

O-167-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2414227
BY ADRENALINE BRANDS CORPORATION TO REGISTER A
TRADE MARK IN CLASS 9**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 94769 BY O2 HOLDINGS LIMITED**

BACKGROUND

1) On 17 February 2006 Adrenaline Brands Corporation (the applicant) applied to register the trade mark shown below:



2) Following examination, the application was accepted and published for opposition purposes on 11 August 2006 in Trade Marks Journal No.6645 for the following goods in class 9:

“Eyewear: sunglasses, glasses, frames, ski goggles and all sports and fashion eyewear.”

3) On 13 November 2006 O2 Holdings Limited (the opponent) filed a notice of opposition. This consists of grounds based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994. The opponent is the owner of a number of trade marks in a wide range of classes which consist exclusively of, or contain, either the element O2 or O₂. Full details of these trade marks can be found in the Annex to this decision.

4) In its Statement of Grounds the opponent states:

“4. The mark the subject of application No.2414227 is XO2 in a stylised form. The mark can only be pronounced as XO2 letters and numeral, and could not be seen as any other mark. The mark is therefore phonetically, visually and conceptually very similar to the opponent’s earlier trade mark registrations....

5. Not only does the opponent own registrations for the mark O2, which is contained wholly within the opposed application, but the opponent also has registrations for the mark containing the element O2 and additional elements. In particular, for the marks O2 XDA, O2 X3 and O2 X2, all including the letter “X” prominently in the mark... We submit that the opposed mark is phonetically and visually extremely similar to these earlier registrations....

6. The opponent’s O2 trade marks are very well known in the United Kingdom not only in the context of telecommunications services and equipment, but also for various merchandise items. This only serves to increase a likelihood of confusion between the trade marks in question.

7. The goods covered by the class 9 specification in the subject application are identical, or at least confusingly similar, to the goods covered by the some of the various registrations.....

Specifically the opponent is the proprietor of [CTMs for the trade marks O2 XDA and O2 Active] which include “optical apparatus and instruments” within their class 9 specification. In addition, the opponent is the proprietor of [UK registrations for the trade mark O2 for a range of goods in class 25]. The goods covered by the opposed application are therefore identical to those covered by the opponent’s registrations.



And



9. In addition, as a result of the huge reputation developed by the opponent in these marks, the opponent submits that use of the opposed application without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier registrations.”

5) On 27 February 2007 the applicant filed a Form TM8 and counterstatement, the latter of which consists, in essence, of a denial of the grounds on which the opposition is based. I do not propose to summarise all of the applicant’s comments here, but note that they say, *inter alia*:

“We are very surprised to receive an opposition to register XO2 in class 9 eyewear as we already have been trading as a brand in over 15 countries for almost five years.”

6) The applicant then explains that it is the owner of the following registrations:

Trade Mark	TM No.	App date.	Reg. date	Goods & services
	2289411	7.1.2002	14.6.2002	14 - Watches; jewellery. 16 - Printed matter; greeting cards, letters and stationery, gift wrapping; table cloth (paper), napkins, magazines, books. 25 - Clothing, footwear and headgear; beach and swimwear, fitness and sports wear; skiwear, running wear, football wear, leisure wear, running shoes, walking shoes, leisure shoes, t-shirts, sweat shirts. 28 - Sporting articles; toys; ski boots.
	2289412	7.01.2002	14.6.2002	14 - Watches; jewellery. 25 - Clothing, footwear and headgear; beach and swimwear, fitness and sports wear; ski

				wear, running wear, football wear, leisure wear, running shoes, walking shoes, leisure shoes, t-shirts, sweat shirts. 28 - Sporting articles; ski boots.
	2285710	15.11.2001	23.8.2002	14 - Watches; jewellery. 16 - Printed matter; greeting cards; letters and stationery; gift wrapping; tablecloth (paper); napkins. 25 - Clothing, footwear and headgear. 28 - Sporting articles; toys.
	2285708	15.11.2001	23.8.2002	14 - Watches, jewellery. 16 - Printed matter; greeting cards; stationery; gift wrapping; napkins; tablecloths made of paper. 25 - Clothing, footwear and headgear. 28 - Sporting articles; toys.

7) The applicant continues:

“2. The marks are not remotely similar, our mark XO2 has been developed as a specific figuremark which means extreme oxygen (Xo2) we already have both the version extremeO2 and xtremeO2 as our marks. O2 is known as a phone company/brand and not as an extreme sports brand as our brand. It is a huge difference in target consumer as well as positioning in the market.

And.

