

O-347-13

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2587164**

**BY MARY LAU**

**TO REGISTER THE TRADE MARKS (A SERIES OF TWO):**

**118EAT**

**AND**

**118eat**

**IN CLASSES 35 AND 38**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 102987**

**BY CONDUIT ENTERPRISES LIMITED**

**Mr Henry Ward of counsel (instructed by Bird & Bird LLP) for the opponent.  
Mr Aubrey Craig of counsel (instructed by Ms Lau) for the applicant.  
Hearing date: 8 July 2013.**

1) On 8 July 2011 Mary Lau applied to register a series of two trade marks:

118EAT

118eat

2) The application was published on 11 November 2011 with the following specification:

*business information; business enquiries; compilation of information into computer databases; marketing research; compilation, provision, storage and retrieval of business and commercial information; telephone answering services and message handling services; compilation of business directories; database management services; compilation of information into databases and interactive databases; on-line Internet information, advisory and consultancy services all relating to the aforesaid services;*

*telephone directory enquiries, Internet and mobile communications services; telecommunications services; message sending; on-line information relating to the aforesaid services.*

The above services are in classes 35 and 38 respectively<sup>1</sup> of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) Conduit Enterprises Limited (Conduit) filed a notice of opposition to the registration of the trade marks. Conduit relies upon sections 3(6), 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act).

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<sup>1</sup> As per the Classification Guide of the Intellectual Property Office (IPO):

In order to allow efficient searching of trade marks the UK uses “The International Classification of Goods and Services”, also known as the “Nice Classification”. The International Classification is administered by the World Intellectual Property Organisation (WIPO) and is used by over 140 countries throughout the world and by organisations such as The Office for Harmonization in the Internal Market (OHIM). Of these countries 78 are party to the Nice Agreement and 68, although not party to it, use the Nice Classification for their classification purposes. The system comprises 45 classes and groups together broadly similar goods or services into categories which assists the registry carrying out efficient searches of the register. Classes 1 – 34 contain goods and classes 35 – 45 contain services. It also allows businesses to check whether there are registered marks that conflict with marks they are using, or propose to use, in respect of particular goods or services. Whilst classification may be seen as an administrative tool its importance to applicants in relation to determining the boundaries of infringement rights cannot be stressed too highly. If the classification of the goods or services on an application is made incorrectly, the validity of any rights stemming from a subsequent registration might be called into question at a later date. This could result in a mark being the subject of proceedings to remove it from the register.

4) Proceedings are governed by the Act. The Act implements, inter alia, Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive) (as it is now). Consequently, interpretation of the Act is made on the basis of judgments of the Court of Justice of the European Union (CJEU) and the General Court (GC), both with their seats in Luxembourg, as well as those of the courts in the United Kingdom. All of the judgments of the GC (previously the Court of First Instance) and the CJEU can be found at the url:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>

Decisions of the GC have the prefix T and those of the CJEU the prefix C.

Decisions of the appointed persons, who are one of the two fora for appeal from decisions of the registrar, can be found on the website of the Intellectual Property Office at the url:

<http://www.ipo.gov.uk/types/tm/t-os/t-find/t-challenge-decision-results.htm>

Decisions of the appointed persons can be identified by the prefix BL (decisions of the registrar also have this prefix). (The other fora for appeal are the High Court and the Court of Session in Scotland.)

Where available, the urls for judgments of the courts of England and Wales have been given.

5) Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

Section 5(2)(b) of the Act states:

“(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.”

Section 5(3) of the Act states:

“(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in

the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

6) In relation to section 3(6) of the Act, Conduit claims that Ms Lau is the proprietor of United Kingdom registration no 2395645 of the trade mark 118EAT in respect of exactly the same services. The trade mark was registered more than five years ago, on 7 April 2006, and is, therefore, vulnerable to revocation for non-use. Conduit states that it is not aware that the trade mark has been put to use and believes that the current application was made in bad faith because Ms Lau had no intention of putting the trade mark into use. Conduit states that it believes that the current application was made to avoid the application of section 46(1)(a) of the Act. It claims that “such practices” clutter the register with unused trade marks, blocking others from using trade marks which they would otherwise be entitled to use and defeating the purpose of section 46(1)(a) of the Act.

7) Ms Lau has denied the grounds of opposition and required proof of use, where appropriate, as per section 6A of the Act<sup>1</sup>, for the period from 12 November 2006 to 11 November 2011.

8) In relation to sections 5(2)(b) and 5(3) of the Act, Conduit pleaded a number of trade mark registrations and claimed use and reputation in respect of all the specifications for which the trade marks are registered. Mr Ward submitted that Conduit’s best case lies with the trade marks 118 and 118.COM and so these are the trade marks that will be considered. Mr Ward also conceded that the evidence filed in these particular proceedings only showed use in relation to 118 in relation to telephone directory enquiry services (presuming that there has been genuine use of 118). Community trade mark registration no 3980653 for 118.COM was filed on 11 August 2004 and the registration procedure was completed on 22 December 2008; consequently, it is not subject to proof of use. Mr Ward relied upon the class 35 and 38 services of the registration. Mr Craig accepted the identity or substantial similarity of the respective services. The class 35 and 38 services of 653 are:

*business appraisals; business management assistance; professional business consultancy; business information; business inquiries; business investigations; business management and organisation consultancy; business organisation consultancy; business research; commercial or industrial management assistance; compilation of information into computer databases; systemisation of information into computer databases; economic forecasting; organisation of exhibitions for commercial or advertising purposes; advisory services for business management; personnel management consultancy; marketing research; marketing studies; opinion polling; organisation of trade fairs for commercial or advertising purposes; publication of publicity texts; statistical*

*information; consultancy relating to advertising, business acquisitions, business document management, business efficiency, business management, business organisation, business planning, data processing, management selection, marketing, personnel management, personnel recruitment, public relations, the establishment and running of businesses, the organisation of promotional campaigns for business, the preparation of business statistics and the selection of personnel, information and advisory services all relating to the aforesaid services; radio and television advertising; compilation, provision, storage and retrieval of business and commercial information; telephone answering services and message handling services; production, preparation and presentation of advertising matter; compilation of business directories; market analysis and research; compilation and transcription of data; preparation of business reports; sales promotion; database management services; compilation of advertisements for use as web pages; business information, advertising and promotional services provided on-line from a computer database or by means of web pages on the Internet; compilation and systematization of information into computer databases; services relating to compilation of information into computer databases; computerised database management;*

*communications by computer terminals; communications by telephone; electronic mail services; facsimile transmission; message sending; computer aided transmission of messages and images; communication services and information services relating thereto; telecommunication of information including web pages; electronic transmission of financial services information; providing access to business and management consultancy services over the Internet and similar electronic mail and electronic communication services; communication services all provided on-line from a computer database or from the Internet: information services provided online from a computer database or from the Internet relating to the provision of directory enquiry services; transmission and retrieval of voice messages; mobile telephone and telephone communication services; telecommunications services; telecommunications services between computer networks; telecommunications services for providing access to computer databases and for the distribution of data; Internet services provider, transmission and reception of data and of information; on-line information services relating to the provision of directory enquiry services; data interchange services; transmission services relating to computers and the Internet; communication by computer terminals; provision of telecommunications access and links to computer databases and the Internet; electronic transmission of news, information, messages or images; providing access to news and information over the Internet and other computer networks; and information services relating to the foregoing; digital communications services; remote data access services; electronic data interchange services; data communications services; telephone messaging services.*

9) The two 118 registrations, United Kingdom registration no 2238649 and Community trade mark registration no 1763507, are both subject to proof of use.

Owing to the concession of Mr Ward, it is only necessary to consider these registrations, subject to use being proved, in relation to telephone directory enquiry services.

*Witness statement of Colin Lewis of 21 August 2012*

10) Mr Lewis is the European Marketing Director of Conduit.

11) Conduit is an Irish Company. In 2006 Conduit became part of the kgb group of companies. Conduit is a wholly owned subsidiary of The Number UK Ltd via a holding company, Investexx Technology Holdings Limited. kgb group's United Kingdom business is operated under Conduit's wholly owned subsidiary 118 Ltd and The Number UK Ltd. 118 Ltd operates the directory enquiry (DQ) numbers 118 888 and 118 848 and The Number UK Ltd operated the DQ numbers 118 118 and 118 811 for national enquiries and 118 661 for international enquiries and the website www.118.com. 118 118 is the most frequently called number in the United Kingdom; in 2011 there were 45 million callers, of whom 10 million were unique callers. (The date of the filing of the application for registration was 8 July 2011.) Figures are given for call and text volumes in the United Kingdom and Ireland for 2006 to 2011. The telephone number for Ireland is 118 50. These figures give information about telephone numbers called, they do not give information about the use of the trade marks upon which Conduit relies.

12) Exhibited at CL-2 is material downloaded from the Internet on 14 August 2012 in relation to a 118 app. As this material emanates from almost a year after the date of the filing of the application, it is not pertinent to the proceedings. Exhibit CL-3 consists of material from 118.com, downloaded on 20 August 2012, again long after the date of application.

