

O-015-08

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION
NO. 2382275 IN THE NAME OF THE PROCTER & GAMBLE COMPANY
TO REGISTER A TRADE MARK IN CLASSES 3 AND 16**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 93533 IN THE NAME OF
O2 HOLDINGS LIMITED**

Trade Marks Act 1994

**IN THE MATTER OF trade mark application
No. 2382275 in the name of The Procter & Gamble Company
to register a trade mark in Classes 3 and 16**

And

**IN THE MATTER OF opposition thereto
under no. 93533 in the name of O2 Holdings Limited**

BACKGROUND

1. On 18 January 2005, The Procter & Gamble Company made an application to register the trade mark ABSORBUBBLES in Classes 3 and 16 in relation to the following specifications of goods:

- | | |
|----------|---|
| Class 03 | Wipes pre-impregnated with personal cleansing or cosmetic preparations. |
| Class 16 | Disposable diapers made of paper and/or cellulose; paper products for personal and household use such as paper towels, paper napkins, toilet tissues, facial tissues and other soft paper products. |

2. On 1 July 2005, O2 Holdings Limited filed notice of opposition to the application, the ground of opposition being as follows:

- 1. Under Section 3(1)(b)** the mark consists essentially of a word that is directly descriptive of a product intended to ABSORB BUBBLES and is therefore devoid of distinctive character.
- 2. Under Section 3(1)(c)** because the mark consists of the words ABSORB and BUBBLES which denotes one characteristic of the goods for which it is sought to be registered.
- 3. Under Section 5(2)(b)** because the mark applied for contains the word BUBBLES. It is therefore conceptually similar to the opponents' earlier trade marks, and may be referred to as a BUBBLE mark in speech. The mark applied for is sought to be registered in respect of goods that are similar to the services covered by the opponent's earlier marks such that there exists a likelihood of confusion on the part of the public.

4. Under Section 5(3) because there is a close association between the goods covered by the opponents' earlier trade mark and those covered by the later application and the distinctive character of the earlier trade mark is likely to be eroded by the use of the opposed mark.

The opponents rely on fourteen earlier marks, details of which are shown as an annex to this decision.

3. The applicants filed a counterstatement in which they admit that the opponents are well known in the field of mobile telecommunications, and that they are the proprietors of earlier trade marks for colour device marks depicting bubbles. They challenge that possessing a colour device depicting bubbles gives the opponents monopoly rights in all or indeed any formulations of trade marks containing the word bubbles, in support attaching a schedule of UK and CTM trade marks in Classes 3 and 5 that incorporate the word. They otherwise deny the ground on which the opposition is based.

4. Both sides ask that an award of costs be made in their favour.

5. Both sides filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. The matter came to be heard on 7 August 2007, when the Opponents were represented by Mr Julius Stobbs of Boulton Wade Tenant, their trade mark attorneys. The applicants were represented by Ms Denise McFarland of Counsel, instructed by D Young & Co, their trade mark attorneys.

Opponent's evidence

6. This consists of a Witness Statement dated 27 July 2006 from Tom Sutton, Head of Consumer Brands and Marcomms of O2 (UK) Limited, which as can be seen from the extracts from the Companies House website shown as Exhibit TS1, is a subsidiary of O2 Holdings Limited. Mr Sutton gives details of the earlier marks relied upon in these proceedings. He also gives an outline of the history of his company's business which he describes as being "mobile network operators". Exhibit TS2 consists of pages from his company's website entitled "About O2", referring in particular to the de-merger from BT on 19 November 2001, the issue of a £1 billion bond issue on 15 January 2002, and the launch of the O2 consumer brand utilising the "BUBBLE" marks on 1 May 2002, all detailed on a page entitled "Key Milestones".

7. Exhibits TS3, TS4 and TS6 consist of prints taken from the Media Centre section of the O2 website. The first two detail press releases from 2001 and 2002, Mr Sutton referring in particular to entries referring to O2 having an active customer base of 10,968,000 in the UK, the release for sale of the O2 XDA Pocket PC in June 2002, the trading of O2 shares on the LSE and NYSE on 19 November 2001, and the official launch of the company under the O2 brand in the UK on 1 May 2002. The third Exhibit is a press release dated 18 June 2002 referring to the launch of the XDA available from O2. Exhibit TS5 was withdrawn. Exhibit TS7 consists of an article from the website realitynewsonline.com dated 1 August 2002 referring to the show Big Brother 3 that Mr Sutton says his company sponsors, although there is no mention of this. Exhibits TS8, TS9 and TS10 contain extracts from the mmO2 Media Centre part of the opponents' website, TS9

also including prints from the Arsenal.com website. Mr Sutton refers to his company's involvement with the television show "Pop Stars – The Rivals" and its sponsorship of Arsenal Football Club and the England Rugby Team. Exhibit TS11 consists of further extracts from the mmO2 Media Centre section of the O2 website detailing press releases in the period 2002 to 2005, and a number of related stories from other websites, Mr Sutton again referring to selected items. There is no mention of BUBBLE(S), or any imagery depicting BUBBLE(S) in any of these exhibits

8. Mr Sutton goes on to state that his company's primary market has always been in the 16 to 34 category group, stating that as of 31 March 2002, his company held a market share of approximately 24%, a figure confirmed by page 9 of Exhibit TS26 under the heading Business Review. Mr Sutton goes on to give the figures for his company's active customer base in the years ending 31 March 2003 to 31 March 2005, which ranges from 12,050,000, rising year on year to 14.4 million. Exhibit TS12 shows this figure to have risen to 15.9 million by December 2005.

9. Mr Sutton introduces Exhibits TS13 to TS16 as being copies of his company's Annual Review and Annual Report and Financial Statement for the years 2002 to 2005., Mr Sutton referring, in particular to the sections Business Review, Operating and Financial Review and Prospects, Financial Statements and Financial Metrics, from which he goes on to set out the position in relation to his company's revenue position. The BUBBLE imagery first appears on the cover of the 2002 report as a form of decoration on the front page. Exhibit TS17 consists of a table setting out customer numbers that Mr Sutton says were taken from his company's website. Exhibits TS18 to TS26 were withdrawn.

10. Mr Sutton refers to Exhibit TS27, which consists of a CD-ROM that contains .MPEG and .PDF files containing advertisements produced by his company. These show use of BUBBLE imagery in various forms, the file dates showing them to originate from 2002 to 2004. Exhibit 28 consists of paper copies of fourteen of the .PDF files from the disc, most of which can be placed as originating in 2002 or 2003 and show BUBBLES as part of the imagery; there is no use of the word BUBBLE or BUBBLES. Exhibit TS29 consists of a copy of the O2 brand guidelines which sets out the way in which the brand is to be managed. Although no specific mention is made of the use of the "BUBBLE" imagery, there are pages showing different versions.

11. Exhibit TS30 consists of a CD containing forty television advertisements aired between April 2002 and March 2005, showing use of the company's O2 trade mark in conjunction with BUBBLE imagery. Exhibit TS31 consists of various Excel spreadsheets detailing the opponent's advertising expenditure, the first stating that during the period May 2002 to August 2004 this amounted to some £99.6 million. Others detail the total expenditure from April 2002 to June 2004 broken down by media, and by specific campaigns in the periods April 2004 to March 2005, and April 2005 to March 2006. Mr Sutton says that his company runs 2-3 major advertising campaigns per quarter with an average monthly spend of over £3.5 million.