4. Xo2 has established itself as a sports/extreme sports brand throughout Europe and is also an EU mark. We sell into Sport2000 and Intersport in a number of countries (Europe’s two largest retail outlets for Sport).

5. We have been in the market since 2002 and 2009 is our sixth season as a brand.

6. O2 or adding an X, 3, 2 or other numbers seems to be only a way to block a use of O2 and X, which I personally had already developed before Cellnet changed to O2.”

8) Both parties filed evidence in these proceedings. The matter came to be heard on 11 June 2009, when the opponent was represented by Mr Julius Stobbs of Boulton Wade Tennant, its professional representatives in this matter; the applicant was represented by its Chief Executive Officer Mr Vicente Modahl.

OPPONENT'S EVIDENCE

9) This consists of three witness statements. The first, dated 28 January 2008, comes from Amanda Clay and is accompanied by 21 exhibits. Ms Clay explains that she is the Senior International Brand Manager of one of the subsidiary companies which form part of "The O2 Group of Companies", which includes: O2 Holdings Ltd, O2 (UK) Limited and O2 Germany GmbH & Co. OHG. Ms Clay has been with O2 (UK) Limited for five years and confirms that the information in her statement comes from her own personal knowledge or from company records.

10) Ms Clay says:

"...I have been asked to provide evidence to establish my company's reputation in their O₂ trade mark throughout Europe, prior to the date of the Application..."

11) It is at this point that I would normally provide a summary of Ms Clay's evidence. However, in this case it is not necessary for me to do so. This is because in its counterstatement the applicant comments to the effect that the opponent is known as a phone company, and that in his witness statement Mr Modahl says:

"23. We wholeheartedly agree that the O2 brand is one of the major mobile phone and telecommunications firms in Europe and I personally am one of their loyal clients using their I-phone. That is what O2 is known for and every consumer knows just that..."

12) At the hearing I asked Mr Modahl if he accepted that at the material date in these proceedings, 17 February 2006, the opponent had established a reputation in the United Kingdom in relation to their O₂ and O2 trade marks in connection with what Mr Stobbs referred to at the hearing as their "core" goods and services i.e. mobile telephones and accessories in class 9, telecommunication services in class 38 and as a provider of content to mobile telephones insofar as that content falls within class 41; Mr Modahl confirmed that he did.

13) For the sake of completeness, I should perhaps say that the two remaining witness statements are from Mr Stobbs (dated 26 February 2008) and Kathryn McKenna, a qualified translator with 1st Transnational Translations (dated 13 September 2007) accompanied by 4 exhibits. The purpose of these statements was to have admitted into these proceedings approximately three pages of comments made by a German Court (translated into English) in proceedings between O2 (Germany) GmbH & Co. OHG and Novartis AG. The full decision was not translated and the only parts of that translated which would appear helpful to the opponent are as follows:

“The high distinctiveness of the plaintiff brand in the area of mobile phone services and goods has an effect of normal intensity on the co-protected area of “optical apparatus and instruments” in any case. This applies directly because of the wide range of other goods and services also offered by the plaintiff in the ever increasing area of “mobile devices with photographic functions”.”

And

“Without making distinctions at first, one should consider the entirety of the averagely informed and interested consumer groups, at which the advertising for the defendant’s product is aimed, and not differentiate between those interested in the wide range of offerings of the plaintiff in the area of mobile phone services on the one hand and the defendant’s limited goods area of “contact lenses” on the other. In this respect, the defendant is wrong in assuming, in the question of product identity, that people interested in their goods offering of contact lenses would not generate an association to the plaintiff and their goods and services offering.”

APPLICANT’S EVIDENCE

14) This consists of two witness statements. The first, dated 17 September 2008, is from Vicente Modahl who is the applicant’s Chief Executive Officer. A good deal of Mr Modahl’s statement consists of submissions on the trade marks at issue in these proceedings and what he considers to be the differing markets in which the respective parties’ trade. While it is not necessary for me to summarise these submissions here, I will of course keep them in mind when reaching a decision.

15) Mr Modahl explains that in 1993 he worked as an international sports agent and coach for a number of athletes. He says that it was at this time that he thought of starting his own apparel and fashion brand. Having considered many logos for the brand he finally settled on Extremo2. He adds that in 2001 he attempted to progress the brand further, at which point the Extremo2 logo and design was registered and further logos i.e. Xo2 and Xtremo2 were developed and introduced.

