

O-215-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2650410
IN THE NAME OF VERTIGO (UK) LIMITED
IN RESPECT OF THE FOLLOWING TRADE MARKS IN CLASS 34:**

VO2

&

vo2

AND

OPPOSITION (NO 400375) THERETO BY O2 HOLDINGS LIMITED

THE BACKGROUND AND THE PLEADINGS

1) The series of trade marks **VO2** and **vo2** were filed by Vertigo (UK) Limited (“the applicant”) on 30 January 2013. They were published in the Trade Marks Journal on 8 March 2013 in respect of smokers’ articles and electronic cigarettes in class 34.

2) O2 Holdings Limited (“the opponent”) opposes the registration of the trade marks under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). Nine earlier trade marks are relied upon, the basic details of which are set out below. The table indicates whether the earlier marks are subject to the requirement to prove genuine use¹ and, also, whether they cover goods in class 34, the most relevant class for the section 5(2)(b) ground of opposition:

Number	Mark	Status	Proof of use required?	Class 34 covered?
CTM 5912316	DO THE O2	Registered	No	Yes
CTM 4347514	The O₂	Registered	No	Yes
CTM 9279456	O2	Registered	No	Yes
CTM 9062845		Opposed	No	Yes
CTM 7177363	O ₂	Registered	No	Yes
CTM 9053497		Opposed	No	Yes
CTM 9352337	02	Registered	No	Yes
UK 2279371		Registered	Yes	No
UK 2296255		Registered	Yes	No

3) The first three marks in the table are pleaded under section 5(2)(b) only, the remaining six are pleaded under sections 5(2)(b) and 5(3). For the marks pleaded under section 5(3), the opponent claims a reputation only in relation to goods/services in classes 9, 39 and 41.

¹ The proof of use provisions set out in section 6A of the Act provide, in summary, that an earlier mark which has been registered for five years or more (measured at the date on which the new trade mark was published in the Trade Marks Journal) may only be relied upon to the extent to which it has been genuinely used. If the mark is not subject to the proof of use provision then it may be relied upon for all of its goods/services.

4) The applicant filed a counterstatement denying the grounds of opposition. In summary, its defence is based on:

- i) The marks being distinct and bearing no resemblance to each other.
- ii) The marks which are subject to the proof of use have not been used on class 34 goods.
- iii) The opponent unfairly creating barriers for prospective businesses unrelated to its own activity.

5) The applicant put the opponent to proof of use in relation to the two marks which are subject to those requirements. However, the request was made in relation to class 34 goods, goods which are not covered by those registrations. The consequence is that the opponent has not been put to proof in relation to the goods/services for which those marks are registered and they may be relied upon accordingly.

6) Both sides filed evidence. The matter came to be heard before me on 14 April 2014 at which the applicant was represented by its accountant, Mr Harish Ramchandani; the opponent was represented by Mr Julius Stobbs of Stobbs.

THE EVIDENCE

7) The opponent's evidence comes from Ms Amanda Clay, head of brand management of Telephonica Europe Plc, a subsidiary company of the O2 Group, which includes the opponent. Ms Clay's evidence details the use and history of the O2 brand. It is clear that O2 is a well-known name in the telecommunications field. Her evidence focuses on other activities, but, for the time being, it is not necessary to detail this. One point to note is that nowhere in the evidence is there any use of the earlier marks in relation to class 34 goods.

8) The applicant's evidence comes from Mr Mohan Mulchandani, a director of the applicant. It contains no evidence of fact. Mr Mulchandani merely repeats what was stated in the counterstatement and he refers to parts of the opponent's evidence highlighting that there is no use in relation to class 34 goods.

SECTION 5(2)(b) OF THE ACT

9) Section 5(2)(b) of the Act reads:

“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.”

10) 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 cases¹:

(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."

The opponent's best case

11) The opponent pleaded nine earlier marks. At the hearing I indicated to Mr Stobbs that CTM 9279456 appeared to represent the opponent's strongest case. He did not disagree with this assessment, but added that CTM 4347514 (THE O2) was also relevant because whilst there was a further visual difference (the addition of the definite article), it was aurally closer ("the" being aurally similar to "v"). I will begin by considering 9279456. The conflict is, essentially, as follows:

The applicant's mark/goods	The opponent's mark/goods
VO2/vo2	O2
Smokers' articles, electronic cigarettes	Tobacco; smokers' articles; matches

The notional test

12) The assessment is to be made on a notional basis. I must consider the notional and fair use of the applied for marks for their goods against the notional and fair use of the earlier mark for its goods. In its evidence the applicant highlighted that the opponent has not traded in class 34 goods. On the basis of the evidence, this is true. However, put at its simplest, this does not matter. The earlier mark is not subject to proof of use. It may be relied upon for its specification as registered, including class 34 goods. The applicant has stated in its counterstatement that the opponent is unfairly creating barriers in a field which is unrelated to its core business. This is not a relevant factor in deciding whether there exists a likelihood of confusion. The earlier mark has a presumption of validity and the opponent is fully able to rely upon it in these proceedings.

The average consumer

13) The average consumer is deemed to be reasonably observant and circumspect. However, the degree of care and attention used during purchase can vary depending on what is involved. The average consumer is a member of the general public who, in most circumstances, will be a smoker, be it a smoker

of tobacco products or a user of electronic cigarettes. A reasonable degree of care and consideration will go into the purchasing process, although, it is no higher than that. In relation to smokers' articles such as lighters and matches, the goods will often be self selected from a shelf, or the online equivalent. The same applies to electronic cigarettes. However, such goods are also often sold alongside traditional tobacco products and could therefore be sold over the counter. Thus, both the visual and aural aspects of the marks are important. The earlier mark also includes tobacco per se, which is most often sold over the counter.