13) Exhibited at CL-4 are printouts from the WaybackMachine in relation to the website 11850.ie and 118.com. Mr Lewis describes the former as the 118.ie website; which it is not. The pages refer to 11 850, with a space between the 11 and 850. The exhibit includes pages from 118.com for 31 March 2002, 3 June 2002, 30 November 2002, 3 February 2003 (in which reference is made to "11 88 88 Britain's new directory enquiry service"), 20 December 2002, 1 April 2003 (promoting 11 88 88), 4 February 2004 (promoting 11 88 88), 4 August 2004 (this shows 118 and then gives details of the various national telephone numbers: 11850, 11 88 88, 1850, 118811, 11850), 28 February 2005 (with effectively the same content as 4 August 2004), 8 July 2005 (which includes "about 118" and "118 Limited is the new face of directory enquiries and information services in the UK), 28 February 2006, 29 April 2006, 29 October 2006, 29 November 2006, 3 March 2007, 8 April 2007 (118 118 appears), 8 July 2007 (118 118 appears), 8 May 2008 (118 118 appears), 16 December 2008 (118 118 appears), 23 February 2009 ("Enjoy today's 118118 carton), 26 November 2009 (call 118 118 appears), 3 February 2010 (call 118 118 appears, on page 57 "View 118 for your country" appears). Very little content appears in the printouts. At page 35 (from

8 July 2005) Conduit advises that it provides “a broad range of Directory Enquiry (DQ) services”. From 28 February 2008, advertisers are encouraged to advertise on the 118.com website. From 8 May 2008, 118.com offers services such as train times, details of films and booking online. The website gives details of services in the United Kingdom, Italy, France, Ireland, Switzerland, United States, Spain and Austria.

14) CL-5 consists of pages from 118.ie from the WaybackMachine: 27 March 2006, 17 December 2007 (reference to 118 50), 24 August 2008 (reference to 118 50), 10 November 2010 and 3 April 2011 (references to 118 50 and 11860, “View 118 for your country”).

15) Mr Lewis states that, in relation to the websites, Conduit has provided advertising services to businesses and “related business and consultancy services”. He states that between 2006 and 2011 these services have generated approximately £23.2 million of revenue in the United Kingdom, €3.21 million of revenue in Ireland and €10.103 million of revenue in France.

16) Exhibited at CL-11 and CL-12 are statistics in relation to the web traffic and ranking of 118.com and 118.ie from alexa.com. The figures appear to relate to the 30 days prior to 14 August 2012; and so after the date of application. The reports from alexa.com state that 118.com is ranked 1,887 in traffic from the United Kingdom and that 65% of visits to the site consist of only one page view (ie are bounces). It is estimated that 73% of visitors are from the United Kingdom. 118.ie is ranked 2,273 in Ireland. Approximately 75% of visits to the website are bounces and 83% of visitors are from Ireland. The 118.com website had 2,869,066 unique visitors in 2008, 2,493,181 in 2009, 2,115,621 in 2010 and 6,949,194 in 2011. The 118.ie website had 20,434 unique visitors in 2006, 180,965 in 2007, 182,091 in 2008, 188,153 in 2009, 188,810 in 2010 and 654,485 in 2011.

17) The domain names 118.co.uk and 118.fr are registered to Conduit. Since 2005 the former has redirected to 118.com and since 2007 the latter has redirected to 118218.fr.

18) Company accounts for Conduit and The Number UK Limited are exhibited, these are limited assistance in relation to the use of trade marks, as they do not divide revenue by trade marks and the services provided in relation to the trade marks.

19) The French company, 118 218 Le Numero, and the Austrian kgb company, 118811 Die Nummer GmbH, are wholly owned subsidiaries of Conduit. They supply directory enquiry services in their respective countries under the numbers included in their names.

20) Mr Lewis refers to Conduit advertising under 118 trade marks. It is not clear what is meant by this; this could refer to 118 on its own or 118 combined with the other matter eg 118.com.

21) Conduit's advertising expenditure in Ireland was €0.87 million and €1.02 million in 2010 and 2011 respectively.

22) The Number UK Ltd spent £10.4 million, £6.7 million and £7.69 million on advertising in the United Kingdom in 2008, 2010 and 2011 respectively. The television advertising reached 90% of the adult population in 2009; with each adult "having 30 opportunities to see the advertising"; these figures increased to 92% and 40 opportunities in 2010 and 93% and 43 opportunities in 2011.

23) kgb group's advertising expenditure in France was €6.2 million and €6.05 million in 2010 and 2011 respectively. The advertising expenditure in Austria was €384,000 and €242,000 in 2010 and 2011 respectively.

24) Mr Lewis states that Conduit and its group companies' advertising is particularly renowned for having two men with moustaches; whom he states are commonly referred to as the 118 twins, wearing items of clothing with 118. There is no evidence that they are referred to "commonly" as the 118 twins. It is difficult to see why this would even be the case in other jurisdictions as one person wears 118 and the other another number eg 50 or 218. The combined numbers are the numbers that can be rung to obtain DQ services. Examples of the United Kingdom and Irish gentlemen are shown below:



25) Extensive advertising campaigns have been run using such characters. The characters appear on the various websites of Conduit and its group companies' websites. (Exhibited at CL-16 are examples downloaded from after the date of application.) The characters have appeared in television, radio and press advertising, outdoor advertising in person, on bus stops, on buses and taxis, at train stations, on the London underground and on the Internet. The advertising was originally launched in February – March 2003 using the two men dressed as runners; the characters have subsequently appeared in a range of guises.

26) Prints from YouTube showing various advertisements are exhibited at CL-17. Certain of the advertisements are plays on popular films eg *Ghostbusters* and *Rocky*. Publicity from *Metro* is exhibited at CL-18. This shows use of 118 118.

Further prints from YouTube are exhibited at CL-19, all show use of 118 118 in the advertisements. Also exhibited at CL-19 is a CD-ROM with pictures of advertisements and radio and television advertisements. The advertisements are as follows:

Japanese restaurant television advertisement– “Who you gonna call? 118.” 118 118 appears across the screen. There are versions of the advertisement in English and Japanese (the latter clearly for the United Kingdom market.) A similar format is used for an advertisement featuring a squirrel.

“Sophie film and food” television advertisement. “Call 118 118” used verbally and visually.

“George” advertisement for telephone directory service for restaurants. “Call 118 118” used verbally and visually.

“Sophie” advertisement for telephone directory service for restaurants. “Call 118 118” used verbally and visually. Credits for the advertisement: client 118 118, product 118 118.

Radio advertisement – to *Ghostbusters* tune. “Who you gonna call? 118.” The voice over refers to 118 118.

“Advantage” television advertisement. The 118 118 characters appear as tennis players. “118 prepares to serve”. 118 118 appears across the screen.

“Bend it” television advertisement. The 118 118 characters appear as footballers. “Proud sponsors of ITV movies – 118 118 at the movies” appears on the screen.

“Bullseye” television advertisement. The 118 118 characters appear as archers aiming at a dart board – “There it is, one hundred and eighteen, like a whippet up a drain.” 118 118 appears across the screen.

“Dream” television advertisement - “I’ve had the most amazing dream, 118. It’s never too late, 118.” The 118 118 characters are talking to each other. 118 118 appears across the screen.

An advertisement on the side of a bus has the rubric “who you gonna call? 118 118”.

“Cricket match television advertisement” – “Proud sponsors of ITV movies – 118 118 at the movies”.

“Marathon” television advertisement. The 118 118 characters are at the starting line for a race. “And there’s 118 and 118”. 118 118 appears across the screen.

“Not cricket” television advertisement. The 118 118 characters appear. “118 for no wicket”. 118 118 appears across the screen.

Taxi advertising shows 118 118 on the side of a taxi and on the seats inside of a taxi.

“Raging Bull” television advertisement. The 118 118 characters appear in a boxing ring. “Proud sponsors of ITV movies – 118 118 at the movies”.

27) In December 2006 and 2007 the characters sang carols with members of the public in London. In February 2007, in the run up to St Valentine’s Day, there was a similar campaign in other cities in England and Scotland. The songs were recorded and appeared upon various websites.

28) 150,000 vests and 34,000 t-shirts bearing the number 118 have been distributed by way of promotion. The United Kingdom, Irish and French services feature on Facebook and Twitter. Examples from Twitter are exhibited at CL-21 (they appear to emanate from after the date of application). The references are virtually all to 11850, 118 118 (or 118118), 118218 and 118811. There are a couple of exceptions:

Page 228 – “Hi I’m 118. And I’m 50. Together we’re 11850.”

Page 240 – a tweet from a James Bilson – “Dedicating this tweet to @118118 for my 118th follower, thank you @THE popadomx! #118”

29) Exhibit CL-22 shows Facebook pages for 118 50, 118 118, 118 218 and 118 811. Some use is of the numbers joined together.

30) Conduit’s Facebook page was launched in January 2010, The Number UK’s in 2012 and Le Numero’s in 2010. Conduit became active on its Twitter account on 15 March 2011, The Number UK on 10 February 2009 and Le Numero on 7 November 2011.

31) Some people have dressed up in a similar fashion to the two characters. Mr Lewis states that examples of this are exhibited at CL-23. This consists of prints from a Facebook page, emanating from 17 December 2011; which is described as 118 118 (WillAndyTV) and a page from a Twitter account, of unknown date, of two women dressed in the similar fashion to the 118 118 runners. The exhibit also includes a page from the Twitter 118118 account, from 10 July 2012; this depicts two dolls each wearing t-shirts similar to those worn by the characters in United Kingdom advertisements.

32) The 118.com website provides a facility to book a table at a restaurant; this is through a link to JUST-EAT (so, in fact, the booking facility is with JUST-EAT). In France a similar service is offered in partnership with lafourchette.com. Exhibited at CL-24 are pages downloaded on 20 August 2012. Mr Lewis also refers to pages 47 to 52 of CL-4; as noted above very little content can be seen on the pages but there are references to eating and drinking, booking online, online menu, delivery and takeaway.