16) The initial fashion collection was, he says, sold throughout Greater Manchester during the spring and summer of 2002. He adds that in 2004 the brand was licensed to a number of companies including Unioncon Europe in partnership with Unioncon Taiwan. He adds that Centre Court Fashion in Holland agreed an apparel license in 2004 and that during this period an endorsement and sponsorship programme was established for each licensee and the licensees developed and sold products against a royalty payment towards those rights. He goes on to say that Unioncon Taiwan and Centre Court Holland retailed 50,000 units of footwear through the USA and Europe. Exhibit 101 consists of two pages from SLAM magazine (dated June 2004) in which two pairs of X02 sports shoes (the Razzle and Sizzle) are featured. SLAM appears to be an American magazine and I note that the prices of the shoes are quoted in what I assume are US dollars.

17) Mr Modahl explains that in 2005 Unioncon Europe and Unioncon Taiwan parted company adding that this greatly affected the distribution of the brand throughout the USA; the licence

with Unioncon was not renewed. By 2005 Centre Court Fashion continued to establish and develop the Xo2 brand, with Xo2 enjoying representation in a range of retail chains including: Intersport, Sport2000, Sport 1 (Norway), MXSport, Sports World, INNO Department stores (Belgium) and within a large number of independent stores throughout Europe and Sri Lanka. He adds that items from Xo2 have been featured in both trade and consumer media. Exhibits 102-105 are as follows:

- 102 – consists of three pages from a publication entitled “N.Body” from June 2006. The publication (which is not in English and which bears a reference to Brussels) contains references to XO2 in relation to: “witte bikini”, “jurkje met Grafische print” and “bikini”.; all prices are in Euros;
- 103 - consists of two pages from a publication (whose title cannot be discerned) and which is also from June 2006. The publication (which again is not in English and which bears a reference to Amsterdam) contains a reference to an XO2 bikini; all prices are in Euros;
- 104 - consists of two pages from a publication entitled “VIVA” from May 2006. The publication (which again is not in English and which bears a reference to the Benelux) contains a reference to Xo2 in relation to a bikini; all prices are in Euros;
- 105 - consists of three pages from a publication entitled “Yes” which appears to be undated. The publication (which again is not in English) contains references to three bikinis from XO2; all prices are in Euros.

18) While Mr Modahl states “10...Retail was approximately 100,000 units throughout 15 countries”, it is not clear to me what goods he is referring to or the countries concerned. Mr Modahl explains that in 2007 the Board of Directors of Xo2 agreed to establish in-house manufacturing, distribution and sales and the licensing agreement with Centre Court Fashion Holland was not renewed; by that time, says Mr Modahl, the applicant had established retail sales of 2.5m Euros. He goes on to say:

“12...Eyewear registration was needed to cover all areas of natural and obvious growth for a surf and sports fashion brand, particularly as Xo2 had begun to manufacture and distribute skiwear at this time...”

19) Exhibits 106-112 consist of a range of invoices all from 2008 from the applicant to customers in the UK, Cyprus, Norway, Holland and Spain. All of these invoices contain (under the heading “Description”) the words: “Shipment Xo2 products summer 2008” (or similar wording to the same effect). The invoices are all of little or no assistance as they all originate from after the material date in these proceedings and none identify the goods concerned.

20) Mr Modahl continues:

“18. See exhibits [119-124]. These record the brands presence within the core heritage of Xo2’s specific trade. Particularly within surf and beach as well as music industry where

we already sponsor chart topping artists which are commonplace as part of the surf, street and fashion industry.”

21) Exhibits 119-124 are it appears all undated and their origin is unknown; they are of little or no evidential value.

22) Mr Modahl concludes his statement in the following terms:

“26...In my 25 years of experience within the industry I can see absolutely no way that within the two obvious industries (telephone and sports goods) that consumers could confuse the two logos which are very different in both look and combination.”

23) The second witness statement, dated 10 September 2008, is from John Vivermans the owner of Centre Court Fashion b.v. Like Mr Modahl his statement consists of submissions on the trade marks at issue and the respective markets in which the parties operate; I shall keep these submissions in mind when reaching my decision.

24) Mr Vivermans explains that he met Mr Modahl in the Autumn of 2003 when he worked for Unioncon Europe b.v. who in co-operation with Unioncon Taiwan had signed a licensing agreement to make a range of shoes for the Xo2 brand. While he was at the company, he states that 50,000 pairs of Xo2 branded shoes were produced and sold in central Europe and the USA. He explains that when he left Unioncon to form Centre Court Fashion, he bought the licence for Xo2 swim and street wear products, adding that the licensing period was from 2004 to the end of 2007. During this period the brand was developed and Xo2 products were sold to: Holland, Luxembourg, Belgium, Ireland, Norway, Austria, Malta, Cyprus, Estonia, Latvia, Finland and the Czech Republic. He confirms the outlets through which the brand was sold and the retail sales value achieved by the end of the licensing agreement. He adds that during the life of Centre Court’s licensing agreement, they regularly advertised in the following trade magazines: Sport Cult International (Holland), Pro Sport (Belgium) and Drapers (UK). He explains that they also used PR companies in the UK and Holland to place products in magazines and to promote the brand. No copies of the magazines or details of the PR firms concerned are provided.