Comparison of goods

14) The applied for smokers' articles are, self-evidently, identical to the smokers' articles in the earlier mark. In relation to the applied for electronic cigarettes, Mr Stobbs argued that they were, essentially, a type of smokers' article and, therefore, they were identical to the goods covered by the earlier mark given that the term covers all types of smokers' articles. Mr Ramchandani argued that an electronic cigarette was not a smokers' article and was, in fact, a distinct product.

15) A normal and realistic view of the term smokers' articles would include any article used by a smoker. Whilst this may normally be understood as denoting matches, lighters, pipes etc, I have no reason to doubt that electronic cigarettes would not also fall into this category. It is an article used by a smoker, sometimes used instead of a traditional cigarette. It may be an electronic smokers' article, but this is simply a subset of the term. I conclude that the goods are identical. However, I also agree with Mr Stobbs that even if this is not correct an electronic cigarette would still be highly similar to tobacco (in view of the users, purpose, competitiveness and trade channels) and smokers' articles (in view of users, purpose, complementarity and trade channels).

Comparison of the marks

16) 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. I will firstly compare the earlier mark with the first mark in the applied for series:

VO2 v O2

17) From a visual perspective, there is some similarity given that the letter and number combination "O2" is shared by both marks in the same order, although, this similarity is reduced by the additional V in the applicant's mark, which also gives the applicant's mark greater length. The difference is also at the beginning of the marks which, although just a rule of thumb, is another point to bear in mind. Another rule of thumb is that differences may stand out more in short

marks than they would in longer ones - this also is borne in mind. I do not regard the marks as highly similar. Nevertheless, there is still a reasonable amount of similarity between them from a visual perspective.

18) From an aural perspective, the O2 mark will be pronounced as OH-TWO. Mr Ramchandani submitted that VO2 would be pronounced as VOE-TWO whereas Mr Stobbs argued that it was VEE-OH-TWO. Even on Mr Ramchandani's submission the marks are aurally similar, the end (TWO) sound being the same and the beginning sounds being quite similar (VOE/OH). There is also aural similarity from the perspective put forward by Mr Stobbs, a perspective which I consider to represent the most likely form of articulation; the pronunciations will be VEE-OH-TWO versus OH-TWO. I consider the degree of similarity to be reasonable.

19) On a conceptual basis, O2, despite the 2 not being in subscript, will nevertheless be perceived as the formula for oxygen. Mr Stobbs argued that the O2 in VO2 will be perceived in the same way, citing a number of cases where this had been held for marks which incorporated O2 with added matter (involving the marks XO2, HO2 and O2£, all stylised). Mr Ramchandani's submission that VO2 would be seen and heard as VO-2 consequently goes against this submission. The cases cited by Mr Stobbs were determined on their own merits, I must consider the merits of the case before me and whether the average consumer will see VO2 and come to the conclusion that O2 within that mark is a reference to the element oxygen. In my view it would be unsafe to come to that conclusion, requiring what I would regard as an unlikely process of analysis. In view of this, there is no conceptual similarity and, in fact, a degree of difference.

20) In relation to the comparison with the second mark in the applied for series, I consider there to be no material difference in the assessment. This is particularly so given that the notional use of the second mark will include the form of the first mark. Even if this were not so, the lower casing does little to change the way in which the marks will be seen, heard or perceived. Whilst it could be argued that the lower casing of "vo" gives more focus to that part of the mark, I still feel it will be perceived as v-o-2.

The distinctiveness of the earlier mark

21) 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 earlier mark will be understood as denoting oxygen. Such a word has no obvious relationship with the goods and no evidence has been presented to the contrary. The earlier mark has a reasonable degree of inherent distinctive character. There is no use of the mark in relation to these goods so there is no enhancement of distinctive character.

Likelihood of confusion

22) 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.

23) The goods are identical. This is an important point because a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods. The earlier mark is reasonably distinctive. The average consumer will adopt a reasonable level of care and attention, but not a heightened one. The concept of imperfect recollection must be borne in mind. Average consumers rarely have the chance to compare marks side by side and must rely instead on the imperfect picture of them kept in mind. Bearing all these factors in mind, I consider that the average consumer may well miss-recall VO2/vo2 as O2 or vice versa. Whilst there may be a conceptual difference, it does not always follow that this is sufficient to overcome the visual and aural similarities between the marks. **I consider that there is a likelihood of confusion and the opposition under section 5(2)(b) succeeds.** I should add that even if the goods were not identical, the high degree of similarity would still have led me to conclude that there was a likelihood of confusion.

24) In relation to the mark THE O2, I consider that the opposition would also have succeeded on this basis. Even though the addition of the definite article creates a further point of visual difference, it is a difference which will have little distinguishing impact given the nature of that word, more focus being placed on the O2 element instead. Further, as Mr Stobbs submitted, there is greater aural similarity in that THE-OH-TWO is very similar to VEE-OH-TWO.

THE OTHER MARKS AND OTHER GROUND

25) I have proceeded on the opponent's best case(s) under section 5(2)(b). It is therefore not necessary to comment upon the other earlier marks in this regard. Furthermore, I do not consider it necessary or procedurally economical to consider the ground under section 5(3); it does not, in my view, represent a stronger case and does not advance the opponent's position.

COSTS

26) Neither side asked for costs other than from the standard scale. The opposition having succeeded, I consider it appropriate to make an award in favour of the opponent on the basis of the standard scale:

Official fee
£200

Preparing a statement and considering the other side's statement
£300

Filing and considering evidence
£600

Attending the hearing
£400

27) I hereby order Vertigo (UK) Limited to pay O2 Holdings Limited the sum of £1500. This should 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 16th day of May 2014

Oliver Morris
For the Registrar,
The Comptroller-General

ⁱ 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).