

O-216-09

**TRADE MARK APPLICATION No. 2466095
IN THE NAME OF BODTRADE 54 (Pty) LTD
TO REGISTER THE TRADE MARK
YOU CAN'T BE A VIRGIN ALL YOUR LIFE ITS TIME
AND
OPPOSITION No. 96472 BY VIRGIN ENTERPRISES LIMITED**

BACKGROUND

1. On 6 September 2007, Bodtrade 54 (Pty) Ltd applied to register the trade mark YOU CAN'T BE A VIRGIN ALL YOUR LIFE ITS TIME in classes 38 and 43 in respect of:

Class 38:
Telecommunications.

Class 43:
Coffee shop services; restaurants; cafeterias; bars; services for providing food and drink; temporary accommodation.

2. On 25 February 2008, Virgin Enterprises Limited filed Notice of Opposition. The grounds of opposition are that:

- i) The opponent is the proprietor of nine earlier trade marks consisting of, or including, the word VIRGIN and which are protected for identical or similar services: there exists a likelihood of confusion and registration would therefore be contrary to s.5(2)(b) of the Trade Marks Act 1994 ("the Act").
- ii) The opponent is the proprietor of the earlier marks VIRGIN MOBILE which is registered in classes 9, 38 and VIRGIN, which is registered in class 43 and have a "huge" reputation for a wide range of goods in class 9 and for the following services:

Class 38:
Telecommunications services; transmission or voice, data, images, audio, video, and information via telephone or the Internet; personal communications services; pager services; electronic mail services; broadcasting services; transmission or broadcast of news and information for others via telephone, television, radio satellite or the Internet.

Class 43:
Provision of food and drink; club, restaurant, public house, café and bar services; catering; accommodation services; hotel and hotel reservation services; day nurseries; camp services.

The opponent claims that "use of the mark applied for will take unfair advantage of, or be detrimental to, the distinctive character or reputation of the Opponent's earlier mark. The Opponent's reputation could be tarnished and the Opponent's sales could be affected. Use of the mark applied for will amount to free riding on the Opponent's reputation." Registration of the applicant's mark would therefore be contrary to s.5(3) of the Act.

- iii) The opponent is the proprietor of an earlier right as a result of use of the mark VIRGIN in respect of:

“telephonic apparatus and instruments; mobile telephones; telecommunications apparatus and instruments; telecommunications services; transmission of voice, data, images, audio, video, and information services via telephone or the Internet; personal communications services; pager services; electronic mail services; broadcasting services; transmission or broadcast of news or information for others via telephone, television , radio, satellite or the Internet”.

The opponent claims that the goodwill established under the mark in respect of telecommunications services etc. is the result of the use of the VIRGIN mark starting in November 1999. The opponent claims that the goodwill established under the mark in respect of catering services etc. arises as a result of first use of the VIRGIN mark started “many years ago” in connection with Virgin Atlantic airport lounges. As a result of the opponent’s earlier right, registration of the applicant’s mark would be contrary to s.5(4)(a) of the Act.

3. The applicant admits that the opponent has registrations covering services which are similar to those for which registration is sought, and further admits that the mark VIRGIN has been used in relation to “various telecommunications equipment etc; and “in relation to airport lounges”, but the grounds of opposition are denied. The essence of the applicant’s position can be gleaned from the following extract from the counterstatement.

“Applicant’s mark comprises of eleven words; there is only one common term: ‘Virgin’. Applicant’s ‘Virgin’ is preceded by the indefinite article, to indicate that a person has such a quality. In fact, the use of the word corresponds with the primary meaning of the word ‘Virgin’, namely a person, especially a woman, who has never had sexual intercourse... The phrase is fanciful. It is denied that the Opponent’s mark reputation could be tarnished; Opponent does not have the exclusive use of a word in the English language, merely because it comprises part of their company name. In context, there could be no free riding possible on the Opponent’s reputation”.