25) Mr Vivermans states that in 2005 Xo2 sponsored the Miss Belgium beauty pageant, adding that eight of the twelve finalists wore Xo2 bikinis. He goes on to say that Xo2 sponsored a number of surfers from various countries including the UK, Brazil, the USA and Norway; these athletes were, he says, contracted to promote the brand and wear Xo2 products.

26) That concludes my summary of the evidence filed to the extent that I consider it necessary.

DECISION

27) The grounds of opposition are based upon sections 5(2)(b) and 5(3) of the Act. Section 5(2)(b) of the Act 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.”

28) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

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

29) In these proceedings the opponent is relying (generally) on the trade marks shown in the Annex to this decision, all of which have application dates prior to that of the instant application; as such they clearly qualify as earlier trade marks under the above provisions. Insofar as the ground of opposition under section 5(2)(b) is concerned, Mr Stobbs accepted at the hearing that the opponent’s strongest case was in relation to CTM 2623890 (O2XDA) and CTM 3044849 (O₂active) as both of these marks have a Class 9 specification which includes “Optical apparatus and instruments”. The application for registration was published for opposition purposes on 11 August 2006 and the registration procedure for the opponent’s earlier trade marks was completed on 28 July 2004 and 2 July 2004 respectively. Consequently, the registrations are not subject to The Trade Marks (Proof of Use, etc) Regulations 2004.

30) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *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, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). 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*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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.*,

(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*,

(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*,

(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.*,

(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*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(h) 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*,

(i) 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 and Adidas Benelux BV*,

(j) 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.*,

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

31) In essence the test under Section 5(2) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. In my consideration of

whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments of the European Court of Justice mentioned above. 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 different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponent's marks on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

32) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

33) The applicant accepted, at paragraph 12 above, that the opponent has a very considerable reputation under its “O₂” trade mark in its core business i.e. mobile telephones and accessories in class 9, telecommunication services in class 38 and as a provider of content to mobile telephones insofar as that content falls within class 41. Clearly, the marks are also inherently distinctive for these goods and services.

34) Both sides accepted at the hearing that the average consumer for the eyewear sought to be registered, must be the average citizen of the UK.

35) I shall first consider the specifications of both parties which are as follows:

Applicant's Specification	Opponent's Specification
Class 9: Eyewear: sunglasses, glasses,	CTM 2623890: Class 9: optical apparatus and instruments.

frames, ski goggles and all sports and fashion eyewear	CTM 3044849: Class 9: optical apparatus and instruments.
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36) Mr Stobbs referred me to the decision of the German Court during a recent case between his client and a manufacturer of contact lenses. Part of this had been translated and put in as part of the opponent's evidence. However they had not provided, in evidence, a translation of the more relevant part of the decision. Mr Stobbs had provided this as part of his skeleton argument and it reads:

“3. There is also an identity of goods between the goods protected for the trade marks of the Plaintiff from the area “optical apparatus and instruments” and the range of goods of the Defendants “contact lenses” which results in confusion. According to the understanding of the reasonably informed consumer, the origin of optical apparatus and instruments and of contact lenses does not necessarily lie with different manufacturers. On the contrary, the consumer rather sees at least some of the products from the goods area protected for the Plaintiff, such as lenses for optical apparatus and instruments and objectives, in very close proximity to the contact lenses offered specifically here by the Defending party.

In addition there is the fact that the Plaintiff is also quite specifically being associated with these goods, like other mobile telephone suppliers, in the understanding of the consumer due to the currently strongly growing market, particularly of mobile telephone devices with photographic functions.”

37) Mr Stobbs also referred to the later decision of the Munich Higher Regional Court which again formed part of his skeleton argument and which stated:

“There is at least a high similarity of goods between optical apparatus and instruments, on the one hand, and contact lenses, on the other hand- if not actually an identity of goods with a wide understanding of the terms “apparatus” and “instruments”.”

