

O-024-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2512269

BY KRISTA MARIE WADDELL AND THOMAS WILSON WADDELL III

TRADING AS OUNCES TO POUNDS LIMITED

TO REGISTER THE TRADE MARKS (A SERIES OF 3):



IN CLASSES 35 AND 36

AND

THE OPPOSITION THERETO

UNDER NO 99639

BY

O2 HOLDINGS LIMITED

Trade Marks Act 1994

**In the matter of application no 2512269
by Krista Marie Waddell and Thomas Wilson Waddell III
trading as Ounces To Pounds Limited
to register the trade marks (a series of 3):**



**in classes 35 and 36
and the opposition thereto
under no 99639
by O2 Holdings Limited**

1) On 27 March 2009 Krista Marie Waddell and Thomas Wilson Waddell III trading as Ounces To Pounds Limited (the Waddells) filed an application for the registration, as a series, of the three trade marks above. The application was published for opposition purposes on 10 July 2009. Subsequent to the publication of the application, class 14 goods were deleted from the specification. The current specification is:

business services relating to the collection, purchase and resale of scrap precious metals and semi-precious metals including gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals of others via solicitation at private homes, specified venues including halls, theatres and meeting places, in stores, via telephone, mail and a website online; procurement services for others; scrap dealership, namely, purchase of scrap gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals on behalf of others or businesses;

conducting valuations; jewellery appraisal and valuation.

The above services are in classes 35 and 36 respectively 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.

2) O2 Holdings Limited (Holdings) has filed opposition against the registration of the application. It relies upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act).

3) Section 5(2)(b) of the Act states:

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

.....

(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.”

4) Holdings relies upon the following trade marks:

United Kingdom registration no 2279371 of the trade mark:



The application for registration was made on 31 August 2001 and the registration procedure was completed on 6 February 2004. The trade mark is registered for:

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.

The above goods and services are in classes 9 and 38 respectively 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 colour blue (indigo) is an element of the trade mark.

United Kingdom registration no 2415848 of the trade mark:

The trade mark is a stylized logo consisting of a large, bold, black letter 'O' followed by a smaller, bold, black subscript '2'.

The application for registration was made on 7 March 2006 and the registration procedure was completed on 31 October 2008. Holdings relies upon the class 35 and 36 services of the registration in these proceedings:

advertising; business management; business administration; office functions; retail and online retail services connected with scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, automatic vending machines and mechanisms for coin operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire-extinguishing apparatus, apparatus for the transmission of sound and images, telecommunications apparatus, mobile telecommunication apparatus mobile telecommunications handsets, computer hardware, computer software, computer software downloadable from the Internet, PDA's (Personal Digital Assistants), pocket PC's, mobile telephones, laptop computers, telecommunications network apparatus, drivers software for telecommunications networks and for telecommunications apparatus, protective clothing, protective helmets, computer software on CD Rom and SD-Card, glasses, spectacle glasses, sunglasses, protective glasses, contact lenses, parts and fittings for all the aforesaid goods, paper, cardboard and goods made from these materials, printed matter, book binding material, stationery for household purposes, artists' materials, paint brushes typewriters and office requisites (except furniture), instructional and teaching material (except apparatus), plastic materials for packaging, printers' type, printing blocks, database services; information and advisory services relating to the aforesaid services; information and advisory services provided on-line from a computer database or the Internet; information and advisory services provided over a telecommunications network;

insurance; financial affairs; monetary affairs; real estate affairs; information and advisory services relating to the aforesaid services; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; information and advisory services provided over a telecommunications network.

United Kingdom registration no 2415862 of the trade mark **O2**. The application for registration was filed on 7 March 2006 and the registration procedure was completed on 31 October 2008. Holding relies upon the class 35 and 36 services of the registration in these proceedings:

advertising; business management; business administration; office functions; retail and online retail services connected with scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, automatic vending machines and mechanisms for coin operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire-extinguishing apparatus, apparatus for the transmission of sound and images, telecommunications apparatus, mobile telecommunication apparatus mobile telecommunications handsets, computer hardware, computer software, computer software downloadable from the Internet, PDA's (Personal Digital Assistants), pocket PC's, mobile telephones, laptop computers, telecommunications network apparatus, drivers software for telecommunications networks and for telecommunications apparatus, protective clothing, protective helmets, computer software on CD Rom and SD-Card, glasses, spectacle glasses, sunglasses, protective glasses, contact lenses, parts and fittings for all the aforesaid goods, paper, cardboard and goods made from these materials, printed matter, book binding material, stationery for household purposes, artists' materials, paint brushes typewriters and office requisites (except furniture), instructional and teaching material (except apparatus), plastic materials for packaging, printers' type, printing blocks, database services; information and advisory services relating to the aforesaid services; information and advisory services provided on-line from a computer database or the Internet; information and advisory services provided over a telecommunications network;

insurance; financial affairs; monetary affairs; real estate affairs; information and advisory services relating to the aforesaid services; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; information and advisory services provided over a telecommunications network.

