

O-060-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2247942
BY EASYGROUP IP LICENSING LIMITED
TO REGISTER THE TRADE MARK:**

easy.com

IN CLASSES 16, 35, 36, 38, 39, 41 AND 42

AND

**THE OPPOSITION THERETO
UNDER NO 92500
BY EASYNET GROUP PLC AND EASYNET LIMITED**

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**In the matter of application no 2247942
by easyGroup IP Licensing Limited
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and the opposition thereto
under no 92500
by Easynet Group Plc and Easynet Limited**

BACKGROUND

1) On 6 October 2000 easyJet Airline Company Ltd applied to register the trade mark **easy.com** (the trade mark). The application was published for opposition purposes in the "Trade Marks Journal" on 20 February 2004. Subsequent to publication, the application was assigned to easyGroup IP Licensing Limited, which I will refer to as easyGroup. The specification has also been amended since publication. The specification is now for the following goods and services:

printed matter and publications; books, manuals, pamphlets, newsletters, brochures, albums, newspapers, magazines and periodicals; tickets, vouchers, coupons and travel documents; documents, tickets and publications, all relating to travel arranged by means of the world-wide web; travel documents folders; travel guide books; travellers cheques; playing cards; identity cards; labels and tags; posters, postcards, stationery, writing instruments, wrapping materials, calendars, diaries, photographs, gift cards and greetings cards; badges; teaching and instructional materials; promotional and advertising material; signs of paper or cardboard;

advertising; business management; business administration; office functions; publicity, promotional services, import-export agency services, business information services, organising exhibitions for commercial or advertising purposes; auctioneering services;

financial and insurance services;

electronic mail services;

transportation of goods, passengers and travellers by air; airport check-in services; arranging of transportation of goods, passengers and travellers by land; bus transport services, car transport services, coach services; airline services; baggage handling services; cargo handling and freight services; operating and providing facilities for tours; cruises, excursions and vacations; chartering of aircraft; rental and hire of vehicles, boats and aircraft; aircraft fuelling services, aircraft parking services; ambulance services; travel agency and tourist office services; advisory and information services relating to the aforesaid services; information services relating to transportation services, including information services provided on-line from a computer database or the Internet; travel reservation and travel booking services provided by means of the world-wide web;

information relating to entertainment and education, provided on-line from a computer database or the Internet; entertainment services provided on-line from a computer database or the Internet; educational information provided on-line from a computer database or the Internet; rental of electric and electronic goods, clothing, toys, games and playthings;

temporary accommodation; catering, hotel, restaurant, cafe and bar services; reservation services for hotel accommodation; provision of exhibition facilities; meteorological information services; hairdressing, grooming and beauty salon services; security services; airport security services; airline passenger security screening services.

The above goods and services are in classes 16, 35, 36, 38, 39, 41 and 42 respectively 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.

2) On 20 May 2004 Easynet Group Plc and Easynet Limited, which I will refer to as Easynet, filed a notice of opposition. Originally the grounds of opposition included grounds under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (the Act); these grounds were subsequently dropped.

3) Easynet claims that the trade mark is devoid of any distinctive character and/or consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, intended purpose, value or other characteristics of good and services. It states that the trade mark consists entirely of the elements easy and .com. Easynet states that neither of these elements is distinctive, that they are in common use and are elements that other traders may legitimately wish to use in the course of trade. Easynet claims that easy.com is not distinctive. It states that signs identical with or similar to easy.com are trade marks that other traders may legitimately wish to use. The .com element designates trade occurring via the Internet. The easy element is a common adjective. The combination easy.com designates the characteristics of an easy to use website or other easy to use Internet services or other trade easily conducted via or in relation to the Internet. Such easy to use website or Internet services or other trade easily conducted via or in relation to the Internet could involve trade in relation to goods and services identical with or similar to all of those for which the trade mark has been applied.

4) Easynet seeks the refusal of the application and an award of costs.