38) In my comparison of the specifications of the two parties I take into account the factors referred to in the opinion of the Advocate General in *Canon*; ETMR 1. In its judgment, the ECJ stated at paragraph 23:

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

39) I also take into account the views of Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet

preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

40) Further, I also bear in mind the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where he stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”


41) Although the opponent has the Class heading registered as its specification I take into account the wording of the Manual of Trade Mark Practice, Classification paragraph 4.1.9 which states:

“When a class heading is used as a specification, it loses its capacity to function as a class heading and becomes part of an application or registration as a statement of goods or services. It follows that the question of what a class heading includes or does not include is irrelevant and interpretation of the statement of goods or services may only be made by reference to the goods or services included in that statement.”

42) I must therefore consider the opponent’s specification with this practice in mind. To my mind the term “optical instruments and apparatus” would include eyewear in general and encompasses the whole of the applicant’s specification. Therefore, the specification applied for must be regarded as identical to both of the opponent’s specifications.

43) I now turn to consider the marks of the two parties. I am mindful of the guidance given by the ECJ in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* that assessment of similarity means more than taking just one component of a composite trade mark and comparing it with another mark and also in *Shaker di L. Laudato & C. Sas v OHIM* that only if other components are negligible is it permissible to make the comparison on the basis of the dominant element.

44) For ease of reference the marks of the parties are reproduced below:

Applicant’s mark	Opponent’s marks	
	CTM 2623890	O2 XDA
	CTM 3044849	<p style="text-align: center;">O₂ active</p>

45) At the hearing the applicant contended that those of a sporting disposition would view the letter X as standing for the word “extreme”. However, he agreed that the average consumer would view his mark simply as the letter “X” and “O₂. He states that the mark stands for “extreme oxygen” with the letter “X” for the word “extreme” and the letter “O” and numeral “2” being the usual chemical symbol for oxygen. I agree with this conclusion: even though the initial letter of his mark is somewhat stylised it is, I believe, still readily identifiable as a letter “x”.

46) I shall first compare the mark in suit with the opponent’s CTM 2623890. The dominant feature of the opponent’s mark is the “O₂” element as the letters “XDA” do not, as far as I am aware, have any meaning in relation to the goods in question in Class 9. This does not mean that the last three letters can be ignored but that they have less significance to the average consumer. Visually the first letter of the applicant’s mark is different to that of the opponent. There are other obvious differences but there remains a clear similarity in the “O₂” element. Aurally, the marks also have differences and also similarities. Conceptually they would both appear to be “oxygen” marks as this is the aspect that would spring to mind for most consumers.

47) I now turn to compare the mark in suit to the opponent’s CTM 3044849 mark. The opponent’s mark has the clear chemical symbol “O₂” in front of the word “active”. In terms of the goods in question which are, broadly speaking, eyewear, the word “active” can have a number of meanings. The sporting consumer may see this word when used on ski goggles or the like as being an affirmation of a life style, a marketing statement referring to the wearer as much as the product. Ordinary members of the public seeing this on glasses or sunglasses may assume that the lenses are “active” such as having the ability to change colour or shade dependent upon light levels. In either case the word “active” would be viewed as descriptive. Both visually and aurally there are clear differences between the mark in suit and the opponent’s mark but there are also similarities. Conceptually they are very similar with both being viewed as “oxygen” marks.

48) I now consider the issue of “Likelihood of confusion”. It is clear from the case law that there is interdependency between the various factors that need to be taken into account when deciding whether there exists a likelihood of confusion. I must also take into account that marks are rarely recalled perfectly with the consumer relying, instead, on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The opponent’s marks are registered for identical goods to the mark in suit and there are clear visual, aural and conceptual similarities between the marks despite some differences. Taking account of all of the above I believe that there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore succeeds.

49) I now turn to the ground of opposition under Section 5(3) which reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b)

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, 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."

50) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded) O/455/00, Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7, *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42, *Adidas-Salomon Ag v Fitnessworld Trading Ltd* [2004] ETMR 10, *Spa Monopole Compagnie Fermiere de Spa SA/NV v OHIM* [2005] ECR I-1825 and *esure Insurance Ltd v Direct Line Insurance plc* [2008] RPC 6.