33) Mr Lewis states that the domain name 118eat.com was registered by Ms Lau on 26 August 2004 but was not in use “prior to these opposition proceedings”. Mr Lewis states that after the notice of opposition had been filed a website appeared allowing members of the public to search for restaurants and for restaurant owners to display their opening hours, menus and other information. Exhibit CL-25 includes pages downloaded from 118.eat.com on 19 August 2012. Page 245 shows a hyperlink to alloresto.fr; which Mr Lewis states works in the same manner as justeat.com and alloresto.fr.

34) Mr Lewis refers to advertisements for Chinese women appearing on the website; page 276 shows an advertisement for asianmatchonline.com with pictures of females from China. He also refers to tweets which appear on the website, as per page 277, which he states are not controlled for content.

*Witness statement of Mary Lau of 19 October 2012*

35) Exhibited at ML1 is an Ofcom guide to the new 118 DQ services, published in August 2003. Exhibit ML2 consists of a list of DQ codes, published on 30 April 2012. Approximately 510 118 numbers potentially providing DQ services are listed. Exhibited at ML3 are the first 11 pages of the hits from a Google search for 118; conducted on 16 October 2012. Ms Lau refers to the search bringing back 128,000,000 results. This is not pertinent, as the search would identify any interrogated web pages which had 118 in them, in whatever position or form. A number of 118 DQ services are shown eg 118 500 of BT, 118 24 7 of Yell, Maureen 118 212, 118Gay (a Gay directory enquiry service) and 118 402 of O2. The majority of the hits do not relate to DQ services. A number of the hits relate to the names of businesses eg 118 Travel, Property118 and 118 Beauty. Businesses supplying links to the catering trade are shown eg 118 Menu and Meal 118. The first page also has an inset for “Images for 118” which shows pictures of the two gentlemen bearing 118 on their singlets.

36) In late 2004 Ms Lau conceived of the idea of 118EAT. She envisaged a DQ service providing information about restaurants and takeaway food outlets. Ms Lau states that her “product” had three elements: the trade mark 118EAT, the websites 118eat.com and 118eat.co.uk and the DQ number 118328 (which corresponds to 118EAT on a conventional handset). Ms Lau states that she obtained the number through the aegis of Torch Communications Ltd. On 28 September 2004 Torch Communications Ltd was allocated the numbers 118227 (118CAR), 118328 (118EAT), 118349 (118DIY) and 118685 by Ofcom. Exhibit ML4 and ML5 show that Ms Lau requested Torch Communications Ltd to obtain these numbers. However, the certificate exhibited at ML5 shows that the numbers were in the name of Torch Communications Ltd and that the sub-allocatee was ML Systems. On the certificate the following appears:

“The codes above should only be used by the Communications Provider to whom they have been allocated, or where appropriate, by the sub-allocatee indicated.”

In an e-mail of 28 September 2004 Ms Lau is invited to discuss the pricing of the codes. There is no indication as to the identity of ML Systems; that the name contains Ms Lau’s initials could easily be coincidence. It would appear that although Ms Lau certainly requested the number 118328 and it was allocated to the allocatee she was using, the number never actually belonged to her.

37) Ms Lau successfully applied for the domain names 118eat.com and 118eat.co.uk. Ms Lau states that she then commenced working on the development of her website. Exhibited at ML7 is correspondence between Ms Lau and Clear Design UK Ltd in relation to the prospective design and building of a website’ from late November/early December 2004 for 118 EAT. There is nothing to indicate that the work was commissioned.

38) On 30 June 2005, Ms Lau made an application for a series of 5 trade marks: 118EAT, 118eat, 118Eat, 118EaT and 118EaT. The registration procedure was completed on 7 April 2006. The trade marks are registered for the identical services as those of the current application.

39) In September 2006 Ms Lau discovered that her DQ number 118328 had been relinquished by Torch Communications Ltd back to OFCOM, as the number had not been used within six months of issue and had been allocated to another provider (ML9). Ms Lau states that the number had been taken by Conduit, trading as The Number UK.

40) Ms Lau states that she had not realised that the number would be relinquished after six months if it had not been used. She states that she had lost a vital component for her product and website production and investment halted until she could find a solution to the problem. Ms Lau states that the solution appeared with the advent of smart phones “whose design is such that the keypad has separate alphabet and numeric screens. So 118EAT no longer correlates to 118328.” Ms Lau states that she is able to progress with her product using new technology. She states that, knowing that her 118EAT trade mark might be vulnerable to revocation for non-use, she made the current application in order to secure more time for the development and launch of her product.

41) Ms Lau states that she has a genuine intention to use her trade mark “and with new technology have more ideas to incorporate additional features into my Product”.

*Witness statement of Jane Mutimear of 19 December 2012*

42) Ms Mutimear is a partner at Bird & Bird LLP.

43) Parts of the witness statement are submission and a critique of the written submissions made by Ms Lau. These are borne in mind in making this decision but will not be summarised here as they do not represent evidence of fact.

44) Ms Mutimear states that she has been informed that the 118 characters have appeared in advertising on their own. Exhibited at JM-2 are what Ms Mutimear describes as floor prints from a campaign at Waterloo railway station in 2006. Both characters appear in the pictures, separated by a print which shows "FOR TRAIN TIMES CALL THE 118 118 TEAM". Also in the exhibit are advertisements used on taxi seats. One of these is labelled left hand panel and the other right hand panel and so they were used in tandem. In each panel one of the 118 characters appears. One says: "These passengers need numbers and fast 118!". The other says: "It's easy with the power of number knowledge 118!. At the bottom of each advertisement the following appears: "Phone numbers, addresses, train times and cinema listings... This calls for 118 118."

45) Ms Mutimear states that "the Applicant specifically directs the designer that the website should be similar to kgb's 118118.com" as per page 10 of ML7. The web designer sent Mr Lau a list of questions. The relevant question and answer are:

"Is there a similar directory that you can send me a link to?  
YES – 118118.COM, FOR EXAMPLE, YELL COM."

The above is most certainly not a request for Ms Lau's website to be similar to kgb's website.

46) Ms Mutimear states that "[t]he website 118.com<sup>2</sup> did not appear until after the Notice of Opposition has been filed in February 2012. Now, almost a year later, the website is still extremely basic. One can only search establishments by postcode and the website lists only addresses of the restaurants, not opening times, websites or even the phone numbers. It continues to display rude and even obscene posts by members of the public". Ms Mutimear refers to exhibit CL-25. There are no obscene posts shown in this exhibit, there is the use of "fck it" in a tweet that relates to a failure to eat healthily.

47) Ms Mutimear states that she has been informed that the number 118328 is now owned and used by Conduit's group. She gives no evidence as to how, where and when the number is used.

48) Ms Mutimear states that even when Ms Lau first conceived of her product smart phones were available. Material in relation to this from Wikipedia is exhibited at JM-5. This identifies the first true smart phone as being introduced in 2002 (the Blackberry) and the iPhone as being introduced in 2007. (It is not

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<sup>2</sup> It is assumed that Ms Mutimear means 118EAT and not her client's website.

indicated when these devices were introduced into the United Kingdom specifically.)

#### *Material date*

49) The matters have to be considered by reference to a particular point(s) in time. In relation to the grounds in this case, there is one material date, the date of application for registration, ie 8 July 2011. Consequently, the evidence and the position of the parties have to be considered as of this date in relation to the grounds. However, in relation to the trade mark registrations that are subject to proof of use, the material period is the five years up to the date of the publication of the application, ie the period 12 November 2006 to 11 November 2011.

#### *Conduit's use of its trade marks*

50) Mr Craig spent some time on the fact that Conduit does not use the trade marks upon which it relies in the United Kingdom but that they are used by The Number UK Limited which he described as the holding company of Conduit. Use relates to use by the proprietor or with its consent. The relationship between the various undertakings in the same group as Conduit, both in the United Kingdom and the European Union, are dealt with in the summary of the evidence. They are all part of the same group. It is inconceivable that, for instance, the use of the trade marks of Conduit by The Number UK Limited is without the consent of Conduit. Consequently, nothing turns upon the use of the trade marks by undertakings in the same group as Conduit<sup>ii</sup>.

#### *Distinctiveness of the earlier trade marks of Conduit*

51) Mr Craig submitted that the trade marks upon which Conduit relies are without any distinctive character. There is a presumption of validity of registered trade marks. In *Formula One Licensing BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-196/11P*, the CJEU held:

“41 Therefore, in such opposition proceedings, it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.

42 It is true that, as is clear from paragraph 48 of the judgment under appeal, where an opposition, based on the existence of an earlier national trade mark, is filed against the registration of a Community trade mark, OHIM and, consequently, the General Court, must verify the way in which

the relevant public perceives the sign which is identical to the national trade mark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign.

43 However, as the appellant rightly points out, their verification has limits.

44 Their verification may not culminate in a finding of the lack of distinctive character of a sign identical to a registered and protected national trade mark, since such a finding would not be compatible with the coexistence of Community trade marks and national trade marks or with Article 8(1)(b) of Regulation 40/94, read in conjunction with Article 8(2)(a)(ii).

45 Such a finding would be detrimental to national trade marks identical to a sign considered as being devoid of distinctive character, as the registration of such a Community trade mark would bring about a situation likely to eliminate the national protection of those marks. Hence, such a finding would not respect the system established by Regulation No 40/94, which is based on the coexistence of Community trade marks and national trade marks as stated by the fifth recital in the preamble to that regulation, given that the validity of an international or national trade mark may be called into question for lack of distinctive character only in cancellation proceedings brought in the Member State concerned by virtue of Article 3(1)(b) of Directives 89/104 and 2008/95.