United Kingdom registration no 2296255 of the trade mark:

The logo consists of a large, bold, black letter 'O' with a smaller, bold, black subscript '2' positioned to its lower right.

The application for registration was filed on 22 March 2002 and the registration procedure was completed on 29 August 2003. The trade mark is registered for:

mobile communications apparatus; mobile communications handsets; mobile communications headsets; parts and fittings for the aforesaid goods;

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.

The above goods and services are in classes 9 and 38 respectively 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.

At the time of the filing of the opposition Holdings relied upon United Kingdom trade mark application no 2492514. Subsequently, the application was divided and is registered under nos 2492514A and 2492514B for the trade marks:

O2 MONEY

O₂ MONEY

The application for registration was filed on 11 July 2008 and the registration procedures for the scions of the application were completed on 12 February 2010. The registrations are for goods and services in classes 9, 36, 38, 41 and 42. Holdings relies upon all of the goods and services of the registrations in these proceedings.

Community trade mark registration no 7177363 of the trade mark:



The application for registration was filed on 27 April 2005 and the registration procedure was completed on 20 November 2008. In relation to section 5(2)(b) of the Act Holdings relies upon the class 14, 35 and 36 goods and services of the registration:

precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments; keyrings; cufflinks;

advertising; business management; business administration; office functions; retail services;

insurance; financial affairs; monetary affairs; real estate affairs.

In relation to section 5(3) of the Act Holdings relies upon part of the class 9 specification of the registration:

mobile telecommunications apparatus; mobile communications handsets; mobile communications headsets; parts and fittings for the aforesaid goods.

Holdings relies on all of the class 38 and 41 services of the registration in relation to section 5(3) of the Act:

telecommunications; telecommunications services; mobile telecommunications services; telecommunications portal services; internet portal services; mobile telecommunications network services; Internet access services; email and text messaging service; providing information relating to telecommunications networks and apparatus; information services provided by means of telecommunication networks relating to telecommunications; information and advisory services relating to the aforesaid;

education; providing of training; entertainment; sporting and cultural activities; interactive entertainment services; electronic games services provided by means of any communications network; entertainment services provided by means of telecommunication networks; provision of news information; rental of music venues and stadiums.

5) In relation to section 5(2)(b) of the Act Holdings relies upon trade mark nos: 2415848, 2415862, 2492514A and B and 7177363.

In relation to section 5(3) of the Act Holdings relies upon trade mark nos: 2279371, 2296255 and 7177363. Holdings claims that it has a reputation in respect of all of the goods and services of registration nos 2279371 and 2296255 and a reputation in respect of the goods and services listed above in relation to registration no 7177363.

6) In relation to section 5(3) of the Act Holdings claims that use of the trade mark of the Waddells would, without due cause, take unfair advantage of, or be detrimental to the distinctive character or repute of its trade marks.

7) The Waddells filed a counterstatement in which they denied all of the claims of Holdings. No request for proof of use of the two registrations that had been registered for more than five years at the date of the publication of the application was made, 2296255 and 2279371. As Holdings is relying upon these registrations under section 5(3) of the Act, evidence of use to establish a reputation is inevitably required.

8) A hearing was held on 13 January 2011. Holdings was represented by Mr Julius Stobbs of Ipulse. The Waddells did not attend the hearing but their representatives, Keltie, furnished written submissions.

Evidence of Holdings

Witness statement of Amanda Clay

9) 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.

10) 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.

11) 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 O₂ Plc was formed as a parent company in the de-merger from BT. Ms Clay states that Group has traded under the trade mark O₂ 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.

12) 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.

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

14) On 18 June 2002 Group released for sale the XDA telecoms device in the United Kingdom and Germany. On 18 November 2002 Group broke the text messaging record during the final series of the show *Pop Idol – The Rivals*. A broadband service was launched in the United Kingdom on 3 October 2007 and on 27 June 2008 the first birthday of the O2 Arena was celebrated.