51) The applicable legal principles arising from these cases are as follows.

a) 'Reputation' for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned with the products or services covered by that trade mark (paragraph 26 of the ECJ's judgment in *General Motors Corp. v Yplon SA (CHEVY)* [1999] ETMR 122).

b) Under this provision the similarity between the marks does not have to be such as to give rise to a likelihood of confusion between them; the provision may be invoked where there is sufficient similarity to cause the relevant public to establish a link between the earlier mark and the later mark or sign, *Adidas Salomon v Fitnessworld*, paragraph 29.

c) The existence of the link must be appreciated globally, taking into account all factors relevant to the circumstances of the case, *Adidas Salomon v Fitnessworld*, paragraph 30

d) The link must be such that it would cause real as opposed to theoretical effects: *Intel v Sihra* and *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWHC 1878 (Ch).

e) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J. in *Premier Brands UK Limited v Typhoon Europe Limited* [2000] FSR 767).

f) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (per Neuberger J. in *Premier Brands*, and the ECJ in *CHEVY*, paragraph 30).

g) There is detriment to the distinctive character of the earlier mark where it is no longer capable of arousing immediate association with the goods or services for which it is

registered. There is detriment to the repute of the earlier mark where the goods or services for which the later mark is used appeal to the public's senses in such a way that the earlier mark's power of attraction is diminished: *Spa Monopole v OHIM* [2005] ETMR 109 (CFI). These concepts have also been described as blurring or tarnishing the earlier mark (paragraph 88 of Pumfrey J.'s judgment in *Daimler Chrysler v Alavi* (MERC) [2001] RPC 813).

h) Unfair advantage is taken of the distinctive character or the repute of the earlier mark where there is clear exploitation and free-riding on the coat-tails of a famous mark or an attempt to trade upon its reputation: *Spa Monopole v OHIM*.

52) I also take into account the ECJ guidance in relation to the interpretation of article 4(4)(a) of the Directive, in Case C-252/07 *Intel Corporation Inc v CPM United Kingdom Limited* (*INTELMARK*):

“30. The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them ...

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

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

53) Later, the Court said:

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

54) Once the matter of reputation is settled any opponent must then show how the earlier trade mark would be affected by the registration of the later trade mark. Both tests require very high hurdles to be cleared. The onus is upon an opponent to prove that his earlier trade mark enjoys a significant reputation or public recognition and he needs to furnish the evidence to support his claim. The applicant has accepted that the opponent has a very considerable reputation under its “O₂” trade mark in its core business i.e. mobile telephones and accessories in class 9, telecommunication services in class 38 and as a provider of content to mobile telephones insofar as that content falls within class 41. The opponent stated that under this ground its strongest case resided within its trade mark 2279371 “O₂”. This mark clears the considerable first hurdle required by *Chevy*.

55) The marks of the two parties are “XO₂” and “O₂”. To my mind the marks are very similar visually and aurally although they differ in that the applicant’s mark has the letter “X” as its first letter. Usually in short marks such differences are very important particularly when they come at the start of the mark. However, in this instance the “O₂” element of the applicant’s mark is meant to convey the term “oxygen” to the average consumer. This is exactly the same as the opponent’s mark. Mobile telephones, invidious as many of us find them, are part and parcel of everyday life and, equally unfortunately, they are viewed, by some, as a statement of one’s lifestyle and also as a fashion accessory. Eyewear falls into the same category of goods even for those who require such products to correct defective eyesight. No-one deliberately purchases glasses which are unattractive or unsuitable. To my mind use of the mark in suit will lead to the average consumer believing that the goods of the applicant are those of the opponent or at least associated with the opponent. Thus the applicant would be taking unfair advantage of the opponent’s reputation and this would be detrimental to the opponent. The opposition under Section 5(3) therefore succeeds.

COSTS

56) As the opponent has been successful it is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1,600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of June 2009

**G W Salthouse
For the Registrar
The Comptroller-General**

ANNEX

Trade Mark	TM No/ Clauses	App date	Reg date	Goods and services
O2	2233188	19.5.2000	27.9.2002	<p>16 -Printed publications, namely books and magazines on topics of interest to women and children; posters, photographs; cels, namely two-dimensional prints, paintings and other reproductions of original frames of motion picture and television film.</p> <p>18 - Backpacks, knapsacks, tote bags, bum bags, portfolios, suitcases, hanging bags, overnight bags, school bags, book bags, beach bags, toiletry bags, wallets, key cases and umbrellas.</p> <p>25 - Hats, visors, ear muffs, bandanas, scarves, gloves, mittens, jackets, blazers, coats, pullovers, sweat shirts, sweaters, shirts, vests, pants, jeans, sweat pants, shorts, bathing suits, beach and bathing cover-ups, pyjamas, bathrobes, socks, shoes, boots, sneakers, sandals, slippers, underwear, body suits, leotards, tights, leggings, sweat bands and belts.</p> <p>38 - Television and radio broadcasting via cable, satellite, a global computer network and other means.</p> <p>41 - Entertainment services, namely motion picture, television, laser discs and videoproduction services; entertainment services, namely live performances in the nature of literary, comedy, dramas and theatrical performances; providing</p>