5) easyGroup filed a counterstatement. easyGroup states that the bringing together of easy and .com creates a new word and “introduces unusual variations, in particular as to syntax or meaning and creates a distinctive trade mark”. It states that there is a perceptible difference between the trade mark and the mere sum of its parts and the combination of the elements is removed from that produced by the elements on their own. easyGroup denies that other traders may wish to legitimately trade as easy.com. easyGroup states that it is the owner of the easy.com domain name and has been trading from that domain since November 2000. easyGroup states that other traders would have no legitimate reason to trade as easy.com and, in any event, would not wish to trade as easy.com since it would direct customers to the website of a third

party. easyGroup claims that by reason of the goodwill and reputation of the easy brand, the normal usage by it of the trade mark, from a consumer's view point, would be taken, and is taken, as indicating that goods or services offered under the trade mark are offered by one of the easy group of companies and no one else.

6) easyGroup claims that by reason of the use of easy names there exists a brand identity in the easy group of companies comprising the word easy followed by a word or words appropriate to the services provided by the individual company within the group, so as to form a new word. easyGroup goes on to give a history of the businesses that use trade marks that it owns: easyJet Airline Company Limited founded in November 1995; easyInternet café which commenced trading in June 1999 under the name easyEverything, easyCar which commenced trading in April 2000. It refers to easyValue, easyMoney and easyCinema, however, all these ventures commenced after the date of application. It states that easy.com was launched in November 2000 (again after the date of application). It states that easy.com provides a portal on the Internet for all the companies in the easy group. It states that it offers a free web based email service. It states that since December 2003 the easy.com website has received on average 544,220 hits per month. easyGroup goes on to give its future plans.

7) easyGroup denies the grounds of opposition, seeks refusal of the opposition, registration of the application and an award of costs.

8) A hearing took place on 2 February 2006. easyGroup was represented by Guy Hollingworth of counsel, instructed by easyGroup. Easynet was represented by Daniel Alexander QC, instructed by David Lutkin & Associates.

EVIDENCE

9) Most of the evidence of Easynet is aimed to the relative grounds of objection. Mr Alexander did not rely on the evidence of Easynet at all and so I will not summarise it here. Mr Hollingworth relied upon the evidence of easyGroup in a very limited fashion. His reliance was expressed in the following terms:

“As my learned friend clarified, we are not relying on acquired distinctiveness. Indeed we could not do so, given the timing of the application. We are -- and I have referred to this in my skeleton argument at paragraphs 24 and 25 -- noting that by the time in question the easyGroup had already launched three businesses. I have referred to the reference in articles at the time to the fact that "easy" was perfectly capable of being perceived in an origin sense at that time. That, in my submission, sheds light back upon how the word "easy" would have been perceived at the time in question. Sir, that is simply evidence which goes to how the public may have perceived the word "easy" at the time, but I am not relying on it for any form of acquired distinctiveness.”

10) Owing to Mr Hollingworth's slight and light reliance upon the evidence of easyGroup I consider that it is necessary to give a summary of it. easyGroup's evidence consists of a witness statement by James Rothnie. Mr Rothnie has been director of corporate affairs for easyGroup (UK) Limited since 23 August 1999. Before that he worked for easyJet Airline Company Ltd (easyJet) as head of public

relations for over two years. Mr Rothnie includes in his statement and the exhibits thereto matters arising after the date of application, 6 October 2000. I will confine the summary of the evidence to those matters which occurred prior to the date of application. (The counterstatement identifies that use in relation, inter alia, to easyValue, easyMoney, easyCinema and easy.com all occurred after the date of application.)

11) easyGroup is a member of the easy group of companies. The companies were founded by Stelios Haji-Iaonnou. easyGroup has owned and administered the intellectual property rights on behalf of the easy group of companies since 5 November 2000.

