

O-279-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 2645060  
BY DRD COMMUNICATIONS LIMITED  
TO REGISTER THE FOLLOWING MARK IN CLASSES 9, 35, 38 & 42:**



**AND**

**OPPOSITION THERETO (NO. 400073) BY O2 HOLDINGS LIMITED**

## The background and the pleadings

1) The protagonists to this dispute are DRD Communications Limited (the “applicant”) on the one hand and O2 Holdings Limited (the “opponent”) on the other. The opposition is based on a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), the opponent relying on a single earlier trade mark. The details of the competing marks are

<b>Applicant’s mark</b>	<b>Opponent’s mark</b>
<p data-bbox="248 527 781 558">UK application 2645060 for the mark:</p> <div data-bbox="256 596 532 701">  </div> <p data-bbox="248 737 748 768">Registration is sought in respect of:</p> <p data-bbox="248 810 800 1140"><b>Class 9:</b> Telecommunications apparatus; data communications apparatus; digital communications apparatus; apparatus and instruments for recording, transmission, reception, processing, retrieval, reproduction, display and print-out of sound, images and/or data and/or electronic information; computer software and hardware; file servers; photocopiers; fax machines; magnetic data carriers; data terminals; encoded cards; smart cards.</p> <p data-bbox="248 1178 800 1325"><b>Class 35:</b> Rental of office machines and equipment; rental of photocopiers and fax machines; provision of help-desk services to include fault reporting, enquiries, facility maintenance requests.</p> <p data-bbox="248 1362 800 1902"><b>Class 38:</b> Telecommunications services; provision and management of telecommunications; provision of telecommunication services enabling end-users to connect to providers of telecommunication services and to application service providers; provision of user access to a global computer network; provision of telecommunication connections to a global computer network; electronic mail services; internet services; audio conferencing services; communication services; voice, data and video communications services; voice-mail services; video conference services; video and audio content-based broadband services; internet protocol telephony and facsimile services; virtual private network services; telecommunications network services;</p>	<p data-bbox="823 527 1356 558">UK registration 2458552 for the mark:</p> <p data-bbox="823 596 1003 627"><b>SIMPLICITY</b></p> <p data-bbox="823 737 1333 768">The mark is registered in respect of:</p> <p data-bbox="823 810 1372 873"><b>Class 9:</b> Mobile telecommunications equipment, Sim cards for mobile phones.</p> <p data-bbox="823 905 1372 1052"><b>Class 38:</b> Mobile telecommunications services; provision of broadband telecommunications access; email and text messaging services; information and advisory services relating to the aforesaid.</p> <p data-bbox="823 1083 1372 1388"><b>Class 41:</b> Entertainment; interactive entertainment services; electronic game services provided by means of a mobile communications network; entertainment and information services provided by means of a mobile telecommunication network; information services provided by means of telecommunications networks; information and advisory services relating to the aforesaid.</p> <p data-bbox="823 1419 1372 1902"><b>Class 42:</b> Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; IT services; computer programming services; recovery of computer data; consultancy in the field of computer hardware; computer programming; duplication of computer programs; computer rental; computer software design; installation of computer software; maintenance of computer software; updating of computer software; rental of computer software; rental of computer hardware; computer system design; computer systems analysis; consultancy in the field of computer software;</p>

<p>organisation of telecommunication networks; provision of server co-location management services; provision of information relating to telecommunications; telecommunications services relating to the delivery of emergency messages; local and long distance telephone services; internet directory services; high-speed internet access services (dedicated and dial-up connections); high-speed data interconnect and access services; providing external data links; providing access time to a computer database.</p> <p><b>Class 42:</b> Provision and management of IT systems; development and management of a customer interface to manage outsourced computer and telecommunications resources; enterprise resource planning (ERP) services; design and implementation of telecommunication network systems, wide area networks and local area networks; rental of computers and computer equipment; web design; web hosting (content-hosting).</p> <p>The mark was filed on 7 December 2012 and published in the Trade Marks Journal on 11 January 2013.</p>	<p>conversion of data or documents from physical to electronic media; creating and maintaining websites for others; data conversion of computer programs and data (not physical conversion); hosting computer sites web sites); technical consulting; rental of data processing apparatus and computers; weather forecasting; information and advisory services relating to the aforesaid.</p> <p>The mark was filed on 14 June 2007 and it completed its registration process on 15 August 2008.</p>
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2) Given the filing date of the opponent's mark, it constitutes an earlier mark as defined by section 6 of the Act. The earlier mark completed its registration process less than five years prior to the publication of the applicant's mark, the consequence of which is that the proof of use provisions set out in section 6A of the Act do not apply; this means that the opponent is able to rely on its earlier mark for all of its goods and services as registered.