12. Mr Sutton turns his attention to his company's reputation in the O2 brand incorporating the BUBBLE imagery. He refers to his company having become one of the most important players in the mobile telecommunications field. As Exhibit TS32 he introduces a PowerPoint presentation showing line charts for "Advertising Awareness" for the period October 2002 to April 2004, and "Brand Awareness" for the period May 2002 to April 2004. Mr Sutton mentions

that his company only comes behind the leader Orange in advertising awareness, and behind Orange and Vodafone in the brand awareness study. Mr Sutton refers to Exhibit TS33, which consists of two reports produced by Millward Brown ATP entitled “Consumer Brand Tracker – Monthly Summary” dating from April 2005 and May 2006. There is no information that relates to awareness in respect of the O2 BUBBLE imagery.

13. Mr Sutton goes on to refer to awards received by his company, mentioning The Business Superbrands and Superbrands organisations. Exhibit TS34 consists of a copy of the entry in the directories produced by these organisations. This refers to a “...high profile brand building campaign centred on the theme ‘a new current in mobile communications’. It was during this initial period that the company used, for the first time, the visually striking oxygen bubbles in blue water image that has become its trademark symbol.”. Mr Sutton also refers to a company called Cool Brand Leaders, a publication also produced by Superbrands, Exhibit TS35 consisting of copies of his company’s entry in the 2004 edition. This contains a similar reference to “...the visually striking oxygen bubbles in blue water image that has become its trademark symbol.”.

14. Mr Sutton refers to his company having won the IPA Grand Prix, an award supported by the Financial Times. He refers to Exhibit TS36 which consists of a copy of his company’s entry in the Advertising Works 13 - 2004 Effective Awards publication. In relation to “Total communications awareness” stated to have been taken “in the 8 weeks to end January 2004”, there is a statement that “This level of cut-through has undoubtedly been driven by the consistent and instantly recognisable use of blue and bubbles across all O2 activity.”. Another statement attributed as having come from Corr Research and Consultancy in 2003, says “The brand has created its own iconography – blue, bubbles and natural space”. Exhibit TS37 consists of a report downloaded from the “Awards and recognition” section of the O2 website. There is no specific mention of BUBBLES or BUBBLE imagery. Mr Sutton refers to Exhibits TS38, TS39 and TS40, which consist of CDs containing information on his company’s sponsorship activities. The first CD relates to various music events, all of which took place after the relevant date in these proceedings, the second to an event called “SCRUM IN THE PARK” that took place in October 2004. This event is said to have attracted 15,000 spectators and coverage on television. The final disc relates to O2’s sponsorship of the Arsenal Football team and the England Rugby team.

15. Mr Sutton refers to Exhibit TS41 which consists of an Excel schedule entitled “Cumulative Audience for Each Even Territory” in relation to various sporting seasons in the years 2002/2003 through to 2005/2006. Exhibits TS42 and TS43 consist of reports entitled “World Wide Television Broadcast Coverage” for the 2004/2005 and 2005/2006 English Premier League Football season. These cover the periods August 2004 – May 2005 and August 2005 to January 2006, respectively. Exhibit TS44 consists of a CD containing examples of merchandise branded with the O2 mark, a retail sales kit, and merchandise branded O2 that originated from Arsenal Football Club for the season 2004 – 2005.

16. Exhibit TS45 consists of a report entitled “O2 Web Portal Site Analysis” for the period 27 February to 31 December 2004, which identifies the top countries of the visitors to the O2 website, Mr Sutton highlighting the fact that there were 69,646,383 visits from the UK. This represents some 92% of all visits. This, of course does not mean that over 69 million people visited the site; an unknown number will be repeat visits. Exhibit TS46 consists of a table listing incoming and outgoing roaming figures for the years 2002 to 2005. Exhibit TS47 consists of a

copy of the decision of the late Justice Pumfrey issued in November 2004, in which he gave his views on the opponents' reputation. The exhibit also contains two WIPO domain name arbitration decisions in which it is stated that O2 is a household name in the UK, and that they considered the complainant (O2s) trade mark is well known worldwide.

17. Mr Sutton turns his attention specifically to his company's reputation in the BUBBLE marks. He makes submissions on the extent to which the evidence establishes this, going on to refer to Exhibit TS48, which consists of a copy of the High Court decision of Mr Justice Lewison, [2006] EWHC 534 (Ch). Mr Sutton says that a key aspect of this case rested on his company's evidence showing reputation in the BUBBLE marks. He cites examples of press articles referred to by Justice Lewison that he says relate to the strength of the bubble marks' contribution to his company's brand. He states that those published after the relevant date clearly relate to his company's marketing activities. Mr Sutton goes on to cite further extracts from the judgment, including a statement relating to the distinctiveness of the BUBBLE marks, and that the Judge had no doubt that "...the theme of blue bubbles had acquired a reputation" and to the inference drawn that the RELAX mark had a reputation in the Summer of 2004.

18. Mr Sutton goes on to refer to Exhibit TS49, which consists of a copy of a Witness Statement dated 25 January 2006, from John William Mumford, Managing Director of JMA Marketing & Research, that had been filed in the High Court proceedings heard by Justice Lewison. The Witness Statement describes a survey undertaken on 28 April 2005 in order to establish the degree of recognition of four BUBBLE marks known as "TECHNICAL, FIZZ, RELAX and CONTINUOUS. Mr Sutton says that the results establish that his company has a reputation in the BUBBLE marks, and although post-dating the relevant date, is likely to reflect the position prior to this through his company's promotion of the marks since March 2002.

19. Exhibit TS50 consists of a "First Expert Report" from Hugh Robert Burkitt, Chief Executive of The Marketing Society. This was compiled on 26 January 2006 also for use in the High Court Proceedings. The report refers to the use of BUBBLE imagery in telecommunications to be unique and a "key distinctive feature" of the O2 brand, stating that "...if all other competitors in the mobile telecommunications market were free to use bubbles, much of the distinctiveness of O2's brand would be lost and so would much of its value."

20. The final Witness Statement is dated 2 October 2006, and comes from Julius Stobbs, a trade mark attorney with Boulton Wade Tennant. This Statement relates to Exhibits TS5 and TS18 to TS26 referred to in the Witness Statement of Tom Sutton. Mr Stobbs states that these had not been attached because they were either in the High Court or with the Registry, and accordingly should be considered as having been withdrawn from the evidence.

Applicant's evidence

21. This consists of a Witness Statement dated 2 January 2007, from Angela Claire Thornton-Jackson, a trade mark attorney and partner with D Young & Co.

22. Ms Thornton-Jackson refers to Exhibit ACT-J-1, which consists of details of the "CHARMIN UK 2006 Line-up". The exhibit depicts packs of toilet tissue sold under the Charmin brand, the packs having the word CHARMIN across the top with the image of a

bear holding a roll of toilet tissue. Next to the bear is an oval shape containing what appears to be enlarged image of the tissue paper, showing connected bubble-like circles with the words “with Absorbubbles”. Ms Thornton- Jackson says that these products are available in the UK through a number of retail outlets and major supermarkets, such as Tesco, Sainsbury’s, Asda and Waitrose. Exhibit ACTJ-2 consists of extracts from the on-line shops for Waitrose, Tesco and ASDA, showing the Charmin product to be on sale. Ms Thornton- Jackson goes on to recount a visit that she made on 27 December 2006 to Sainsbury’s supermarket in Hedge End, Southampton, where she says she located the ABSORBUBBLES products in the toilet tissue aisle.