12) easyJet was launched in November 1995 as an operator of low cost scheduled airline services. It operates a no frills service; it is a ticketless airline and 95% of seats are sold on the Internet. The remaining seats are sold over the telephone by call centres. Passengers who book over the Internet receive their booking confirmation and booking reference by e-mail. In August 2000 over 75% of easyJet's seats were sold over the Internet. One million airline seats were sold by easyJet between April 1998 and October 1999 via the Internet, a further million by March 2000 and a further million by June 2000. Various material is exhibited at JR1. A news release for 16 October 2000 states that easyJet had three main bases, at Luton, Liverpool and Geneva. As of 30 September 2000 it operated on 28 routes and had a core fleet of 18 Boeing 737 aircraft. Mr Rothnie states that in-flight food/beverage sales are offered to passengers on easyJet flights under the trade mark easyKiosk. An exhibit from the easyjet.com website downloaded on 26 April 2005 refers to easyKiosk. There is no indication as to when use of this trade mark started. Mr Rothnie states that easyJet provides baggage handling services under the name easyJetramp. There is no material exhibited in relation to this or indication when this use commenced. Since May 2000 aircraft repair and maintenance servicing has been provided under the trade mark easyTech. A picture of an easytech van is exhibited at JR3, it appears to be a print from the Internet and bears a download date of 23 April 2002. Mr Rothnie states that easyJet also provides holiday services, such as complete skiing holidays, which can be booked via the website easyJet4ski. Exhibited at JR4 is an extract from the website, it was downloaded on 26 April 2005 and there is no indication as to when use commenced. Mr Rothnie gives the following passenger numbers:

1995	30,000
1996	420,000
1997	1,140,000
1998	1,880,000
1999	3,670,000
2000	5,996,000

He states that approximate annual turnover for goods and services provided under the easyJet trade mark are:

1997/98	£77 million
1998/99	£140 million
1999/2000	£264 million
2000/01	£357 million

(The figures relate to financial years.)

13) Exhibited at JR6 is a list of flights which shows when the services were introduced.

14) Mr Rothnie states that the staff and passengers of easyJet have featured in several series of the "Airline" television programme made by London Weekend Television and broadcast on ITV at peak times on Friday evenings. The first series appeared in January 1999. Exhibited at JR8 is a memorandum relating to the programme dated 11 August 2000. It states that the last series was watched by an average 7.5 million viewers for one hour every Friday night.

15) easyJet or Mr Haji-Iaonnou have won the following awards:

October 1999 Mr Haji-Iaonnou awarded London Entrepreneur of the Year.

12 October 1999 Best Low Cost Airline – "Business Traveller Magazine".

28 October 1999 Best Interactive Campaign (Media Awards).

29 October 1999 Best New Snowsports Holiday Travel Provider ("Daily Mail Ski and Snowboard" magazine).

16 November 1999 Mr Haji-Iaonnou awarded gold medal by Liverpool Publicity Association.

10 December 1999 "Marketing Magazine" lists launch of easyJet as one of the great marketing moments of 20th century.

18 February 2000 Mr Haji-Iaonnou named Business Person of the Year ("Liverpool Daily Post" Business Awards).

21 February 2000 Best On-board Service Concept (International Flight Catering Association Awards).

4 March 2000 Mr Haji-Iaonnou awarded New Marketeer of the Year ("Revolution" magazine).

16 March 2000 Mr Haji-Iaonnou awarded Gold Star for contribution to the development of European air travel (International Travel Writers Association).

17 July 2000 Readers of "The Guardian" and "The Observer" rate easyJet as the 7th best airline in the world.

20 July 2000 Mr Haji-Iaonnou awarded honorary fellowship by Liverpool John Moores University.

16 October 2000 Best Low Cost Airline (voted for by readers of "The Daily Telegraph" and "The Sunday Telegraph").

17 October 2000 Winner of the leisure category at the Chartered Institute of Marketing Effectiveness Awards. Mr Haji-Iaonnou also voted Entrepreneur of the Year.