4. Both sides seek an award of costs.

The Parties’ Cases

5. The opponent subsequently filed evidence in the form of a witness statement (with 58 exhibits) dated 10 November 2008 by Mark James, who describes himself as an Intellectual Property Lawyer employed by the opponent. The applicant also filed a witness statement dated 10 February 2009 by Edward Humphrey-Evans of Humphrey-Evans Intellectual Property Services Limited, which represents the applicant in this matter. Mr Humphrey-Evans is a European Trade Mark Attorney and his ‘evidence’ is actually a critique of the opponent’s evidence and case, much of which the applicant regards as irrelevant.

6. The parties were asked if they wished to be heard or file further written submissions. Neither party did. Consequently, I am left to determine the opposition on the basis of the pleadings, the opponent's evidence and the critique of that evidence filed on behalf of the applicant.

The Opponent's Evidence

7. Mr James states that the opponent is a member of the group of companies known as the Virgin Group, which was established in 1970 by Sir Richard Branson. He explains that the opponent is the holder of numerous 'Virgin' trade marks, which are licensed to companies in the Virgin Group or to third parties. Mr James provides details of the use in the UK of numerous 'Virgin' trade marks: the earliest such use (Virgin Records) dates back to 1971. As the opposition is based on a much smaller number of Virgin trade marks than those mentioned in the evidence, I understand that this information is presented in order to demonstrate the high level of distinctiveness attached to the Virgin trade marks at issue as a result of spill over reputation from use of derivatives of the 'Virgin' mark, or use of the 'Virgin' mark in other fields of activity. In this connection, Mr James provides UK turnover figures for the Virgin Group. In 2007 this amounted to £3.4 billion. In that same year, over £40 million was spent on UK advertising.

8. Exhibit MJ53 consists of the results of an NOP consumer market research survey carried out in August 2004. 1002 adults were interviewed and 93% are recorded as having answered positively when asked if they had heard of a company called Virgin. When asked whether VIRGIN was involved in an airline, 99% of those who had heard of the name said 'yes'.

9. Given that the applicant has not seriously disputed that the Virgin trade mark enjoys a reputation with the UK public, I do not intend to say any more about the opponent's evidence as to its general reputation under the Virgin name in the UK. Instead I turn to the evidence filed to support its specific claim to have a huge reputation in respect of the Virgin mark for telecommunications equipment and services, and in respect of catering type services.

10. Mr James states that the word mark VIRGIN and a stylised version of it known as the 'Virgin signature' were first used in 1993 in relation to the services of a radio station called Virgin Radio. The business was sold to a third party in 1998 and re-sold to another undertaking in 2000. It broadcasts by conventional radio and also via the Internet. Virgin Radio continues to use the Virgin trade marks under licence. Between 2003 and 2006, the station won a number of awards, mainly for its online services.

11. At the end of 1996, the Virgin Group became an Internet Service Provider (ISP) under the trade mark Virgin Net. Mr James says it is now the 5th largest consumer ISP with over 500k subscribers. The business was sold to NTL Group in 2004, which continues to use the Virgin name under licence.

12. In 1999 a digital broadcasting company called Radio Free Virgin was launched offering music channels and streaming audio over the Internet. In 2005, Virgin Digital was launched offering a subscription music service, digital radio, a CD burner and

digital music downloads. Print outs of the web sites are provided at MJ40 and 41. There is no indication of the size of these businesses. Radio Free Virgin closed in 2007.

13. In 1999, the Virgin Group entered a joint venture with the telecommunications business T-Mobile to provide a mobile telecommunications service. Judging from the promotional material and press cuttings that make up exhibit MJ34, the service was offered under the mark Virgin Mobile. Mr James states that Virgin Mobile UK achieved a turnover of over £288 million in 2002. The business was sold to NTL in 2006 which licensed the Virgin brand and re-branded as Virgin Media in 2007 when it expanded the range of services to cover fixed line telephony, broadband Internet and TV services.

