

O-240-06

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2350041  
STANDING IN THE NAME OF XERO 9 LTD**

**AND**

**IN THE MATTER OF REQUEST FOR A  
DECLARATION OF INVALIDITY THERETO UNDER  
NO 82007 BY O2 HOLDINGS LIMITED**

## **TRADE MARKS ACT 1994**

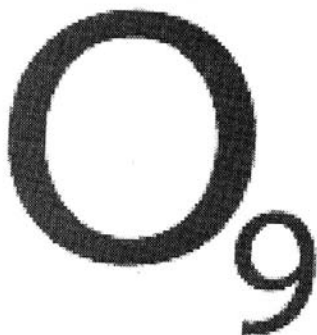
**IN THE MATTER OF Registration No 2350041  
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**and**

**IN THE MATTER OF A Request For A  
Declaration Of Invalidity thereto Under  
No 82007 By O2 Holdings Limited.**

### **BACKGROUND**

1. The following trade mark was applied for on 26 November 2003 with the registration procedure being completed on 8 October 2004:



2. The mark stands registered for a specification of services that reads:

Telecommunications of information and mobile media including web information and access to the internet; providing access to electronic databases; information services relating to mobile hand sets (Class 38)

3. On 19 January 2005 O2 Holdings Limited applied for a declaration of invalidity in respect of this registration. On 5 June 2006 the applicant sought leave to amend its originally pleaded case. A copy of the amended statement of case was sent to the registered proprietor with the preliminary view that the Registry was minded to accept the amended documents (which in substance gave particulars of trade mark registration that were referred to but not fully set out in the original statement).

4. The registered proprietor did not object to the proposed amendments with the result that the Registry's preliminary view was confirmed by letter dated 31 July 2006 and the amended document was admitted to the proceedings. No amendment to the counterstatement has been requested and no further evidence has been filed by either side.

5. Basing myself on the amended statement it discloses grounds of objections under Section 47(2) and Section 5(2) and 5(3) of the Act having regard to earlier trade

marks in the ownership of the applicant and claims use of the marks in question. Brief details of the marks relied on are set out in the Annex to this decision.

6. The registered proprietor submitted a counterstatement denying the applicant's grounds and claiming as follows:

- “ 1. The Proprietor registered and advertised the trade mark. The applicant had both the opportunity and the time to object to the mark being registered.
2. The Proprietor has invested a considerable amount of money marketing Xero 9 with a registered trade mark. The Proprietors investment was a direct result in owning the legal Trade Mark for Xero 9.
3. The Xero 9 Trade Mark consists of a zero and the figure nine, O2 Holdings trade mark is an O and the figure 2, and they are not the same.
4. The Proprietor and the Applicant are not in the same business, O2 Holdings is a Mobile Network, and Xero 9 is a Premium Rate fixed line Carrier.
5. The Proprietor Trade Mark is now widely recognised in its business sector.”

7. Both sides ask for an award of costs in their favour. Only the applicant has filed evidence. Neither side has asked to be heard. Written submissions have been received from Boulton Wade Tennant on behalf of the applicant for invalidity. Acting on behalf of the Registrar and with this material in mind I give this decision.

### **Applicant for invalidity's evidence**

8. Tom Sutton, Head of Advertising of O2 (UK) Limited, has filed two witness statements. His company is a subsidiary and licensee of O2 Holdings Limited. His evidence is directed at establishing the reputation of the O2/O<sub>2</sub> marks. ( I observe in passing that the evidence shows use of both forms). For convenience I will refer to it as O<sub>2</sub> this being the main public face of the brand).

9. The O<sub>2</sub> brand was launched on 1 May 2002 following the demerger of the BT Cellnet business from BT Plc. Prior to this demerger BT Cellnet had an active customer base of almost 11million people in the UK. A press release relating to the demerger and renaming was put out in October 2001 (Exhibit TS2).