18 October 2000 Best Low Cost Airline ("Business Traveller" magazine) for the second consecutive year.

19 October 2000 Best Low Cost Airline in the “The Daily Telegraph” Travel Awards.

16) Mr Rothnie states that in August 1998 the launch of easyRentacar rental service was announced. The publicity for the launch began in May 1999 following the registration of the domain name www.easyRentacar.com in March 1999. Exhibited at JR9 is material relating to this business. There are press notices stating that in March 2000 easyRentacar has leased sites in Barcelona and Glasgow. A release from the “Financial Times” of 1 March 2000 states that easyRentacar vehicles will be on the road by the end of April 2000. It states that the first bases are likely to be in the London area, Glasgow and Barcelona. Included in the exhibit are schedules for advertisements to be placed in publications for easyRentacar for the period 13 March 2000 to 29 July 2000. Mr Rothnie states that easyRentacar began trading on 20 April 2000 from a site near London Bridge, in London, followed by sites in Glasgow on 24 April 2000 and Barcelona on 26 April 2000. By 29 July 2000 1,550 cars were available to rent, £1,271,026 had been spent on advertising, income was £1,139,000 and 89,735 rental days had been booked. easyRentacar was rebranded as easyCar in early 2001 (this is after the date of application).

17) Mr Rothnie states that in June 1999 Mr Haji-Iaonnou launched a chain of Internet cafés across Europe. He states that this began with a 500 seat branch in London, under the name of easyEverything. Prior to the date of application and following the launch the following Internet cafés had been opened in the United Kingdom:

City	Opening date	No of computers
London	1 November 1999	466 PCs
London	3 November 1999	393 PCs
London	28 January 2000	268 PCs
London	4 February 2000	394 PCs
Edinburgh	18 May 2000	448 PCs

Turnover in the United Kingdom for the period June to 30 September 1999 under the trade mark easyEverything was £392,000 and for the 12 months ending 30 September 2000 it was £6,704,895. Mr Rothnie gives figures for customers using the cafés but there is no indication as to how many were visitors in the United Kingdom and how many in other countries. However, on the basis that the first café abroad was opened on 5 June 2000 in Amsterdam, the figures for the period prior to June 2000 can be taken into account:

July 1999	51,200
August 1999	104,019
September 1999	114,428
October 1999	146,178
November 1999	171,823
December 1999	194,386
January 2000	286,551
February 2000	399,554
March 2000	546,347
April 2000	535,205
May 2000	683,110

18) Mr Rothnie states that the website relating to easyEverything received 607,278 visits in the year to 15 May 2000. He states that in July 2000 easyEverything won the Network Industry award for the most innovative use of technology, in March 2000 it was given an award for the most promising new retailer by Retail Week Awards, in September 2000 it was awarded the title “e company of the Year” at the Future UK Internet Awards, in 2000 the “Guinness Book of Records” recognised the company for having the world’s largest Internet café.

19) Mr Rothnie states that easy.com offers a free e-mail service to the public; he states that this allows individuals to create and access a free e-mail address and account. It was launched in November 2000 and so after the date of application.

20) Mr Rothnie states that easyMoney provides an online credit card service. He states that the domain name www.easymoney.com was registered on 28 September 1999 and press coverage begin in August of that year. He states that on-line application were taken from 22 September 2001; after the date of application. Exhibited at JR12 is a screen print of the home page of www.easy.com, it is clear from the information on the page that the screen print must have been taken on or after 18 May 2005.

21) Mr Rothnie states that easyValue is an online price comparison service. It has been operating since November 2000, after the date of application.

22) Mr Rothnie states that the easy group of companies consistently use a distinctive get-up which consists of the conjunction of two words, the capitalisation of the first letter of the second word and the use of the colours orange and white.

The effects of the evidence of easyGroup

23) At the time of application easyGroup has established use of the trade marks easyEverything, easyRentacar, easyTech and easyJet. I cannot see that the evidence supports the claim that at the time of application the relevant public would have assumed that the goods and services of the application emanated from easyGroup. Mr Rothnie’s own evidence is contrary to this. Part of the distinctive get-up that he claims is the conjunction of two words (although easyRentacar would seem to be four words) with the first letter of the second word in capitals. easy.com certainly does not follow this formula. I do not consider that the evidence furnished by easyGroup can have any effect upon my decision. I am fortified in my view by the comment of Mr Livesey QC, sitting as a deputy judge of the High Court, viewed the issue as follows in *EasyJet Airline Co. Ltd v Dainty (t/a EasyRealestate)* [2002] FSR 6:

“I agree with the defendant that the claimants are not entitled to appropriate the word "easy" and prevent any businessman from using any name which includes the word "easy". However, in my judgment the test which requires to be established, that is to say that there is a likelihood of deception, is made out in this case not because the defendant has used the word "easy" but because of the four elements which I have already described as part of the livery or get-up of the claimants.”