23. That concludes my summary of the evidence insofar as it is relevant to these proceedings.

PRELIMINARY ISSUE

24. During my summary of the evidence I highlighted that the opponents had been unable to file exhibits TS5, and TS18 to TS 26 referred to in the Witness Statement of Tom Sutton, the reason being that they were unavailable due to having been provided for use in other proceedings. By a Witness Statement dated 2 October 2006, Mr Julius Stobbs of Boulton Wade and Tennant, the opponent’s representatives in these proceedings, withdrew the exhibits, stating that the references to them in paragraphs 11 and 26 should not be taken into account. Paragraphs 10 and 27 also refer to these Exhibits. At the hearing Mr Stobbs resisted the applicant’s request to have these paragraphs struck out, asserting that they still contained matters of fact pertinent to these proceedings. The applicants considered this to be untidy and maintained their request that the paragraphs be struck out.

25. Paragraph 10 refers to the London Eye being chosen as the launch site for the re-branding to O2 because when it was lit it up it looked like a “large “O”. The paragraph contains the statement “(Exhibit TS5, detailed in paragraph 10 shows in detail the launch night.)”. Without the Exhibit this paragraph is meaningless. Accordingly, I direct that this reference in brackets shall be struck out.

26. The first sentence of paragraph 11 refers to Exhibit TS5 as being a video tape entitled “Summary 2002 Launch” which is said to tell the story of O2 from April 2002 to include the re-branding from BT Cellnet to O2. The first bullet point states that the video details “The launch of the O2 brand, including its key brand identifiers such as the bubble marks, on 1 May 2002”, a fact that can be gathered from other exhibits (see TS2 and TS4). There appears to be no reason to retain the first sentence and first bullet point and I direct that these shall be struck out.

27. The third to sixth bullet points of paragraph 11 refer to events that cannot be substantiated from other evidence and without the benefit of Exhibit TS5 provide no useful facts relating to the use of the bubble imagery. I direct that these bullet points be struck out.

28. Paragraph 26 introduces Exhibits TS18 to TS26, which are said to consist of nine video tapes containing recordings of advertisements broadcast on UK television prior to the relevant date. Without the tapes the stated claims to the use of the BUBBLE imagery cannot be verified. Therefore I direct that paragraph 26, and paragraph 27 that contains a summary of the withdrawn exhibits shall both be struck out.

DECISION

29. Turning first to the grounds under Section 3(1) of the Act. The relevant sections read as follows:

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

(a).....

(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)

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.”

30. There is no claim that the mark applied for has become distinctive by virtue of the use made of it, but in any event there is no evidence of it having been used prior to the relevant date, so the proviso is not relevant in these proceedings.

31. The opponents put their case under these sections as follows:

“Section 3(1)(c)

3. The mark covered by the subject application consists exclusively of a combination of the two words “absorb” and “bubbles” which denote a characteristic of the goods for which registration is sought. ABSORBUBBLES will be seen by consumers as the combination of “absorb and bubbles” and as such is exclusively descriptive of one characteristic of the goods. For example the product could be used to absorb bubbles (such as those produced from cosmetics or baby products) or could create bubbles that themselves absorb other material. Therefore, any member of the public seeing this mark affixed to goods or their packaging will not see this as an indication of origin but merely a description of the nature of the product.

Section 3(1)(b)

4. Further, or in the alternative, or in addition to this ground, we submit that the subject application should be refused registration on the basis that the mark is devoid of any distinctive character. Even if the mark is not considered “exclusively” descriptive, the mark conveys a clear meaning relating to the proposed usage of the product, namely the product would be used to absorb bubbles. As such the subject mark will not be seen by the average consumer as a trade mark but as simply denoting the intended purpose of the product to which it is affixed.”

32. Ms McFarland referred me to the decision in *Philips v Remington* [1999] RPC 809, in which it was held that a trade mark “must have a character which enables it to be distinctive of one trader’s goods”, stating that “In assessing whether a trade mark meets the required threshold for distinctiveness, one must look at the general impression created by the trade mark as a whole.” In the *Cycling Is* decision [2002] R.P.C 37, it was stated that the distinctiveness of a trade mark is not to be considered in the abstract, but rather by reference to the goods or services in respect of which registration is sought, and the relevant public’s perception of that mark. In the judgment issued in respect of *Joined Cases C-53/01 to C-55/01 Linde AG, Windward Industries Inc and Rado Uhren AG* (8th April 2003), paragraphs 37, 39 to 41 and 47, the European Court of Justice (ECJ) summarized the considerations in respect of assessing distinctiveness under Section 3(1)(b) in the following terms:

“37. It is to be noted at the outset that Article 2 of the Directive provides that any sign may constitute a trade mark provided that it is, first, capable of being represented graphically and, second, capable of distinguishing the goods or services of one undertaking from those of other undertakings.

38.....

39. Next, pursuant to the rule in Article 3(1)(b) of the Directive, trade marks which are devoid of distinctive character are not to be registered or if registered are liable to be declared invalid.

40. For a mark to possess distinctive character within the meaning of that provision it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings (see *Philips*, paragraph 35).

41. In addition, a trade mark’s distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, namely the consumers of the goods or services. According to the Court’s case-law, that means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and *circumspect* (see *Case C- 210/96 Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 31, and *Philips*, paragraph 63).

47. As paragraph 40 of this judgment makes clear, distinctive character means, for all trade marks, that the mark must be capable of identifying the product as originating from a particular undertaking, and thus distinguishing it from those of other undertakings.”

33. In *SAT.1 SatellitenFernsehen GmbH v. OHIM* (Case C-329/02 P) [2005] 1 C.M.L.R. 57; [2005] E.T.M.R. 20, at [23] the European Court of Justice (ECJ) stated that a mark has to fulfill its essential function “to guarantee the identity of the origin of the marked product 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.” The ECJ went on to hold:

“41 Registration of a sign as a trade mark is not subject to a finding of a specific level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the trade mark. It suffices that the trade mark should enable the relevant public to identify the origin of the goods or services protected thereby and to distinguish them from those of other undertakings.

42 Where a trade mark which does not fall foul of the ground of refusal laid down in Art.7(1)(c) of the regulation is none the less devoid of distinctive character within the meaning of Art.7(1)(b) thereof, the Office must also set out the reasons why it considers that that trade mark is devoid of distinctive character.

43 However, in this case, the Office merely stated in the contested decision that the elements "SAT" and "2" were descriptive and in current usage in the sector of media-related services, without stating in what way the term "SAT.2", taken as a whole, was not capable of distinguishing the services of the appellant from those of other undertakings.

44 The frequent use of trade marks consisting of a word and a number in the telecommunications sector indicates that that type of combination cannot be considered to be devoid, in principle, of distinctive character.”