10. A copy of the 1 May 2002 launch press release is exhibited at TS3. A video tape about the launch is referred to (TS4) by Mr Sutton but not supplied with his evidence (that deficiency is later corrected by evidence filed by Julius Stobbs, the applicant's professional representative in this matter by means of his Exhibit JS1). The contents of this exhibit give a useful insight into the scale of the applicants trading activities and sponsorship arrangements. Mr Sutton summarises it as covering:

- “The launch of the O<sub>2</sub> brand on 1 May 2002;

- The launch of My Company’s new phone, the XDA on 18 June 2002 (see Exhibit “TS5”);
- The launch of O2’s new tariffs “PAY & GO WILD” and “BOLT ONS” (their packages that can be purchased containing additional texts, media messages and video messages);
- Re-branding of My Company’s stores
- The introduction of a “mobile repair service” in the form of a “surgery for sick phones” – the first of its kind;
- The introduction of a brand new website, resulting in half a million customers online ([www.o2.co.uk](http://www.o2.co.uk));
- Sponsorship of Big Brother 3 in 2002 (the final of which was broadcast on 26 July 2002 and watched by approximately 10 million viewers ( I also refer to the article taken from the website [www.realitynews.com](http://www.realitynews.com) by Phil Lewin on 1 August 2002 at Exhibit “TS6”);
- Sponsorship of “Pop Stars – The Rivals”, the final of which was broadcast on 16 November 2002. Exhibit “TS7” shows that the final show generated half a million SMS (short message service) votes in one hour – the highest ever at that date.
- Sponsorship of Arsenal FC of The Premiership – see Exhibit “TS8” where the deal was announced on 19 April 2002 when Arsenal had just been crowned Champions of the Premiership and were shortly to go on to win the FA Cup, so that when the new season began in August 2002, O2 sponsored the league champions with all the relevant kudos and high profile publicity that this created;
- Sponsorship of the England Rugby team – see Exhibit “TS9” which is a copy of the press release announcing the sponsorship deal on 4 November 2003.”

11. Mr Sutton also exhibits:

- TS10 - details taken from the ‘Media Centre’ section of his company’s website relating to press releases for 2002
- TS11 - further press releases. I note that these cover, inter alia, agreements with other firms, financial and customer information, new product/service launches etc.
- TS12-20 - various TV advertisements. Again these were not available at the time of Mr Sutton’s witness statement due to their being used in other litigation. The exhibits are subsequently provided in DVD format by the applicant’s professional representative. With one exception (TS20) the adverts are dated between May 2002 and April/June 2003.
- TS21 - a spreadsheet detailing monthly advertising expenditure. Considerable sums are involved usually in excess of several million pounds per month.
- TS22 - copies of Powerpoint slides dealing with brand awareness in comparison with the other major mobile phone companies.
- TS23 - a copy of the company’s 2003 Annual Review .
- TS24 - a copy of the Annual Report and Financial Statement for 2003.

12. Mr Sutton has also filed a second witness statement in which he confirms that the concept of the brand was oxygen and that the mark is presented to the public in the form of the chemical symbol for oxygen with the 2 in subscript form. He also says that:

- “ 7. The mobile telecommunications market is well established in the United Kingdom, and is primarily dominated by five major competitors. These are O2, Vodafone, T-Mobile, Orange and Virgin. To my knowledge, none of these major competitors use the letter O with a subscript number in either their main branding or as a sub brand or indeed as a descriptor of any kind.
- 8. In addition to these five major competitors, there are other small mobile telecommunications providers but again to my knowledge none of these companies use the letter O with a subscript number in their branding.”

13. That completes my review of the evidence.

## **DECISION**

### **Section 47(2)/5(2)(b)**

14. The relevant Sections read:

#### Section 47

“(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

and

#### Section 5

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

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

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

By virtue of the dates on which the applicant’s earlier trade marks completed the registration procedure they are not subject to the ‘proof of use’ provisions (Section 47(2A)(a) applies).

15. I take into account the well established guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* (1998) E.T.M.R 1, *Canon Kabushiki Kaisha v. Metro-Goldwin-Mayer Inc* (1999) R.P.C 117, *Lloyds Schuhfabrik Meyer & co. GmbH v. Klijsen Handel B.V* (2000) F.S.R 77 and *Marca Mode CV v Adidas AG* (2000) E.T.M.R. 723. The guidance from these cases is now well known.