The application does not conform to the get-up which Mr Rothnie claims. It is also to be noted that the evidence of Easynet certainly establishes its use of the trade mark Easynet for Internet service provider services at the date of application. Trade marks including the word easy at the beginning were not in the sole domain of easyGroup or its predecessors in title.

24) Consequently, the evidence filed will have no effect upon the decision that I make.

DECISION

25) Section 3(1) of the Act states:

“3.-(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

26) easyGroup has accepted that it cannot rely upon the trade mark having acquired distinctiveness at the date of application.

27) In *Celltech R&D Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-260/03 the Court of First Instance (CFI) considered the relationship between the Council Regulation (EC) No 40/94 equivalents of sections 3(1)(b) and (c) of the Act:

“21 In that regard, it must be borne in mind that each of the grounds for refusal to register listed in Article 7(1) of Regulation No 40/94 is independent of the others and calls for separate examination. Furthermore, the various grounds for refusal must be interpreted in the light of the public interest underlying each of them. The public interest taken into account in the examination of each of those grounds for refusal may, indeed must, reflect different considerations, depending upon which ground for refusal is at issue

(Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-0000, paragraphs 45 and 46, and the *SAT.I* judgment, paragraph 25).

22 However, there is a clear overlap between the scope of the grounds for refusal set out in subparagraphs (b) to (d) of Article 7 (Case C-265/00 *Campina Melkunie* [2004] ECR I-0000, paragraph 18, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-0000, paragraph 67, and Case T-289/02 *Telepharmacy Solutions v OHIM – (TELEPHARMACY SOLUTIONS)* [2004] ECR II-0000, paragraph 23).

23 In particular, it is clear from the case-law of the Court of Justice and the Court of First Instance that a word mark which is descriptive of characteristics of goods or services for the purposes of Article 7(1)(c) of Regulation No 40/94 is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services for the purposes of Article 7(1)(b) of the regulation (*Campina Melkunie*, cited above, paragraph 19; *Koninklijke KPN Nederland*, cited above, paragraph 86, and *TELEPHARMACY SOLUTIONS*, cited above, paragraph 24).”

I, therefore, need to give separate consideration to the grounds of opposition under sections 3(1)(b) and (c) of the Act. As an objection under section 3(1)(c) will give rise to an objection under section 3(1)(b), although not vice versa, I will deal with the section 3(1)(c) objection first.

Section 3(1)(c) of the Act

28) The European Court of Justice (the ECJ) dealt extensively with the issues underlying section 3(1)(c) of the Act in *Koninklijke KPN Nederland NV v Benelux Merkenbureau* Case C-363/99 [2004] ETMR 57. In that case the ECJ held the following:

“56. In those circumstances, the competent authority must, under Article 3(1)(c) of the Directive, determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is reasonable to assume that that might be the case in the future (see to that effect *Windsurfing Chiemsee*, paragraph 31). If, at the end of that assessment, the competent authority reaches the conclusion that that is the case, it must refuse, on the basis of that provision, to register the mark.

57. It is irrelevant whether there are other, more usual, signs or indications for designating the same characteristics of the goods or services referred to in the application for registration than those of which the mark concerned consists. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist exclusively of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.

58. Similarly, whether the number of competitors who may have an interest in using the signs or indications of which the mark consists is large or small is not decisive. Any operator at present offering, as well as any operator who might in the future offer, goods or services which compete with those in respect of which registration is sought must be able freely to use the signs or indications which may serve to describe characteristics of its goods or services.....