15) At the end of September 2001 BT Cellnet had a total active customer base of 10,968,000 in the United Kingdom (page 51 of AC3). Ms Clay states that the first new product carrying the O₂ brand was the O₂ 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. A press release dated 4 June 2007 refers to the O2 Wireless Festival and refers to the previous year's O2 Wireless Festival. 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. Articles from Wikipedia show that a large number of events that have taken place at the O2 arena, eg concerts by Prince, Led Zeppelin, the Spice Girls, Sir Elton John; a National Hockey League Game; a tennis tournament, a boxing match and an NBA exhibition match. On 3 October 2007 a new O2 broadband service was announced. On 9 January 2008 a relationship between LP+ and O2 was announced, this was the launching of LP+ Mobile. From the press release it appears that the service is provided under the name LP+ Mobile, Group providing the infrastructure and technology for the provision of the service. On 14 March 2008 O2 announced that it would partner Napster in offering the United Kingdom's largest full track mobile download service. It appears from the press release that the service will be provided under the name Napster. On 17 April 2008 the launch of O2 Mobile Broadband was announced. A press release dated 27 June 2008 refers to the celebration of The O2's first birthday. 7.5 people had visited the site, 149 performances by 60 acts had taken place, the Tutankhamen exhibition had drawn over 1 million visitors and as of 31 March 2008 1,719,309 tickets had been sold. On 7 August 2008 the launch of a mobile music store was announced, following an agreement with Sony BMG. The store is called My Play. On 14 August 2008 an extension of the sponsorship deal for four years with England Rugby was announced. On 6 November 2008 it was announced that from 1 January 2009 the 11 Live Nation/AMG venues would be renamed O2 Academy. The venues are in Brixton, Islington, Birmingham, Bristol, Glasgow, Liverpool, Newcastle, Oxford, Sheffield, Leeds and Shepherd's Bush. It appears that the last venue is called the O2 Shepherd's Bush Empire; the others are called O2 Academy followed by

the name of the location. On 5 February 2009 it was announced that O2 ranked highest in customer satisfaction among both fixed and mobile Internet service providers, according to JD Power and Associates.

16) 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, the London Underground and Network Rail.

17) 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. At the end of 2008 the total United Kingdom customer base was 19.5 million (excluding Tesco Mobile).

18) As of 31 March 2005 Group's turnover in the United Kingdom was £4,030 million, as of 31 March 2004 £3,451 million, as of 31 March 2003 £3,025 million and as of 31 March 2002 £2,756 million. Service revenue for 11 months up to 31 December 2006 reached £3,885 million. Service revenue for 2007 was €6,790 million, for 2008 it was €7,052 million. Mobile service revenue for 2008 totalled €6,435 million. As of 31 March 2005 Group's post-pay customer base in the United Kingdom totalled 4.9 million. Group's DSL broadband services added 250,648 lines in 2009, reaching 591,514 lines at the end of December.

19) Ms Clay describes various television advertisements of Group.

20) In May 2002 and June 2002 Group spent approximately £7 and £5 million on advertising the new O₂ branded service. In the period from May 2002 to August 2004 Group's marketing campaign cost in the region of £320 million. Group is involved in 2-3 major advertising campaigns per quarter. There has been an average monthly expenditure of £3.5 million. The total advertising expenditure for Group was £53,085,128, £62,157,909 and £75,824,700 in 2006, 2007 and 2008 respectively.

21) Ms Clay states that over a period of 6 years Group's branding has remained consistent with regard to the use of O₂ trade marks, the use of bubble imagery and a blue background. 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.

22) 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. The awards cover a variety of areas, from most trusted mobile network in the United Kingdom to its pension scheme. In April 2008 The O2 Arena won Venue of the Year at the Music Week Awards 2008. The Millward Brown Optimor BrandZ Top 100 placed O2, in 2009, as the fourth most valuable brand in the United Kingdom; after Vodafone, Tesco and HSBC.

23) Group sponsored O₂ 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 O₂ 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 O₂ 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 O₂ network. Group has sponsored The Brits since 2004. Group sponsored the O₂ Wireless Music Festival in 2006, 2007 and 2008.

24) 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.

