particular, whether the circumstances set out in points (a) to (d) of Question 1 referred for a preliminary ruling are sufficient to establish a link between the conflicting marks.

60 As regards the circumstance referred to in point (d) of that question, the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link.

61 As regards the circumstances referred to in paragraphs (a) to (c) of that question, as is apparent from paragraph 41 to 58 of this judgment, they do not necessarily imply the existence of a link between the conflicting marks, but they do not exclude one either. It is for the national court to base its analysis on all the facts of the case in the main proceedings.

62 The answer to point (i) of Question 1 and to Question 2 must therefore be that Article 4(4)(a) of the Directive must be interpreted as meaning that whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

63 The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.

64 The fact that:

- the earlier mark has a huge reputation for certain specific types of goods or services, and
- those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and
- the earlier mark is unique in respect of any goods or services,

does not necessarily imply that there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.”

68) It is necessary for there to be a link under section 5(3) of the Act. The reputation of Holdings' trade mark in the field of telecommunications at the dates of application was enormous, the field of activity is also all pervasive. Virtually all consumers will be aware of the major telecommunications companies such as Holdings, Vodafone and Orange. However, there is no connection between alcoholic beverages and telecommunications; these are completely disparate and discrete areas of commerce. There is though sparse evidence of other parties using the trade mark O<sub>2</sub> in the United Kingdom, Mr Maitland-Kraft refers to an establishment in London. Taking these factors into account use of Mr Maitland-Kraft's trade mark in respect of alcoholic beverages, including vodka, would bring to mind the trade mark of Holdings and create a link.

69) The claim that there will be detriment to the distinctive character of the earlier trade mark will be considered first. According to the ECJ “the proprietor of the earlier mark must adduce proof that the use of the later mark ‘would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark’.” There is an absence of clear evidence as to the nature and extent of use of the trade marks of Mr Maitland-Kraft at the material dates, so effectively this is a *quia timet* action. In such circumstances it is unlikely to be possible to adduce proof of the detriment. In *Mäurer + Wirtz GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-63/07 the GC stated

“40 It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T-215/03 *Sigla v OHIM – Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 48).”

The risk must be more than purely hypothetical. Owing to the completely different spheres of activity for which Holdings has a reputation and the goods of the application, in the absence of any evidence to support the claim of detriment, there is no *prima facie* case that there would be detriment. It is not something that can be inferred from the facts presented. The claim in relation to detriment to the distinctive character or repute of Holdings trade mark, as far as it relates to dilution, is dismissed.

70) In *L’Oreal SA and others v Bellure NV and others* Case C-487/07 the ECJ considered tarnishment:

“40 As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”

Mr Stobbs submitted that there would be tarnishment of the repute owing to the link with alcoholic beverages. He prayed in aid the undefended invalidation actions against the registrations of Mr Maitland-Kraft where the registrar found that there would be such a tarnishment owing to the negative connotations of some forms of alcohol. The argument may appear somewhat disingenuous taking into account that Holdings has applied for trade marks covering all forms of alcoholic beverage and sponsors venues where alcohol is consumed eg The O2 and O2 Academies. However, that the argument may be disingenuous does not mean that it is necessarily without substance. For some persons, for religious or other reasons, alcohol may have negative connotations. However, for the average consumer in the United Kingdom there is no evidence to suggest that alcoholic beverages per se have a negative image. Alcohol is linked to violence and crime, however, that does not mean that the use of an O<sub>2</sub> trade mark for alcoholic beverages will tarnish the repute of Holdings. It is likely that the vast majority of the customers of Holdings imbibe alcohol. According to the World Health Organisation over 3,000 persons are killed every day in road traffic accidents worldwide, or almost 1.1million persons per year. This does not mean that all forms of road transport have a negative image. There is no evidence that a link with any particular type of alcohol has a negative image, an image that would tarnish the repute of Holdings. This is a matter that cannot be inferred from the evidence. It could be that a particular brand of alcohol has developed a negative image but this would relate to the brand and not to the product. In the absence of evidence from Holdings supporting the claim to tarnishment, this head of damage is dismissed.