97. It is not necessary that the signs and indications composing the mark that are referred to in Article 3(1)(c) of the Directive actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that those signs and indications could be used for such purposes. A word must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned (see to that effect, in relation to the identical provisions of Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), Case C-191/01 P *OHIM v Wrigley* [2003] ECR I-0000, paragraph 32).

98. As a general rule, a mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of Article 3(1)(c) of the Directive. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

99. However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark.”

In paragraph 55 of *Koninklijke KPN Nederland NV v Benelux Merkenbureau* the ECJ points out the public interest issue underlying section 3(1)(c) of the Act:

“55. That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods. Therefore, marks consisting exclusively of such signs or indications are not eligible for registration unless Article 3(3) of the Directive applies.”

29) Both counsel spent some time looking at the implications of the judgment of *BioID AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (*OHIM*) Case C-37/03 P. Counsels’ arguments particularly focused on the

issue of how one analyses and considers trade marks that are made up of non-distinctive elements. Mr Alexander submitted:

“What the Court of First Instance did in that case – and the European Court of Justice approved -- was to consider the individual elements, to consider what the individual elements meant and then consider whether or not the particular combination of those elements led to there being any distinctive character. In our respectful submission, that was what the European Court of Justice was agreeing with. What it was not saying, and indeed there would be no logic for it to say, was that when one was performing an analysis of whether or not there was a distinctive character, one completely ignored the fact that the mark in question was composed of elements, each of which individually could not be said to be distinctive. That, in our respectful submission, would be a wholly unjustifiable way of proceeding. You have to start by performing some analysis of the individual parts in order that you can reach a conclusion as to whether as a whole the mark is or is not distinctive.”

The effect of Mr Alexander’s submission, in my view, is that a distinctive whole arising from the combination of non-distinctive elements can still be nullified by the non-distinctiveness of the elements. It seems to me that Mr Alexander’s argument is contrary to the judgment of the ECJ in *SAT.1 SatellitenFernsehen GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-329/02 P* which specifically dealt with the issue of trade marks consisting of non-distinctive elements:

“28 Finally, as regards a trade mark comprising words or a word and a digit, such as that which forms the subject-matter of the dispute, the distinctiveness of each of those terms or elements, taken separately, may be assessed, in part, but must, in any event, depend on an appraisal of the whole which they comprise. Indeed, the mere fact that each of those elements, considered separately, is devoid of distinctive character does not mean that their combination cannot present a distinctive character (see, by analogy, Case C-265/00 *Campina Melkunie* [2004] ECR I-0000, paragraphs 40 and 41, and C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-0000, paragraphs 99 and 100).....

35 It is clear from paragraphs 31 to 34 of the present judgment that the Court of First Instance assessed whether the term ‘SAT.2’ had a distinctive character essentially by means of a separate analysis of each of its elements. To that end, it based itself on the presumption that elements individually devoid of distinctive character cannot, on being combined, present such a character instead of, as it should have done, on the overall perception of that word by the average consumer. It examined the impression as a whole produced by the term only secondarily, refusing to give any relevance to aspects such as the existence of an element of imaginativeness, which ought to be taken into account in such an analysis.

Mr Alexander's argument appears akin to the reasoning of the CFI which was rejected by the ECJ. The approach to be adopted was given by the ECJ in *Eurocermex SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-286/04 [2005] ETMR 95 :

“22 As the Court has consistently held, and as the Court of First Instance indeed recalled in paragraph 25 of the judgment under appeal, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. Thus, in order to assess whether or not a trade mark has any distinctive character, the overall impression given by it must be considered (see, inter alia, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble v OHIM* [2004] ECR I-5141, paragraph 44, and Case C-136/02 P *Mag Instrument v OHIM* [2004] ECR I-0000, paragraph 20).

23 That does not mean, however, that the competent authority, responsible for ascertaining whether the trade mark for which registration is sought is capable of being perceived by the public as an indication of origin, may not first examine each of the individual features of the get-up of that mark in turn. It may be useful, in the course of the competent authority's overall assessment, to examine each of the components of which the trade mark concerned is composed (see, in particular, *Procter & Gamble v OHIM*, cited above, paragraph 45).”