46 It should be noted that Article 8(2)(a)(ii) of Regulation No 40/94 expressly provides, in opposition proceedings, for trade marks registered in a Member State to be taken into consideration as earlier trade marks.

47 It follows that, in order to avoid infringing Article 8(1)(b) of Regulation No 40/94, it is necessary to acknowledge a certain degree of distinctiveness of an earlier national mark on which an opposition against the registration of a Community trade mark is based.

Consequently, it is necessary to acknowledge a certain degree of distinctiveness in the trade marks of Conduit.

#### *Proof of use*

52) Conduit must establish genuine use of its 118 trade marks for the period 12 November 2006 to 11 November 2011. As noted above, Mr Ward, in relation to these particular proceedings, conceded that use had only been shown in relation to telephone directory enquiry services; assuming that any such use has been shown. Such services are in class 38, they are included in the portmanteau term telecommunication services which appears in the specifications of both the 118 registrations.

53) In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch)<sup>iii</sup>, Arnold J commented on the case law of the Court of Justice of the European Union (CJEU) in relation to genuine use of a trade mark:

"In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

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

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(3) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the

goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(4) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

54) As well as claiming use of 118 on its own, Conduit also claims that use with other matter eg 118 118 and 118.COM is use of the trade mark 118. Parts of the use upon which Conduit relies relate to use of other of its trade marks eg 118.COM. The CJEU in *Bernhard Rintisch v Klaus Eder* Case C-553/11 held that such use may be taken into account:

“18 By its first question and point (a) of its third question, which it is appropriate to consider together, the referring court asks, in essence, whether Article 10(2)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of a registered trade mark is precluded from relying, in order to establish use of the trade mark for the purposes of that provision, on the fact that it is used in a form which differs from the form in which it was registered, without the differences between the two forms altering the distinctive character of that trade mark, even though that different form is itself registered as a trade mark.....

24 Accordingly, registration as a trade mark of the form in which another registered trade mark is used, a form which differs from that in which the latter mark is registered, whilst not altering its distinctive character, is not a bar to the application of Article 10(2)(a) of Directive 89/104.”

55) In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. Lord Walker stated:

“43 I have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the

way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vaultlike trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who "normally perceives a mark as a whole and does not proceed to analyse its various details."

In *Boura v Nirvana Spa & Leisure Ltd* BL O/262/06 Mr Richard Arnold QC, sitting as the appointed person, stated:

"15. It is clear from BUD and BUDWEISER BUDBRÄU and the four Court of First Instance cases that the normal approach to the assessment of distinctive character applies in this context. As the European Court of Justice has reiterated in numerous cases, the distinctive character of a trade mark must be assessed (i) in relation to the goods or services in question and (ii) according to the perception of the average consumer of those goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect."

He went on to state:

"34 The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used

and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all.”

56) The 118 trade mark does not break down into separate components. In considering its distinctive character it is necessary to take into account the services in relation to which it is claimed that there has been use, ie telephone directory enquiry services. Mr Ward commented that 118 is generally known as the code for DQ services. He accepted that other DQ services use 118 in their numbers. The evidence of Ms Lau includes 118 numbers that have been allocated, although not necessarily in use. Her Google hits include all manner of hits arising from simply the presence of the numeral 118. The only businesses that appear to be supplying some form of directory service that use 118 as part of a trade mark are 118Gay, Maureen 118 212, 118 Menu and Meal 118. The search suffers from the fact that it was conducted after the material date, on 16 October 2012, so is not indicative of the position as of the material date. The use of 118 as part of a telephone number cannot be conflated with use as a trade mark or part of a trade mark. However, 118 is heavily freighted with its use as the standard code for DQ services and as such has an extremely limited degree of distinctiveness. For the services, it will be seen by the average consumer as the code for a DQ service. With the addition of 118 to 118 118, the consumer will see this as an actual telephone number and it will make a fundamental change to what is an extremely weak trade mark, which in turn means that the perception of the trade mark will be changed readily and easily by additional material. 118.com will be seen as a domain name, has visual and aural differences and changes the nature of the trade mark; this is despite the lack of inherent distinctiveness of .com<sup>3</sup>. The 118 and the .com components combined create a new and different entity. The same reasoning applies to the use of 11850, 118811, 118 218, 11860 and 118.ie and the other uses of 118 with additional material. Owing to the “fragile” nature of the trade mark, owing to its very limited distinctiveness for the services, the addition of the components shown in the evidence does alter the distinctive character of the mark in the form in which it was registered.

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<sup>3</sup> The GC in *Getty Images (US), Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-338/11* stated:

22 As regards the element ‘.com’, it is important to note that this will immediately be recognised by the relevant public as referring to an internet site. In that respect, it should be pointed out that – as the Board of Appeal noted in its assessment – it is a technical and generic element, the use of which is required in the normal structure of the address of a commercial internet site. Furthermore, the element ‘.com’ may also indicate that the goods and services covered by the trade mark application can be obtained or viewed on-line, or are internet-related. Accordingly, the element in question must also be considered to be devoid of distinctive character in respect of the goods or services concerned.

57) Conduit prays in aid the use of the 118 characters. However, these characters are always seen together, whether on the floor of a station or on the seats of a taxi. They are also seen with 118 118. The use of the two characters is use of 118 118; just as the use of the two Irish characters is use of 118 50. In fact these characters even say; “Hi I’m 118. And I’m 50. Together we’re 11850”; that is maintaining and creating a market in relation to 11850. (It is noted that the company accounts for The Number UK Limited for the year ending 31 December 2010 include the following: “the 118 118 brand was used extensively to ensure third party business and customer confidence”). However, the television and radio advertising does show use of 118 on its own in the United Kingdom during the material period. 118 is very much subsidiary to the use of 118 118 but it is still use and use that is external and use to maintain a market in relation to 118. The evidence does not establish any similar use in the other countries of the European Union.

58) In *Leno Merken BV v Hagelkruis Beheer BV* Case C-149/11 the CJEU was seized with the issue of use of a Community trade mark:

“29. It follows from that line of authority that there is ‘genuine use’ of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.

32 Indeed, it follows both from recital 9 to the directive and from recital 10 to the regulation that the European Union legislature intended to make the preservation of the rights connected to the trade mark conditional upon it actually being used. As the Advocate General has pointed out in points 30

and 32 of her Opinion, a Community trade mark which is not used could obstruct competition by limiting the range of signs which can be registered as trade marks by others and by denying competitors the opportunity to use that trade mark or a similar one when putting onto the internal market goods or services which are identical or similar to those covered by the mark in question. Consequently, non-use of a Community trade mark also risks restricting the free movement of goods and services.

33 Account must none the less be taken, when applying by analogy to Community trade marks the case-law cited in paragraph 29 of this judgment, of the difference between the territorial extent of the protection conferred on national trade marks and that of the protection afforded Community marks, a difference which is in any event apparent from the wording of the provisions relating to the requirement for genuine use which apply to those two types of marks respectively.

34 Thus, on the one hand, Article 15(1) of Regulation No 207/2009 provides that, '[i]f, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use'. On the other, Article 10 of Directive 2008/95 lays down in essence the same rule in respect of national trade marks, whilst providing that they must have been put to genuine use 'in the Member State'.

35 That difference between the two sets of trade mark rules as regards the territorial scope of 'genuine use' is also emphasised by Article 42(3) of Regulation No 207/2009. That provides that the rule set out in paragraph 2 of Article 42 – namely that where notice of opposition has been given, the applicant for a Community trade mark may require proof that the earlier Community trade mark has been put to genuine use in the Community – is also applicable to earlier national trade marks 'by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community'.

36 It should, however, be observed that, as is apparent from the case-law referred to in paragraph 30 of this judgment, the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.....

.....44 It follows from the foregoing considerations that the territorial borders of the Member States should be disregarded in the assessment of 'genuine use in the Community' within the meaning of Article 15(1) of Regulation No 207/2009.

45 That interpretation is not undermined by either the Joint Statement referred to in paragraph 23 of this judgment, according to which 'use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community', or the Opposition Guidelines of OHIM which contain in essence the same rule.

46 First, regarding the Joint Statement, it is settled case-law that, where a statement recorded in Council minutes is not referred to in the wording of a provision of secondary legislation, it cannot be used for the purpose of interpreting that provision (Case C-292/89 *Antonissen* [1991] ECR I-745, paragraph 18; Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 25; Case C-402/03 *Skov and Bilka* [2006] ECR I-199, paragraph 42, and Case C-356/05 *Farrell* [2007] ECR I-3067, paragraph 31).

47 Moreover, the Council and the Commission expressly acknowledged that limitation in the preamble to that Statement, according to which 'since [t]he following statements of the Council and the Commission are not part of the legal text, they are without prejudice to the interpretation of that text by the Court.'

48 Second, it is to be noted that the OHIM Guidelines are not binding legal acts for the purpose of interpreting provisions of European Union law.

49 Nor can the Court accept the submission, made by some of the interested persons to have lodged observations in these proceedings, that the territorial scope of the use of a Community trade mark cannot under any circumstances be limited to the territory of a single Member State. That submission is based on Article 112(2)(a) of Regulation No 207/2009 pursuant to which it is possible, where the rights of the proprietor have been revoked on grounds of non-use, to convert a Community trade mark into a national trade mark application if, 'in the Member State for which conversion is requested, the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State'.....

50 Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a

Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.