14. In 1984, the Virgin Group launched Virgin Atlantic Airways. Mr James provides turnover figures for the airline for 2003-07 which show that turnover in the UK in 2007 was over £2 billion. Mr James states that Virgin Atlantic has airport lounges in the UK and elsewhere which offer a number of premium services, such as sauna and steam rooms, as well as typical airport lounge services. Mr James identifies just two lounges located in the UK (at Heathrow and Gatwick). These are called Club Houses and appear to be available only to Upper Class (business/first class) customers. According to a print out of Virgin Atlantic's web site dated 24/4/07 (in exhibit MJ9) it is possible for 'Upper Class' customers to dine at the Club Houses before boarding a flight as an alternative to having their main meal on the flight. Mr James states that the Virgin trade marks are used in relation to the provision of food and drink on aircraft as well as in the airport lounges. This includes some own branded products such as Virgin Vodka.

15. Mr James states that, apart from some marks registered for olive oil, for which the word virgin is descriptive, and the mark Virgin Hills, which is registered pursuant to an agreement with the opponent, all the marks featuring the word Virgin on the UK trade mark register are the property of the opponent.

16. Turning to the negative effects that the applicant's mark would have in use, Mr James states that:

"[the opponent] or its licensees, regularly introduces new products where the VIRGIN mark is combined with an additional word or words. Sometimes the additional words are descriptive and sometimes they are distinctive sub brands. A list of examples of current and historical uses of VIRGIN with additional words or elements in the United Kingdom is exhibited hereto marked 'MJ58'.

New 'VIRGIN' uses are expected to originate from the Virgin Group. The public has an expectation that [the opponent] or its licensees will introduce new and different products and services on a regular basis. The public is used to the diversity of uses under the brand. There is a strong likelihood that any third party use of marks consisting of or incorporating the element VIRGIN name will be confused with those of [the opponent] and will be believed to originate from [the opponent] especially in the United Kingdom. Any such third party use would damage the trade marks of [the opponent] and

will trade on the reputation of [the opponent]. [The opponent] will have no control over such use or the products sold under the brands. Such use will therefore be detrimental to the reputation and distinctive character of the VIRGIN trade marks.

Any third party marks consisting of or incorporating the word VIRGIN or any mark confusingly similar thereto, if allowed for registration, will imply to the consumer that the products or services of that third party originate from [the opponent] or are endorsed by [the opponent] or by one of its licensees. The consumer will trust that the products or services of that third party will be of the same standard as those of [the opponent] and will rely upon its knowledge of [the opponent's] brand in selecting the third party's products. This implied endorsement of the products will lead to that third party benefiting from [the opponent's] reputation for quality goods and services. This reputation has been established through the careful attention paid by [the opponent] and its licensees to its customers. [The opponent] is very careful to ensure that other parties do not mislead the public or take advantage of the reputation attached to the VIRGIN Trade Marks, in order to protect its customers from lower quality goods and services offered under identical or similar marks and consequently filed this opposition."

SECTION 5(2)(b) GROUND

17. Section 5(2) (b) of the Act is as follows:

"(2) A trade mark shall not be registered if because –
(a) -
(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

18. Although the opponent relies on nine earlier trade marks, in practice it is only necessary to consider two. If it cannot win on the following marks, it will not win on the rest. In my judgment the opponent's best case is based on these earlier marks:

CTM No. 611459 - WORD MARK - VIRGIN

Date of filing - 25/9/1997

Date registered - 26/1/1999

Registered for:

Telecommunication services; broadcasting services; transmission of messages amongst remote users via telephone, on-line, cable or satellite systems; communication via computer terminals; Internet communication services.

CTM No. 3421633 - WORD MARK - VIRGIN

Date of filing - 21/10/2003

Date registered - 22/4/2005

Registered for:

Provision of food and drink; club, restaurant, public house, café, cafeteria and bar services; catering; accommodation services; hotel and hotel reservation services; day nurseries; camp services.

19. It will be apparent from the dates of registration of these earlier marks that CTM 3421633 had not been registered for the requisite 5 year period at the time that the applicant's application was published for opposition purposes. Consequently, no statement of use was required in relation to that trade mark and s.6A of the Act does not apply. A statement of use was required (and made) in respect of CTM 611459. The applicant did not challenge that statement in its counterstatement. Consequently, the mark must be protected in respect of the registered specification of services.