34. In a judgment issued in respect of *Wm. Wrigley Jr. Company v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case -191/01 P, the *Doublemint* case, the ECJ gave the following guidance on the scope and purpose of Article 7(1)(c) of the Community Trade Mark Regulation, equivalent to Section 3(1)(c) of the Trade Marks Act:

“28. Under Article 4 of Regulation No 40/94, a Community trade mark may consist of any signs capable of being represented graphically, provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

29. Article 7(1)(c) of Regulation No 40/94 provides that trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographic origin, time of production of the goods or of rendering of the service, or other characteristics of the goods or

service are not to be registered.

30. Accordingly, signs and indications which may serve in trade to designate the characteristics of the goods or service in respect of which registration is sought are, by virtue of Regulation No 40/94, deemed incapable, by their very nature, of fulfilling the indication-of-origin function of the trade mark, without prejudice to the possibility of their acquiring distinctive character through use under article 7(3) of Regulation No 40/94.

31. By prohibiting the registration as Community trade marks of such signs and indications, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, inter alia, in relation to the identical provisions of article 3(1)(c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks (OJ 1989 L 40, p. 1), *Windsurfing Chiemsee*, paragraph 25, and Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-(3161), paragraph 73).

32. In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article 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 such signs and indications could be used for such purposes. A sign 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.”

35. From this it is clear that the prohibition to registration under Section 3(1)(c) of the Act relates to signs that may not be being used as a designation of a characteristic of the relevant goods or services, but nonetheless could be apt for such use. It follows that in order to decide this issue it must first be determined whether the mark designates a characteristic of the goods in question.

36. Exhibit ACTJ-1 to the Witness Statement of Ms Thornton-Jackson gives details of the “CHARMIN UK 2006 Line-up”. The exhibit depicts packs of toilet tissue sold under the Charmin brand. The graphical matter on the packaging includes an oval shape containing what appears to be an enlarged image of the tissue paper showing this to be composed of connected bubble-like circles. This is accompanied by the words “with Absorbubbles”. There can be little doubt that the applicants are using the word ABSORBUBBLES as a reference to the bubble-like construction of the goods, but using it in this way does not necessarily reduce it to a mere description. In *O2 Holdings’ applications* BL O-127-07 (11 May 2007) at 89, Professor Ruth Annand, sitting as the Appointed Person put the question as follows:

“...The question is whether, when viewed overall in relation to the products concerned against the backdrop of trade practices, the average consumer is likely without further education to perceive the mark as conveying a trade mark message (it being understood that a mark can convey other messages at the same time, e.g., alluding to the nature of the product).”

37. It is argued that the mark consists of the words ABSORB and BUBBLES, and I do not see that that has been disputed. Strictly speaking the mark is not composed of the words ABSORB and BUBBLES *per se*, but rather these words elided. The opponents contend that the word is a reference to the fact that the goods have a form of pocket or “bubble” that helps in the absorption of fluids. It could be taken as a play on the word ABSORBABLE, and is a clever construction, but a badge of distinctiveness is not a reward for the quantum of invention.

38. Taking the mark as a whole first, which is the way that the consumer will view it, I said earlier that the word ABSORBUBBLES could be taken as a play on the word ABSORBABLE. To those consumers who recognize this, any use in relation to the products of the application, namely, absorbent wipes, diapers, etc, may convey the idea of something absorbent. To my mind this a skillful if none-too covert allusion to a characteristic of the goods, although it is not syntactically correct. When viewed overall, the average consumer of the subject goods is likely to regard ABSORBUBBLES as conveying a trade mark message.

39. When viewed from the perspective of the mark being an elided construction of the two words “ABSORB” and “BUBBLES”, it describes products that “absorb bubbles”. A bubble is a thin, usually spherical or hemispherical film of liquid filled with air or gas, so to have a wipe that absorbs bubbles would be a rather strange concept to the consumer. To arrive at a wholly descriptive meaning requires that the word not only be bisected, but also extended so as to read “absorbent bubbles”. In relation to wipes the word ABSORB is clearly capable of being a reference to absorbent qualities and must be considered devoid of distinctive character in relation to such goods. The use of the word BUBBLE is rather unusual in that, as I have already said, it describes a liquid film surrounding a gaseous mass, and as far as I am aware, goods of the type covered by the application are not specifically made to wipe up bubbles. When viewed in relation to the goods covered by the application it is apparent that the word BUBBLE is being used to conjure up the idea that the wipes have bubble-shaped or bubble-like compartments, but is more suggestive than descriptive. The average consumer of such goods will not break the mark up, but take it as a whole, and in my view will perceive the word ABSORBUBBLES as a form of sub-brand with an allusion to some characteristic of the goods rather than a direct description. I find that the grounds under Section 3(1)(b) and 3(1)(c) to be unfounded and they are dismissed.

40. Turning next to the ground under Section 5(2)(b). That section reads as follows:

“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.”

41. An earlier trade mark is defined in Section 6 of the Act as follows:

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

42. 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-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;

(d) 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; *Sabel BV v. Puma AG*, paragraph 23;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly

distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG & Adidas Benelux BV*, paragraph 41;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

43. The first aspect I shall turn to is the question of what would be considered “normal and fair use” of the mark applied for. Mr Stobbs submitted that the opponents are concerned that if it were used “...in a certain way, in a particular type of presentation, with certain imagery, that could cause confusion in relation to the Opponent’s brand, and be detrimental to that brand.” Mr Stobbs made particular reference to the difficulty in telling how the applicant is likely to use the mark “...in terms of stylisation or font, and in terms of the surrounding brand elements...” There is no evidence that the opponent’s have any claim to, or reputation in respect of any particular font, or stylisation of lettering. The primary objections exists because of the use of the word BUBBLES, and that will be the case regardless of the font, so in my view this is a non-issue. It is, of course possible that the applicants will use the mark with the word BUBBLES highlighted, perhaps in a different colour, and possibly even in blue. They may also use it with images of BUBBLES. It is these scenarios that I have to consider.

44. Mr Stobbs referred me to a number of cases, although accepted that the law is still unsettled and uncertain. The first is the decision of Mr David Kitchen QC sitting as the Appointed Person in *Axel E. Hertlein v Rothmans of Pall Mall Limited (London) and Rothmans of Pall Mall Limited (Switzerland)* as joint opponents, BL O-123-04. Although not making a finding, Mr Kitchen stated:

“14. It was contended on behalf of the Applicant that this case raises no point of general legal importance because the Hearing Officer was clearly correct in deciding that the grounds of objection under section 5(4) and section 3(6) are concerned only with the mark the subject of the application and not other ancillary material that may be used in conjunction with it. I have some considerable sympathy with this submission but, in the light of the submissions advanced on behalf of the Opponents and the Registrar, I have come to the conclusion that the contentions advanced by the Opponents do raise issues of general legal importance. Under section 5(4) the issue arises as to whether it is appropriate to consider a normal and fair use of the mark applied for, or whether some other test is appropriate and, in either event, how wide the scope of the enquiry should be. Is it enough to satisfy the prohibition that the

applicant intends to use the mark applied for as part of a trade dress which is calculated to lead to passing off? Similar questions arise under section 3(6). Is it appropriate to consider an intention of the applicant to use a mark in conjunction with other deceptive material? It was submitted on behalf of the Registrar that all these issues are arguable and matters upon which the Registrar would welcome the guidance of the High Court.”