3) The applicant filed a counterstatement denying the claims. It accepts that certain of the goods/services are similar (but does not say which). It highlights the various differences between the respective marks. It states that SIMPLICITY is not the dominant element in its mark. It states that SIMPLICITY AS A SERVICE will be perceived as an advertising slogan low in distinctive character. It does not believe that there is a likelihood of confusion.

4) Only the opponent filed evidence. The applicant filed written submissions. The matter was heard before me on 23 May 2014 at which the opponent was represented by Mr Julius Stobbs of Stobbs; the applicant was represented by Claire Evans of Fry, Heath & Spence.

## The evidence

5) The opponent's evidence is given by Mr Stobbs. He states that SIMPLICITY is an extremely important brand to the opponent, being one of its main sub-brands. He explains that it is a "telecoms brand" for pay monthly and pay as you go customers. "It is used on its own and in a brand sense".

6) The brand was launched in July 2007. It was designed for people who were happy with their phones and did not wish to be tied to long contracts. He states that there were numerous high profile television and other media campaigns at launch and later. He states that the brand has a high exposure level. Exhibit JEB1 (which I summarise below) contains various press releases. Mr Stobbs explains that dates have been added by hand as they would not print properly.

7) Advertising costs have been extensive. Exhibit JEB3 contains information on this and Exhibit JEB2 contains examples of the mark in use; again, these are summarised below. JEB2 contains some television advertisements. Mr Stobbs provides data as to the number of people who would have been exposed to such advertising. They were seen by a good many people.

8) In 2011-2013 the SIMPLICITY brand had a market share of 19%, coming second only to EE. A summary of Mr Stobbs' exhibits is as follows:

### Exhibit JEBS1

9) This contains press releases from each of the years 2007, 2008 & 2009. There is frequent reference to SIMPLICITY, sometimes directly following O2, as in "O2 SIMPLICITY", other times alone as in "SIMPLICITY on Pay and Go...". Although, in all of the press releases the reader can be left in no doubt that SIMPLICITY is a sub-brand of O2.

### Exhibit JEBS2

10) This contains various and numerous advertising materials including screenshots of television advertising. SIMPLICITY is referred to in a number of contexts. Some simply refer to "Simplicity Pay Monthly" or "Simplicity Pay & Go". It should be noted, though, that other designations used in the materials are purely descriptive e.g. "Text & Web". Some usages emphasise the inherent meaning of the word SIMPLICITY e.g. "the value of simplicity", "explore the web of simplicity", "unlimited simplicity". Simplicity is, though, often presented in a different colour giving that word a slightly different emphasis. Other uses include: "£50 high street voucher with Simplicity", "3 simple reasons to switch to simplicity". In all of this material the reader/viewer, can, again, be left in no doubt that SIMPLICITY is a sub-brand of O2.

### Exhibit JEBS3

11) This contains advertising spend and market share figures. The numbers involved are significant. Mr Stobbs highlights, for example, that £2 million alone was spent on advertising SIMPLICITY in September 2011. Another example is that in August 2012 Pay & Go Simplicity had over 709,000 customers.

### The legislation and leading case-law

12) Section 5(2)(b) of the Act states that:

“5.-(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.”

13) The Court of Justice of the European Union (“CJEU”) has issued a number of judgments which provide guiding principles relevant to this ground. In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10), Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases<sup>1</sup>:

“(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

### **Comparison of goods/services**

14) When comparing the respective goods/services, if a term clearly falls within the ambit of a term in the competing specification then identical goods/services must be considered to be in play (see *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05 – “Meric”*) even if there are other goods/services within the broader term that are not identical. When making the comparison, all relevant factors relating to the goods/services in the specifications should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

15) Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

- “(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.”

16) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* it was stated:

“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).”