In *Procter & Gamble Company v OHIM*, Joined Cases C-468/01 P to C-472/01 P [2004] ETMR 88:

“44 As the Court has consistently held, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see *SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). Thus, in order to assess whether or not a trade mark has any distinctive character, the overall impression given by it must be considered (see *SABEL*, paragraph 23, and, in relation to a word mark, *DKV v OHIM*, paragraph 24).

45 That does not mean, however, that the competent authority, responsible for ascertaining whether the trade mark for which registration is sought - in this instance the graphic representation of a combination of the shape of a washing machine or dishwasher tablet and the arrangement of its colours - is capable of being perceived by the public as an indication of origin, may not first examine each of the individual features of the get-up of that mark in turn. It may be useful, in the course of the competent authority's overall assessment, to examine each of the components of which the trade mark concerned is composed.”

My reading of the case law is that an analysis of the individual elements of a trade mark is acceptable; often it will be necessary. However, once that analysis has been made it is the overall impression that must be taken into account. Of course, the analysis of the individual elements may well influence decision as to what the overall impression of the trade mark is in relation to the relevant goods and/or services.

30) It is necessary to consider the trade mark in relation to the goods and services of the application. In this case the specification covers a large number of goods in class 16 and a very wide spectrum of services. The public has been educated to perceive a full stop before com as being dot. The average consumer will, in my view, both perceive the trade mark and speak it as easy dot com. Mr Alexander submitted that easy was generally descriptive on a blanket basis. He submitted that it was on a par with a word like cheap. Cheap can clearly relate to any goods or services that are exchanged for money, it relates to the purchase process. Easy is in my view a very descriptive word for many of the services of the application eg financial and insurance services, electronic mail services, travel reservation services. I am not sure how descriptive it can be considered for such things as badges, labels, playing cards, airport security services and hairdressing services. I, therefore, cannot agree with his analogy. For the sake of Mr Alexander's arguments in relation to section 3(1)(c) I will work on the premise that one is considering one of the services for which easy would be descriptive. So one has a descriptive word easy; one then has .com. There is no dissension from the view that .com would be indicative of a domain name. Mr Alexander submitted that .com added nothing by way of material distinctiveness to the general descriptive term. I consider that it is not a matter of what it adds but what it creates, it is part of a whole and ultimately the whole must be considered. He referred to a practice amendment circular, PAC 14/00. In that circular the following is written:

"2. Elements of the domain name such as ".com" or "co.uk" are considered to be totally non-distinctive, much in the same way as "Ltd" and "Plc". As a general rule, one should consider whether the remainder of the mark is descriptive or non-distinctive; if so, there is likely to be an objection under Section 3(1)(b) of the Act."

The circular is looking to section 3(1)(b) of the Act and not 3(1)(c). It also seems to me to take an approach that is dangerously close to not considering the trade mark as whole, and so contrary to settled law. Mr Hollingworth commented upon the basis of the pleaded grounds in relation to section 3(1)(c) of the Act in the following terms:

"As I say, in my submission, it is a large leap to suggest that easy.com describes characteristics of goods or services such as playing cards, writing instruments or indeed any other of the services or the goods for which registration is sought. Just to illustrate that, in my submission, it would require three discrete stages of assumption before you could make that assumption. The average consumer would have to see first of all that this is an allusion to an internet web address, which I submit they would do. Secondly, they would have to make a connection between that web address and the goods or services on which the mark is used. That is quite a leap. Thirdly, that connection must somehow be related to easiness or ease of use and they must be able to understand from that connection that that tells them something about the goods or services concerned. There are three steps. In my submission, that is far too vague and indeterminate, to use the wording from the European case law. There is certainly no direct and immediate connection."