71) In *L'Oreal SA and others v Bellure NV and others* the ECJ defined what is meant by unfair advantage:

“41 As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by



that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.”

Holdings has to establish two things, that there would be an advantage and that it would be unfair. It is to be noted that the ECJ refers to the third party seeking to take advantage, ie a conscious decision being made. The question of the unfair aspect was considered by Lloyd LJ in *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753<sup>xiii</sup>:

“136. I do not consider that Kenwood's design involves anything like a transfer of the image of the KitchenAid mark, or of the characteristics which it projects, to the goods identified by Kenwood's sign (see *L'Oréal v Bellure* paragraph 41). Of course, as a newcomer in a specialist market of which KitchenAid had a monopoly, and being (necessarily) in the basic C-shape of a stand mixer, the kMix would remind relevant average consumers, who are design-aware, of the KitchenAid Artisan. That, however, is a very different phenomenon, in very different commercial circumstances, from the situation considered in *L'Oréal v Bellure*. I find the Court's judgment instructive, but it does not seem to me to lead to the conclusion in favour of Whirlpool for which Mr Mellor contends. On the contrary, having rejected his radical submission that the word "unfair" could just as well have been left out of the article, it seems to me that the decision points away from, rather than towards, liability under the article on the facts of the present case. It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*. No additional factor has been identified in this case other than intention.”

This matter was also considered by Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch):

“160. Thus something more than mere advantage is required. It must be an unfair advantage. Lloyd LJ seems to state that an advantage is rendered unfair if it is intended. He also leaves open the possibility than unintended advantage may have a sufficient quality of unfairness about it to qualify.”

There is no evidence that Mr Maitland-Kraft sought to take advantage of the reputation of Holdings.

72) Owing to the distance between the services for which Holdings has a reputation and the goods of the applications, it is not possible to see what advantage would accrue from the use of the trade marks of the applications. There is simply too much distance between them. In the case of such a distance between the goods and services it is necessary for Holdings to put forward a case based on more than mere assertion. Holdings has failed to establish that there would be any advantage and/or that any advantage would be unfair.

**The grounds of opposition under section 5(3) of the Act are dismissed.**

***Section 5(4)(a) of the Act – passing-off***

73) Holdings has established that at the material dates that it had a protectable goodwill in relation to telecommunication services and equipment.

In *Harrods v Harrodian School* [1996] RPC 697 Millett LJ stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services”

In the same case he went on to state:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

In *Stringfellow v McCain Foods (G.B.) Ltd.* [1984] RPC 501 Slade L.J. said:

“even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.”

Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 said that the claimant must prove:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill attaches.”

74) In *Lego Systems A/S v Lego M Lemelstricht Ltd* [1983] FSR 155 an absence of a common field of activity was overcome by evidence specifically aimed to this point. In this case there is no evidence to show that the distance between the goods of the applications and the goods or services of Holdings has been overcome so that the public concerned would believe that Holdings was responsible for the goods of the application or believe that there would be some relationship between the parties. In its pleadings Holdings submits that the public concerned might believe that there was a link between the goods and services for which it has a reputation and the goods of the application owing to licence or sponsorship. It has put in no evidence to suggest that telecommunication companies have a tradition of sponsoring alcoholic beverages or licensing their names for alcohol. The proposition seems most unlikely. In his evidence Mr Stobbs seems to try and create some link on the basis that companies selling alcohol sometimes use clothing to promote their brand, Holdings' brands have appeared on Arsenal shirts, and therefore there is a link between Holdings and alcoholic beverages. This is an exercise in the most form of syllogistic logic.

75) Owing to the distance between the fields of activities use of the trade marks of Mr Maitland-Kraft would give rise to neither a misrepresentation nor to any possible damage.