51 As the Advocate General has observed in point 63 of her Opinion, it is only where a national court finds that, when account is taken of all the facts of the case, use in a Member State was insufficient to constitute genuine use in the Community, that it may still be possible to convert the Community trade mark into a national trade mark, applying the exception in Article 112(2)(a) of Regulation No 207/2009.

52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of

the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).

56 With regard to the use of the Community trade mark at issue in the main proceedings, the Court does not have the factual information necessary to enable it to provide the referring court with more specific guidance as to whether or not there is genuine use of that trade mark. As can be seen from the foregoing considerations, it is for the referring court to assess whether the mark in question is used in accordance with its essential function and for the purpose of creating or maintaining market share for the goods or services protected. That assessment must have regard to all the facts and circumstances relevant to the main proceedings, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

57 The answer to the questions referred is therefore that Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

58 A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

59) In relation to the Community trade mark, Conduit can only rely upon the use in the United Kingdom. There is nothing in the nature of the services that would restrict their availability to the United Kingdom. Taking into account the factors outlined by the CJEU, Conduit has not established genuine use of its Community trade mark for 118. However, it has established genuine use of 118 in the United Kingdom for telephone directory enquiry services in class 38. Owing to the establishment of genuine use of the United Kingdom registration for 118, in the context of this case, nothing turns on the failure to establish genuine use for the Community trade mark.

## **Section 5(2)(b) of the Act – likelihood of confusion**

### *Average consumer and the purchasing process*

60) The average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”<sup>iv</sup>. 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 GC 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.”

61) Telephone directory enquiry services are used by the public at large. The nature of the services is such that they will be used without a very careful purchasing decision; a person may require a number in a hurry. Consequently, the effect of imperfect recollection is likely to be increased. The services are likely to be used as a result of seeing an advertisement and so visual similarity is more important than aural similarity. (One is unlikely to phone a DQ service in order to get the number of a DQ service.)

62) Some of the services of the application and those of the classes 35 and 38 of 653 will be purchased by businesses eg business information and database management services. Business to business services are likely to be bought with a good deal of care and attention and so the effects of imperfect recollection will be lessened. Certain of the services will be purchased by the public at large; eg telecommunication services will include the supply of a telephone service and the services of an ISP. However, the purchaser of such services will wish to know about the costs of calls, the coverage, the download and upload speeds etc. Consequently, the services will be bought as a result of a careful purchasing decision and so the effects of imperfect recollection will be limited. The knowledge of the services is likely to be gained from viewing catalogues and brochures, whether in physical or electronic form. The services are likely to be purchased using the Internet or in the retail outlets of telephony services.

Consequently, visual similarity is of greater importance, in considering the likelihood of confusion, than aural similarity.

### *Comparison of goods and services*

63) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade<sup>v</sup>”. Words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>vi</sup>. Consideration should be given as to how the average consumer would view the goods and services<sup>vii</sup>. The class of the goods and services in which they are placed may be relevant in determining the nature of the goods and services<sup>viii</sup>. In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary<sup>ix</sup>. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed<sup>x</sup>. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 the GC explained when goods are complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

Consideration is also taken into account of the decision of Mr Daniel Alexander QC, sitting as the appointed person, in *Sandra Amalia Mary Elliott v LRC Products Limited* BL O/214/13<sup>xi</sup>.

64) Services can be considered as identical when the services designated by the earlier mark are included in a more general category, designated by the trade mark application<sup>xii</sup>. The services of the application are either included in the

services of 653 or include the services of the earlier registration. The class 35 and 38 services of the application are identical to the services in the same classes of 653.

65) *Telephone directory enquiries, Internet and mobile communications services; telecommunications services; on-line information relating to the aforesaid services* of the application include *telephone directory enquiry services* and so the respective services must be considered to be identical.

66) *Message sending* can be a telephonic service and so has the same nature as *telephone directory enquiry services*. Both services are provided by telecommunications companies and so have the same channels of trade. Taking into account the findings in relation to complementarity in *Sandra Amalia Mary Elliott v LRC Products Limited*, as the services could be supplied by the same undertakings and also be supplied together, the average consumer may well believe that the same undertaking is responsible for such services. The respective services are complementary. The respective services are not fungible, they are not in competition. The end users, at a generalised level, would be the same, users of a telephone service. The purpose of the services is not the same. There is a good degree of similarity between the respective services.

67) Applying the principles of *Avnet* there are no meaningful conjunctions between *telephone directory enquiry services* and *business information; business enquiries; compilation of information into computer databases; marketing research; compilation, provision, storage and retrieval of business and commercial information; compilation of business directories; database management services; compilation of information into databases and interactive databases; on-line Internet information, advisory and consultancy services all relating to the aforesaid services*. The respective services are not similar.

68) *Telephone answering services and message handling services* in the context of the class, are services which will be supplied to businesses. The telephone is used in the services but the fundamental nature of the service is to give information and to pass on information. There is no evidence to suggest that these are the sort of services which will be supplied by a supplier of DQ services; these services are not similar to *telephone directory enquiry services*.

#### *Comparison of trade marks*

69) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>xiii</sup>. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components<sup>xiv</sup>; in relation to this the CJEU in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97 stated:

“27. In order to assess the degree of similarity between the marks concerned, the national court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.”

There cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>xv</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>xvi</sup>. It is not always the case that the first element of a trade mark is of greater importance than later elements in considering similarity<sup>xvii</sup>.

70) The trade marks of Conduit are 118 and 118.COM. The trade marks of Ms Lau are 118EAT and 118eat. Nothing turns upon the word components of Ms Lau's trade marks being in upper and lower case; for the purposes of the comparison the trade marks will be treated as one trade mark.

71) 118 will be seen by the average consumer as one number, it will not be divided up. 118.COM has three components. The full stop, owing to the position of com after it, will be perceived and spoken as dot, as the public are used to dot com, dot co.uk etc. However, .COM, owing to its common use will be perceived as a single entity. .COM as noted above lacks distinctiveness on its own. 118 as a registered trade mark must be accepted as having a degree of distinctiveness owing to the presumption of validity of a registration. The same cannot necessarily be said for 118 in a composite trade mark, where the presumption of validity relates to the trade mark as a whole. In relation to DQ services or related services, 118, in the composite mark, lacks distinctiveness. Consequently, in relation to DQ services and DQ related services, the distinctiveness lies in the trade mark as a whole; there is no one distinctive component. In relation to non-DQ services and related services, the distinctive component is 118; owing to the non-distinctive nature of .COM.

72) For the non-DQ services of the application, 118 will have a degree of distinctiveness. EAT is highly allusive to DQ services which relate to giving information about restaurants or cafés. The DQ services of the application include giving such information, and the evidence shows that this is the thrust of the business of Ms Lau. Consequently, in relation to DQ services and DQ related services, neither component is dominant and the distinctiveness lies in the trade mark as a whole. In relation to non DQ services, or related services, each component has an equal degree of distinctiveness.

73) In relation to the 118 trade mark of Conduit, the trade marks of the application contain this component. Consequently, there is a degree of aural, visual and conceptual similarity. The EAT component is alien to the 118 trade mark and is aurally, visually and conceptually dissimilar. There is a degree of similarity between the trade marks.

74) The 118.COM trade mark shares the 118 component with 118EAT and so has a degree of aural and visual and similarity in relation to this component. As noted above, the “.” component will be pronounced as dot and the .COM components will be perceived as identifying a website. These components as well as being visually and aurally alien to the trade mark of Ms Lau identify a website, the trade marks having to be compared in their entireties, the trade mark of Conduit will be perceived as identifying a website, which is conceptually dissonant to the trade marks of Ms Lau. There is a degree of similarity between the trade marks but it is lower than in relation to the 118 trade mark.

*Conclusion - global appreciation of likelihood of confusion*

75) It is necessary to take into account the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between services, and vice versa<sup>xviii</sup>. In this case in relation to 118.COM, the respective services are identical. The services of the 118 trade mark are neither similar nor identical to certain of the services of the application; it is a sine qua non of likelihood of confusion that the services are similar or identical. Consequently, there can be no likelihood of confusion in relation to non-similar services. Certain of the services of the application are identical to the services of the 118 registration and there is a good deal of similarity in relation to the services that are similar. In relation to the interdependency principle, the GC in *Aldi GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-505/11* stated:

“91 In addition, the Opposition Division considered that the goods at issue were identical, as was recalled in the contested decision, without the Board of Appeal’s taking a final decision in that regard (see paragraph 40 et seq. above). That implies, in accordance with the case-law cited at paragraph 23 of the present judgment, that, if there is to be no likelihood of confusion, the degree of difference between the marks at issue must be high (see, to that effect, judgment of 29 January 2013 in Case T-283/11 *Fon Wireless v OHIM – nfon (nfon)*, not published in the ECR, paragraph 69).”<sup>xix</sup>

However, as the GC held in *Meda Pharma GmbH & Co KG c Office de l’harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI) les affaires jointes T-492/09 et T-147/10*, where goods are identical it is not

essential, in order to exclude the likelihood of confusion, that there is a large difference between the trade marks being compared:

“50 La requérante soutient que, en cas d’identité de produits, il est nécessaire, pour exclure tout risque de confusion, que les signes présentent une plus grande différence que dans une situation où l’écart entre les produits est important. Or, dans les circonstances de l’espèce où l’identité des produits n’est pas contestée, la chambre de recours aurait dû conclure au risque de confusion, à l’instar de ce qui a été considéré dans la décision R 734/2008-1 de la première chambre de recours de l’OHMI, du 14 septembre 2009 (Alleris et Allernil). Selon la requérante, plusieurs décisions de l’OHMI démontrent que les décisions attaquées s’écartent de la pratique décisionnelle de l’OHMI, ce qui viole les principes d’égalité et de non-discrimination.