Accordingly, I do not propose to set out the relevant passages. Suffice to say that the test is whether there are similarities in mark and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those various elements, taking into account also the degree of identity/similarity between the goods and services and how they are marketed. In comparing the marks I must have regard to the distinctive character of each and assume normal and fair use of the marks across the full range of the goods and services within their respective specifications. The matter must be considered from the perspective of the average consumer who is deemed to be reasonably well informed and reasonably circumspect and observant.

### **The marks for comparison**

16. The applicant for invalidity has a number of registrations and is entitled to have its position tested against each and every one. However, in the circumstances of this case I regard Nos. 2279371, 2296255 and 2267312 as being of particular relevance. The common feature in each case is that these marks consist of, or incorporate, a letter O and the numeral 2 presented in subscript form. The significance of the subscript 2 is that it provides the context for the interpretation of what precedes it. When 2 is presented in the normal form as it is with the applicant’s other marks there is room for argument as to whether it would be seen as a combination of letter and numeral or two numerals. The effect of the subscript numeral is to immediately and unambiguously convey the message that the combination is a chemical symbol. That, of course, is what the applicant had in mind – the concept of oxygen. The advertisements (see TS12-20) based on the ‘bubble’ theme reinforce the meaning inherent in the mark itself. For that reason I propose to concentrate on the three O<sub>2</sub> marks identified above. No 2279371 claims the colour blue (indigo) as an element of the mark. No 2267312 claims the colour silver as an element of the mark. No 2296255 is registered without reference to any colour claim or limit.

### **The distinctive character of the earlier trade marks**

17. O<sub>2</sub> neither describes nor alludes to any characteristic of the services in question. The use of a chemical symbol is itself unusual in trade mark terms. Although not

strictly invented, even on a prima facie basis the mark seems to me to be entirely distinctive.

18. In this case the applicant has also filed evidence of use. The use is of about two years' duration prior to the material date in these proceedings if one takes the 11 October 2001 press release announcing the demerger of the mobile business from BT; rather less than that if one considers the position at the official launch on 1 May 2002. It is unusual for a claim to enhanced distinctive character to be based on such a relatively short trading span. Nevertheless, the scale of the publicity surrounding the launch and promotional activity thereafter, the size of the business and its customer base and the applicant's position as one of the five or six major players in the mobile phone business combine to leave me in little doubt that O<sub>2</sub> was a highly distinctive mark by November 2003. The applicant has also referred me to Mr Justice Pumfrey's findings in relation to O<sub>2</sub>'s reputation in *O2 Ltd, O2(UK) Ltd v Hutchinson 3G UK Ltd*, [2005] E.T.M.R. 61.

### **Similarity of marks**

19. This is a matter of visual, aural and conceptual comparison. The marks to be compared both consist of a large letter O and a subscript numeral. In short marks of this kind the average consumer will not fail to spot the different subscript numeral. But that point of visual distinction is far outweighed in my view by the fact that both marks convey the clear message that they relate to oxygen. The subscript numeral in a chemical symbol is indicative of the number of atoms but in a trade mark is likely to be subordinate to the general idea behind the mark, namely the gaseous element oxygen. Visual and aural considerations seem to me to flow from that conceptual appreciation of the mark. I might just add that the applicant's advertising (TS12-20) reinforces the oxygen theme by liberal use of bubbles in television advertising. I find that there is a reasonably high degree of similarity between the marks.

### **Comparison of services**

20. The registered proprietor's services are in Class 38. The applicant has specifications for its O<sub>2</sub> marks that cover Classes 9 and 38. It will suffice for present purposes to concentrate on the Class 38 services which embrace the provision of a wide range of telecommunication services with a strong emphasis on mobile telecommunication services. That is consistent with the applicant's evidence which goes to its extensive reputation in this area. By way of example the Class 38 services of No 2296255 read:

“Telecommunication and data communication services provided by a mobile telephone company; operation of a digitalized media platform for the exchange of messages and information; WAP (wireless application protocol) services; electronic postal services, namely transmission and forwarding of electronic mail, SMS (short message services), facsimiles, WAP (wireless application protocol) services; collection and delivery of news and general information; transmission of information in the field of entertainment, general information, economy and finance, sport and cultural activities in digital networks; monitoring, processing, sending and receiving data, sounds, images

and/or signals and information processed by computers or by telecommunication apparatus and instruments.”