45. In paragraph 15 Mr Kitchen stated that he believed it to be “...clearly arguable that the FAIRLIGHT get up is calculated to cause deception.”. Mr Stobbs acknowledged, there is no evidence that suggests that the applicant will use the mark in a style similar to the opponent’s. If anything there is evidence to the contrary. In my view, Exhibit ACTJ-1 shows Absorbubbles to be used as a sub-brand alluding to some characteristic of the product for which it is used. Clearly this is not use that is even arguably calculated to deceive or likely to confuse the public, so I do not see that the opponents can gain any comfort from the *Fairlight* case.

46. Mr Stobbs also referred me to the following paragraph found on page 482 of the decision of Aldous LJ in *Open Country* [2000] RPC 477:

“The test laid down in *Smith Hayden*, adapted in accordance with the speech of Lord Upjohn in *Bali*, is the test applicable whether the applicant has or has not used his trade mark. However, no court would be astute to believe that the way that an applicant has used his trade mark was not a normal and fair way to use it, unless the applicant submitted that it was not. It does not follow that the way that the applicant has used his trade mark is the only normal and fair manner. However in many cases actual use by an applicant can be used to make the comparison. I believe that this is such a case.”

47. Mr Stobbs also relied upon the following passages from the decision of the Registrar’s Hearing Officer in *Direct Line Insurance plc v esure Insurance Limited* BL O-363-06:

“115. It is common ground that in assessing the likely effects of the mark applied for I must consider normal and fair use of the mark. However, there is some disagreement about what this means in practice. Counsel for esure submitted that as esure’s mark had been used in the colours of blue and orange, I should consider the paradigm use of esure’s mark to be use in those colours. Mr Hobbs submitted that in the absence of a proposal for the mark to be registered in any particular colour, I should consider normal and fair use of esure’s mark in all colours.

116. In my view, Mr Hobbs is correct. Otherwise esure would be able to ask for the assessments of any damage that its mark may cause to be assessed on the basis that it is used in orange and blue, and yet still be free to make further ‘normal and fair’ use of it in other colours, including red.

117. I am aware of authority in *Premier Brands UK v Typhoon Europe* [2000] FSR 767 to the effect that, prima facie, and in the absence of evidence or argument, the way that a mark has been used can be taken as a paradigm example of normal and fair use. I do not read this as meaning that a tribunal should not consider other examples of normal and fair use. I propose to approach the matter accordingly. This requires me

to contemplate the effect of the use of the mark applied for in any colour, including red.”

48. This case went on appeal to the High Court. In his decision [2007] EWHC 1557 (Ch), Mr Justice Lindsay considered the Hearing Officer’s findings:

“Colour

128 Before the Hearing Officer Direct Line, by Mr Hobbs, had submitted that in the absence of a proposal by esure for the mouse on wheels to be registered in any particular colour the Hearing Officer was required to consider normal and fair use of the mark in all colours. The Hearing Officer held Mr Hobbs' argument on the point to be correct and he concluded that he was thus required to contemplate the effect of the use of the mouse on wheels mark "in any colour, including red". In Direct Line's Respondent's Notice there is a heading which leads to a suggested conclusion, namely that the claim for protection by registration by esure was accordingly for the shape graphically represented, inter alia, in the colour red so as to confer protection in respect of the use of the shape, inter alia, in the colour red. In practical terms there is, as it seems to me, no difference between the contention in the Respondent's Notice and the finding, which I have cited, by the Hearing Officer on the issue. However, Mr Silverleaf did in argument raise that the Hearing Officer erred in principle in relation to colour. He had paid too much regard to the possibility of esure using a red mouse with black wheels. But esure never foreswore the use of red and black, as they so easily could have done had that represented their intent and, all in all as to colour, I have failed to find any material error of principle in this respect on the Hearing Officer's part.

Black and white

129 In its Respondent's Notice Direct Line seeks to build upon the Hearing Officer's finding at his paragraph 127 that the phone on wheels mark had acquired a huge reputation in the financial services market and "was extremely distinctive, even in black and white. When seen in its customary red livery the mark was even more distinctive of the services of Direct Line". Yet, when the Hearing Officer came to his conclusion on likelihood of indirect confusion, he relied to a material degree upon Direct Line's use of red. At his paragraph 143 he said:

"In this case the colour red serves to reinforce the association of the earlier trade mark with DL. The use of the mark applied for in that colour would plainly serve as a further pointer to DL. Taking all of the above into account, I find that at the date of the application, the use of the mark applied for in the colour red would have been likely to cause indirect confusion with DL's earlier mark. As the use of the mark in that colour is an example of normal and fair use of the trade mark, I find that the objection under s.5(2)(b) succeeds".

The complaint raised in the Respondent's Notice is, in effect, that the Hearing Officer should specifically have held esure's mouse on wheels would give rise to the existence of a likelihood of confusion even when it was used in black and white. But

the point only becomes material to the overall outcome if the Hearing Officer could be said to have erred in principle in his view that, given that esure had not limited the colours which it applied to use but had sought registration in black and white form, the conventional interpretation of such an application was that, if registration were to be granted, registration in any colour (including black and white) would have been protected. As I have not understood Mr Silverleaf to argue that the Hearing Officer erred in principle in that respect, the argument raised under this heading in the Respondent's Notice adds nothing of substance and, as I am not only loth to tinker but obliged not to tinker with the Hearing Officer's conclusions, short of a demonstrated material error of principle, I would prefer to leave his paragraph 143 and its reference to colour exactly as it is.”

49. Mr Stobbs did not specifically advance any arguments in relation to the applicant's mark being used in monochrome, but for completeness I will consider the position in respect of all possible colours.

50. Evidence of actual use can be used as an indication of what could be notional and fair use. However, Mr Stobbs is correct when he says that such evidence is not the limit of what is normal and fair use, and that an application to register a mark without limitations to colour should give rise to a consideration of its use in any colour. Although he does not actually say so, I take this to mean that he is submitting that the consideration of what is normal and fair use of the mark applied for should extend to the same colour blue consistently used by the opponents in relation to their BUBBLE imagery. I have no argument with this.

51. The second line of argument advanced by Mr Stobbs is that normal and fair use should be regarded as encompassing use of BUBBLE imagery very similar to that used by the opponents. The opponents use BUBBLES in a particular way, in several places referred to as “blue water” imagery; that is bubbles passing through a blue, water like liquid. It cannot be right that simply because the mark applied for includes the word BUBBLES I should consider normal and fair use to include BUBBLE imagery of all kinds. The question is how should the parameters of what should be considered “normal” and “fair” be defined. To my mind this should be by a consideration of the mark in relation to the goods for which it is proposed to be used. It is apparent from the evidence that the applicants use the word BUBBLES to create the idea that their wipes have bubble-like construction. The mark as a whole, and that is what I must consider, does not just say BUBBLES; it has the prefix which links to the fact that the BUBBLES are contributors to the absorbency of the product. I have already said why I do not consider it apt for the wipes to be used to absorb BUBBLES; they are for absorbing or wiping up liquids. I do not, therefore, see why normal and fair use should be deemed to include the use of BUBBLES passing through a liquid.

