

O-122-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2390102  
BY ICX EUROPE LIMITED TO REGISTER THE TRADE MARK**

**iSms**

**IN CLASS 9**

**AND**

**IN THE MATTER OF OPPOSITION NO. 93764 BY  
ITALTEL S.p.A.**

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ITALTEL S.p.A.**

### **Introduction**

1. ICX Europe Limited, which I will refer to as ICX, made trade mark application number 2390102 for the mark iSms on 21 April 2005. The application was published in *The Trade Marks Journal* on 17 June 2005. Registration is sought for “encoded telephone cards”, in Class 9.

2. On 19 September 2005, ITALTEL S.p.A., which I will refer to as ITALTEL, filed a notice of opposition (17 September 2005 being a Saturday and therefore an excluded day for the purpose of filing an opposition). ITALTEL’s opposition is based upon Section 5(2)(b) of the Trade Marks Act 1994 (the Act) and the relevant date for these proceedings is therefore 21 April 2005 (the date of application).

3. ITALTEL bases its claim under Section 5(2)(b) on its international trade mark registration no. 779019. This was protected in the United Kingdom on 18 October 2001 for the following goods and services:

Class 9            *Scientific apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; telecommunication equipment, telecommunication switches for broadband networks, equipment for signal transmission via cable and radio, hardware and software equipment for integration of voice, data and images; computer software related to telecommunication, namely computer software for managing telephone communications, computer software for implementing communication protocols, computer software for local and wide area network communications management.*

Class 37           *Maintenance in the field of telecommunication networks.*

Class 38           *Telecommunication services; broadband transmission of voice, data and images; providing access to electronic communication networks.*

Class 42           *Consultancy, analysis, design in the field of telecommunication networks; customer support services in connection with computer hardware and software for interconnecting, managing and operating local and wide area networks.*

Since protection in the UK was conferred on a date less than five years before the application in suit was published in the *Journal*, there is no requirement for ITALTEL to prove use of its mark.

4. ITALTEL claims that iSms and iMSS are similar trade marks, each comprising four letters with the only difference being the reversal of the central two letters. In its notice of opposition, it states that the applicant's goods, encoded telephone cards, are either identical or similar to its own Class 9 goods and that they are similar to its services in Classes 37, 38 and 42. ITALTEL states there is a likelihood of confusion and seeks refusal of the application and an award of costs in its favour.

5. ICX filed a counterstatement. It denies that the application is similar to the opponent's trade mark and denies a likelihood of confusion. It states that, visually and phonetically, a difference in letter sequencing in a four letter mark is particularly noticeable by the average consumer. ICX also states that "Conceptually, the applicants' mark recalls the well-known abbreviation SMS standing for "short message service" and referring to, particularly, the sending of text messages from mobile telephones". ICX denies that encoded telephone cards are identical or similar to the opponent's goods or services as covered by its international registration 779019. It says the nature and composition of its goods and the trade channels are different from the technological goods and services of the opponent. ICX seeks dismissal of the opposition and an award of costs in its favour.

6. Both sides filed evidence. The parties were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and from any written submissions. Neither side requested a hearing and only the opponent filed written submissions. Part of the applicant's evidence takes the form of a commentary on the opponent's evidence. I propose to treat that part of the applicant's evidence as written submissions since it is not evidence of fact.

### **Opponent's Evidence**

7. ITALTEL's evidence consists of two witness statements with accompanying exhibits. The first is from Gabriele Borella who has been the Head of Intellectual Property and an Executive Officer of ITALTEL for six years. Mr Borella states that iMSS stands for "Italtel Multi-Service Solutions" and is used to encompass goods and services in relation to new-generation integrated multi-service telecommunication networks. He explains that new-generation networks embrace all types of electronic communication, including voice, data and video telecommunications. Mr Borella supports this explanation with a number of exhibits of a technological nature. He gives a date of September 2004 (7 months before the application date) as the date on which his company's "first significant UK customer commenced operation of a nationwide iMSS network". He does not say when the contract between the two companies was signed, or what the lead time is for setting up a network of this kind. Some of Mr Borella's evidence relates to use of the mark in the EU, which is extraneous to these proceedings under Section 5(2) of the Act. Mr Borella gives UK turnover figures for 2004, 2005 and 2006, and EU advertising figures. Since 2006 is after the relevant date and there is no breakdown of the advertising spread, I shall record here only the 2004 and 2005 UK turnover (although the relevant date is 21

April 2005, nothing in my decision actually turns on the provision of a turnover figure for the whole of 2005). In 2004, ITALTEL's UK turnover was €5.9 million (approximately £4 million) and in 2005 it was €5.9 million (approximately £4.7million). Mr Borella says his company provides goods and services under the mark to a number of national and international telecommunications organisations which operate in the UK, although he specifies only Bulldog Communications Ltd. He says that the goods and services sold under the mark have been provided in a number of UK cities, including London, Birmingham, Manchester and Glasgow. In Mr Borella's statement, there is a list of twenty-one trade events attended by ITALTEL between 2001 and 2005. Four of these were in the UK: 2005, the Italtel-Cisco EMEA Road show and the 21<sup>st</sup> Communication World Forum Conference; a conference(s) in 2003 and a Marcus Evans Conference in 2002.

