

O-300-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3161739
BY CAPETUNE LIMITED
TO REGISTER THE TRADE MARK**

Capetune DPH500

IN CLASS 9

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 407582 BY NICHOLAS ANTONY APPLEBY**

BACKGROUND

1. On 27 April 2016 Capetune Limited (“the applicant”) applied to register the trade mark Capetune DPH500 for *telephones* in class 9.

2. The application was accepted and published for opposition purposes on 22 July 2016.

3. The application is opposed by Nicholas Antony Appleby under Section 5(2)(b) of Trade Marks Act 1994 (“the Act”), for the purpose of which he relies upon UK trade mark registration no. 3126606 for the mark DPH500 which has a filing date of 11 September 2015 and a registration date of 11 December 2015. Mr Appleby relies upon all the goods and services for which the mark is registered, namely:

Class 9: Cellular mobile telephones; Cellular phones.

Class 38: Cellular communications services; Cellular telephone communications; Cellular telephone services; Cellular radio telephone services; Cellular telecommunications services; Cellular telephone communications services; Communication services (cellular telephone -); Cellular telephone communication; Communications by cellular phones.

4. Mr Appleby claims that because of the similarity between the opposed mark and the earlier mark and the identity or similarity between the goods of the opposed mark and those of the earlier mark, there exists a likelihood of confusion. Mr Appleby’s grounds of opposition initially included multiple objections based on Sections 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”), however, as he failed to file any evidence, these claims were subsequently struck out. The opposition proceedings, therefore, continued solely on the basis of the objection based upon Section 5(2)(b).

5. The applicant filed a counterstatement in which it denies the grounds of opposition and puts Mr Appleby to proof of use. It states:

I deny the grounds of this opposition No: OP000407582 to the extent that 'DPH500' is not the name of a product that is produced or manufactured by any company and on the grounds that I have been using the name 'Capetune DPH500' over 3 years before Mr Appleby decided to trademark the name 'DPH500'. I believe that if Mr Appleby has the right to register the name 'DPH500' based on the fact that he is sells his KAERT 1000 GSM Desktop Phone under this name, Capetune Limited should also have the right to register the name 'Capetune DPH500' because I sell the KAERT 1000 GSM Desktop Phone under the name 'CAPETUNE DPH500' for over 3 years.

I also deny the grounds of this opposition No: OP000407582 to the extent that 'DPH500' is a globally used name used by many companies to sell the KAERT 1000 GSM Desktop Phone and based on this, Capetune Limited should also have the right to register the name 'Capetune DPH500'.

Many other companies including Capetune limited sell the KAERT 1000 GSM Desktop Phone as DPH500 and have been doing so for many years before Mr. Appleby decided to trademark the name. See below for links to some of this companies on google. Many more can be found on google search.

The KAERT 1000 GSM Desktop Phone sold as DPH500 on Mr Appleby's website
<http://www.dph500.co.uk/>

The KAERT 1000 GSM Desktop Phone sold by another company as DPH500,
http://www.kammunicagroup.com/?lightbox=image_u4m
<http://nicklockley.wixsite.com/computer-shop-1/blank-t1qw8/8fe8f05f-951e-1563-b917-88adf8284543>
<http://picclick.co.uk/DPH500-GSM-Auto-Dialler-Phone-222301119239.html>

6. In these proceedings Mr Appleby is represented by Trademark Eagle Limited; the applicant is not professionally represented.

7. Neither side filed any evidence. A hearing was neither requested nor considered necessary. Neither side filed written submissions.

DECISION

8. Section 5(2)(b) of the Act reads:

“5(2) A trade mark shall not be registered if because –

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

9. An earlier trade mark is defined in Section 6 of the Act, which states:

“6.-(1) In this Act an “earlier trade mark” means –

- (a) a registered trade mark, international trade mark (UK) or 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.