52. The decisions in *Claudia Oberhauser v OHIM (Fifties)* [2003] E.T.M.R. 58, and *Criminal Clothing Ltd v Aytan's Manufacturing (UK) Ltd*, [2005] EWHC 1303 indicate that the circumstances in which the relevant goods and trade marks are encountered by the consumer, particularly at the point at which the purchase is made is an important consideration, but the matter must be assessed by applying an assessment of all relevant factors. So whether the act of selection is likely to be visual, placing most importance on appearance, by aural means where how marks sound will be the main consideration, or by reference to the conceptual

idea conveyed to the consumer, this does not negate the need also to consider and balance all three aspects of selection.

53. Ms McFarland emphasized that the mark applied for is simply a word, whereas the earlier trade marks relied on by the opponents are not word marks, or marks that contain the word “BUBBLES”. They are all what is generally referred to as “device” marks, in this case consisting of the imagery of “bubbles” in various forms. The question is whether these graphical representations of bubbles are likely to be open to confusion with the applicant’s purely textual mark, ABSORBUBBLES. In simple terms, the opponent’s case relies on the premise that their earlier marks will be regarded as “BUBBLE” marks, and that the consumer will pick out “BUBBLES” from the applicant’s mark and make a connection with the opponents. In relation to the question of visual similarity, Geoffrey Hobbs QC sitting as the Appointed Person in *Xarocid* Trade Mark BL 0-140-03 (unreported) had the following to say:

“Marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode or element of expression to be perceived in the context of the marks as a whole as origin specific or origin neutral.”

54. Self-evidently, even if the text is no more than the word that describes the image, such marks will be different to the eye. It is also relevant that the applicant’s mark is not just the word BUBBLES; it is elided to the prefix ABSORB. In my view Ms McFarland is correct in saying that the addition of this word takes the applicant’s mark visually further away from the conversion of the opponent’s graphical marks into word form.

55. The same points apply to the matter of any aural or oral similarity. Whilst the opponent’s marks may be referred to as “BUBBLE(S)” marks; I see no reason why they would ever be spoken of as “ABSORB” BUBBLE(S) marks. The fact that both may be, or contain the word BUBBLE gives them a degree of similarity in sound, but the addition of the word ABSORB, to the beginning of the applicant’s mark lessens this significantly. In my view, the opponent’s earlier marks and the mark applied for will clearly sound different.

56. This leaves the matter of whether there is any conceptual similarity between the respective marks. I do not consider there to be anything radical in saying that a word that describes an image or object is likely to create the same idea in the mind of a consumer as seeing the object it describes (See *La societe Anonyme des Verreries de L’etoile* 11 RPC 142 the *Red Star* case). Therefore, the word “BUBBLES” is capable of creating a concept in the mind of the consumer that is the same as an image of “BUBBLES”, although not necessarily one that is similar to the opponent’s BUBBLE imagery. It cannot, however, be assumed that the reverse will be the case. If an image shows BUBBLES being used in a particular way, the perception will be influenced by the manner of the use as a whole and not just by the BUBBLES. So whilst the use of BUBBLE imagery may bring to mind the word BUBBLES, where the BUBBLES are being used in a particularly novel way, such as in the “blue water imagery” that is used to describe the opponent’s use, that will be the idea conveyed. It must not be forgotten that the applicant’s mark is not the word BUBBLES, but ABSORBUBBLES. Whilst to my mind the mark as a whole still conjures up the image of

BUBBLES, the thought of something that absorbs is a strong contributor to the mind's eye. Where a mark, be it graphical or textual, is capable of having some relevance for the goods or services for which it is used, this is likely to affect the consumer's perception. The allusion to the fact that the goods have a form of pocket or "bubble" that helps absorb may be cleverly constructed, but not to the extent that it will escape the notice of the consumer. I therefore do not consider the respective marks to be conceptually similar.

57. In their counterstatement the applicants deny that the opponents have any reputation in the UK, specifically in the words BUBBLE or BUBBLES, and also in BUBBLE devices. However, in her submissions Ms McFarland conceded, and correctly in my view, that the opponents had provided evidence "proving reputation of its device and "O2" marks in relation to the telecommunication industry."

58. In the years between 2002 and 2005 the opponents expended a substantial amount of effort promoting their BUBBLE imagery, but as far as I can see made no mention of the word BUBBLE. Mr Sutton says that his company has become one of the most important players in the mobile telecommunications field, only coming behind the leader Orange in advertising awareness, and behind Orange and Vodafone in a brand awareness study. The Business Superbrands and Superbrands organisations directories refer to a "...high profile brand building campaign centred on the theme 'a new current in mobile communications'. It was during this initial period that the company used, for the first time, the visually striking oxygen bubbles in blue water image that has become its trademark symbol." A publication entitled Cool Brand Leaders dating from 2004 also produced by Superbrands contains a reference to "...the visually striking oxygen bubbles in blue water image that has become its trademark symbol."

59. The opponent's entry in the Advertising Works 13 - 2004 Effective Awards publication in relation to "Total communications awareness" taken in the "8 weeks to end January 2004" says that "This level of cut-through has undoubtedly been driven by the consistent and instantly recognisable use of blue and bubbles across all O2 activity." Another statement attributed as having come from Corr Research and Consultancy in 2003, says "The brand has created its own iconography – blue, bubbles and natural space". A copy of a Witness Statement dated 25 January 2006, from John William Mumford, Managing Director of JMA Marketing & Research, that had been filed in High Court proceedings describes a survey undertaken of 28 April 2005 to establish the degree of recognition of four BUBBLE marks known as "TECHNICAL, FIZZ, RELAX and CONTINUOUS. Mr Sutton asserts that this establishes that his company has a reputation in the BUBBLE marks, and although post-dating the relevant date, is likely to reflect the position prior to this through his company's promotion of the marks since May 2002. The "First Expert Report" from Hugh Robert Burkitt, Chief Executive of The Marketing Society that was compiled on 26 January 2006, again for use in the High Court Proceedings, refers to the use of BUBBLE imagery in telecommunications to be unique and a "key distinctive feature" of the O2 brand. It goes on to state that "...if all other competitors in the mobile telecommunications market were free to use bubbles, much of the distinctiveness of O2's brand would be lost and so would much of its value."

60. On my assessment, the evidence relating to the existence of the opponent's reputation in the "BUBBLE" imagery with the telecommunications field is conclusive. That, however, is as far as it goes. There is nothing that shows or even suggests that it extends into goods or

services beyond those connected with this industry.

61. Three of the opponent's earlier marks list Classes 9 and 38. Four more cover these classes and classes 35, 36, 39, 41, 43 and 44, with the remaining earlier marks also covering Class 42. These classes cover a range of electrical/electronic apparatus, services related to telecommunications, the running and promotion of a business, as well as various financial, educational, entertainment, training, scientific, technological, the provision of food, drink and accommodation, and medical, veterinary and personal services. To me it is self-evident that the goods covered by the mark applied have no connection whatsoever with any of the goods or services listed in the specifications of the opponent's earlier marks; they are plainly dissimilar. That being the case I do not see the need to list these in detail, or to conduct the usual analysis based on the guidance provided in guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 (pages 296, 297) and the ECJ in the *Canon* judgement. The most that can be said is that as there is no limitation or qualification to any of the respective specifications that would serve to delineate the consumer base, I have to assume that they are notionally capable of being provided to the same end consumer.