**76) The grounds of opposition under section 5(4)(a) of the Act are dismissed.**

#### ***Provisional decision***

77) As stated above, this is a provisional decision, owing to the opposition and invalidation actions against the trade marks of Holdings at the Community trade marks office. When there is a final outcome to these proceedings a final decision will be issued. The setting of the period for paying costs and the appeal period will flow from this final decision. However, as per the submission of Mr Stobbs, if Holdings should withdraw its reliance upon these trade marks (or parts of these trade marks) a final decision will be issued; which will simply confirm the findings of this decision.

#### ***Request for a mistrial***

78) On 21 September 2010 Mr Maitland-Kraft requested that the hearing be declared a “mistrial”. He considered that Mr Stobbs had put forward new arguments and that he had been ambushed. The only matter that was not foreshadowed in the pleadings and the skeleton argument was the claim to

estoppel, a claim that has been dismissed as it has not been pleaded. Mr Stobbs was not au fait with the extent of the invalidation action before the Community trade mark office, that has been taken into account in the consideration of the grounds under section 5(2)(b). Skeleton arguments are that, skeletons. They are there to put forward the parameters of the submissions, not to fill in the details. There is no basis for a further hearing on this case on the basis of the behaviour of Mr Stobbs. It is also not possible to see how any further hearing would change the outcome.

### **Costs**

79) *Rizla Ltd's Application* [1993] RPC 365 confirms that in the matter of costs the registrar has a wide discretion. Mr Maitland-Kraft, as stated above, sought damages. It is not within the powers of this tribunal to award damages. Mr Stobbs sought actual costs on the basis of his perception of the behaviour of Mr Maitland-Kraft. All of the documentation in relation to the prosecution of this case has been considered and there is no justification for any award outwith the scale. Mr Stobbs also submitted that an award outwith the scale should be made as these applications were made after Mr Maitland-Kraft's earlier two registrations had been cancelled. From the documentation it appears that no defence was made in respect of the applications for invalidation because the Trade Marks Registry had not been advised of an up-to-date address for service. In these circumstances, there was nothing abusive in Mr Maitland-Kraft trying to retrench his position by filing new applications.

80) In *West t/a Eastenders v Fuller Smith Turner PLC* [2003] EWCA Civ 429<sup>xiv</sup> Pumfrey J, sitting in the Court of Appeal, decided that in awarding costs the success in relation to separate grounds and the evidence adduced in relation to those grounds should be taken into account. In this case Holdings failed in relation to the grounds under sections 5(3) and 5(4)(a). These were the only grounds that required evidence. The success of Holdings was simply based on the comparison of one of its Community trade mark registrations with the applications of Mr Maitland-Kraft. Taking into account the time that Mr Maitland-Kraft would have had to spend in considering this evidence, the statement of grounds in relation to the unsuccessful grounds, the parts of the hearing that were actually relevant to the outcome of the case, it is considered that each party should bear its own costs with the exception of the costs of the opposition fees. Consequently, when a final decision is issued Mr Maitland-Kraft must pay O2 Holdings Limited the sum of £400 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 06 day of October 2010**

**David Landau  
For the Registrar  
the Comptroller-General**

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<sup>i</sup> Article 44. Article 44(1) states: of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark deals with the division of an application

“1. The applicant may divide the application by declaring that some of the goods or services included in the original application will be the subject of one or more divisional applications. The goods or services in the divisional application shall not overlap with the goods or services which remain in the original application or those which are included in other divisional applications.”

Consequently, one original application may be divided and so “give birth” a number of applications.

<sup>ii</sup> It is particularly noted that the Community registration includes retail services without qualification. The finding of the General Court in *Frag Comercio Internacional, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-162/08* is noted:

“31 Thirdly, the services in Class 35 covered by the mark applied for cannot be compared with the retail services in shops covered by the earlier Spanish mark. It follows from Case C-418/02 *Praktiker Bau- und Heimwerkermärkte* [2005] ECR I-5873, paragraph 49, that, for the purposes of registration of a trade mark covering such services, although it is not necessary to specify them in detail, it is necessary to specify the goods or types of goods to which those services relate. In the present case, no details have been provided as to the goods or types of goods to which the services covered by the earlier Spanish mark relate. Accordingly, the Board of Appeal was correct in finding that those services covered by the earlier Spanish mark were too vague to enable a proper comparison to be made with those under the mark applied for.”