17) In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying to rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory

approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

18) In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”<sup>1</sup> and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>2</sup>. I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

19) The applied for class 9 goods are:

Telecommunications apparatus; data communications apparatus; digital communications apparatus; apparatus and instruments for recording, transmission, reception, processing, retrieval, reproduction, display and print-out of sound, images and/or data and/or electronic information; computer software and hardware; file servers; photocopiers; fax machines; magnetic data carriers; data terminals; encoded cards; smart cards.

20) The opponent’s most comparable goods and services are:

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<sup>1</sup> See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

<sup>2</sup> See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267



**Class 9:** Mobile telecommunications equipment, Sim cards for mobile phones.

**Class 38:** Mobile telecommunications services; provision of broadband telecommunications access; email and text messaging services; information and advisory services relating to the aforesaid.

21) One point I observe before coming to my own analysis is that despite Mr Stobbs detailed submissions as to why all of the goods and services in all of the classes applied for were similar to the goods and services of the earlier mark, Ms Evans made no counter submissions. So, no argument has been made against Mr Stobbs' position. Whilst this does not mean that what Mr Stobbs submitted is accepted, it is still a relevant factor to bear in mind. In terms of the class 9 specification, "encoded cards and smart cards" are, self-evidently, either identical or highly similar to "sim cards". The same applies to "magnetic data carriers" as a sim card is, effectively, a data carrier in its own right with various data held on it for the use in a mobile phone.

22) "Telecommunications apparatus; data communications apparatus; digital communications apparatus" would include "mobile telecommunications equipment" within its ambit so may be considered identical on the basis of *Meric*. Even for non mobile telecommunication equipment, the services in question would still be highly similar. There would also be a reasonable level of similarity with the opponent's class 38 telecommunications services.

23) "Computer hardware" would include hardware for telecommunication purposes so may be considered identical (or would be highly similar) with mobile telecommunications equipment. "Computer software" would include software for use to facilitate telecommunications and would be sold as an adjunct to it and would also be similar to mobile telecommunications equipment. I consider the purpose and the complementary relationship that is in play to create a high degree of similarity. In relation to the term:

Apparatus and instruments for recording, transmission, reception, processing, retrieval, reproduction, display and print-out of sound, images and/or data and/or electronic information;

24) Clearly the transmission/reception part is suggestive of a telecommunications feature and so is identical or highly similar. The other aspects are less clearly telecommunication orientated, however, in the real world, such products will likely have a range of features including telecommunication aspects and, as such, should also be regarded as highly similar. It may be that there are goods within this term which would either not be similar or may have a lesser degree of similarity. I will come back to this point later. That leaves:

file servers; photocopiers; fax machines; data terminals

25) Data terminals could be mobile in nature and could well include a telecommunication aspect. I consider this to be highly similar (it is perhaps even identical on the *Meric* principle) to mobile communications equipment. A fax machine is at its heart a communications device and I have no reason to suppose that mobile versions do not exist. If they do then the goods are identical to mobile communications equipment or else are still highly similar. Photocopiers often have fax functionality built in. They are unlikely to be mobile, but a photocopier in comparison to say a portable communications device such as a fax, still has a reasonable (but not high) degree of similarity. File servers is the last term. A file server is a form of computer which serves data held on it to other computers on a network; a cloud is accessed via smart-phones and is also a server. Therefore, a key aspect is that it forms part of a telecommunication system and will not doubt be linked to other telecommunications devices such as routers, hubs etc. I consider there to be a reasonably high degree of similarity to mobile communications equipment (which covers more than just mobile phones) given the proximity of trade channels, users, overall purpose and there is an obvious aspect of complementarity.

26) The applied for services in class 35 are:

Rental of office machines and equipment; rental of photocopiers and fax machines; provision of help-desk services to include fault reporting, enquiries, facility maintenance requests.

27) In relation to rental of office machines/equipment/photocopiers and fax machines, Mr Stobbs submitted that these were similar to rental of computer hardware in class 42 of the earlier mark and also the communication services in class 38. I reject the second of these submissions as whilst it is true that a telecoms provider may rent out communications equipment as part of a complete business telecoms package, there is nothing to suggest that this extends to the type of rented goods listed in class 35. Furthermore, the specific nature of the telecoms service listed in the earlier mark would in any event put them a further step away. However, the first submission has more going for it, as one could easily envisage a single undertaking offering the rental of computers together with various other pieces of office machines and equipment. This creates a link in terms of trade channels and users (businesses). There is some similarity in purpose in that both services facilitate the equipping of an office (albeit with different things). There are of course differences in that the exact item rented differs. There is certainly no competition, but a degree of complementarity. I consider there to be a moderate to reasonable level of similarity here.