In relation to section 3(1)(c) I do not consider that the test relates to the average consumer. Section 3(1)(c) is fundamentally about trade, hence the public interest issue behind it is the need to leave free, and the reference to trade in the section. However, aside from this I am in agreement with Mr Hollingworth. It seems to me that the pleaded case of Easynet requires a convoluted approach to the trade mark; one that is more suited to the world of the cryptic crossword than that of trade mark law. Mr Alexander's approach at the hearing seemed to be centred on treating the trade mark effectively as the word easy. He described the application as an attempt to seek a trade mark monopoly in the word easy. Such an attempt would only be a feasible analysis of the application if one accepted Mr Alexander's argument that the .com element is effectively to be ignored. So the basis of his claim is his own proposition. Mr Alexander also referred to the public interest aspect of the case, the need to leave free. However, his argument was that there is a public interest in not allowing the trade mark easy on its own to be registered. It is a reasonable argument that for certain goods and services the word easy should be left free; in the terms of earlier days that it should be left as part of the great common of the English language and not enclosed. However, the granting of rights in easy.com is not the granting of rights in easy. The rights subsist in the trade mark as a whole. I agree with Mr Hollingworth that there is no need to leave easy.com free for other traders to use.

31) Taking the trade mark as a whole I cannot see what characteristics of the goods and services of the application that easy.com designates. The pleaded grounds seem to me contrived and convoluted, the arguments of Mr Alexander rest upon not considering the trade mark as a whole. **The ground of opposition under section 3(1)(c) of the Act is dismissed.**

Section 3(1)(b) of the Act

32) Mr Alexander linked the arguments under section 3(1)(b) to those under section 3(1)(c). The pleadings do not separate the grounds out. Mr Alexander submitted that the analysis under section 3(1)(b) of the Act is very similar to that for section 3(1)(c) of the Act. He stated that there is not a materially different factual case under section 3(1)(b) of the Act than there is under section 3(1)(c) of the Act. Although he did not concede that if the case failed under section 3(1)(c) it would fail under section 3(1)(b), it seems to me that based on the pleadings and his submission that this is the inevitable consequence.

33) I put to Mr Hollingworth doubts I had about whether any domain name in the normal course of events would fulfil the essential function of a trade mark. In *Henkel KGaA v Deutsches Patent – und Markenamt* C-218/01 the ECJ identified the essential purpose of a trade mark

“30 As in the case of every other mark, the sign of which registration is applied for must fulfil the mark's essential function, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For a trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking

which is responsible for their quality (see, in particular, Case C-349/95 *Loendersloot* [1997] ECR I-6227, paragraphs 22 and 24, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28, and *Philips*, cited above, paragraph 30).”

However, that is not something that is pleaded or was argued. It is the practice in relation to inter partes trade mark disputes that hearing officer does not adopt a roving remit. He confines himself to the case between the parties. He acts as an independent tribunal hearing the dispute on the basis of the pleaded dispute, he does not step in and act for the public interest in matters which have not been pleaded. easyGroup can only be expected to defend itself upon the basis of the case pleaded. (“It is on the basis of the pleadings that the parties decide what evidence they will need to place before the court and what preparations are necessary before the trial” – *Loveridge & Loveridge v Healey* [2004] EWCA Civ 173 Lord Phillips of Worth Matravers MR.)

34) The basis of the pleaded case under section 3(1)(b) is not separated from that under section 3(1)(c). Consequently, I cannot see how Easynet can succeed under this section of the Act when it has already failed under section 3(1)(c). The two sections are separate but in this case the pleadings have inextricably linked them. They run the same argument as to the effect of the trade mark, an effect that I have rejected. The pleadings, and the submissions of Mr Alexander, work on the basis that the section 3(1)(b) ground is contingent on the section 3(1)(c) ground.

35) The section 3(1)(b) ground relates to the perception of the average consumer rather than trade. However, I do not consider that based on the nature of the pleadings, and the submissions of Mr Alexander, this affects the matter. **The ground of opposition under section 3(1)(b) of the Act is dismissed.**

COSTS

36) easyGroup IP Licensing Limited having been successful is entitled to a contribution towards its costs. I order Easynet Group Plc and Easynet Limited to pay easyGroup IP Licensing Limited the sum of £2250. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of March 2006

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