Preliminary issues

25) With the written submissions Keltie included an exhibit in relation to the business of the Waddells. This is evidence. The Waddells decided not to file any evidence during the evidence period. They have now attached evidence to written submissions. No request has been made to file evidence. If the Waddells wished to file evidence they should have made a request to do so and put it in the proper form ie a witness statement, affidavit or statutory declaration. As the exhibit is not in proper evidential form and no request to adduce evidence has been received no cognisance will be taken of it.

26) The contents of the evidence have been viewed *de bene esse*. If it had been adduced into the proceedings it would not have effected the outcome. The evidence relates to the nature of the Waddells' business. The issues that have to be considered do not relate to the Waddell's business as it is at the moment but the notional and fair use of the trade marks of the parties in relation to the services of the application and the goods and services of the registrations of Holdings. As the General Court (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).”

The same reasoning can be seen in *Phildar SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-99/06*, *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06*, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03*, *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04* and *Daimlerchrysler AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) Case T-358/00*. (The evidence also shows very little use of the trade mark of the application, the main use shown is of Ounces To Pounds as the name of the Waddell’s business.)

27) Holdings’ Community trade mark is the subject of an invalidation action. There has been no request for any decision to be provisional pending the outcome of the invalidation action, if the Community trade mark is determinative of the result. Consequently, this decision is not provisional. Mr Stobbs referred to another case where the outcome was provisional. That case is not on a par with this case as it also involved a section 5(1) claim based on an application that is subject of opposition proceedings.

Findings of fact

28) The O2 brand was launched on 1 May 2002. The brand is depicted in two formats, as O2 and as O₂, the commonly used symbol for oxygen; although technically it identifies one of the allotropes of oxygen, dioxygen.

29) Vast sums of money have been spent on promoting the brands. A large number of people use the services provided under the brands.

30) To benefit from the provisions of section 5(3) of the Act the trade marks must be known by a significant part of the public concerned by the products or services covered¹, which in this case will be the public at large . The Court of Justice of the European Union (CJEU) 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.”

One of the trade marks upon which Holdings relies in relation to section 5(3) of the Act is a Community trade mark. In *PAGO International GmbH v Tirol Milch registrierte Genossenschaft mbH* Case C-302/07 the CJEU 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 O₂ and O2 were well-known as of 27 March 2009. 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 registration, as well as the United Kingdom registrations, have a reputation for the purposes of section 5(3) of the Act.

31) It is necessary to decide to what that reputation relates. Holdings' business is first and foremost a telecommunications business. It commenced as a mobile telephony business but has expanded into other areas of telecommunications since then. The evidence supports the claims to a reputation for the class 38 services covered by registration nos 2279371, 2296255 and 7177363. There is limited evidence of use of the trade marks on telecommunications equipment, eg there is use in relation to the XDA; the evidence primarily shows use of other brands in relation to handsets and the like. It is not considered that Holdings has the requisite reputation for the purpose of section 5(3) of the Act in respect of the class 9 goods of 2279371 and 2296255 or *mobile telecommunications*

apparatus; mobile communications handsets; mobile communications headsets; parts and fittings for the aforesaid goods in respect of 7177363.

32) Holdings claims to have the requisite reputation in respect of:

education; providing of training; entertainment; sporting and cultural activities; interactive entertainment services; electronic games services provided by means of any communications network; entertainment services provided by means of telecommunication networks; provision of news information; rental of music venues and stadiums.

of 7177363. There is evidence that O2's services are used to access entertainment and for supplying education. However, the evidence shows that this content is primarily supplied by reference to other trade marks, the O2 services are the vehicles to get to the content, the content is primarily not associated with the O2 trade marks.

33) O2 has been used in relation to sponsorship of sports teams and sporting activities, sponsoring an activity or a team or group is not the same as supplying the services of the activity. The average consumer will not have believed that Group was supplying football services because of its sponsorship of Arsenal Football Club or rugby football because of its sponsorship of the England rugby team. The sponsorship is effectively a form of advertising and promotion for the telecommunication services. It is not giving Group a reputation in respect of such services, it is promoting Group's core business. Similarly Group is sponsoring the Wireless Music Festival and the NME Rock 'n' Roll Riot as a promotional activity and the average consumer will have been conditioned by the long history of sporting, entertainment and cultural events to understand that this is a sponsorship activity to promote the business of the sponsor, the sponsor is not gaining a reputation for these activities. Similarly the sponsorship of the Academy venues, which was a recent phenomenon at the date of the application, will be seen as a promotional activity; the average consumer will see the Academy as being indicative of the undertaking furnishing the venue. In the same way the average consumer will not believe that Swalec is responsible for the cricket played at Stadium Swalec because of the re naming of Gerddi Sophia, or that Emirates is responsible for the football played by Arsenal because Arsenal plays at the Emirates. There is a clear dichotomy between the sponsorship and the business that is being sponsored.