28) In relation to “provision of help-desk services to include fault reporting, enquiries, facility maintenance requests”, this strikes me as a business to business service with the provider specialising in handling calls and running support services. This could potentially be in any field, including telecommunications, however, in my view, this aspect alone is very superficial

and absent any other points of obvious similarity (I can see none) any similarity must be of only a low degree.

29) The applicant seeks registration for the following services in class 38:

**Class 38:** Telecommunications services; provision and management of telecommunications; provision of telecommunication services enabling end-users to connect to providers of telecommunication services and to application service providers; provision of user access to a global computer network; provision of telecommunication connections to a global computer network; electronic mail services; internet services; audio conferencing services; communication services; voice, data and video communications services; voice-mail services; video conference services; video and audio content-based broadband services; internet protocol telephony and facsimile services; virtual private network services; telecommunications network services; organisation of telecommunication networks; provision of server co-location management services; provision of information relating to telecommunications; telecommunications services relating to the delivery of emergency messages; local and long distance telephone services; internet directory services; high-speed internet access services (dedicated and dial-up connections); high-speed data interconnect and access services; providing external data links; providing access time to a computer database.

30) The opponent's earlier mark is registered for the following services in class 38:

Mobile telecommunications services; provision of broadband telecommunications access; email and text messaging services; information and advisory services relating to the aforesaid.

31) Plainly, all of the services of the applied for mark are either identical or highly similar to the services of the earlier mark, all being telecommunications services of one form or another.

32) The applicant seeks registration for the following services in class 42:

Provision and management of IT systems; development and management of a customer interface to manage outsourced computer and telecommunications resources; enterprise resource planning (ERP) services; design and implementation of telecommunication network systems, wide area networks and local area networks; rental of computers and computer equipment; web design; web hosting (content-hosting).

33) The opponent's earlier mark is registered for the following services in class 42:

Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; IT services; computer programming services; recovery of computer data; consultancy in the field of computer hardware; computer programming; duplication of computer programs; computer rental; computer software design; installation of computer software; maintenance of computer software; updating of computer software; rental of computer software; rental of computer hardware; computer system design; computer systems analysis; consultancy in the field of computer software; conversion of data or documents from physical to electronic media; creating and maintaining websites for others; data conversion of computer programs and data (not physical conversion); hosting computer sites web sites); technical consulting; rental of data processing apparatus and computers; weather forecasting; information and advisory services relating to the aforesaid.

34) Certain of the applied for terms have counterparts in the earlier mark which are identical (or effectively so): “rental of computers and computer equipment; web design; web hosting (content-hosting)”. Furthermore, the terms “provision and management of IT systems; development and management of a customer interface to manage outsourced computer and telecommunications resources” would fall within the ambit of the earlier marks “IT services” and, so, are identical also. Enterprise resource planning could include planning in relation to IT resources so would be highly similar to IT services. Finally, “design and implementation of telecommunication network systems, wide area networks and local area networks” would fall within technological services and design relating thereto, and would also be highly similar to IT services and design of computer hardware as the fields of computing and telecommunication (computer telecommunications) are so close.

### **The average consumer**

35) The average consumer is deemed to be reasonably observant and circumspect. However, the degree of care and attention the average consumer uses when selecting goods and services can, of course, vary depending on what is involved. The conflicts are in areas where the average consumer is more likely to be a business person than a member of the general public. The goods and services involved are, in the main, fairly considered purchases, not casual selections. The goods/service will most often be chosen by the eye (after perusal of brochures, websites etc), but I will not ignore the aural aspects completely.

### **Comparison of the marks**

36) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall

impressions, bearing in mind their distinctive and dominant components. The marks to be compared are:



v **SIMPLICITY**

37) The opponent's mark has only one element, the word SIMPLICITY alone. The applicant's mark is a composite one featuring a stylised V device and the words "Simplicity as a Service". The mark as a whole will be seen as containing two separate distinctive elements. I agree with Ms Evans that the V device is the more dominant and the more distinctive element. However, even if "Simplicity as a Service" were seen as some form of strap-line or slogan, it is nevertheless a distinctive one, albeit not highly distinctive; Ms Evans submitted that it was very low in distinctiveness – I would not put it as low as that, but it has a moderate level of distinctiveness at best.