21. The registered proprietor’s counterstatement claims that the parties are not in the same business. It says that “O2 Holdings is a Mobile Network, and Xero 9 is a Premium Rate fixed line Carrier”. Two points arise from this submission. The first is what the effect of such a submission (if accepted) would be on the issue of identity or similarity of services. The proprietor has not explained the nature of the service it provides or intends to provide other than the above-quoted statement. My understanding is that premium rate calls are simply one of a range of options available to telephone users in addition to local, international, freephone and other such call types. They can be carried over a fixed line or mobile networks. I have not been given any information on whether or to what extent the main network providers (fixed or mobile) provide premium rate call services themselves. It may well be that the provision of such services has become a specialist area within the telecommunications market. But even assuming this to be the case, it is nevertheless a service that is closely linked with and similar to other telephony services.

22. The second point is that the distinction the registered proprietor seeks to make between mobile network services and premium rate fixed line carriers is not one that is reflected in the proprietor’s own specification which is cast in more general terms and makes no specific reference to the services that are said to be of special interest. On the contrary the references to e.g. “Telecommunications of . . . . . mobile media” and “information services relating to mobile hand sets” appears to place the proprietor in a commercial context that is closely similar to that of the applicant.

23. Furthermore when the full notional scope of the specification of the applicant’s registrations is taken into account I regard the respective services as being very closely similar if not identical.

### **Likelihood of confusion**

24. Before reaching a conclusion on likelihood of confusion I should comment briefly on the average consumer. I regard it as self evident that mobile telephony services are directed at the public at large which these days includes a wide range of age groups and also spans both private and business use.

25. There is a great deal of choice in the mobile (and wider) telephony market depending on, for example, the nature and extent of use envisaged by the user, likely call patterns, text messaging requirements etc. In these circumstances it is reasonable to suppose that potential customers will exercise care in the purchasing process and be discriminating in the selection of a service provider.

26. It is well established that in assessing likelihood of confusion I must bear in mind the principle of interdependency. In the *Canon* case this was expressed in terms that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa (*Canon*, paragraph 17). Mr Sutton’s unchallenged evidence is that he knows of no other person, firm or corporation who uses the trade mark O<sub>2</sub> in relation to the mobile phone industry. Nor is there any



evidence to suggest that there are other traders using variations on the 'oxygen' theme.

27. In the light of my findings in relation to the respective marks and services I consider that there is a strong likelihood that consumers encountering the registered proprietor's mark would be misled into thinking that the underlying services were being provided by the applicant. Even if the difference between the marks was sufficient to negate direct confusion, the strength of the association between the marks is such in my view that consumers would consider services offered under the mark O<sub>9</sub> emanated from an undertaking related to the applicant or that the services were a development in trade of the services with which they were already familiar under the mark O<sub>2</sub>.

28. In short the request for a declaration of invalidity succeeds under Section 47(2) and 5(2)(b). In the circumstances I see no need to go on and consider the position in relation to the applicant's other registrations or the alternative ground under Section 5(3).

29. The application for a declaration of invalidity has succeeded. In accordance with Section 47(6) the registration will be deemed never to have been made.

#### **COSTS**

30. The applicant is entitled to a contribution towards its costs. I order the registered proprietor to pay the applicant for invalidity the sum of £1500. This sum is to be paid with 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 29th day of August 2006**

**M Reynolds  
For The Registrar  
The Comptroller General**

## ANNEX

Applicant for invalidity's trade mark registrations

<b>NO</b>	<b>MARK</b>	<b>CLASS</b>
2249386B	O2	25, 35, 36, 37, 39, 41, 42
2353387	O2	35
2271228	O2	38, 41, 42, 45
2264516	O2	38, 39, 42
2233188	O2	16, 18, 25, 38, 41
2279371	O <sub>2</sub>	09, 38
2296255	O <sub>2</sub>	09, 38
2267312	O <sub>2</sub>	38