34) In relation to the O2 or O2 Arena the venue was at the date of the Waddell's application well-known as a venue owing to the large and high profile events that take place there; advertising of the events by the promoters will include the identification of the venue so constantly keeping the name of the venue before the public. However, a venue is not a service, it is a building. Holdings has not been responsible for any services that have taken place at the venue. It has no reputation in relation to the services that take place at the venue. It, for instance,

has not been involved in the renting or hire of that venue or any others. The fame of the venue maintains and increases the name of Holdings in relation to its business, which is not the business of hiring out venues.

35) The reputation of Holdings is established in relation to the class 38 specifications under consideration but no other goods or services.

Section 5(2)(b) of the Act – likelihood of confusion

Average consumer and purchasing process

36) The class 36 services of the application will be purchased by the public at large. The class 35 services of the application fall into three areas: business services, procurement services and scrap dealership. The first part of the specification is self-describing, a business service is, by its nature, a service for a business; the average consumer of the services will be businesses. The procurement services could be for businesses and the public at large. Despite the scrap dealership being qualified as being “on behalf of others or businesses”, it is difficult to see, taking into account the whole of this part of the specification, how this could be for anyone but businesses, whether they be incorporated, unincorporated or sole traders. It is likely that services that are purchased by businesses will be scrutinised more and be made as a result of a more educated decision than services for the public at large. In relation to such services the effects of imperfect recollection will be lesser than those services which are purchased by the public at large. The Waddells’ trade mark is primarily a visual trade mark, consequently, outwith the nature of the services, the visual impact will be of more importance than the aural impact.

Comparison of trade marks

37) Owing to the get-up of the Waddell’s trade mark, Holdings’ best position lays with the



trade marks.

The trade marks of the application are:



The first two trade marks are in colour. In *Mary Quant Cosmetics Japan Ltd v Able C & C Co Ltd* BL O/246/08 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“10. The present oppositions under Section 5(2)(b) are based on the rights conferred by registration of a device mark recorded in the register in black-and-white. It follows that colouring is immaterial to the distinctiveness of the Opponent’s device mark as registered and therefore irrelevant for the purposes of the assessment of similarity in both oppositions.”

Consequently, the colouring of the first two trade marks does not have a bearing upon the findings in this case. The contrasting colours in the first mark do not create a different impression from the other two trade marks.

38) The average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various detailsⁱⁱ. The visual, aural and conceptual similarities of the trade marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant componentsⁱⁱⁱ. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{iv}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^v.

39) The Waddells submit that the top element of the trade mark represents a diamond ring rather than the letter O. My first and clear impression was of the letter O. An impression that is reinforced by the presence and position of the number 2, giving rise to the perception of the commonly used symbol for oxygen. The Waddells argue that any identification with the round element with the letter O is the result of seeing the words ounces to pounds, it being claimed that the viewer will see O as being an abbreviation for ounces. There are two points contrary to this submission. Firstly there is a common and standard abbreviation

for ounce, oz; there is no reason that the average consumer would see O as being a substitute for this abbreviation. Secondly O₂, especially with the 2 as a subscript, is the commonly known symbol for oxygen, as noted above. Consequently, the submission of the Waddells is not accepted.

40) The letter O, number 2 and £ symbol in the centre of the trade marks of the application are dominant in terms of position and size. The words below them are very small and appear as a strap line or slogan. The triangle, cornet or crown device on the letter O is limited in terms of size and very much subsumed by the other elements. The average consumer might also see it as a diamond and so see it as relating to certain of the services of the application. The presence of the O₂ gives visual similarity, this element can also be readily spoken, as O₂, and so give phonetic similarity. The O₂ also has the same conceptual meaning as Holdings' trade mark. There is, therefore, a degree of conceptual similarity. It is noted that the £ symbol is alien to the trade mark of Holdings but this does not gainsay the visual, phonetic and conceptual similarity. The words beneath these elements are alien to Holdings' trade mark as is the device on the letter O. However, as indicated these are not dominant elements; they do not overcome the effect of the similarities between the trade marks. In *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-336/03* the GC stated:

“75 It should be noted in this regard that the attention of the consumer is usually directed to the beginning of the word (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-0000, paragraph 83).”