38) From a visual perspective, both marks contain the word SIMPLICITY. In the context of the applicant's mark, this word is positioned at the top of the second element and is in larger text than the words "as a", and slightly larger text than the word "Service" (although I do not think this second point should be overplayed because the difference is marginal). Thus, it cannot be said that the word is swamped or lost in the overall impression of the mark. This is a clear point of visual similarity. However, there are a number of differences, the V logo and the additional words "as a Service". Whilst the differences reduce the degree of visual similarity between the marks, they do not outweigh the similarity altogether. I consider there to be a moderate level of visual similarity. I consider a similar analysis to run through the aural assessment – the differences do not outweigh the similarities, leaving a moderate degree of similarity.

39) The concept of the opponent's mark resides in the word SIMPLICITY, the state or concept of being simple. In terms of the applicant's mark, the relevant public will pick the mark away by reference to the letter V (so this forms part of the way in which the average consumer perceives the mark) but the additional element SIMPLICITY AS A SERVICE will also form part of that overall perception; this element is somewhat opaque, but I agree with Mr Stobbs that the SIMPLICITY part of this phrase is what the concept is based upon, some form of service provision which is simple. I consider there to be some similarity on a conceptual level overall, but not of a high degree (because the applicant's mark has the additional V as part of its overall significance).

#### **The distinctiveness of the earlier mark**

40) The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark (based either on inherent qualities

or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). From an inherent perspective the word SIMPLICITY has a clear meaning, an allusive or suggestive one at that. The mark must be considered as having distinctive character<sup>3</sup>, but it has, in my view, only a moderate level of inherent distinctive character at best.

41) Mr Stobbs prayed in aid the opponent's use to the extent that the distinctive character of the earlier mark will have been enhanced, at least in relation to mobile phone services and sim cards etc. He stressed, though, that this did not make or break his case as he still felt there would be a likelihood of confusion from an inherent perspective. I come to the view that any enhancement of distinctive character is of a weak degree. This is because the mark is used extensively as a sub-brand alongside the main O2 branding (uses alone are still tied strongly to O2) so the capacity for the word alone, also bearing in mind its suggestiveness, to become highly distinctive of the opponent is diminished.

### **Likelihood of confusion**

42) The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

43) In relation to the various telecommunication services in class 38, I have found identity or high similarity between the services. This can offset lower degrees of similarity between the marks. The earlier mark has only a moderate level of inherent of distinctive character. This is not a case where direct confusion is likely. The average consumer will be able to see and recall the differences. However, a likelihood of confusion can arise indirectly, in other words, where the average consumer puts the similarities that are present between the marks (when the other factors are also considered) down to the responsible undertakings being the same or being related.

44) Mr Stobbs referred to the *Medion* case to highlight the general principle that a likelihood of confusion could be found on the basis of an element which plays an independent distinctive role in a composite mark even though it is the less dominant element, although, he accepted that this was not on all fours (a point Ms Evans made) because the less dominant element in this case is not SIMPLICITY per se, but SIMPLICITY AS A SERVICE. However, it is also clear that identity is not a prerequisite in terms of the less dominant element (with the other mark) as highlighted by *Aveda Corporation v Dabur India Ltd* [2013] EWHC 589 (Ch). Both representatives highlighted various cases which they felt

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<sup>3</sup> As per Case C-196/11 P *Formula One Licensing BV v OHIM, Global Sports Media Ltd*.

supported their position. I have borne them in mind but I do not consider it necessary to compare and contrast them because they were decided on their own facts which do not help me significantly in this case.