10. Given its date of filing, Mr Appleby's trade mark constitutes an earlier trade mark under the provisions in Section 6(1) of the Act. Although the applicant requested Mr Appleby provide proof of use, the earlier mark is not subject to the proof of use provisions contained in Section 6A of the Act because it had not been registered for five years or more at the publication date of the opposed application. Mr Appleby can, therefore, rely upon all of the goods and services he has identified, without demonstrating that the mark has been used.

Section 5(2)(b) - case-law

11. The following principles are gleaned from the decisions of the EU courts in *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:

- (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 greater 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Preliminary issue

12. The applicant refers, in its counterstatement, to having used the mark before Mr Appleby applied for the earlier mark. The issue of earlier use has no bearing upon the instant proceedings. Tribunal Practice Notice 4/2009, outlines the approach. It states:

The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark

[...]

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark."

13. As far as I am aware, at no time did the applicant seek to invalidate Mr Appleby's earlier mark, thus, the potential existence of a prior right is irrelevant to the issue I have to decide.

Comparison of goods

14. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the Court stated at paragraph 23:

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

15. The parties’ goods and services are as follows:

Applicant’s goods	Mr Appleby’s goods and services
Class 9: Telephones	<p>Class 9: Cellular mobile telephones; Cellular phones.</p> <p>Class 38: Cellular communications services; Cellular telephone communications; Cellular telephone services; Cellular radio telephone services; Cellular telecommunications services; Cellular telephone communications services; Communication services (cellular telephone -); Cellular telephone communication; Communications by cellular phones</p>

16. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court (GC) 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 fur 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”.

17. The earlier mark covers *cellular mobile telephones* which clearly fall within the ambit of the applied for *telephones* and must, therefore, be considered identical on the principle outlined in *Meric*.

The average consumer and the nature of the purchasing act

18. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods and services at issue. I must then determine the manner in which these goods and services will be selected in the course of trade. 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.”

19. The goods at issue are telephones. The average consumer of the goods is the general public. Whilst I accept that the degree of attention may vary depending on the cost and technical features of the goods (for example mobile phones are normally more expensive and technically complex than normal house phones), the average consumers will pay at least an average level of attention during the selection process. The goods will be perused through media such as brochures, websites, shops etc. This suggests a selection process that is more visual than aural. I do not, however, ignore the aural impact of the marks as sales advisors could be involved given the technical nature of the goods.

Distinctive character of earlier mark

20. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, 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).”

21. Whilst I note the applicant’s comments in relation to the string DPH500 being used by many companies to sell the KAERT 1000 GSM Desktop Phone, there is no evidence to support that statement. If the applicant wished the content of the website links referred to in its counterstatement to be considered, it should have introduced that material as evidence. I therefore reject the argument that the average consumer will understand the sign DPH500 as denoting the name of the goods.

22. Mr Appleby has not claimed that the earlier mark has an enhanced distinctive character through use and has filed no evidence in this regard. I therefore have only the inherent position to consider. The earlier mark consists of the string DPH500.

The mark does not appear to be suggestive or allusive of the goods concerned. It is true that the string DPH500 could potentially be seen as a product code and does not create a highly distinctive trade mark; but that does not necessarily means that it has a low degree of distinctive character. In my view the earlier mark has a normal degree of distinctive character.

Comparison of marks

23. 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 them, 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.”

24. It would be wrong therefore 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 impression created by the marks. The marks to be compared are:

Application	Earlier mark
Capetune DPH500	DPH500

Overall impression

25. The earlier mark consists of the alphanumeric string DPH500 presented in a plain upper-case font. I do not think that any of the particular letters or number(s) dominate the others. The overall impression of the mark will be of an alphanumeric string and its distinctiveness rests in its totality.

26. The applied for mark consists of the word Capetune presented in title case, followed by the alphanumeric string DPH500. The word Capetune is not a dictionary word and will be perceived as invented. Given that Capetune appears at the beginning of the mark, it contributes slightly more weight to the overall impression. That said, the string DPH500 also makes an important contribution to the overall impression, and, given my findings above that DPH500 is not a known term for goods falling within the specification, I consider that it is likely to be regarded as an independent distinctive element of the mark.