In this case the dominant element is not a word per se but owing to its position and size the eye will be directed to the O₂£ element of the trade marks of the Waddells. The western reader also, through custom and habit, reads from left to right and from up to down, so the O₂ are the first elements to which the eye and the mind come.

41) It is held that the respective trade marks, despite the number of differences, enjoy a good deal of similarity; particularly taking into account the perception of the average consumer. It has been taken into account that some of the services relate to jewellery, which relate to the claimed image of a ring in the trade marks.

Comparison of goods and services

42) The submissions of the Waddells in relation to the similarity of their services and the class 35 and 36 services of Holdings are somewhat obtuse. They submit:

“If the Applicant’s services are considered to be similar or identical to the Opponent’s services in Classes 35 and 36 by virtue of the fact that the class headings are claimed, we submit that the differences between the marks in conjunction which (sic) such highly specialised services avoids any likelihood or risk of confusion.”

It is assumed that what is being said here is that the class heading does not necessarily include all of the services which are in the class. So even though the specifications for 2415848 and 7177363, for example, contain the class heading, it is not accepted that they necessarily contain similar or identical goods.

43) It is noted that the appointed person has made a reference to the Court of Justice of the European Union (CJEU) in relation to the extent of coverage that the class heading gives. In *4care AG g Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle) (HABM)* Case T-575/08 the GC considered that the class heading covers all goods in the class^{vi}.

44) In this case it is not considered that one is looking at the margins of what is covered by the class heading. It is difficult to conceive how *conducting valuations; jewellery appraisal and valuation* would not fall within the gamut of *financial affairs* and *monetary affairs*; the service are a financial and monetary action. Appraisals and valuations are also carried out for insurance purposes and so such services would fall within the term *insurance*. To come to another conclusion would be to ignore how the average consumer would view the services^{vii} and to give the words in the specifications of Holdings an unnaturally narrow meaning^{viii}. Cognisance is also taken of the judgment of Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

The core meanings of the class 36 services of the Waddells fall within the parameters of *financial affairs* and *monetary affairs* and *insurance*. **The class 36 services of the application are identical to the class 36 services of Holdings.**

45) The first set of class 35 services are *business services*, this is how they are defined by the Waddells; the areas to which these services relate is then listed. The services are not categorised as being eg *collection, purchase and resale of scrap precious metals and semi-precious metals* but as being business services relating to these activities. By defining the services as business services the Waddells are identifying the services as falling within the core of class 35 as identified by the explanatory note to the class heading:

“Class 35 includes mainly services rendered by persons or organizations principally with the object of:

1. help in the working or management of a commercial undertaking, or
2. help in the management of the business affairs or commercial functions of an industrial or commercial enterprise,

as well as services rendered by advertising establishments primarily undertaking communications to the public, declarations or announcements by all means of diffusion and concerning all kinds of goods or services.”

46) The part of the class 35 class heading *business management* and *business administration* encompasses the business services of the class. **Consequently:**

business services relating to the collection, purchase and resale of scrap precious metals and semi-precious metals including gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals of others via solicitation at private homes, specified venues including halls, theatres and meeting places, in stores, via telephone, mail and a website online

fall within the parameters of Holdings’ class 35 specifications and, therefore, the respective services are identical.

47) The class of the services in which they are placed may be relevant in determining the nature of the services^x. The nature of *procurement services* in class 35 is clarified by the definitions given in the classification database of the Intellectual Property Office:

“Procurement of goods on behalf of a business (35)

Procurement of goods on behalf of businesses (35)

Procurement services for others [purchasing goods and services for other businesses] (35)”

As can be seen the nature of the services is a business service, it is offering a service for businesses, to go out and buy goods for other businesses. **Consequently, *procurement services for others* fall within the terms *business management* and *business administration* of Holdings’ specifications and, therefore, the respective services are identical.**

48) The *scrap dealership* of the Waddells’ specification is limited to the purchase of various goods *on behalf of others or businesses* by the presence of *namely*. Again the Waddells define their service as being for businesses, of its nature the service is a business service and so again will fall within the parameters of the

class 35 specifications of Holdings. **Consequently, scrap dealership, namely, purchase of scrap gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals on behalf of others or businesses is identical to the class 35 services of Holdings' registrations.**

49) On the basis of the above findings the cancellation action against the Community trade mark is not pertinent as United Kingdom registration no 2415848 includes the class 35 and 36 class headings in its specification.