62. The opponents and their BUBBLE logos may have a high reputation in respect of telecommunications, but the fact that they have this reputation does not give grounds for presuming a likelihood of confusion. For this to be the case the association caused by the use of the mark applied for, in relation to the goods for which registration is sought, would have to cause the public to wrongly believe that these are goods from the opponents or some linked undertaking. To arrive at such a conclusion in this case requires not only that the consumer will see the opponent's "image" marks as "BUBBLE marks, but also that they will pick out this word from the mark applied for, disregarding the ABSORB prefix, and whether through imperfect recollection or whatever, will be confused. Taking all factors into account, I do not consider this to be a likely consequence of the applicant's use of ABSORBUBLES in relation to the goods of the application. There is no likelihood of confusion and the ground under Section 5(2)(b) fails accordingly.

63. Turning to the ground under Section 5(3). That section reads as follows:

"5.- (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."

64. The standard test for the sort of reputation that is needed to underpin a Section 5(3) action is set out in *General Motors Corp v Yplon SA* [2000] R.P.C. 572. In this case the Court concluded that the requirement implies a certain degree of knowledge amongst the public, and that the required level would be considered to have been reached when the earlier mark is known by a significant part of the relevant sectors of the public. In deciding whether this requirement is fulfilled all relevant factors should be considered, including, the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size

of the investment made by the undertaking promoting it; the stronger the reputation and distinctive character, the easier it will be to accept that detriment has been caused to it.

65. The raft of recent case law relating to objections under Article 8(5) of Regulation 40/94, equivalent to Section 5(3) of the Trade Marks Act was considered by the CFI in some detail in Case T-215/03 *Sigla SA v. Office for Harmonisation in the Internal Market*, namely: Case C-292/00 *Davidoff & Cie SA & Zino Davidoff SA v Gofkid Ltd* [2003] E.C.R. I-389 at [24]-[26], Case C-408/01 *Adidas-Salomon AG v Fitnessworld Trading Ltd* [2003] E.C.R. I-12537 at [19]-[22], Case T-67/04 *Monopole SpA v OHIM--Spa-Finders Travel Arrangements* [2005] E.C.R. II-1825 at [30], the Opinion of Advocate General Jacobs in *Adidas-Salomon and Adidas Benelux* at [36]-[39], Case T-104/01 *Oberhauser v OHIM-- Petit Liberto* [2002] E.C.R. II-4359 at [25], Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1998] E.C.R. I-5507 at [29], Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819 at [17], Case C-251/95 *Sabel BV v Puma AG* [1997] E.C.R. I-6191 at [20] and Case C-375/97 *General Motors Corp v Yplon SA* [1999] E.C.R. I-5421 at [30].

66. The CFI concluded that the marks at issue must be either identical or similar to an earlier mark relied upon. In its judgment in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd*, the ECJ were not so conclusive about the need for the respective marks to be “similar”, only that they have a “certain degree of similarity”:

“29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them: see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23”

67. In *Esure Insurance Limited v. Direct Line Insurance plc* a decision of the High Court of Justice Chancery Division, [2007] EWHC 1557 (CH), Mr Justice Lindsay stated that whether marks were found to be similar involved the passing of a “threshold”:

“94 At his para 114 the Hearing Officer concluded:

"In my view, a distinctive feature of both marks is the unusual juxtaposition of wheels attached to (albeit recognisably different) electronic communication devices. I find that this gives rise to a recognisable similarity between the marks".

But if the threshold question is as I have indicated -- see para 46. above -- the threshold question is more a matter of law and first impression rather than one requiring detailed analysis or evidence and, if the threshold is as I have taken it to be, it is in my judgment here satisfied; I would not be able to say that duly-arrived-at overall impressions made by the rival marks are such that one could reasonably say that a likelihood of confusion could not thereby have been created. Despite the differences -- and there are several -- between the phone on wheels and the mouse on wheels, the relevant services are identical and both the sign and the mark are

indicators of a means of making contact and doing business with the provider of those identical services and in both cases (against all experience) black road wheels have been added to that means of communication and give it the appearance of a vehicle.

As a matter of first impression I would take the low threshold to have been cleared.

95 Mr Silverleaf draws attention to the passage in the Hearing Officer's paragraph 110 where he said:

"The requirement for similarity is therefore passed when there is any visual, aural or conceptual similarity between marks which is likely to be recognised as such by an average consumer."

He had said much the same in his paragraph 108; once there was that degree of similarity then the Tribunal was obliged to go on to consider the other factors identified in section 5(2)(b) or section 5(3) of the 1994 Act. As will have been seen from my observations on thresholds, I take a different view but it is not, as it seems to me, a difference that can here be magnified into a material and clear error of principle. The difference in approach would only have been a material error of principle if, upon adopting my view as to the threshold, I had taken the view that the threshold had not been equaled or exceeded. But, as I have indicated, in my view the threshold is low, as I have described it, and was exceeded. The Hearing Officer, in my view, was thus obliged to go on to consider whether there was a likelihood of confusion in the manner that he did and, equally, to consider questions as to unfair advantage and detriment, as I shall come on to, as he did.

96 I would add this (as I apprehend Mr Silverleaf asserted error in principle as to the Hearing Officer's response to conceptual similarity): it is difficult to elevate matters essentially of weight and degree into ones of principle but, even if one were to take out of the Hearing Officer's evaluation his concept of desk top electric communication devices as a feature common to both, I would, having regard to other similarities between the mark and the sign (especially if the mouse could be used in red with black wheels) nonetheless take the low threshold to have been exceeded.

97 If that is right then I next need to look into whether such similarity as there was, as globally appreciated in the way described in the authorities which I have touched upon in paragraphs 24 et seq. above, caused a likelihood of relevant confusion."

68. The paragraph 46 referred to (and paragraph 45 which puts it into context) reads as follows:

45 Lewison J's judgment does not itself specify what kind of minimum threshold Mr Wyand QC had contended for but I have been given a copy of the very full Skeleton argument which Mr Wyand and his junior, Mr Moody-Stuart, deployed before Lewison J.. At para 29 the Skeleton Argument makes the point that "absent at least similarity there can be no infringement". The argument continues:--

"This is a threshold test and is to be considered in each case by a visual, aural

and conceptual comparison of the mark and sign".

Although that is not a complete specification of the test for the relevant 4(1)(b) similarity -- it leaves out, inter alia, the concept of interdependence -- it is hard to fault it as far as it goes. If all that Mr Wyand was arguing for was that there had to be at least some similarity, I would not think that Lewison J. was intending to reject that argument. Nor does the fact that the question is one of degree of itself exclude there being a threshold. I notice, too, that, so far as one can tell from the report, Vedral supra was not referred to the Judge. But Lewison J's observation that whether "something is relevantly similar to another thing must depend on why you are asking the question" is, as it seems to me, irresistible. "Are they similar", asked of marks, would be almost bound to meet the response "For what purpose?"