51 Il ressort de la jurisprudence que l’OHMI est tenu d’exercer ses compétences en conformité avec les principes généraux du droit de l’Union. Si, eu égard aux principes d’égalité de traitement et de bonne administration, l’OHMI doit prendre en considération les décisions déjà prises sur des demandes similaires et s’interroger avec une attention particulière sur le point de savoir s’il y a lieu ou non de décider dans le même sens, l’application de ces principes doit toutefois être conciliée avec le respect du principe de légalité. Au demeurant, pour des raisons de sécurité juridique et, précisément, de bonne administration, l’examen de toute demande d’enregistrement doit être strict et complet afin d’éviter que des marques ne soient enregistrées de manière induue. C’est ainsi qu’un tel examen doit avoir lieu dans chaque cas concret. En effet, l’enregistrement d’un signe en tant que marque dépend de critères spécifiques, applicables dans le cadre des circonstances factuelles du cas d’espèce, destinés à vérifier si le signe en cause ne relève pas d’un motif de refus [voir, en ce sens, arrêt de la Cour du 10 mars 2011, *Agencja Wydawnicza Technopol/OHMI*, C-51/10 P, non encore publié au Recueil, points 73 à 77, et la jurisprudence citée, et arrêt du Tribunal du 22 novembre 2011, *LG Electronics/OHMI (DIRECT DRIVE)*, T-561/10, non publié au Recueil, point 31).

52 Or il apparaît que, dans la présente affaire, la chambre de recours a correctement pris en compte les circonstances de l’espèce. À cet égard, elle a, à juste titre, constaté l’identité des produits concernés en l’espèce, elle a aussi retenu une similitude très faible des signes en cause sur les plans phonétique et visuel et une impossibilité de comparaison de ces mêmes signes sur le plan conceptuel, comme il ressort des points 40, 41 et 46 ci-dessus. Dès lors, comme le soutient à juste titre l’OHMI, l’identité entre les produits désignés est compensée par un très faible degré de similitude entre les signes en cause et la chambre de recours a pu conclure à bon droit à l’absence de tout risque de confusion, d’autant que

le degré d'attention du public est accru et qu'il n'est pas démontré que la marque antérieure présente un caractère distinctif élevé.”

76) Consideration has to be given to all the factors that are relevant to the global appreciation. One of these factors is the distinctiveness of the earlier trade mark(s); the more distinctive the earlier trade mark the greater the likelihood of confusion<sup>xx</sup>. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett LJ commented upon the corollary of this:

“The more distinctive the earlier mark, the greater will be the likelihood of confusion. The converse, of course, follows. The more descriptive and the less distinctive the major feature of the mark, the less the likelihood of confusion.”

77) The distinctive character of a trade mark can be appraised only, first, by reference to the goods and services for which it is registered, secondly, by reference to the way it is perceived by the relevant public<sup>xxi</sup>. 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 from those of other undertakings<sup>xxii</sup>.

78) The 118 trade mark has an exceptionally limited degree of distinctiveness in relation to the services for which use has been established. The use shown of 118 does not show that it has acquired enhanced distinctiveness through use; owing to the nature of the trade mark, there would need to be enormous use for this to happen. Taking into account the very limited distinctiveness of the 118 trade mark, the similarities and dissimilarities between the trade marks and the identity or high degree of similarity between the respective services, it is not considered that there is a likelihood of confusion with the trade marks of Ms Lau.

79) The 118.COM has greater distinctiveness than the 118 trade mark and all of the respective services are identical. In relation to the non-DQ related services, the trade mark as a whole is not descriptive or allusive, however, the .COM element of itself lacks distinctiveness. The trade mark, in relation to non-DQ services, has a low degree of inherent distinctiveness. In relation to DQ services, 118.COM is highly allusive of a website that fulfils a DQ service; it has the most limited inherent distinctiveness. However, the web traffic shows that it has had a good number of unique visitors; although many of them are bounces. This use adds to the distinctiveness of the trade mark. However, the trade mark starts at such a low point, that enormous use would be necessary to greatly enhance the distinctiveness. Consequently, even with use, the trade mark has only very limited distinctiveness. The respective trade marks have clearly different components at their ends; owing to this difference and the conceptual effect of .COM, ie identifying a website; it is not considered that there is likelihood of direct confusion in relation to non-DQ related services. It is, however, necessary to

consider indirect confusion. In *Sabel BV v Puma AG* Case C-251/95 the CJEU stated:

“16. According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17. It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion, but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.”

Mr Iain Purvis QC, sitting as the appointed person, in BL O/375/10 stated:

“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”*

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

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80) In this case 118 is a common component and, outwith DQ related services, is neither allusive nor descriptive. The .COM component of the trade mark of Conduit is without distinctiveness. Taking into account the comparison of trade marks in their entireties, the findings of the CJEU in *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P CJEU, *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04, *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P and *Matratzen Concord GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-3/03 P in relation to looking at single components of trade marks, there is a likelihood of indirect confusion owing to the common 118 element; which in both cases is followed by a three letter word.

81) This leaves *telephone directory enquiries* and *on-line information relating to the aforesaid services*. These are DQ services or DQ related services; in relation to these services 118.COM has the most minimal of distinctiveness. Taking into account this minimal distinctiveness, that 118 relates directly to DQ services, despite there being identical services, there is neither a likelihood of direct nor indirect confusion.

**82) The overall result is that the application is refused under section 5(2)(b) of the Act in respect of all services with the exception of *telephone directory enquiries* and *on-line information relating to the aforesaid services*.**

### ***Section 5(3) of the Act***

83) Owing to the findings in relation to section 5(2)(b), this ground will only be considered in relation to *telephone directory enquiries* and *on-line information relating to the aforesaid services*.

84) In *Intel Corporation Inc v CPM United Kingdom Ltd* Case C-252/07, the CJEU considered Article 4(4)(a) of Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive), which is the basis of section 5(3) of the Act:

“26 Article 4(4)(a) of the Directive establishes, for the benefit of trade marks with a reputation, a wider form of protection than that provided for in Article 4(1). The specific condition of that protection consists of a use of the later mark without due cause which takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark (see, to that effect, in respect of Article 5(2) of the Directive, *Marca Mode*, paragraph 36; *Adidas-Salomon and Adidas Benelux*, paragraph 27, and Case C-102/07 *adidas and adidas Benelux* [2008] ECR I-0000, paragraph 40).

27 The types of injury against which Article 4(4)(a) of the Directive ensures such protection for the benefit of trade marks with a reputation are, first, detriment to

the distinctive character of the earlier mark, secondly, detriment to the repute of that mark and, thirdly, unfair advantage taken of the distinctive character or the repute of that mark.

28 Just one of those three types of injury suffices for that provision to apply.

29 As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused when that mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.

30 The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them (see, in relation to Article 5(2) of the Directive, *General Motors*, paragraph 23; *Adidas-Salomon and Adidas Benelux*, paragraph 29, and *adidas and adidas Benelux*, paragraph 41).

31 In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

32 However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, as was stated in paragraph 26 of this judgment, the specific condition of the protection of trade marks with a reputation laid down by that provision.....

37 In order to benefit from the protection introduced by Article 4(4)(a) of the Directive, the proprietor of the earlier mark must adduce proof that the use of the later mark 'would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'.

38 The proprietor of the earlier trade mark is not required, for that purpose, to demonstrate actual and present injury to its mark for the purposes of Article 4(4)(a) of the Directive. When it is foreseeable that such injury will ensue from the use which the proprietor of the later mark may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, prove that there is a serious risk that such an injury will occur in the future.....

44 As regards the degree of similarity between the conflicting marks, the more similar they are, the more likely it is that the later mark will bring the earlier mark

with a reputation to the mind of the relevant public. That is particularly the case where those marks are identical.

45 However, the fact that the conflicting marks are identical, and even more so if they are merely similar, is not sufficient for it to be concluded that there is a link between those marks.

46 It is possible that the conflicting marks are registered for goods or services in respect of which the relevant sections of the public do not overlap.

47 The reputation of a trade mark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialised public (see *General Motors*, paragraph 24).

48 It is therefore conceivable that the relevant section of the public as regards the goods or services for which the earlier mark was registered is completely distinct from the relevant section of the public as regards the goods or services for which the later mark was registered and that the earlier mark, although it has a reputation, is not known to the public targeted by the later mark. In such a case, the public targeted by each of the two marks may never be confronted with the other mark, so that it will not establish any link between those marks.

49 Furthermore, even if the relevant section of the public as regards the goods or services for which the conflicting marks are registered is the same or overlaps to some extent, those goods or services may be so dissimilar that the later mark is unlikely to bring the earlier mark to the mind of the relevant public.

50 Accordingly, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether there is a link between those marks.

51 It must also be pointed out that certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered.

52 In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the conflicting marks, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered.

53 For the purposes of assessing where there is a link between the conflicting marks, it may therefore be necessary to take into account the strength of the earlier mark's reputation in order to determine whether that reputation extends beyond the public targeted by that mark.

54 Likewise, the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it

is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind.

55 Accordingly, for the purposes of assessing whether there is a link between the conflicting marks, the degree of the earlier mark's distinctive character must be taken into consideration.