50) In his submissions Mr Stobbs also submitted that the class 14 goods of the Community trade mark are similar to the services of the application. In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^x. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06 GC explained when goods are 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).”

In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xi}.

51) The goods of Holdings and the services of the Waddells, being goods against services, do not have the same nature. In relation to the class 36 services of the application the goods and services are not fungible, they are not in competition. The products and the services do not have the same method of use. There is no coincidence in the nature of use of the goods and services. The intended purposes of the products do not relate to valuation or appraisal, the goods and services do not have the same purpose. The goods of the earlier registration are not dependent upon the class 36 services, although the class 36 services require goods to value and appraise. The services are, however, not indispensable nor important for the use of the goods in such a way that customers may think that the responsibility for those goods lies with the same undertaking, consequently the respective goods and services are not complementary. **The class 14 goods of Holdings' registration are not similar to the class 36 services of the Waddells' application.**

52) As noted above, the first part of the class 35 specification is a business service, which is limited to a particular sphere. These services and the class 14 goods are not fungible, they are not in competition; they are not of the same nature and they do not have the same purpose. The products and the services do not have the same method of use. The class 35 services of the application are not for the eg the actual resale of jewellery, they are for business services relating to effecting this. Taking this into account it is not considered that the services of the application are indispensable or important for the use of the goods in such a way that customers may think that the responsibility for those goods lies with the same undertaking, consequently, the respective goods and services are not complementary. **The class 14 goods of Holdings' registration are not similar to business services relating to the collection, purchase and resale of scrap precious metals and semi-precious metals including gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals of others via solicitation at private homes, specified venues including halls, theatres and meeting places, in stores, via telephone, mail and a website online.** The remaining class 35 services of the application do not coincide with the class 14 goods of Holdings' earlier registration within the parameters of the case law. **Procurement services for others; scrap dealership, namely, purchase of scrap gold, silver, platinum, precious and semi-precious stones, jewellery, watches, wristwatches, watch bands, coins and medals on behalf of others or businesses** are not similar to the class 14 goods of Holdings' earlier registration.

53) To sum up, it is not considered that the class 14 goods of Holdings' registration are similar to the services of the application. Consequently, for another reason, the position of the Community trade mark does not have a bearing upon the outcome of this case.

Conclusion

54) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xii}. In this case the respective services are identical. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xiii}. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xiv}. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking,

and thus to distinguish those goods from those of other undertakings^{xv}. In relation to the class 35 and 36 services, Holdings has no reputation to enhance the distinctiveness of its trade mark. The trade mark is neither descriptive of nor allusive to class 35 and 36 services. Owing to its conceptual association, Holding's trade mark has a hook for the memory. The trade mark of Holdings enjoys a reasonable degree of inherent distinctiveness in relation to class 35 and 36 services.

55) It is also necessary to bear in mind the relative importance of the visual impression of the trade mark of the Waddells and also the likely effects of imperfect recollection.

56) In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P the CJEU considered the approach to be taken in relation to composite trade marks:

“61 In particular, the Court has held that in the context of examination of the likelihood of confusion, 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 (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, 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 (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited).”

In *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P the CJEU stated:

“41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, 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 (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).”

57) There are elements in the three trade marks of the Waddells what are alien to the trade mark of Holdings: the words at the bottom of the trade marks, the £ symbol and the device upon the O. However, the O2 element clearly stands out. **Taking into all factors, the average, relevant consumer will believe that the services of the application and those of the earlier registration come from the same or an economically linked undertaking^{xvi}. There is a likelihood of confusion in respect of all of the services of the application.**

Section 5(3) of the Act

58) In *Intel Corporation Inc v CPM United Kingdom Ltd* Case C-252/07 the CJEU stated:

“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.”

59) In this case the O₂ trade mark enjoyed an enormous reputation at the date of the Waddell’s application. As far as can be seen it is not only unique in relation to telecommunication services but also generally as a trade mark; there is no evidence to suggest otherwise and it is always difficult to prove a negative. The trade mark is also inherently distinctive for the services for which it has a reputation. Owing to the nature of the services, the trade mark will have been pervasive throughout all areas of society and all parts of the United Kingdom. There is no obvious connection between the services of the application and the services for which Holdings has a reputation, indeed, there is quite a distance between the services. The O₂ element of the Waddells’ trade mark stands out. The reputation and uniqueness of the trade mark of Holdings and the position and presence of the O₂ element in the trade mark of the Waddells means that the trade mark of Holdings will be called to the mind of the average relevant consumer of the services of the application, despite the absence of obvious connection between the respective services. Consequently, the requisite link is established.