8. The second witness statement filed on behalf of the opponent is from Jonathan Michael Clegg. Mr Clegg is the opponent's trade mark attorney. He has exhibited some prints from website searches in order to find references to the applicant and to the opponent. These searches were done after the relevant date. Mr Clegg also puts forward the proposition that the average consumer will find the marks almost indistinguishable since he himself has found that to be the case (and he is more attuned to the differences, being a trade mark attorney). It seems to me to be more appropriate to treat this part of his statement more as submission than fact, notwithstanding Mr Clegg's assertion that it is a matter of fact that his own confusion occurred.

### **Applicant's Evidence**

9. The applicant has filed a witness statement from Haider Mawji, who is a Director of ICX Europe Limited, a position he has held since 2001. He says his company has used the mark in the UK since 2005 in respect of prepaid encoded phone cards and that in 2005 the approximate annual turnover in relation to the goods under the mark was £10,000. The 2006 figure is after the relevant date and I bear in mind, as above, that the relevant date is 21 April 2005, so that not all of that £10,000 is likely to have been accrued before the relevant date. Mr Mawji states that the mark is promoted in shop windows, such as confectioners, tobacconists and newagents and that in 2005 the approximate advertising expenditure was £2,000. He also says that he knows of no instances of confusion. Mr Mawji states that "sms stands for "short messaging service" or, in other words, texting".

### **Decision**

#### **Likelihood of confusion – section 5(2)(b) of the Act**

10. Section 5(2)(b) of the Act states that a trade mark shall not be registered if because:

“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 mark.”

Section 6(1)(a) of the Act defines an earlier mark as:

“a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”.

ITALTEL’s international registration is an earlier trade mark as per section 6(1)(a).

11. The leading authorities which guide me in this section 5(2)(b) ground are: *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1 and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] F.S.R. 77. I have to determine whether there are similarities between the marks and the goods and the services which will give rise to a likelihood of confusion.

### **Average consumer**

12. Mr Borella has exhibited a number of technical documents with his witness statement to show ITALTEL’s trade in the telecommunications industry. It is clear that ITALTEL’s activities have focussed upon technologically complicated, large-scale networking telecommunications strategies. Those members of the relevant public who have engaged commercially with ITALTEL thus far will be customers with a good deal of expertise in the area of trade who will have paid great attention to their purchase. However, since the opponent’s international registration is less than five years old, I must view the identity of the relevant public against the full width of the specifications of goods and services for which iMSS is registered and is entitled to be used. Virtually everyone, with the possible exception of small children, uses telecommunication goods and services; whether at a personal, mundane handset or mobile phone level, to webcams or something altogether more corporate, such as video conferencing facilities. This means the average consumer will come from disparate backgrounds with varying levels of technological knowledge and degrees of attention. The average consumer ranges from those with technical expertise to the general public, both adult and junior.

### **Comparison of goods and services**

13. Following the established tests in *Canon* (supra) and in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281, I must consider the nature, intended purpose, method of use, whether the goods or services are in competition with or complementary to each other and also the nature of the users and the channels of trade. This is assuming notional use across the width of the specification since the opponent’s mark was less than five years old at the relevant date.

14. Mr Clegg submits that whilst iMSS does not contain ‘encoded telephone cards’ as a specific reference within its Class 9 specification, the goods are covered by one or more of the terms telecommunication equipment, apparatus for recording, transmission or reproduction of sound or images and scientific apparatus and instruments. I think that to construe encoded telephone cards as falling within scientific apparatus and instruments would be to give that term an overly wide construction. As for telecommunication equipment and/or apparatus for recording

transmission or reproduction of sound or images, if the goods are not identical (I have doubts as to whether encoded cards can properly be termed equipment or apparatus), they are closely similar because they are complementary items. In the same way, telecommunications services and providing access to electronic communication networks are complementary to encoded telephone cards. An encoded telephone card would be difficult to use without the necessary equipment and airways with which to use it. Telephones and telecommunications services appear to be indispensable for the use of telephone cards. I find that the applicant's goods are closely similar to the goods and services of the opponent.