45) The matter boils down to what perceptions and assumptions the average consumer will make having encountered the respective marks. The earlier SIMPLICITY mark must be regarded as a brand for the identical (or highly similar) services. In relation to the applied for mark, the V is the more dominant element. It may be seen as a house mark or primary mark, but I still consider, as expressed earlier, that Simplicity as a Service will be understood as playing a distinctive role in a trade origin sense. The question then focuses, in my view, on the role that SIMPLICITY plays in that element. There will be a good number of phrases that one could imagine where the word SIMPLICITY loses any resonance as a potential brand; for example, "A product designed with simplicity in mind". A lot, therefore, depends on context. To that extent, I accept Mr Stobbs argument that the words "as a service" qualify the word SIMPLICITY. Therefore, an average consumer who has previously encountered the SIMPLICITY brand are likely to regard Simplicity as a Service as some form of qualification of the SIMPLICITY brand. The mark as a whole, even taking into account the additional V logo, will still indicate to the average consumer that the services are the responsibility of the same or a related undertaking for the identical (of highly similar) class 38 services under discussion. I have not ignored the more careful approach that the average consumer will adopt or that the earlier mark is not greatly distinctive. I have factored all this in but still come to the conclusion that there is a likelihood of indirect confusion for the services in class 38. I have not had to rely on the enhanced distinctiveness of the earlier mark, but what use (even if the enhancement is not that strong) has been made will bolster that finding at least in relation to class 38 services.

46) Turning to classes 9 and 42, I extend the above finding, for the reasons given above, to the applied for goods/services, with one exception I will come on to. The goods and services (other than these exceptions) are either identical or at least reasonably high in similarity and a likelihood of confusion on the same basis will arise. The exception is photocopiers. In relation to these, although the degree of similarity is reasonable, the net effect of the purchasing process, the degree of similarity between the marks, and the degree of distinctiveness of the word SIMPLICITY means that the use of the respective marks is more likely to be put down to co-incidence than economic connection. For similar reasons, I dismiss the opposition in relation to all of the services in class 35 which are even less similar.

### **Summary of outcome**

47) The opposition succeeds, and the mark is to be refused, in respect of the following:

**Class 9:** Telecommunications apparatus; data communications apparatus; digital communications apparatus; apparatus and instruments for recording, transmission, reception, processing, retrieval, reproduction, display and print-out of sound, images and/or data and/or electronic information; computer software and hardware; fax machines; magnetic data carriers; data terminals; encoded cards; smart cards.

**Class 38:** Telecommunications services; provision and management of telecommunications; provision of telecommunication services enabling end-users to connect to providers of telecommunication services and to application service providers; provision of user access to a global computer network; provision of telecommunication connections to a global computer network; electronic mail services; internet services; audio conferencing services; communication services; voice, data and video communications services; voice-mail services; video conference services; video and audio content-based broadband services; internet protocol telephony and facsimile services; virtual private network services; telecommunications network services; organisation of telecommunication networks; provision of server co-location management services; provision of information relating to telecommunications; telecommunications services relating to the delivery of emergency messages; local and long distance telephone services; internet directory services; high-speed internet access services (dedicated and dial-up connections); high-speed data interconnect and access services; providing external data links; providing access time to a computer database.

**Class 42:** Provision and management of IT systems; development and management of a customer interface to manage outsourced computer and telecommunications resources; enterprise resource planning (ERP) services; design and implementation of telecommunication network systems, wide area networks and local area networks; rental of computers and computer equipment; web design; web hosting (content-hosting).

48) The opposition fails, and the mark is to be registered, in respect of the following:

**Class 9:** Photocopiers

**Class 35:** Rental of office machines and equipment; rental of photocopiers and fax machines; provision of help-desk services to include fault reporting, enquiries, facility maintenance requests.

49) I add that in relation to the term “apparatus and instruments for recording, transmission, reception, processing, retrieval, reproduction, display and print-out of sound, images and/or data and/or electronic information” which I explained earlier may include goods which are less or not similar, I do not consider it



necessary to revisit the specification as it is clear (and Ms Evans confirmed as much at the hearing) that the applicant is a telecommunications company so it would be inappropriate to attempt to reflect an artificial position in the specification.

### **Costs**

50) The opponent has succeeded in the main. I consider it appropriate to make an award of costs in its favour, albeit reduced (but only slightly) to take into account that it was not wholly successful. My assessment is as follows:

*Official fee*  
£200

*Preparing a statement and considering the other side's statement*  
£275

*Filing evidence*  
£625

*Attending the hearing*  
£550

***Total***  
**£1650**

51) I hereby order DRD Communications Limited to pay O2 Holdings Limited the sum of £1650 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 23rd day of June 2014**

**Oliver Morris**  
**For the Registrar,**  
**The Comptroller-General**

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<sup>i</sup> The leading judgments are: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, Case C-3/03 *Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05).