Visual and aural similarity

27. Visually and aurally, the applied for mark has a medium degree of visual and aural similarity to the earlier mark. This is because DPH500 is the only element of the earlier mark and it appears as a standalone element at the end of the applied for marks, preceded by the element Capetune.

Conceptual similarity

28. Conceptually, there is no evidence supporting the meaning of either mark or of any part of the marks. If there is any conceptual similarity between the marks, it will therefore be based upon the presence in both marks of the shared element DPH500 and its concept of being an alphanumerical string. Whilst the element Capetune has no counterpart in the earlier mark, it will be perceived as an invented word and, as such, will convey no concept. In *L.12.12 v 11.12*¹ Daniel Alexander QC sitting as the Appointed Person held:

¹ BL 469/17

“20. At para. [58], the hearing officer commented on the impact of conceptual similarities on the assessment of whether confusion was likely, saying that “the fact that neither of the strings in question has a particular significance means that there is no specific conceptual hook to use as a point of recollection”. Taken as a whole, the hearing officer neither considered that there was particularly great conceptual similarity nor that it was of overwhelming significance in the evaluation of whether confusion was likely.

21. The applicant contends that the only factor giving rise to any conceptual connection is that the marks are both alphanumeric/numeric strings and that the hearing officer should not have concluded that there was a “moderate” degree of conceptual similarity but instead that there was no or very low similarity.

I am not persuaded by this criticism. It is often difficult to express precisely why two marks share conceptual similarity where such similarity as there is may exist at a rather abstract level. That is partly because such marks do not denote any particular thing or have a particular informational content. Such marks may be, in some sense, nonsensical, but may nonetheless be nonsensical in a similar way. That, in effect, was what the hearing officer held. The hearing officer did not draw particular attention, in this aspect of his evaluation, to the fact that both marks included the element “.12”, albeit at the end of the mark, and could both be seen as (in essence) “n.12” with the L being treated as somewhat separate element, although he appears to have had this in mind from his evaluation of the visual similarities. Overall, the hearing officer was entitled to find that there was a moderate level of conceptual similarity and did not fall into error in so doing.”

29. Accordingly, I find that although the shared element DPH500 creates some conceptual similarity, this is not particularly strong. In my view the marks are conceptually similar to a moderate (below average) degree.

Likelihood of confusion

30. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

31. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and services come from the same or a related trade source). This distinction was summed up by Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

32. Earlier in my decision, I found that the average consumer is unlikely to perceive the string DPH500 as denoting the name of the goods. Therefore, I must proceed on the basis that DPH500 is a distinctive component in both marks.

33. I remind myself that the goods at issue are identical, that the marks are visually and aurally similar to a medium degree and conceptually similar to a moderate degree. The earlier mark has a normal degree of distinctive character. While Capture is slightly more dominant than DPH500 in the applied for mark, DPH500 is the only component of the earlier mark and a distinctive independent component of the applied for mark². Even if the presence of the word Capetune in the applied for mark will be noticed, it will not avoid indirect confusion. Taking into account all of the relevant factors, my conclusion is that the presence of the common feature DPH500 in the applied for mark will result in the average consumer seeing the applied for mark as some form of variant brand of the earlier mark and believing that the respective goods are offered by the same or economically connected undertakings. **There is a likelihood of indirect confusion.**

Conclusion

34. The opposition has succeeded. Subject to appeal, the application will be refused.

COSTS

35. Mr Appleby has been successful and is entitled to an award of costs. Awards of costs are governed by Tribunal Practice Notice ("TPN") 2/2016. I award costs to Mr Appleby on the following basis:

Official fee:	£100
Preparing the notice of opposition and considering the counterstatement:	£200
Total:	£300

² *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04

36. I order Capetune Limited to pay Nicholas Antony Appleby the sum of **£300**. 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 day 17th of May 2018

Teresa Perks

For the Registrar

The Comptroller – General