				information in the fields of entertainment by means of a global computer network.
O2	2249386B	19.10.2000	30.4.2004	<p>25 -Clothing, footwear, headgear.</p> <p>35 - Direct mail advertising; dissemination of advertising and promotional materials; compilation of mailing lists; manufacturers' representative services; preparation and issuing of publicity materials; market research; distribution and demonstration of goods and samples; business management advisory and consulting services, business services relating to the operation and management of business premises, stores, shops, stalls and markets; the bringing together for the benefit of others, of a variety of retail outlets, entertainment venues, shopping mall and shopping centre facilities and restaurants, enabling customers to conveniently view and purchase goods and make use of the services provided in a shopping centre or shopping mall.</p> <p>36 -Real estate agency services; real estate management and brokerage services; rental of commercial premises; property leasing services.</p> <p>37 - Real estate development services; shop fitting services; property maintenance services; interior refurbishment of buildings; maintenance, repair and renovation of buildings, facilities and parts and fittings thereof; cleaning of buildings (interior and exterior services) and facilities; consultancy and</p>

				<p>advisory services relating to the aforesaid.</p> <p>39 - Rental of garage and of parking places; provision of vehicle parking facilities; vehicle park services; delivery of goods by road; arranging the delivery of goods by road, air and by rail.</p> <p>41 - Education and training services in respect of staff recruitment and replacement, catering, estate agency, advertising, business management and interior design services; sporting and cultural activities; cinema, night club; amusement arcade services, but not including computer games; entertainment production and management services; theatre services; organisation of games, competitions and quizzes; bingo hall, snooker hall, night club, discotheque, dance hall and concert services.</p> <p>42 - Advisory and consultancy services in relation to the operation of retail outlets; kitchen, bedroom, bathroom, garden, conservatory and home design services; interior design services.</p>
O2 XDA	CTM 2623890	20.3.2002 (Priority claimed 21.09.2001)	28.7.2004	9 - Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, converting, storing, regulating and controlling electricity; apparatus for

				<p>recording, transmission or reproduction of sound, images and/or data; gramophone records; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculators, telecommunication devices, in particular for fixed network and mobile applications, but not including work stations, servers, computers, laptops and other computer hardware devices other than mobile hardware comprising personal digital assistants, mobile phones or other mobile handsets or mobile devices that are used or primarily rely on being used across or in relation to a mobile telecommunications network, including related accessories as made available from time to time.</p> <p>38 - Telecommunications; rental of telecommunication equipment; providing services in connection with online services, namely the transmission of messages and information of all kinds; telephone information services, in particular direct connection to the required connection, communication of telephone numbers, addresses, fax numbers.</p> <p>42- Engineering services; computer programming; computer programming services; providing of expert opinion; research (technical and legal) into industrial property matters; technical consultancy and providing of expertise; rental of data processing equipment and computers; vending machine rental services; administration</p>
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				<p>and exploitation of copyright; exploitation of industrial property rights; designing installations and equipment for telecommunications; network operator services, information broker services and provider services, namely arranging and leasing access time to data networks and computer databases, in particular on the Internet; database services; weather forecasting; arbitration services; research in the field of telecommunications engineering.</p>
O₂ active	CTM 3044849	20.2.2003	2.7.2004	<p>9 - Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound, images and/or data; data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; EDP and telecommunications software; telecommunications equipment, in particular for the fixed network and mobile radio sectors.</p> <p>16 - Paper, cardboard and goods made from these materials (included in class 16); printed matter, computer manuals</p>

				<p>(handbooks); bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (included in class 16); printers' type; printing blocks</p> <p>35 - Advertising; advertising and marketing for others, in particular on digital networks (webvertising); market research and/or opinion polling, including on the Internet; auctioneering, including on the Internet; rental of advertising space, including on the Internet; business administration; professional business consultancy; exhibitions for commercial or advertising purposes; arranging and concluding commercial transactions for others and/or arranging contracts for the buying and selling of goods and the providing of services, in particular on digital networks. including. on the Internet; business management services; personnel management advice; vending machine rental services; collating and systematic ordering of data in a computer database.</p> <p>36 - Insurance; financial affairs; monetary affairs; real-estate affairs.</p> <p>38 - Telecommunications; rental of telecommunication equipment; providing services in connection with online services, namely the</p>
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				<p>transmission of messages and information of all kinds; telephone information services, in particular direct connection to the required connection, communication of telephone numbers, addresses, fax numbers; transmission of data contained in a database; leasing access time to a database; network operator services, information broker services and provider services, namely arranging and leasing access time to data networks and databases, in particular on the Internet.</p> <p>41 - Providing of education; training; entertainment; sporting and cultural activities.</p> <p>42 - Engineering services; computer programming; computer programming services; providing of expert opinion; research (technical and legal) into industrial property matters; technical consultancy and providing of expertise; rental of data processing equipment and computers; administration and exploitation of copyright; exploitation of industrial property rights; designing installations and equipment for telecommunications; weather forecasting; arbitration services; research in the field of telecommunications engineering; creating software for databases.</p>
<p>O2 X3 O₂ X3</p>	<p>2360754 (series of 2)</p>	<p>13.4.2004</p>	<p>24.3.2006</p>	<p>9 - Apparatus for the transmission of sound and image; telecommunications apparatus; mobile telecommunication apparatus; mobile</p>

