

O-162-18

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK APPLICATION NO 3191839

IN THE NAME OF PURPLE TECHNOLOGIES (EUROPE) LIMITED

FOR

THE TRADE MARK

PURPLE

IN CLASS 38

AND

OPPOSITION THERETO (UNDER NO. 408294)

BY

PURPLE COMPUTING LIMITED

Background

1) Purple Technologies (Europe) Limited ('the applicant') applied to register PURPLE as a trade mark in respect of the following services:

Class 38: Telecommunication services; communication services for the electronic transmission of voices; transmission of data; electronic transmission of images, photographs, graphic images and illustrations over a global computer network; transmission of data, audio, video and multimedia files; simulcasting broadcast television over global communication networks, the Internet and wireless networks; provision of telecommunication access to video and audio content provided via an online video-on-demand service; satellite communication services; telecommunications gateway services.

2) The mark was applied for on 18 October 2016 and was published in the Trade Marks Journal on 30 December 2016. Notice of opposition was later filed by Purple Computing Limited ('the opponent'). The opponent claims that the trade mark application offends under section 5(2)(b) of the Trade Marks Act 1994 ('the Act'). The opponent relies upon the following:

- UK registration 2576140 for the mark PURPLE COMPUTING (which has a filing date of 24 March 2011 and was entered in the register on 29 April 2011) in respect of the following services in class 38:

Class 38: Advisory services related to telecommunications; telecommunications services; e-mail services; information services related to telecommunications; providing user access to the Internet.

3) The mark relied upon is an earlier mark in accordance with section 6 of the Act and, as it had been registered for more than five years before the publication date of the applicant's mark, it is subject to the proof of use requirements, as per section 6A of the Act.

4) The applicant filed a counterstatement denying the grounds of opposition and requesting proof of use of the earlier mark.

5) Only the opponent filed evidence. This comes from its Managing Director, James Christopher Hart. The applicant filed nothing beyond the counterstatement. This decision is made after careful perusal of the papers before me.

6) At the same time as filing its evidence, the opponent also made a request to add a ground of opposition under section 3(6) of the Act. The opponent states that the sole director of the applicant is Mr Michael Gleissner who holds over one thousand directorships. The opponent refers to a previous decision of this Tribunal (BL O/015/17) in which Mr Gleissner is said to have admitted that certain other companies he owns, or controls, have the objective to secure rights to brands in the form of domain names and trade marks that can be used for startups. The opponent therefore claims that the subject application was filed in bad faith as the applicant has no *bona fide* intention to use the mark. The request to add this ground was allowed. However, the parties were advised that a decision would first be issued on the section 5 grounds only. The claim under section 3(6) would be stayed pending the outcome of that decision. In the event that the opponent is unsuccessful under section 5, the ground under section 3(6) would be considered and dealt with as separate proceedings. An opportunity was given to both parties to object to that proposed course of action; no objection was made.

DECISION

Proof of use

7) Section 6A of the Act states:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

8) Further, Section 100 of the Act states:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

9) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He stated:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kameradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

10) Mr Hart explains that the opponent has continuously used the earlier mark since 2010 in relation to a range of telecommunication services. Turnover figures during the relevant period are: 2013 - £90, 911, 2014 - £188, 864, 2015 - £154, 258, 2016 - £182, 307. A selection of advertising and promotional material from the relevant period clearly bear the earlier mark. Screenshots of the opponent’s website www.purplecomputing.com are provided showing various telecommunication services being offered such as e-mail services and customer reviews. For a fixed annual fee, the opponent provides remote and on-site advisory and telecommunication support services. Numerous invoices are provided spanning the relevant period showing the earlier mark. Considering the evidence in the round, none of which has been challenged by the applicant, I find that it is sufficient to show that the earlier mark has been put to genuine use within the relevant period and, having regard for relevant guidance on the matter of determining a fair specification¹, I find that the opponent may rely upon its specification, as registered.

Section 5(2)(b)

11) Section 5(2)(b) of the Act provides that:

¹ *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10; *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220 [63-65].

“5. (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.”

12) The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU'): *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(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 be dominated by one or more of its components;

(f) however, it is also 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

13) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05 ('*Meric*'), the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

All of the applicant's services fall within the opponent's 'telecommunications services'. The respective services are identical in accordance with *Meric*.

Average consumer and the purchasing process

14) It is necessary to determine who the average consumer is for the respective services and the manner in which they are likely to be selected. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

15) Notionally speaking, the average consumer of both parties' services includes both the general public and businesses. They may be accessed in a variety of ways including both online and in bricks-and-mortar establishments. I would expect the selection to be primarily a visual one but the aural aspect is also borne in mind. The

level of attention paid is likely to vary. Generally speaking, I would expect a normal level of attention to be paid by the average consumer during the purchase.

Comparison of marks

16) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It would therefore be wrong, artificially, to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

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17) The applicant's mark consists of the word PURPLE in plain block capitals; the overall impression of the mark is based solely on that word. The opponent's mark contains the two words PURPLE COMPUTING. The word COMPUTING, whilst not negligible, is descriptive of the nature of the services covered by the earlier mark; it is the distinctive word PURPLE which strongly dominates the overall impression of the mark.

18) There is plainly a very high degree of visual, aural and conceptual similarity between the marks, notwithstanding the presence of the word COMPUTING in the opponent's mark which is absent from the applicant's mark. Overall, the marks are extremely similar.

Distinctive character of the earlier mark

19) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services 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 (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

20) Inherently, the mark PURPLE COMPUTING neither describes nor alludes to the services covered by the earlier mark in any way. I consider that it has an average degree of distinctiveness. The evidence before me is insufficient to show that the mark benefits from an enhanced degree of distinctiveness through the use made of it.

Likelihood of confusion

21) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

22) The respective services are identical and the marks are extremely similar overall. The average consumer is a member of the general public or a business user, who is likely to pay a normal degree of attention during the mainly visual purchase (although aural considerations are borne in mind) and the earlier mark has an average degree of inherent distinctiveness. Bearing all of these factors in mind, I have no hesitation in concluding that there is a likelihood of confusion.

23) As the opponent has succeeded under section 5(2)(b), there is no need to also deal with the separate claim and proceedings under section 3(6) of the Act.

24) The opposition succeeds. The application is refused.

COSTS

25) As the opponent has been successful, it is entitled to a contribution towards the costs it has incurred in these proceedings. The opponent requests that I take into

account the failure of the applicant to notify it of its intention not to attend the main hearing which led to the opponent requesting that the hearing be vacated at short notice. I have borne this request in mind but do not consider that any additional costs should be awarded to the opponent on the basis of that factor alone. Using the guidance in Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

Preparing a statement and considering the counterstatement	£300
Official fee	£100
Preparing evidence	£500
Written Submissions in lieu of a hearing	£300
Total:	£1200

26) I order Purple Technologies (Europe) Limited to pay Purple Computing Limited the sum of **£1200**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of March 2018

Beverley Hedley
For the Registrar,
the Comptroller-General