Unfair advantage

60) In *L’Oreal SA and others v Bellure NV and others* the CJEU 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 CJEU 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:

"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 that unintended advantage may have a sufficient quality of unfairness about it to qualify.”

61) In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* evidence of intention was adduced into the proceedings. In this case there is no evidence from the Waddells or from Holdings about the Waddells. There is no evidence to establish or from which to infer that any advantage would be unfair. **In the absence of such evidence the claim under this head of damage is dismissed.**

62) In relation to detriment Mr Stobbs argued that the nature of the services would tarnish the image of Holdings. In *L’Oreal SA and others v Bellure NV and others* Case C-487/07 the CJEU 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 was a stigma in relation to the services of the application. It is very difficult to see how the class 36 services have any negative connotations. The class 35 services all relate to scrap precious and semi-precious metals, jewellery and the like (the procurement services can also relate to the procuring of scrap items). Although these are not pawn broking services there is an affinity with them and there is certainly a negative image in relation to these services, whether fairly earned or not. It can be readily seen that the image and reputation of Holdings could be tarnished by a link with the class 35 services of the application. It can be easily understood why Holdings would not want to be associated in the mind of a consumer with the class 35 services of the application.

63) 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).”

64) The O2 element of the Waddell’s trade mark jumps out. **It is considered that in relation to the class 35 services of the application, use of the trade mark would be detrimental to the repute of the earlier trade mark and registration of the trade mark in relation to the class 35 services would be contrary to section 5(3) of the Act. The claim is rejected in relation to the class 36 services.**

65) Mr Stobbs also argued that there would be detriment if the services provided by the Waddells were substandard. If this was a basis for establishing detriment then detriment would be a sequitur in any case, this is not considered to be a basis for detriment.

Costs

66) Holdings having been successful it is entitled to a contribution towards its costs. Costs are awarded on the following basis:

Opposition fee:	£200
Preparing a statement and considering the other side’s statement:	£500
Preparing evidence:	£800
Preparation for and attendance at a hearing:	£500
Total	£2,000

Krista Marie Waddell and Thomas Wilson Waddell III trading as Ounces To Pounds Limited are to pay O2 Holdings Limited the sum of £2,000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 27 day of January 2011

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

ⁱ *General Motors Corporation v Yplon SA* Case C-375/97.

ⁱⁱ *Sabel BV v Puma AG* Case C-251/95.

ⁱⁱⁱ *Sabel BV v Puma AG* Case C-251/95.

^{iv} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^v *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{vi} “26 Es ist festzustellen, dass, wie das HABM ausführt, die von der Anmeldemarke erfassten Waren jeweils Teilmengen der von der älteren Marke erfassten Warenkategorien darstellen. Es kann nämlich nicht bestritten werden, dass die von der Klägerin beanspruchten „Desinfektionsmittel für hygienische Zwecke“ zu den von der älteren Marke beanspruchten „Desinfektionsmitteln“ gehören. Zu den „Reinigungs- und Aufbewahrungslösungen für Kontaktlinsen; Benetzungs-, Abspül- und Neutralisationslösungen und -tabletten für Kontaktlinsen“ ist auszuführen, dass diese Waren, die von der Klägerin selbst in Klasse 5 eingereicht werden, notwendigerweise zu den von der älteren Marke geschützten Waren gehören, die den gesamten Titel dieser Klasse abdeckt. Dieser Einreihung der in Rede stehenden Waren in Klasse 5 ist im Übrigen zu folgen, da Reinigungsmittel für Kontaktlinsen unter der Basis- Nr. 050365 ausdrücklich unter den Waren in dieser Klasse in der „Alphabetischen Liste der Waren, geordnet nach Klassen“ in der Klassifikation von Nizza aufgeführt sind. Daher braucht nicht im Einzelnen geprüft zu werden, zu welcher Art von Waren der unter dem Titel der Klasse 5 genannten die von der Klägerin beanspruchten Waren gehören, da jedenfalls nicht gesagt werden kann, dass ein Teil der Waren in dieser Klasse nicht zumindest einer der im Titel genannten Warenarten entspricht.”

^{vii} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{viii} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000]

FSR 267.

^{ix} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^x *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xi} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors."

^{xii} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xiii} *Sabel BV v Puma AG* Case C-251/95.

^{xiv} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xv} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

^{xvi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.