### **Similarity of trade marks**

15. The trade marks to be compared are:

**ITALTEL's trade mark:**

iMSS

**ICX's trade mark:**

iSms

16. The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant. The likelihood of confusion must be appreciated globally by evaluating the importance to be attached to those different elements, taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed. However, I should guard against dissecting the marks so as to distort the average consumer's perception of them; the average consumer perceives trade marks as wholes and rarely has the opportunity to compare marks side by side, relying instead upon the imperfect picture he has of them in his mind

17. I consider that the letter "i" for reasons of descriptiveness (see below) will not be a distinctive and dominant part of the earlier trade mark. I consider that in the earlier trade mark it is the last three letters that are the dominant and distinctive element, having no ready meaning for the relevant consumer. The applicant's trade mark consists of two descriptive elements (see below), consequently, I consider that any distinctiveness that it has rests in its entirety rather than in any particular element.

18. ITALTEL argues that the marks are visually similar. They both consist of four letters; each has a lower case 'i' as the first letter and both end with 'S' or 's'. Both contain the same letters, the only difference being the reversal of the central two letters. ITALTEL, in relation to aural similarity, says that neither would be pronounced as a word and maintains that both would be seen as acronyms, and that the letters would be pronounced separately, making them very similar aurally. ITALTEL also submits that there is no conceptual meaning to either mark and that imperfect recollection by consumers is likely.

19. My understanding of the definition of an acronym is that it is an abbreviation which is capable of being pronounced as a word (e.g. 'radar': RAdio Direction And Ranging). My impression of both iMSS and iSms is that they are abbreviations because each letter has to be enunciated separately. Visually, they contain identical letters, presented in combinations of upper and lower case. Both start with a small 'i'

and both end in an ‘s’ or ‘S’. The difference between them is that the middle two letters are reversed and that the opponent’s middle two letters are in capitals while the applicant’s are upper and lower case. Both marks consist of only four letters and are not capable of being pronounced as a word. ICX, in its counterstatement, argues that a difference in letter sequencing in a four letter mark is particularly noticeable by the average consumer. I take this to mean that a four letter mark is seen as relatively short, and therefore even one difference between the marks makes a big difference, proportionately. In terms of viewing the dominant components of the marks, no part of either mark stands out above another orally; visually, the small ‘i’ is more negligible than the remainder of the marks’ components.

20. In *Inter-Ikea Systems BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-112/06*, the Court of First Instance (CFI) considered the effect of a single letter difference between two four-letter marks: IKEA and IDEA (both presented with different figurative elements). The Court said:

“54 As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the only difference between them is the presence of the letter ‘d’ in the contested mark and the letter ‘k’ in the earlier word marks. However, the Court has already held in Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO)* [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them.”

In that particular case, the comparison was between words capable of pronunciation, one of which was also a dictionary word. I find there to be considerable visual similarities but I find aurally the similarity is greater. Both start with ‘i’ and when the individual letters of both are spoken separately, as they must be, the impression is of hearing first an ‘i’ and then a combination of ‘m’s and ‘s’s. The linguistic footprint is very similar. If the marks were true acronyms, then one letter difference in a four-letter mark may make a substantial difference, but I find that logic does not fit here.

21. ITALTEL also claims that neither mark has an inherent conceptual meaning. I differ from this view with regard to ICX’s mark. The applicant has stated in its counterstatement “Conceptually, the applicants’ mark recalls the well-known abbreviation SMS standing for “short messaging service” and referring to, particularly, the sending of text messages from mobile telephones.” The use of the letter “i” is, in my experience, commonly used to denote a variety of concepts in relation to technologically related goods i.e. interactive and intelligent. SMS is a standard abbreviation for short messaging service as stated by the applicant, i.e. texting. The CFI has considered how trade marks or parts of trade marks may have a conceptual connotation despite not being in themselves dictionary words. In *Usinor SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-189/05* the CFI referred to a “suggestive connotation”. In *Ontex NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 353/04* it referred to the “evocative effect” and in *Eurohypo AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-439/04* to the evoking of an idea (hypothek) for the average German consumer. I

have no doubt that in relation to the goods of the application SMS will evoke the idea of texting. In relation to both trade marks the lower case letter “i” will evoke interactive and/or intelligent. I do not consider that for the relevant consumer that the letters MSS, of the opponent’s trade mark, will have any conceptual association or evocative effect. Consequently, in relation to the first letter of the respective trade marks there is conceptual similarity. However, in relation to the last three letters there is conceptual dissimilarity. As the last three letters of the opponent’s trade mark will not have a ready conceptual association for the relevant consumer, there will, however, not be conceptual dissonance; as would be the case if these letters had a readily understand meaning.

### **Likelihood of confusion – conclusion**

22. ICX has stated in its evidence that it knows of no instances of confusion between the two marks. In *Compass Publishing BV v. Compass Logistics Ltd* [2004] RPC 41 at paragraph 26, Laddie J said:

“The reason why the rule of thumb referred to above does not give a safe indication of whether there is infringement in this case is because of the nature of the parties’ respective presences in the market. They are not in competition with each other. The business consultancy field is enormous. Indeed, on the basis of the evidence before me, the logistics section of the business consultancy field is enormous. The claimant’s core activities are not in the logistics field, the defendant’s are. Furthermore, even within that field, the defendant is a very small player, as will be explained below. In those circumstances it is not surprising that there has been no confusion in the market-place. To date the claimant and the defendant are in different parts of the market. This does not come close to imitating the notional world used for determining likelihood of confusion under Art.9.1(b).”