20. In my consideration of whether there is a likelihood of confusion between the earlier marks and the applicant's mark, I take into account the guidance from the settled case law of the ECJ in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Matratzen Concord v OHIM C-3/03* [2004] ECR I-3657, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04* and *Shaker di L. Laudato & C. Sas v OHIM C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, 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; *Shaker di L. Laudato & C. Sas v OHIM*

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

(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; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*,

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

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

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

(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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

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

Comparison of the Services

21. It is self evident that the services for which the earlier marks are protected encompass all the services in the application. The services are therefore identical.

Distinctive Character of the Earlier Marks

22. In my view, the word Virgin has an above average level of inherent distinctive character in relation to the services at issue. The word has an obvious and well known meaning and does not therefore enjoy the very highest level of inherent distinctiveness, as with a purely invented term, such as Kodak. However, the word does not describe, or even allude, to any characteristic of the relevant services and is therefore of greater than average distinctiveness.

23. I am satisfied that the substantial use shown of the Virgin mark as the dominant element of the composite mark Virgin Mobile, will have added further to the distinctiveness of the mark at the date of the application in relation to

telecommunications services. Consequently, I find that the earlier mark Virgin enjoyed a highly distinctive character for these services at the relevant date for the purposes of this opposition. I am not satisfied that the established use of the earlier Virgin mark in relation to the in-flight catering and airport lounge services provided under the composite mark, Virgin Atlantic, would have substantially enhanced the distinctive character of the mark for the services for which it is registered in Class 43. This is partly because the extent of the use of the Virgin mark in relation to these services is poorly particularised in the opponent's evidence, and partly because the nature of the use is unlikely to have resulted in the mark acquiring a distinct reputation for catering services as such. No doubt some customers choose to fly with Virgin Atlantic rather than with another airline because of the quality of its catering services and/or 'temporary accommodation', but no-one would take a flight with Virgin Atlantic just to access its catering services etc. First and foremost Virgin Atlantic's reputation is for airline services, of which catering services are just a small part.

Comparison of the Trade Marks

24. The sole point of visual and aural similarity between the trade marks is that the opponent's mark makes up the fifth word in the applicant's ten word mark (the applicant says 11, but I see only 10 words). I agree with the applicant that this, of itself, creates very little visual or aural similarity between the opponent's mark and the applicant's mark when considered as a whole.

25. The applicant submits that there is no conceptual similarity between the respective marks because the word Virgin retains its natural meaning in the applicant's ten word mark. However, I think that this is more the case with the opponent's mark. Just because the opponent uses the word Virgin as a brand does not mean that the word loses its original meaning. It is true that the concept of the applicant's mark is not limited to a person who has not had sexual intercourse. Rather, the mark as a whole uses the word Virgin figuratively, as part of a complex phrase which will be understood by consumers as a suggestion that it is time to try something for the first time. Considered as a whole, I find that there is little conceptual similarity between the phrase that makes up the applicant's mark and the word Virgin alone.

26. Although the word Virgin is distinctive, being only a small part of a complex ten word phrase, it is not a dominant and distinctive feature of the applicant's mark. Nor can it be said that the opponent's mark retains an independent distinctive role within the applicant's mark.

27. I conclude that there is very little similarity between the applicant's mark and the opponent's mark.

Relevant average consumer

28. Telecommunications services may be aimed at those who use such services in the course of their businesses, or at the general public. The average consumer for such services is therefore either a business or members of the general public. The

services in Class 43 are likely to be directed at those members of the general public who use services which provide food and/or drinks or temporary accommodation.

Likelihood of Confusion

29. The opponent submits that the relevant public will expect there to be an economic connection between it and the user of the applicant's mark. However, given my assessment of the lack of similarity between the respective marks, and taking full account of the identity of services and the above average or high distinctive character of the earlier mark, I do not believe it is likely that the average consumer (public or business) of the services at issue will assume that there is any economic connection between the users of the respective marks.