<sup>iii</sup> An appeal from the boards of appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (the Community trade mark office) is to the General Court (previously known as the Court of First Instance) of the European Communities.

<sup>iv</sup> Section 6(1) of the Act defines an earlier trade mark in the following terms:

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

- (a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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,
- (b) a Community trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK),
- (ba) a registered trade mark or international trade mark (UK) which-

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(i) has been converted from a Community trade mark or international trade mark (EC) which itself had a valid claim to seniority within paragraph (b) from an earlier trade mark, and  
(ii) accordingly has the same claim to seniority, or  
(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.”

<sup>v</sup> Under section 6A(1)(c) of the Act an opponent may be required by applicant to provide proof of use of the earlier trade mark registration(s) upon which it relies where the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

<sup>vi</sup> The judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2009/2784.html>

<sup>vii</sup> All of the judgments of the General Court (previously the Court of First Instance) and the European Court of Justice can be found at the url:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>

<sup>viii</sup> See *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9. The *Inter Lotto* judgments can be found at the following urls:

<http://www.bailii.org/ew/cases/EWHC/Ch/2003/1256.html>

<http://www.bailii.org/ew/cases/EWCA/Civ/2003/1132.html>

<sup>ix</sup> *General Motors Corporation v Yplon SA* Case C-375/97.

<sup>x</sup> See the decision of Mr Geoffrey Hobbs QC, sitting as the appointed person in *Mary Quant Cosmetics Japan Ltd v Able C & C Co Ltd* BL O/246/08:

“In effect, colouring is in the same degree (ir)relevant to a finding of identity or similarity as it is (im)material to the distinctiveness of the trade mark as registered.”

(Full decision on website of the Intellectual Property Office.)

Also see judgment of Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour

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from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2010/2035.html>

<sup>xi</sup> *Sabel BV v Puma AG, Rudolf Dassler Sport Case C-251/95.*

<sup>xii</sup> *Rewe Zentral AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-79/00.*

<sup>xiii</sup> The full judgment can be found at the url:


<http://www.bailii.org/ew/cases/EWCA/Civ/2009/753.html>

<sup>xiv</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2003/429.html>

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**ANNEX**

2279371	 <p>The colour blue (indigo) is an element of the trade mark.</p>	Mobile telecommunications apparatus; mobile telecommunications headsets. Mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; Internet access services; applications services provision.
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2296255	O <sub>2</sub>	<p>Mobile communications apparatus; mobile communications handsets; mobile communications headsets; parts and fittings for the aforesaid goods.</p> <p>Telecommunication and data communication services provided by a mobile telephone company; operation of a digitalized media platform for the exchange of messages and information; WAP (wireless application protocol) services; electronic postal services, namely transmission and forwarding of electronic mail, SMS (short message services), facsimiles, WAP (wireless application protocol) services; collection and delivery of news and general information; transmission of information in the field of entertainment, general information, economy and finance, sport and cultural activities in digital networks; monitoring, processing, sending and receiving data, sounds, images and/or signals and information processed by computers or by telecommunication apparatus and instruments.</p>
2271228	O2	<p>Internet portal services and telecommunications portal services.</p> <p>News and current affairs information services.</p> <p>Weather forecasting.</p> <p>Fashion information services; horoscope forecasting.</p>
2284818	O2	<p>Internet portal services; telecommunications portal services; provision of telecommunications access and links to computer databases and to the Internet; electronic mail services; telecommunication of information; delivery of multimedia content over electronic communications networks.</p> <p>Information services relating to entertainment and sport.</p>

2109627	O2	<p>Telecommunications apparatus and instruments.</p> <p>Provision of advertising services to enable others to view and purchase goods over a global computer network.</p> <p>Information services relating to finance.</p> <p>Telecommunications services; telecommunication of information; provision of telecommunications access and links to computer databases and to the global computer network; electronic transmission services.</p> <p>Provision of information relating to transport and travel.</p>
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