This is a principle that was confirmed by Warren J in *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch):

“99. There is a dispute between Mr Arnold and Mr Vanhegan whether the question of a likelihood of confusion is an abstract question rather than whether anyone has been confused in practice. Mr Vanhegan relies on what was said by Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at paragraphs 22 to 26, especially paragraph 23. Mr Arnold says that that cannot any longer be regarded as a correct statement of the law in the light of *O2 Holdings Ltd v Hutchison 3G Ltd* [2007] RPC 16. For my part, I do not see any reason to doubt what Laddie J says. *O2 v H3G* was a case considering infringement, not invalidity, and although there is of course some commonality between matters relevant to each, it is correct, in the context of infringement, to look only at the particular circumstances of the alleged infringement. In contrast, in cases of validity, it is necessary to look across the whole range of goods covered by the registration. The Court of Appeal was unimpressed by the suggestion that the abstract test applicable to validity applies in the case of infringement, but it did not give even a hint that

the validity test as understood was incorrect: see paragraph 34 of the judgment of Jacob LJ.”

Of course this was also the position of the Court of Appeal in *The European Ltd v. The Economist Newspaper Ltd* [1998] FSR 283 at p 291 and *Phones 4U Ltd v. Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45.) The matter was succinctly summed up by Millet LJ in the former case:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff’s registered trade mark.”

On the evidence provided, it would seem that the opponent is currently engaged in the corporate networking sector of the telecommunication market, whilst the defendant, to borrow Laddie J’s description, is currently a very small player in the consumer sector of that market. So it would be surprising if there had been instances of confusion. The absence of evidence of confusion tells me nothing. I have to decide what the position would be assuming notional use across the opponent’s specifications, which include the latter sector.

23. I have to weigh the proximity of the goods and services against the relative distance between the marks - the interdependency principle – whereby a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon*, supra). I have found that the respective marks’ goods and services are closely similar because they are complementary to such an extent that ICX’s goods, which its evidence suggests it sells via corner shops, need telecommunication equipment and services in order to operate.

24. In considering the likelihood of confusion it is necessary to bear in mind how the trade marks are likely to be used. In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the CFI stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

In my experience cards for purchasing telephone time are bought by oral request rather than by self-service purchase, where the nature of the purchase will be primarily by the eye. In considering the issue of aural confusion I bear in mind the findings of the ECJ in *Mühlhens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case C-206/04 P:

“21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.

22 Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.

35 That global assessment means that conceptual and visual differences between two signs may counteract aural similarities between them, provided that at least one of those signs has, from the point of view of the relevant public, a clear and specific meaning, so that the public is capable of grasping it immediately (see, to that effect, Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-0000, paragraph 20).”

Aurally and visually the marks share a good deal of similarity. The applicant’s goods are likely to be asked for orally at kiosks and other points of sale where it is customary to purchase ‘top-up’ phone cards. I have to bear in mind the potential effects of conceptual differences as per the judgment of the CFI in *Phillips-Van Heusen Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) [2004] ETMR 60:

“54 Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient – where the other mark does not have such a meaning or only a

totally different meaning – to counteract to a large extent the visual and aural similarities between the two marks.”

25. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion (*Sabel BV v Puma AG*). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a 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 mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (*Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585). Other than for the letter “i”, the earlier trade mark is neither allusive nor descriptive of the goods and services of the earlier registration. I am of the view that the earlier trade mark has a reasonable degree of distinctiveness.

26. Taking into account the likely nature of the purchasing process, the aural and visual similarities and bearing in mind the effects of imperfect recollection, I do not consider that the conceptual dissimilarity will obviate the likelihood of confusion. **I consider that there is a likelihood of confusion and that the application should be refused.**

### Costs

27. ITALTEL has been successful and is entitled to a contribution towards its costs. This case has largely been determined on a straight mark-to-mark, goods-to-services comparison. ICX’s evidence was very brief and the ITALTEL’s evidence did not greatly contribute to my overall determination. I award costs on the following basis, following the scale applicable when this opposition action was filed:

Opposition fee	£200
Notice of opposition and statement of grounds	£300
Considering counterstatement	£200
Filing evidence	£100
Written submissions	£200
TOTAL	£1000

28. Accordingly, I order ICX Europe Limited to pay to ITALTEL S.p.A the sum of £1000. 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 30<sup>th</sup> day of April 2008**

**Judi Pike  
For the Registrar  
the Comptroller-General**