30. In fact I do not consider that the relevant average consumers will make any kind of association between the marks or their users. And even if I am wrong about that, and the word Virgin will somehow be picked out of the applicant's mark and identified by the average consumer as a reference to the opponent's mark, the applicant's mark as a whole would then appear to be using the opponent's mark as part of a statement which implies that it is time to try something new. In that event, a reasonably circumspect and observant consumer is hardly likely to assume that the opponent is the user of the applicant's mark, or that it has consented to such use.

31. For these reasons I reject the ground of opposition based on s.5(2)(b) of the Act.

SECTION 5(4)(a) GROUND

32. Section 5(4)(a) of the Act states that a trade mark shall not be registered:

“.....if, or to the extent that, its use in the United Kingdom is liable to be prevented by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade”

33. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed at paragraph 165 as follows:

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

34. I can deal with this ground quite shortly. It is clear that the opponent enjoyed a protectable goodwill at the relevant date and was the owner of an earlier right in the name Virgin, at least in relation to telecommunications services. However, for the reasons I have given above for finding that there is no likelihood of confusion between the applicant's mark and the word Virgin alone, I further reject the opponent's claim that, at the date of the application, the applicant's use of the mark applied for would have amounted to a misrepresentation. Consequently, the

s. 5(4)(a) ground must also fail.

SECTION 5(3) GROUND

35. Section 5(3) is as follows:

“5(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, 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.”

36. The opponent relies upon earlier UK trade mark No. 2365570 for the mark Virgin Mobile in classes 9 and 38, and earlier Community trade mark No.3421633 for the mark Virgin in class 43. The services for which the opponent claims to have a reputation are set out in paragraph 2 above. In addition, the opponent claims that the mark Virgin Mobile has a reputation for all the goods for which it is registered in class 9. This is as follows:

“Sound and/or video recording media; radio or television apparatus or instruments; video games; CD ROM; virtual reality systems; telephonic apparatus and instruments; mobile telephones; telecommunications apparatus and instruments; scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus or instruments 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; radio and television apparatus and instruments both for reception and transmission, aerials; sound and/or video recordings; cassettes, cartridges, records discs, tapes or wires bearing sound or video recordings; video discs; compact discs; video accessories; cinematographic films; photographic slide transparencies; calculators; video games; electronic games, electronic amusement apparatus; computers, computer software; computer hardware; computer firmware; magnetic tapes for recording computer programmes or data; electronically, magnetically and optically recorded data for computers; computer games; racks adapted to hold records or to hold tapes; cases, bags, holdalls, carriers and containers all adapted for carrying or for storing any of the aforesaid goods; parts and fittings for all the aforesaid goods; electronic publications (downloadable) provided online from databases or via the Internet; apparatus and instruments for conducting, controlling, regulating, switching, transforming or accumulating electricity; battery chargers, batteries; cabling for connecting electronic and electric goods; electric and electronic mobile phone accessories; all included in Class 09.”

37. The relevant case law can be found in the following judgments of the ECJ: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13,

Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v Bellure*. The law appears to be as follows.

- (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
- (c) The reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel*, paragraph 51.
- (d) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.
- (e) Whether such a link exists must be assessed globally taking account all relevant factors, including the degree of similarity between the respective marks and goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42
- (f) Although it is not a necessary factor, a link between the trade marks is necessarily established where the relevant public is caused to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or of an economically connected undertaking; *Intel*, paragraph 57.
- (g) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68: whether this is the case must also be assessed globally, taking account of all the relevant factors; *Intel*, paragraph 79.
- (h) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires proof of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.
- (i) The more unique the earlier mark appears, the greater the likelihood that the use of a later mark identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.
- (j) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be

perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal, paragraph 40*.

- (k) Unfair advantage covers, in particular, cases where, by reason of a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark, there is clear exploitation on the coat-tails of the reputed earlier mark; *L'Oreal, paragraph 41*.