56 In that regard, in so far as the ability of a trade mark to identify the goods or services for which it is registered and used as coming from the proprietor of that mark and, therefore, its distinctive character are all the stronger if that mark is unique – that is to say, as regards a word mark such as INTEL, if the word of which it consists has not been used by anyone for any goods or services other than by the proprietor of the mark for the goods and services it markets – it must be ascertained whether the earlier mark is unique or essentially unique.

57 Finally, a link between the conflicting marks is necessarily established when there is a likelihood of confusion, that is to say, when the relevant public believes or might believe that the goods or services marketed under the earlier mark and those marketed under the later mark come from the same undertaking or from economically-linked undertakings (see to that effect, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59).

58 However, as is apparent from paragraphs 27 to 31 of the judgment in *Adidas-Salomon and Adidas Benelux*, implementation of the protection introduced by Article 4(4)(a) of the Directive does not require the existence of a likelihood of confusion.

59 The national court asks, in particular, whether the circumstances set out in points (a) to (d) of Question 1 referred for a preliminary ruling are sufficient to establish a link between the conflicting marks.

60 As regards the circumstance referred to in point (d) of that question, the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link.

61 As regards the circumstances referred to in paragraphs (a) to (c) of that question, as is apparent from paragraph 41 to 58 of this judgment, they do not necessarily imply the existence of a link between the conflicting marks, but they do not exclude one either. It is for the national court to base its analysis on all the facts of the case in the main proceedings.

62 The answer to point (i) of Question 1 and to Question 2 must therefore be that Article 4(4)(a) of the Directive must be interpreted as meaning that whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

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63 The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.

64 The fact that:

- the earlier mark has a huge reputation for certain specific types of goods or services, and
- those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and
- the earlier mark is unique in respect of any goods or services,

does not necessarily imply that there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.”

85) Even if the two trade marks of Conduit do enjoy the requisite reputation for section 5(3), the common component 118 is so linked to DQ related services that the average consumer would not link the trade mark of Conduit with that of Ms Lau and, consequently, Conduit cannot succeed under this head.

86) Brief consideration will be given to the basis of the heads of damage that are claimed.

87) Conduit claims that use of Ms Lau’s trade mark would take unfair advantage of the reputation of the trade marks upon which it relies. Conduit has furnished no evidence to show that if there were an advantage that it would be unfair (see *L’Oreal SA v Bellure NV* [2010] RPC 23, *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753 and *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2012] EWCA Civ 24)<sup>xxiii</sup>; nor on the facts of the case could this be inferred; especially taking into account the relationship between DQ services and the number 118. (Ms Mutimear’s statement that Ms Lau directed the web designer to make her website similar to that of 118.com is inaccurate as noted above.)

88) Conduit claims that detriment to reputation (tarnishing). In *L’Oreal SA and others v Bellure NV and others* Case C-487/07 the CJEU considered tarnishment:

“40 As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”

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89) There is nothing in the services of Ms Lau which would have a negative impact on the image of the trade mark of Conduit. Mr Ward also referred to the standard and nature of the website of Ms Lau. There was one tweet which used an expurgated version of a rude word and there is an advertisement in relation to Chinese ladies; there is nothing improper in the nature of the advertisement as shown. So even it were permissible to take into account matter in actual use, in a non-infringement case, rather than consider the specification, there would be no mileage in the argument of Mr Ward.

90) In relation to detriment to the distinctive character (dilution), in *Intel Corporation Inc v CPM United Kingdom Ltd* the CJEU considered the nature of dilution:

“29 As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.”

In the same judgment the CJEU stated:

“77 It follows that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.”

Henderson J in *32Red Plc v WHG (International) Limited and others* [2011] EWHC 62 (Ch)<sup>xxiv</sup> stated:

“133. Is there evidence of a change in economic behaviour brought about by the use of the Vegas signs? In the nature of things, direct evidence of such a change is likely to be hard to find in cases of the present type, although Mrs F provides a suggestive example of a customer who was nearly persuaded to change her allegiance as a result of a perceived connection between 32Red and 32Vegas. However, I see no reason why I should not have regard to the inherent probabilities of the situation, and in particular to the contrast between the marketing models of the two casinos. The similarity of their names, and the fact that 32Vegas was always operated as one of a number of linked casinos on the carousel model, lead me to conclude that an average online gambler would have been far readier to switch his allegiance from 32Red to 32Vegas, or to play with 32Vegas in the first place, than he would have been in the absence of such similarity. These are changes in economic behaviour, and I am satisfied on the balance of probabilities that such changes are likely to have occurred to a significant extent.”

91) There is no evidence of a change of economic behaviour and owing to the nature of 118 as a DQ code this is not something can be inferred.

92) The ground of opposition under section 5(3) is dismissed. Mr Ward accepted that 118 was well-known to the public as an indication of DQ services and that it was used for these services and identified by the public with such services; if primarily as part of a telephone number rather than a trade mark. Conduit chose to use the code for DQ services as a trade mark or part of a trade mark, it must accept that the effect of this is that the parameters of its protection will be circumscribed in relation to DQ related services as the public will readily identify small differences to distinguish between different trade marks and not to link them.

### **Section 3(6) of the Act – bad faith**

93) *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch)<sup>xxv</sup> Arnold J considered the general principles relating to filing an application in bad faith:

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

94) In *Boxing Brands Limited v Sports Direct International plc and others* [2013] EWHC 2200 (Ch)<sup>xxvi</sup>, Birss J stated:

“79 Mr Purvis also referred to the recent decision of the CJEU in **Malaysia Dairy v Ankenævnet for Patenter og Varemærker** Case C-320/12 [27 June 2013]. In this case the court held that when considering the overall assessment in relation to the bad faith ground, *“the fact the applicant knows or should know that a third party is using such a sign is not sufficient in itself to permit the conclusion that that applicant is acting in bad faith. Consideration must, in addition, be given to the applicant's intention at the time when he files the application for registration of a mark, a subjective factor which must be determined by reference to the objective circumstances of the particular case.”* This must be right. If a business person decides entirely independently that they are going to register a given trade mark for a particular set of goods, the fact that they might happen to find out that someone else is also interested in the same thing cannot necessarily put them in a worse position. The issue will be highly sensitive to the circumstances.”

95) Ms Lau is open in stating that she made the current application as her registration was potentially open to an application for revocation for non-use. Her original intentions, when she had made the application for the registration she had made, had not borne fruit. She decided to try again with her project and as a result made the current application for registration. There is nothing to contradict Ms Lau's statement re this. She was not called for cross-examination. Her explanation for reviving the project was that the advent of the smart phone made it feasible without owning the alpha numeric for the number. Conduit comments that smart phones have been available for many years. However, the ubiquity of the smart phone and tablets is more recent. Again, Ms Lau has not been cross-examined in relation to the intentions she states she has and the reason for her reviving her project. With the use of smart phones and tablets, as she states, there is no longer a need for the alpha numeric of 118EAT; the potential customer can simply type the trade mark in and access the website. Mr Lewis

and Ms Mutimear gives evidence to show that a website is now functioning. Ms Mutimear states that she has been informed that Conduit now owns the number 118328 and that it uses this number. She gives no details of this use and in the extensive evidence filed by Conduit, there is no indication of its use. Moreover, this is use of a telephone number; there is no indication of use as a trade mark. As per Birss J, that Conduit may have interest in the trade mark, of which there is no evidence, would not of itself automatically constitute bad faith. So, even if correct, the submission of Mr Ward that Ms Lau was trying to prevent Conduit using 118EAT, is not necessarily evidence of bad faith. Moreover, there is no evidence of Conduit's use or intention to use 118EAT as a trade mark; nor of Ms Lau's knowledge of this. The claim is not substantiated by evidence and, again, Conduit did not choose to cross-examine Ms Lau. Mr Ward went on to submit that it was Ms Lau's intention to stop Conduit using the telephone number it had acquired. Again there is no evidence of this, again there was no cross-examination of Ms Lau. The explanation to be drawn from the evidence of Ms Lau, and the absence of evidence to the point of Conduit, is that which she has put forward; the application was made to assist in the reviving of her 118EAT project. The evidence of Mr Lewis and Ms Mutimear shows that Ms Lau is now using the trade mark in relation to a website; the case law allows for evidence after the date of application to be taken into account in that it may reflect upon the intention of the applicant. This is also clearly not a case of the applicant having no intention of using the trade mark, the sole objective being to prevent a third party from entering the market.

96) Mr Ward submitted that the application was seeking to "evergreen" the trade mark and that this was an act of bad faith. Mr Ward prayed in aid the guidelines of the Cancellation Division of OHIM:

"Where the proprietor of a CTM makes repeated applications for the same mark with the effect of avoiding the consequences of revocation for non-use of earlier CTMs, whether in whole or in part, the proprietor is acting in bad faith."

The guidelines of the Cancellation division are not even persuasive. As the CJEU stated in *Leno Merken BV v Hagelkruis Beheer BV*:

"48 Second, it is to be noted that the OHIM Guidelines are not binding legal acts for the purpose of interpreting provisions of European Union law."

97) Even if any reliance were to be placed upon the guidelines, there have not been repeated applications; there have been two applications.