46 That is not to say that in every case where some one or more items or aspects, howsoever insignificant, of the rival marks can be said to be similar, the fact-finding body necessarily has to go on to examine into the existence or not of a likelihood of confusion because that would obviate the necessity for an overall impression being formed of the rival marks in the relevant surrounding circumstances and for those overall impressions then to be compared. There can be cases -- see e.g. Vedral and Soffass supra -- where the fact-finding body, deploying the proper approach to the overall assessment which the authorities require and having due regard for interdependence and the other relevant surrounding circumstances, is able to conclude that notwithstanding some aspects of similarity, no likelihood of confusion could have been created. But, although I am far from sure I am here differing in any material way from Lewison J, I would hold there to be some form of threshold, albeit a low one. In a case such as the one before me, the threshold, in my judgment, is arrived at as follows. First, overall impressions of the rival marks are formed, paying full regard to all the requirements of the autonomous concept of 4(1)(b) similarity. Next one has to have in mind the types of confusion which are then relevant, namely (as I shall come on to below) those identified in Sabel supra at its para 16. Then the threshold question arises: are those overall impressions such that one can reasonably say that a likelihood of confusion could not thereby be created?"

69. In *Inlima S.L*'s application [2000] RPC 661 Mr Simon Thorley QC, sitting as the Appointed Person posed the question of what "similar" meant in the context of Section 5(3):

"13..The word 'similar' is a relative term. One has to ask the question 'similar for what purpose'. The question of similarity accordingly can only be answered within the context of a particular set of facts, once one has identified both the facts and the purpose for which similarity is required. In the case of section 5(3), the purpose of requiring similarity is so that the possibility of detriment or unfair advantage might arise. In any particular case, a conclusion as to whether it does arise must depend not only upon the degree of similarity but on all the other factors of the case, not least, the extent of the reputation.

14. I therefore conclude that the same global appreciation as is required for confusion under section 5(2) is likewise to be applied to the changed circumstances of section 5(3)."

70. The opponent's attack is based solely on the allegation that the distinctive character of their earlier marks will be "eroded by the use of the opposed mark." The CFI considered the risk of dilution to be lower if the earlier mark consists of a term which, because of a meaning inherent in it, is very common and frequently used. That is not the case in respect of the opponent's marks in relation to the telecommunications related goods and services for which they have been used. From the references in the evidence it would seem that the opponent's use of the BUBBLE imagery in the telecommunications field appears to be unique. That said, there is no evidence that others do not use the word BUBBLE(S) in relation to telecommunications, or more significantly, the word and/or the imagery of BUBBLES in respect of goods or services disconnected from that industry.

71. Clearly the earlier mark must have a reputation. There must be a risk that the use of the mark applied for, without due cause, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark. In *Sigla* the CFI went on to say that that along with the "similarity" requirement for the marks, these conditions are cumulative and a failure to satisfy one of them is sufficient for a case to fail.

72. In my consideration of the ground under Section 5(2)(b) I found the opponents' earlier marks and the mark applied for to be dissimilar. To my mind that is the case whether determined by reference to the law and first impression, or by detailed analysis; there is no evidence relating to the question of the similarity of the respective marks. On the "cumulative" approach advocated in *Sigla* that is effectively the end of the matter. Notwithstanding any reputation that they may have, the ground under Section 5(3) must fall at the first hurdle and accordingly be dismissed.

73. In relation to the specifics of this case I have the following comments. The point is that the newcomer must have a similarity to the established trade mark sufficient for the consumer to make an association. If that is not the case how can the earlier mark be affected in any material way? But even if the respective marks had been similar, that does not necessarily mean that the opponents would have succeeded with this ground. Both the ECJ and the CFI have reiterated the comment made in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 (in relation to Section 10(3)), that the purpose of the Regulation is not to prevent registration of any mark which is identical or similar to a mark with a reputation.

74. In *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWCH 1878 Patten J said at para 28:

"But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [*Premier Brands* at p. 789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s.10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark. But in relation to detriment the position is more

complicated. The association between two marks and therefore potentially between the products or services to which they relate may be detrimental to the strength and reputation of the earlier mark if it tarnishes it by association or makes it less distinctive. This is likely to take place as a consequence of the same mental process which links the two marks in the minds of consumers and is essentially a negative reaction and effect.”

75. In *Electrocoin Automatics Limited v Coinworld Limited and Others* [2005] FSR 7, Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge stated:

“ 102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

76. In *Daimler Chrysler v Alavi* (the *Merc* case) [2001] RPC 42 at para 88, Pumfrey J stated:

“In my view, the best approach is just to follow the section remembering Jacobs A.G.’s warning that it is concerned with actual effects, not risks or likelihoods...”.

77. The applicants are seeking to register a mark that is similar to the opponent’s mark to the extent that it in part contains the word BUBBLES. This is a word that is apt to describe the imagery used by the opponents and for which they have built a reputation, although, and significantly, the opponent’s marks are more often referred to in connection with the colour “blue” or as “blue water imagery”. As I have previously said, there is nothing novel in the argument that a trade mark composed of a word can describe, and on consideration be found similar to a trade mark consisting of an image corresponding to that description. The opponent’s mark is wholly visual, and may be referred to as “BUBBLE” marks but that does not mean the consumer will associate any mark incorporating the word “BUBBLE(S)” with the opponents.

78. An image that represents something, in this case BUBBLES, impacts upon the consciousness of the consumer in a manner that corresponds to the particular way in which it has been constructed. A mere description of element(s) that form that image may bring to mind a picture similar to that of the opponent’s use, and when used in relation to an area for which the opponent’s are so well known this must be beyond a mere likelihood. However, where the use is in relation to goods or services that are distant and disconnected from the opponent’s reputation, there is still a possibility that some may recall the opponent’s use, but that is no more than a risk. In this case, both may bring BUBBLES to mind, but that is as far as it goes. The mark applied for has other matter that moves the perception to something other than BUBBLES *per se*. I consider that if the applicants were to use their mark in relation to the goods for which they seek registration there is little, if any likelihood that it will be associated with the opponents and impact upon the distinctiveness of their “BUBBLE” mark. These will be just as distinctive for the goods and services for which they are used and registered.

79. In relation to detriment to the repute of the earlier mark, the CFI considered that this would occur where the goods or services of the mark applied for “have a characteristic or a quality which may have a negative influence on the image of an earlier mark”. The potential for detriment in this case is clear. From the evidence it would seem that the applicants use the ABSORBUBBLES mark in relation to a toilet tissue. Whilst this is a necessary hygienic article, it is probably not the sort of product that a high tech telecommunications company would wish to have brought to the consumers mind when seeing their mark. Would a consumer on seeing the applicant’s mark, make the leap to associate it with the opponent’s mark, particularly given its allusion to a characteristic of the goods which the opponents put higher as being directly descriptive. I see no reason why a consumer would make any connection, and consequently, how the opponent’s earlier mark or its reputation would be affected in any way.

80. As I have already said, the ground under Section 5(3) fails and is dismissed.

81. The opposition having failed on all grounds, the applicants are entitled to a contribution towards their costs. At the hearing I determined that following my decision on the substantive matters I would set a period of time for submissions on the matter of costs. I hereby direct that any submissions shall be made within two months of the date of this decision, after which I shall issue a supplementary decision.

Dated this 21 day of January 2008

**Mike Foley
for the Registrar
the Comptroller-General**