38. In the light of the evidence summarised at paragraphs 11 and 13 above, I am prepared to accept that, at the date of the application to register the later mark, the mark Virgin Mobile had a reputation amongst a significant part of the UK public who are users of mobile telephones and telecommunications services. I am less convinced that the mark Virgin had the requisite reputation in respect of catering services, but for reasons that will become clear later there is no need to reach a finding on this matter.

39. Moving on to the question of whether the whether consumers of mobile telephones and telecommunications services will, when confronted by the applicant's mark, make a link with the opponent's mark, the relevant factors appear to be that:

- i) The opponent's mark is highly distinctive for the services at issue;
- ii) The opponent's mark appears to be essentially unique on the UK market;
- iii) The services are identical and the users are therefore the same;
- iv) The opponent's Virgin mark has a huge reputation generally, and the mark Virgin Mobile a relatively smaller one for telecommunications services in particular;
- v) There is very little similarity between the respective marks.

40. My primary finding is that the despite factors i) – iv), factor v) means that the relevant public would make no link between the applicant's mark (as a whole) and the earlier mark Virgin Mobile.

41. In case I am wrong about that, I will briefly consider whether, if there was such a link, it would lead to any of the injuries for which s.5(3) can be invoked. The opponent's pleaded case under this heading consists of some rather general and non-particularised assertions of tarnishing, and/or free riding on, the opponent's reputation. The case is elaborated in the witness statement of Mark James, the relevant section of which is re-produced at paragraph 16 above. All the injuries envisaged in that statement appear to me to be consequences of the relevant public being misled into believing that there is an economic connection between the opponent and the user of the applicant's mark. I rejected the same argument when it was advanced in support of the s.5(2)(b) ground of opposition: see paragraphs 29 and 30 above. The argument has no greater attraction when re-deployed in support of the s.5(3) ground of opposition. Consequently, even if the similarity between the marks is sufficient for the applicant's mark to cause the relevant public to call the opponent's mark to mind, I would still reject the s.5(3) claim on the basis of my finding that there is no likelihood of any kind of confusion as to trade source of the applicant's services, and no other method of injury to the earlier mark has been claimed or explained.

42. For the sake of completeness, and in case it is subsequently found that I should have examined all the arguments that could have been advanced by the opponent under its initial s.5(3) pleading, I will make a few further observations on the matter. Firstly, I consider that it would be fanciful to suggest that the mark YOU CAN'T BE A VIRGIN ALL YOUR LIFE ITS TIME can be regarded as essentially a Virgin mark, and that its registration and use therefore disturbs the virtual uniqueness of the opponent's Virgin mark on the UK market. Secondly, speculative concerns about the quality of the applicant's services can present only a hypothetical risk of tarnishing and do not represent the serious risk or likelihood of tarnishing required to support a s.5(3) claim: see also, in this respect, *esure v Direct line* [2008] RPC 5 and 6. Thirdly, leaving aside the likelihood of any confusion about there being an economic connection between the parties (which I have rejected), it is not clear how else use of the applicant's mark could exploit the reputation of the Virgin mark by riding on its coat tails. The differences between the marks and the nature and context of the use of the word Virgin in the applicant's mark make it difficult to see how the reputation of the earlier mark could possibly be projected onto the applicant's mark.

43. For all these reasons I reject the s.5(3) ground of opposition based on the earlier mark Virgin Mobile. It follows that I also reject the ground based on the earlier mark Virgin in Class 43 where the opponent's reputation appears to me to be somewhat weaker.

COSTS

44. The opposition having failed the applicant is entitled to an award of costs. I order the opponent to pay the applicant the sum of £1500 within 7 days of the end of the period allowed for lodging an appeal against this decision.

45. The costs are for:

- i) £300 for considering the opponent's case and filing a counterstatement;
- ii) £1200 for considering the opponent's evidence and filing a response.

46. I have taken account of the volume and relevance of the opponent's evidence in determining the latter figure.

Dated this 23rd Day of July 2009

**Allan James
For the Registrar**