98) Ms Lau knew that her trade mark registration was subject to revocation for non-use when she made the application. She was reviving her 118EAT project and saw ownership of the trade mark as an important part of her plan. There is nothing to suggest that she did not intend to use the trade mark; indeed Mr Lewis and Ms Mutimear have adduced evidence to show the use. The issue is case

sensitive, there may be times when such an application would be viewed as being made in bad faith. In this case, the reasonable and experienced person in business would not see the application as being made in bad faith but would see it simply as being commercially prudent. **The application was not made in bad faith and the ground of opposition under section 3(6) of the Act is rejected.**

### ***Overall result***

**99) The application is to be refused for all the services with the exception of:**

***telephone directory enquiries and on-line information relating to the aforesaid services.***

### ***Costs***

100) In *West t/a Eastenders v Fuller Smith Turner PLC* [2003] EWCA Civ 429<sup>xxvii</sup> Pumfrey J, sitting in the Court of Appeal, decided that, in awarding costs, the success in relation to separate grounds and the evidence adduced in relation to those grounds should be taken into account. Conduit has failed in relation to the grounds under sections 5(3) and 3(6) of the Act. It made large claims in relation to the use of its earlier trade marks, which were subject to proof of use, but in relation to 118 resiled from this position at the hearing. Other than establishing limited use of the 118 trade mark, the evidence of Conduit was not largely pertinent to the proceedings. Consequently, despite a large part of the specification of the application being refused, it is considered that each party should bear its own costs.

**Dated this 29th day of August 2013**

**David Landau  
For the Registrar  
the Comptroller-General**

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<sup>i</sup> Section 6A of the Act reads:

“(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 Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Under Section 100 of the Act the onus is upon the proprietor of the earlier trade mark(s) to show genuine use:

“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.”

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<sup>ii</sup> Inferred and implied consent have been accepted by the GC and CJEU in *Mo-Hwa Park c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Case T-28/09 and *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA* Case C-324/08 respectively.

<sup>iii</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2013/418.html>

<sup>iv</sup> *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* Case C-342/97.

<sup>v</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>vi</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>vii</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2002/1828.html>

<sup>viii</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34. The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2001/1928.html>

<sup>ix</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>x</sup> He considered that the following should be taken into account when assessing the similarity of goods and/or services:

(a) The respective uses of the respective goods or services;  
(b) The respective users of the respective goods or services;  
(c) The physical nature of the goods or acts of service;  
(d) The respective trade channels through which the goods or services reach the market;  
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;  
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

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<sup>xi</sup> “17. First, the starting point for the analysis of similarity is the wording of the Act and the Directive. These require the tribunal to determine whether or not the respective goods are “identical or similar” but they do not specify the criteria by reference to which similarity is to be assessed. In the well-established guidance from the Court of Justice on this issue originating in *Canon*, to which the Hearing Officer referred, the Court has not suggested that every case requires assessment of whether the respective goods or services are complementary. To the contrary, the Court has regularly made it clear that all relevant factors relating to the goods or services themselves should be taken into account, of which complementarity is but one (see e.g. in *Boston*).

18. Second, the concept of complementarity is itself not without difficulty. In a number of cases, reference to it does not make the assessment of similarity easier. If tribunals take the explanation of the concept in *Boston* as akin to a statutory definition, it can lead to unprofitable excursions into matters such as the frequency with which certain goods are used with other goods and whether it is possible for one to be used without the other. That analysis is sometimes of limited value because the purpose of the test, taken as a whole, is to determine similarity of the respective goods in the specific context of trade mark law. It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.

19. Third, the Hearing Officer said at [32]:

As stated above, the legal definition of ‘complementary’, as per *Boston*, is that the goods must be “indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”. It is not sufficient that the goods “can” be used together; nor is it sufficient that they are sold together.

20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.

21. Moreover, it is necessary to view the quotation from *Boston* in the context of the facts of that case where the dispute over similarity turned in part on whether the goods were used together for a rather specific medical procedure. The Court of First Instance said at [77]-[87]:

Similarity between the products

77 According to consistent case-law, in order to assess the similarity of the products or services concerned, all the relevant features of the relationship that might exist between those products or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (*Sunrider v OHIM*, paragraph 27 above, paragraph 85; judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM - Gómez Frías (euroMASTER)*, paragraph 31).

78 As regards the assessment of the similarity of the goods at issue, the Board of Appeal found, in paragraphs 22 to 24 of the contested decision, that, owing to their functional differences, apparatus for placing a suture, on the one hand, and hollow fiber oxygenators with detachable hard-shell reservoir, on the other hand, have a different method of use, are not in competition with each other and are not interchangeable. However, the Board found, in essence, that the goods at

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issue were closely linked to the goods of the intervener in so far as they had a certain complementary character, since they could be used simultaneously in the field of medicine, for example during surgery. They might also be purchased through the same distribution channels and be found in the same points of sale, so that the relevant public could be led to believe that they came from the same undertaking.

79 Those findings must be upheld.

80 In this respect, it must be noted that the goods bearing the earlier trade mark and those covered by the mark applied for both concern the medical field and are therefore intended to be used in the context of a therapeutic treatment.

81 In addition, as the Board of Appeal rightly pointed out, all the goods covered by the mark applied for have a certain complementary relationship with those bearing the earlier trade mark.

82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM - Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM - Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM - Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).

83 It is also true that, as OHIM moreover acknowledged, apparatus for placing a suture cannot be considered to be indispensable or important for the use of hollow fiber oxygenators with detachable hard-shell reservoir.

84 However, it is clear that apparatus for placing a suture and hollow fiber oxygenators with detachable hard-shell reservoir can be considered to be complementary where, in surgery which has required an incision and during which an oxygenator has been used, the surgeon uses apparatus for placing a suture. Thus, in the course of a single, very specific procedure, namely a surgical operation, two apparatus, namely an oxygenator and apparatus for placing a suture, might be used, one bearing the trade mark CAPIOX and the other the trade mark CAPIO.

85 It follows that, even though the applicant claims that the goods at issue cannot be considered to be similar simply because they are both used in the field of medicine, which, according to the applicant, is the case of nearly all goods of significance, the goods at issue are similar because they are in fact in a certain complementary relationship and specifically target certain professionals in the medical sector. In addition, in the present case, contrary to what the applicant claims, the goods at issue are not similar solely because they are used in the field of medicine, but because they could be used in the same, very specific surgical operation, namely open-heart surgery.

86 Finally, the products at issue can in fact be found in the same distribution channels, such a criterion being relevant for the purposes of the assessment of the similarity of the goods (*PiraÑAM diseño original Juan Bolaños*, paragraph 82 above, paragraph 37; see also, to that effect, *SISSI ROSSI*, paragraph 82 above, paragraph 65; and *PAM PLUVIAL*, paragraph 82 above, paragraph 95).

87 Accordingly, given the close link between the products in question as regards their end users, the fact that they are to some extent complementary and the fact that they may be distributed via the same distribution channels, the Board of Appeal was right to find that the applicant's goods and those of the intervener were similar (see, to that effect, Case T-388/00 *Institut für Lernsysteme v OHIM - Educational Services (ELS)* [2002] ECR II-4301, paragraph 56).

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22. The Court of First Instance was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.

23. In the present case, because of the way in which the case was presented to the Hearing Officer, the issue of whether the goods were complementary assumed excessive importance which may have diverted the Hearing Officer's attention from other, no less important, considerations in the evaluation of similarity. That requires me on this appeal to scrutinize the approach taken by the Hearing Officer in considering the evidence by reference to the test of similarity more closely than would ordinarily be warranted by the REEF principles on an appeal of this kind.£

<sup>xii</sup> See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 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 the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

<sup>xiii</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>xiv</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>xv</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

<sup>xvi</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>xvii</sup> See for instance: *Spa Monopole, compagnie fermière de Spa SA/NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-438/07 and *CureVac GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-80/08.

<sup>xviii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>xix</sup> In *Fon Wireless Ltd c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* l'affaire T-283/11 the GC stated :

« 67 Il convient de rappeler que le risque de confusion doit être apprécié globalement, selon la perception que le public pertinent a des signes et des produits ou des services en cause, et en tenant compte de tous les facteurs pertinents en l'espèce, notamment de l'interdépendance entre la similitude des signes et celle des produits ou des services désignés (voir arrêt *GIORGIO BEVERLY HILLS*, précité, points 30 à 33, et la jurisprudence citée). Ainsi, un faible degré de similitude entre les produits ou les services désignés peut être compensé par un degré élevé de similitude entre les marques, et inversement [arrêt de la Cour du 29 septembre 1998, *Canon*, C-39/97, Rec. p. I-5507, point 17, et arrêt *VENADO* avec cadre e.a., précité, point 74].

68 En l'espèce, comme indiqué au point 39 ci-dessus, il y a lieu de confirmer le constat de la chambre de recours selon lequel les produits et les services désignés par les marques

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antérieures et par la marque demandée sont hautement similaires s'agissant des produits relevant de la classe 9, et identiques s'agissant des services relevant de la classe 38.

69 Ce constat implique, conformément à la jurisprudence citée au point 67 ci-dessus, que le degré de différence entre les marques en conflit doit être élevé pour éviter un risque de confusion. Or, ainsi qu'il ressort du point 62 ci-dessus, il existe un degré de similitude visuelle et phonétique élevé et un certain degré de similitude conceptuelle entre les marques en conflit. »

<sup>xx</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>xxi</sup> *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

<sup>xxii</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

<sup>xxiii</sup> The full judgments can be found, respectively, at the urls:

<http://www.bailii.org/ew/cases/EWCA/Civ/2010/535.htm>

<http://www.bailii.org/ew/cases/EWCA/Civ/2009/753.html>

<http://www.bailii.org/ew/cases/EWCA/Civ/2012/24.html>

<sup>xxiv</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2011/62.html>

<sup>xxv</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2012/1929.html>

<sup>xxvi</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2013/2200.html>

<sup>xxvii</sup> The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2003/429.html>