				<p>telecommunications handsets; computer hardware; computer software; computer software downloadable from the Internet; PDA's (Personal Digital Assistants), pockets PC's, mobile telephones, laptop computers; telecommunications network apparatus; drivers software for telecommunications networks and for telecommunications apparatus; computer software onto CD Rom, SD-Card, parts and fittings for all the aforesaid goods.</p> <p>38 - Telecommunications services; mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; Internet access services; email and text messaging service, support services relating to telecommunication networks and apparatus; monitoring services relating to telecommunications networks and apparatus; information and advisory services relating to the aforesaid.</p> <p>41 - Education; providing of training; entertainment; interactive entertainment services; electronic games services provided by means of any communications network; entertainment and information services provided by means of telecommunication networks; sporting and cultural activities; provision of news information; information and advisory services relating to the aforesaid.</p>
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<p>O2 X2 O₂X2</p>	<p>2360752 (series of 2)</p>	<p>13.4.2004</p>	<p>24.03.2006</p>	<p>9 - Apparatus for the transmission of sound and image; telecommunications apparatus; mobile telecommunication apparatus; mobile telecommunications handsets; computer hardware; computer software; computer software downloadable from the Internet; PDA's (Personal Digital Assistants), pockets PC's, mobile telephones, laptop computers; telecommunications network apparatus; drivers software for telecommunications networks and for telecommunications apparatus; computer software onto CD Rom, SD-Card, parts and fittings for all the aforesaid goods.</p> <p>38 - Telecommunications services; mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; Internet access services; email and text messaging service, support services relating to telecommunication networks and apparatus; monitoring services relating to telecommunications networks and apparatus; information and advisory services relating to the aforesaid.</p> <p>41- Education; providing of training; entertainment; interactive entertainment services; electronic games services provided by means of any communications network;</p>

				entertainment and information services provided by means of telecommunication networks; sporting and cultural activities; provision of news information; information and advisory services relating to the aforesaid.
	2287750 The applicant claims the colour blue as an element of the mark.	7.12.2001	22.8.2003	9 - Mobile communications apparatus and instruments and parts and fittings therefor. 38 - Mobile communications services; Internet portal services.
	2284489 The applicant claims the colour blue as an element of the mark.	1.11.2001	28.3.2003	9 - Mobile communications goods and parts and fittings therefor. 38 - Mobile communications services; Internet portal services.
O2 XDA O2XDA	2281604 (series of 2)	26.09.2001	27.9.2002	9 - Mobile communications apparatus and instruments and parts and fittings therefor.
	2279371 The applicant claims the colour blue (indigo) as an element of the mark.	31.8.2001	6.2.2004	9 - Mobile telecommunications apparatus; mobile telecommunications headsets. 38 - Mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; Internet access services; applications services provision.
O2	2264516	19.3.2001	7.6.2002	38 - Mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; Internet access services; applications services provision.

				<p>39 - Information services relating to business and holiday travel.</p> <p>42 - Facilitating business-to-business commercial transactions via electronic communications networks; providing access to and leasing access to electronic databases.</p>
O2	2271228	29.5.2001	27.9.2002	<p>38 - Internet portal services and telecommunications portal services.</p> <p>41 - News and current affairs information services.</p> <p>42 - Weather forecasting.</p> <p>45 - Fashion information services; horoscope forecasting.</p>
O2	CTM 2109627	28.2.2001	13.5.2004	<p>9 - Telecommunications apparatus and instruments.</p> <p>35 - Provision of advertising services to enable others to view and purchase goods over a global computer network.</p> <p>36 - Information services relating to finance.</p> <p>38 - Telecommunications services; telecommunication of information; provision of telecommunications access and links to computer databases and to the global computer network; electronic transmission services.</p> <p>39 - Provision of information relating to transport and travel.</p>